

This Preliminary Official Statement and the information contained herein are subject to completion and revision in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these Series 2024 Bonds in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration, qualification, or exemption under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT

Dated September 3, 2024
(Bonds to be sold September 10, 2024, 11:00 A.M. E.D.S.T.)

BOOK-ENTRY-ONLY-SYSTEM

NOT BANK QUALIFIED

RATING
MOODY'S: "Aa2"

In the opinion of Bond Counsel, under existing law (i) interest on the Bonds will be excludable from gross income of the holders thereof for purposes of federal income taxation and (ii) interest on the Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022, all subject to the qualifications described herein under the heading "TAX EXEMPTION." Interest on the Bonds is also exempt from income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and its political subdivisions.

ELECTRONIC BIDDING VIA PARITY

\$11,000,000*

CITY OF ELIZABETHTOWN, KENTUCKY GENERAL OBLIGATION BONDS SERIES 2024

Dated: Date of Delivery

Due: as shown below

The Bonds will be issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers will not receive certificates representing their ownership interest in the Bonds. Accordingly, principal, interest and premium, if any, on the Bonds will be paid by WesBanco Bank, Inc., Wheeling, West Virginia, as Paying Agent and Registrar, directly to DTC or Cede & Co., its nominee. DTC will in turn remit such principal, interest or premium to the DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Bonds. The Bonds will be issued in denominations of \$5,000 each or integral multiples thereof, and will bear interest payable on March 1, 2025 and thereafter semiannually on each March 1 and September 1.

The Bonds maturing on and after September 1, 2032 are subject to optional redemption prior to their stated maturities in whole or in part on any date on or after September 1, 2031 as set forth herein.

SCHEDULE OF MATURITIES

<u>Due</u>	<u>Cusip #</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>Due</u>	<u>Cusip #</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
9/01/25		\$390,000	%	%	9/01/35		540,000	%	%
9/01/26		405,000	%	%	9/01/36		560,000	%	%
9/01/27		415,000	%	%	9/01/37		580,000	%	%
9/01/28		430,000	%	%	9/01/38		605,000	%	%
9/01/29		445,000	%	%	9/01/39		630,000	%	%
9/01/30		460,000	%	%	9/01/40		655,000	%	%
9/01/31		475,000	%	%	9/01/41		680,000	%	%
9/01/32		490,000	%	%	9/01/42		705,000	%	%
9/01/33		505,000	%	%	9/01/43		735,000	%	%
9/01/34		525,000	%	%	9/01/44		770,000	%	%

Purchaser's Option - The Purchaser of the Bonds may specify to the Municipal Advisor that any Bonds may be combined with immediately succeeding sequential maturities into a Term Bond or Term Bonds, bearing a single rate of interest, with the maturities set forth above (or as may be adjusted as provided herein); said Term Bond(s) being subject to mandatory redemption on September 1 in each year in the principal amounts as set forth above.

The City deems this Preliminary Official Statement to be final for purposes of Security and Exchange Commission Rule 15c2-12, except for certain information which has been omitted in accordance with such rule and will be provided with the Final Official Statement.

The Bonds are offered when, as and if issued, subject to the approval of legality and tax exemption by Steptoe & Johnson PLLC, Louisville, Kentucky, Bond Counsel. Certain legal matters have been passed upon for the City by Ken Howard, Esq., City Attorney. The Bonds are expected to be available for delivery on or about September 24, 2024.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

*Preliminary, Subject to Permitted Adjustment

**CITY OF ELIZABETHTOWN, KENTUCKY
CITY COUNCIL**

Mayor

Jeff Gregory

City Council

Anthony Bishop
Bobby Tabb
Marty Fulkerson
Julia Springsteen
Virgil Willoughby
Cindy Walker

City Clerk

Jessica Graham

Director of Finance

Jeff Hawkins

City Attorney

Ken Howard, Esquire

BOND COUNSEL

Steptoe & Johnson PLLC
Louisville, Kentucky

MUNICIPAL ADVISOR

RSA Advisors, LLC
Lexington, Kentucky

PAYING AGENT/BOND REGISTRAR

WesBanco Bank, Inc.
Wheeling, West Virginia

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the City. No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representation, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The information and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

Upon issuance, the Bonds will not be registered by the City under any federal or state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency except the City will have, at the request of the City, passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

All financial and other information presented in this Official Statement has been provided by the City from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

Insofar as the statements contained in this Official Statement involve matters of opinion or estimates, even if not expressly stated as such, such statements are made as such and not as representations of fact or certainty, no representation is made that any of such statements have been or will be realized, and such statements should be regarded as suggesting independent investigation or consultation of other sources prior to the making of investment decisions. Certain information may not be current; however, attempts were made to date and document sources of information. Neither this Official Statement nor any oral or written representations by or on behalf of the City preliminary to sale of the Bonds should be regarded as part of the City's contract with the successful bidder or the holders from time to time of the Bonds.

References herein to provisions of Kentucky law, whether codified in the Kentucky Revised Statutes ("KRS") or uncodified, or to the provisions of the Kentucky Constitution or the City's ordinances or resolutions, are references to such provisions as they presently exist. Any of these provisions may from time to time be amended, repealed or supplemented.

As used in this Official Statement, "debt service" means principal of, interest and any premium on, the obligations referred to; "City" means the City of Elizabethtown; and "State" or "Kentucky" means the Commonwealth of Kentucky.

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PRELIMINARY OFFICIAL STATEMENT
\$11,000,000*
CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS, SERIES 2024

Dated Date: Date of Delivery

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide certain information with respect to the issuance of \$11,000,000* aggregate principal amount of General Obligation Bonds, Series 2024 (the "Bonds") of the City of Elizabethtown, Kentucky (the "City") as specified on the cover hereof.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Bonds to potential investors is made only by means of the entire Official Statement.

The Issuer

The Bonds are being issued by the City of Elizabethtown, Kentucky, a political subdivision of the Commonwealth of Kentucky (the "State" or "Commonwealth").

Sources of Payment for the Bonds

The Bonds are general obligation debt of the City. The basic security for the Bonds is the City's ability to levy an annual tax to pay the interest on and principal of the Bonds as and when the same become due and payable. (See "Authority, Purpose and Security" herein).

Purpose of the Bonds

The Bonds are being issued for the purpose of (i) financing the acquisition, construction and equipping of a new Fire Station, a Police Station expansion and other public projects (see "THE PLAN OF FINANCE" for more detail), and (ii) paying the associated costs of issuing the Bonds.

Description of the Bonds

The Bonds mature as indicated on the cover page hereof. The Bonds are being offered in fully registered form in denominations of \$5,000 or any integral multiple thereof (within the same maturity).

Redemption

The Bonds maturing on or after September 1, 2032 are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after September 1, 2031, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Book Entry

Unless the successful purchaser notifies the City in writing within twenty-four hours of the award of the Bonds that it has elected (at such purchaser's expense) to take physical delivery of the Bonds, The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Bonds initially will be issued solely in book-entry form to be held in the book-entry only system maintained by DTC. So long as

*Preliminary, Subject to Permitted Adjustment

such book-entry system used, only DTC will receive or have the right to receive physical delivery of Bonds and, except as otherwise provided herein with respect to Beneficial Owners (as defined below) of beneficial ownership interests, Beneficial Owners will not be or be considered to be, and will not have any rights as, owners or holders of the Bonds under the Resolution. The following information about the book-entry only system applicable to the Bonds has been supplied by DTC. Neither the City nor the Paying Agent and Registrar make any representations, warranties or guarantees with respect to its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for in the aggregate principal amount of the Bonds and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Paying Agent and Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent and Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent and Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Participant and not of DTC or its nominee, the Paying Agent and Registrar or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent and Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Remarketing Agent and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Remarketing Agent's DTC account.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable but neither the City nor the Paying Agent and Registrar take any responsibility for the accuracy thereof.

NEITHER THE CITY NOR THE PAYING AGENT AND REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE PAYING AGENT AND REGISTRAR AS BEING A HOLDER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

Each Beneficial Owner for whom a Direct Participant or Indirect Participant acquires an interest in the Bonds, as nominee, may desire to make arrangements with such Direct Participant or Indirect Participant to receive a credit balance in the records of such Direct Participant or Indirect Participant, to have all notices of redemption, elections to tender Bonds or other communications to or by DTC which may affect such Beneficial Owner forwarded in writing by such Direct Participant or Indirect Participant, and to have notification made of all debt service payments.

Beneficial Owners may be charged a sum sufficient to cover any tax, fee, or other governmental charge that may be imposed in relation to any transfer or exchange of their interests in the Bonds.

The City and the Paying Agent and Registrar cannot and do not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute payments of debt service on the Bonds made to DTC or its nominee as the registered owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a

timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

DTC may determine to discontinue providing its service as securities depository with respect to the Bonds at any time by giving notice to the City and discharging its responsibilities with respect thereto under applicable law. In such event, the Resolution provides for issuance of fully registered Bonds ("Replacement Bonds") directly to the Beneficial Owners of Bonds, other than DTC or its nominee, only in the event that DTC resigns or is removed as the securities depository for the Bonds. Upon the occurrence of this event, the City and the Paying Agent and Registrar may appoint another qualified depository. If the City and the Paying Agent and Registrar fail to appoint a successor depository, the Bonds shall be withdrawn from DTC and issued in fully registered form, whereupon the City shall execute and the Paying Agent and Registrar, as authenticating agent, shall authenticate and deliver Replacement Bonds in the denomination of \$5,000 or integral multiples thereof. The City will pay for all costs and expenses of printing, executing and authenticating the Replacement Bonds. Transfer and exchange of such Replacement Bonds shall be made as provided in the Resolution.

Tax Exemption; Not Bank Qualified

Under the laws, regulations, rulings and judicial decisions in effect as of the date hereof, interest, including original issue discount, if any, on the Bonds is excludable from gross income for Federal income tax purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"). Furthermore, interest on the Bonds will not be treated as a specific item of tax preference, under Section 57(a)(5) of the Code, in computing the alternative minimum tax for individuals and corporations. In rendering the opinions in this paragraph, Bond Counsel has assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. Bond Counsel expresses no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Bonds. Interest on the Bonds is also exempt from income taxation and the bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

The City has NOT designated the Bonds as "qualified tax-exempt obligations" with respect to certain financial institutions under Section 265 of the Internal Revenue Code of 1986, as amended.

Parties to the Issuance of the Bonds

The Registrar and Paying Agent is WesBanco Bank, Inc., Wheeling West Virginia. Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the approving legal opinion of Steptoe & Johnson PLLC, Louisville, Kentucky, Bond Counsel. The Municipal Advisor to the City is RSA Advisors, LLC, Lexington, Kentucky.

Authority for Issuance

Authority for the issuance of the Bonds is provided by Sections 66.011 through 66.171 of the Kentucky Revised Statutes ("KRS"), Sections 158 and 159 of the Constitution of the Commonwealth and an ordinance (the "Bond Ordinance") adopted by the City Council on August 5, 2024.

Disclosure Information

As a result of the City offering for public sale municipal securities in excess of \$1,000,000, the City will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said City will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

In the past five years the City has filed all of its financial reports in a timely manner as required by its Continuing Disclosure Agreements. The City has adopted written procedures to ensure timely filings going forward.

Financial information regarding the City may be obtained from the City's Director of Finance, City Hall, 200 W. Dixie Avenue, Elizabethtown, Kentucky 42702 (PHONE: 270-765-6121).

The City deems this Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof, and certain pages herein which have been omitted in accordance with the Rule and will be provided with the final Official Statement.

Additional Information

Additional information concerning this Official Statement, as well as copies of the basic documentation relating to the Bonds, is available from RSA Advisors, LLC, Municipal Advisor to the City of Elizabethtown, 147 East Third Street, Lexington, Kentucky 40508, telephone (859) 977-6600, Attn: Joe Lakofka.

DESCRIPTION OF THE BONDS

The Bonds are to be dated September 24, 2024 and bear interest from such date at the rates set forth on the cover page of this Official Statement. The Bonds are being issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.

Interest on the Bonds is payable semi-annually on September 1 and March 1, commencing March 1, 2025.

Optional Redemption

The Bonds maturing on or after September 1, 2032 are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after September 1, 2031, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Authority, Purpose and Security

The Bonds have been authorized by an ordinance passed and adopted by the City Council (Bond Ordinance) pursuant to the authority of Sections 158 and 159 of the Constitution of the Commonwealth of Kentucky and Sections 66.011 through 66.171 of the Kentucky Revised Statutes.

The proceeds of the Bonds (together with other funds available for such purpose) will be applied to (i) financing the acquisition, construction and equipping of a new Fire Station, a Police Station expansion and other public projects (see "THE PLAN OF FINANCE" for more detail), and (ii) paying the associated costs of issuing the Bonds.

Under the Bond Ordinance and Section 159 of the Kentucky Constitution the City is required to levy and collect an annual tax on all property subject to City taxation sufficient to provide for the maturing principal and accruing interest requirements of the Bonds (the "Bond Tax") if other taxes and revenues of the City are not sufficient to meet the debt service obligations on the Bonds.

The Bonds are general obligations of the City, and the full faith, credit, and taxing power of the City are irrevocably pledged to the payment of the principal of and interest on the Bonds as and when due and payable. The basic security for general obligation indebtedness of the City, including the Bonds, is the City's ability to levy, and its pledge to levy, an annual tax to pay the principal of and interest on all general obligation indebtedness of the City, including the Bonds, as and when the same become due and payable. The tax must be levied in sufficient amount to pay, as and when the same become due and payable, the principal of and interest on all outstanding general obligation bonds, including the Bonds, and other outstanding general obligation indebtedness of the City. Under Section 159 of the Kentucky Constitution, the City is required to collect an annual tax sufficient to pay the interest on all authorized indebtedness and to establish and maintain a sinking fund for the payment of the principal amount thereof. The Bond Resolution provides for the levy of such annual tax, which tax shall be collected to the extent other lawfully available moneys of the City are not provided or otherwise available. The Bond Ordinance also creates and provides for the maintenance of a Sinking Fund, into which the proceeds of such annual tax or other lawfully available moneys of the City are to be deposited for the payment of the principal of and interest on the Bonds and all other general obligation indebtedness of the City, and the amounts on deposit in the Sinking Fund shall not be used for any other purpose.

Section 66.400 of the Kentucky Revised Statutes, as amended (the "Municipal Bankruptcy Law"), permits any political subdivision, public agency, or instrumentality of the Commonwealth, such as the City, for the purpose of enabling such political subdivision, public agency, or instrumentality to take advantage of the provisions of Chapter 9 of the United States Bankruptcy Code and, for that purpose only, (i) to file a petition stating that such political subdivision, public agency, or instrumentality (a) is insolvent or unable to meet its debts as they mature, and (b) desires to effectuate a plan for the composition or readjustment of its debts, and (ii) to take any further proceedings as are set forth in the United States

Bankruptcy Code, as they relate to such political subdivision, public agency, or instrumentality. Under the Municipal Bankruptcy Law, the City does not need the approval or permission of the Kentucky Department for Local Government's State Local Debt Officer or any other governmental authority before availing itself of the bankruptcy process. In addition, under the Municipal Bankruptcy Law, the City may be authorized to initiate Chapter 9 bankruptcy proceedings without any prior notice to or consent of its creditors, which bankruptcy proceedings may result in a material and adverse modification or alteration of the rights of the City's secured and unsecured creditors, including the holders of its bonds and notes.

The Municipal Bankruptcy Law provides that (a) a statutory lien exists on any tax revenues pledged for the benefit of general obligation debt; (b) such tax revenues are pledged for the repayment of the principal of and premium (if any) and interest on all outstanding general obligation indebtedness, regardless of whether such pledge is contained in the documents or proceedings authorizing such indebtedness; and (c) such pledge constitutes a first lien on such tax revenues. In addition, the Municipal Bankruptcy Law also creates a statutory lien on annual appropriations for the payment of any obligations subject to annual renewal, including, without limitation, any leases entered into under Chapter 58 and Chapter 65 of the Kentucky Revised Statutes.

The validity and priority of the statutory lien imposed by the Municipal Bankruptcy Law have not been adjudicated in any Chapter 9 bankruptcy proceeding or otherwise.

THE PLAN OF FINANCE

The proceeds of the Bonds will be applied to (i) financing the acquisition, construction and equipping of a new Fire Station, a Police Station expansion and other public projects, and (ii) paying the associated costs of issuing the Bonds. Upon delivery of the Bonds sufficient proceeds shall be deposited in a Construction Fund and used to acquire, construct and equip the Projects. The Projects are further described as follows:

Fire Station Project

The City of Elizabethtown currently has three stations providing fire protection services city-wide with an ISO rating of 2. These stations are manned full-time by 46 firefighters and a command staff of 20. A new facility to be known as Fire Station #4. The station will be built at 902 North Mulberry Street, Elizabethtown, KY. The approximately 11,000 square foot facility includes vehicle bays for equipment to primarily serve the Interstate-65, Exit 94 and eastern sector of the city. In addition, there are living quarters, kitchen, break room and training area for the three shifts of firefighters who will be stationed at this location.

Police Station Project

The City of Elizabethtown Police Department is currently located at 300 South Mulberry Street, Elizabethtown, KY in a facility originally built in 2003. This single facility serves as the operations center for a department of 109 people, including 60 sworn officers and 17 command staff with additional staff members providing IT, dispatch, administrative and public safety garage support. The project will renovate the approximately 40,000 square facility and add a separate, new 4,000 square foot building to contain specialty vehicle storage and physical fitness training areas. The existing station will be renovated to create additional detective offices, interview rooms, training areas, relocation of the IT facilities and office support area and create additional workstations for future staffing levels. Additionally, the interior of the facility will be renovated with new flooring and paint.

Estimated Sources and Uses of Funds

Sources of Funds

Par Amount of Bonds \$

Total \$

Uses of Funds

Deposit Construction Fund

Underwriter's Discount

Costs of Issuance

Total

INVESTMENT CONSIDERATIONS

The Bonds, like all obligations of state and local government, are subject to changes in value due to changes in the condition of the tax-exempt bond market and/or changes in the financial condition of the City.

Prospective purchasers of the Bonds may need to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the Internal Revenue Code of 1986, as amended, upon their acquisition, holding or disposition of the Bonds.

It is possible under certain market conditions, or if the financial condition of the City should change, that the market price of the Bonds could be adversely affected.

PROFILE OF THE CITY AND SURROUNDING AREA

Demographic, economic and financial information with respect to the City and the surrounding area is set forth in Appendix A hereto.

CITY GOVERNMENT

Organization and Major Offices

The City operates pursuant to the general statutes of the Commonwealth of Kentucky governing municipalities.

Elected and Appointed Officials

The City Council (the "Council") is made up of a Mayor and six Members of Council elected at large by the citizens on a non-partisan ballot. The Mayor is elected for a four-year term and Members of Council for a two-year term. The Mayor and Members Council have equal voting power. The Council sets the policies that govern the City. It appoints advisory citizen groups that help in the decision-making process.

Financial Matters

The City's fiscal year commences July 1 and ends the following June 30.

The administrative functions of the City are performed by or under the supervision of the following:

1. Establishment of overall financial policy: the Council.
2. Planning and development: the Council.
3. Assessment of real and personal property: the Hardin County Property Valuation Administrator.
4. Financial control functions: the City Treasurer.

5. Inspection and supervision of the accounts and reports of the City as required by law: the Auditor of Public Accounts and by independent certified public accountants.
6. Supervision and control of the operation of the Elizabethtown Utilities System: the Council.

Financial Management

The Council is responsible for appropriating the funds used to support the various City activities. The Council exercises its legislative powers by budgeting, appropriating, levying taxes, issuing bonds and notes, and letting contracts for public works and services to provide this financial management.

Financial Reports and Examinations of Accounts

Each City in the Commonwealth is required to record, keep and maintain its accounting records and render financial reports in such a way as to: (a) determine compliance with statutory provisions; and (b) determine fairly and with full disclosure the financial operations of consistent funds and account groups of the City in conformity with generally accepted governmental accounting principles.

As required by law, financial reports are prepared annually by the City and filed with the Kentucky Department of Local Government.

Budgeting and Appropriations Procedures

Detailed provisions for City budgeting, tax levies and appropriations are set forth and mandated by the Kentucky Revised Statutes. Cities are required to operate under an annual budget ordinance and no City may expend any moneys from a governmental or proprietary fund except in accordance with such budget. A budget proposal must be submitted to the City's legislative body no later than 30 days prior to the beginning of the fiscal year covered by the budget. Upon approval of the proposed budget, cities are required to submit the proposed budget to the State Local Debt Officer of the Commonwealth of Kentucky for approval. A proposed budget that has been approved by the State Local Debt Officer is required to be adopted by the Council no later than July 1 of each year or within ten days after receipt of the certified assessment from the Commonwealth of Kentucky, whichever is later. No budget ordinance may be adopted which provides for appropriations to exceed revenues in a fiscal year. The full amount estimated to be required for debt service during the budget year must be appropriated. The State Local Debt Officer is authorized to initiate proceedings to compel compliance by the City officials with the requirements imposed by Kentucky law on counties for the administration of their financial affairs.

Investment Policies

Section 66.480 of the Kentucky Revised Statutes sets forth the requirements and limitations for investments of the state's political subdivisions, including the City. Under that Section, the City must adopt an investment policy and may invest its funds only in the classifications of obligations which are eligible for investment, which are as follows:

- (a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;
- (b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States governmental agency, including but not limited to:
 1. United States Treasury;
 2. Export-Import Bank of the United States;
 3. Farmers Home Administration;
 4. Governmental National Mortgage corporation; and
 5. Merchant Marine bonds;
- (c) Obligations of any corporation of the United States government, including but not limited to:
 1. Federal Home Loan Mortgage Corporation;
 2. Federal Farm Credit Banks;
 3. Bank for Cooperatives;

4. Federal Intermediate Credit Banks;
 5. Federal Land Banks;
 6. Federal Home Loan Banks;
 7. Federal National Mortgage Association; and
 8. Tennessee Valley Authority;
- (d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations permitted by KRS 41.240(d);
- (e) Uncollateralized certificates of deposit issued by any bank or savings and loan institutions rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- (f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- (g) Commercial paper rated in the highest category by a nationally recognized rating agency;
- (h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- (i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three highest categories by a nationally recognized rating agency; and
- (j) Shares of mutual funds, each of which shall have the following characteristics;
1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 2. The management company of the investment company shall have been in operation for at least five (5) years; and
 3. All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- (i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three highest categories by a nationally recognized rating agency; and
- (j) Shares of mutual funds, each of which shall have the following characteristics;
- (1) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 - (2) The management company of the investment company shall have been in operation for at least five (5) years; and
 - (3) All of the securities in the mutual fund shall be eligible investments pursuant to this section.

Future Borrowings of the City

The City does anticipate future borrowings for various City projects in the future however there are currently no specific projects or planned borrowings.

DEBT LIMITATION

Kentucky Constitution Section 158 provides that Cities with a population in excess of fifteen thousand shall not incur indebtedness in an amount exceeding 10% of the value of the taxable property therein, to be estimated by the last assessment previous to the incurring of the indebtedness. KRS 66.041 provides the same limitations as are set forth in Section 158 of the Constitution except that the limitations apply to "net indebtedness." In calculating "net indebtedness," KRS 66.031 provides that certain obligations of a City are not to be considered in the calculation, including self-supporting obligations, revenue bonds, and special assessment debt. The City will certify prior to the Closing on the Bonds that the amount of the outstanding obligations of the City (including the Bonds) that are subject to the total direct debt limit (10% limit) do not exceed such limitation. The total principal amount of

General Obligation debt that could be issued by the City, subject to the 10% total direct debt limitation is \$381,762,969 and the City's net debt subject to such limitation presently outstanding (including the Bonds) is \$29,660,000* leaving a balance of approximately \$352,102,969* borrowing capacity issuable within such limitation.

LEGAL MATTERS

General Information Regarding Bond Counsel

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status thereof are subject to the approving legal opinion of Steptoe & Johnson PLLC, Louisville, Kentucky, Bond Counsel. Upon delivery of the Bonds of the City to the successful bidder therefore the Bonds will be accompanied by an approving opinion dated the date of such delivery, rendered by Bond Counsel. A draft of such legal opinion for the Bonds is attached as Appendix E.

Bond Counsel has performed certain functions to assist the City in the preparation by the City of its Official Statement. However, Bond Counsel assumes no responsibility for, and will express no opinion regarding the accuracy or completeness of this Official Statement or any other information relating to the City or the Bonds that may be made available by the City or others to the bidders or holders of the Bonds or others.

Bond Counsel has reviewed the information contained in this Official Statement describing the Bonds and the provisions of the Bond Ordinance and related proceedings authorizing the Bonds, but Bond Counsel has not reviewed any of the financial data, computations, tabulations, balance sheets, financial projections, and general information concerning Elizabethtown City, and expresses no opinion thereon, assumes no responsibility for same and has not undertaken independently to verify any information contained herein.

Litigation

To the knowledge of the City, no litigation or administrative action or proceeding is pending or threatened directly affecting the Bonds, the security for the Bonds or the Projects being financed from the proceeds of the Bonds. A No-Litigation Certificate to that effect will be delivered to the purchaser at the time of the delivery of the Bonds.

TAX COVENANTS

The Ordinance provides that the City shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the City on the Bonds shall be excludable from the gross income of the recipients thereof for Federal income tax purposes under any valid provision of the Code.

The City shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause such Bonds to be "arbitrage Bonds" as defined in Section 148 of the Code, as then in effect.

The City further covenants that prior to the issuance of said Bonds and as a condition precedent to such issuance, the City shall certify by issuance of a certificate of the Mayor, supplemental to the Ordinance, that on the basis of the facts, estimates and circumstances in existence on the date of issue of said Bonds, it is not expected that the proceeds of said Bonds will be used in a manner which would cause such obligations to be "arbitrage Bonds" under the Code.

TAX EXEMPTION

Under the laws, regulations, rulings and judicial decisions in effect as of the dated date, interest (including any original issue discount properly allocable to an owner thereof) on the Bonds is excludable from gross income for Federal income tax purposes, pursuant to the Code. Furthermore, interest on the Bonds will not be treated as a specific item of tax preference in computing the alternative minimum tax for individuals and corporations; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In rendering the opinions in this paragraph, Bond Counsel has assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. Bond Counsel expresses no other opinion as to the federal tax consequences of purchasing, holding or disposing of the Bonds. Interest on the Bonds is also exempt from income taxation and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and any of its political subdivisions.

*Preliminary, subject to change.

The Bonds have NOT been designated as “qualified tax-exempt obligations” with respect to certain financial institutions under Section 265(b) (3) of the Code.

See Appendix E hereto for the form of the opinion Bond Counsel proposes to deliver in connection with the Bonds.

POTENTIAL LEGISLATION

No assurance can be given that any future legislation, including amendments to the Code, if enacted into law, or changes in interpretation of the Code, will not cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax exemption of such interest. In addition, current and future legislative proposals, if enacted into law, may cause interest on state or local government bonds (whether issued before, on the date of, or after enactment of such legislation) to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the amount of interest on such bonds that may currently be treated as tax exempt by certain individuals. Prospective purchasers of the Bonds should consult their own tax advisers regarding any pending or proposed federal tax legislation.

Further, no assurance can be given that the introduction or enactment of any such future legislation, or any action of the IRS, including but not limited to regulation, ruling, or selection of the Bonds for audit examination, or the course or result of any IRS examination of the Bonds or obligations which present similar tax issues, will not affect the market price for the Bonds.

CONTINUING DISCLOSURE

The City will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said City will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

In the past five years the City has filed all of its financial reports in a timely manner as required by its Continuing Disclosure Agreements. The City has also adopted written procedures to ensure timely filings going forward.

Financial information regarding the City may be obtained from the Director of Finance, City Hall, PO Box 550, 200 W. Dixie Avenue, Elizabethtown, Kentucky 42702 Phone: 270-765-6121.

ADDITIONAL INFORMATION

Additional information concerning this Official Statement, as well as copies of the basic documentation relating to the Bonds, is available from RSA Advisors, LLC, Municipal Advisor to the City of Elizabethtown, 147 East Third Street, Lexington, Kentucky 40508, telephone (859) 977-6600, Attn: Joe Lakofka.

The City deems this Preliminary Official Statement to be final for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for certain information on the cover page hereof, and certain pages herein which have been omitted in accordance with the Rule and will be provided with the final Official Statement.

RATING

As noted on the cover page of this Official Statement, Moody’s, a division of McGraw–Hill Companies has given the Bonds the indicated rating. Such rating reflects only the respective views of such organization. Explanations of the significance of the rating may be obtained from the rating agency. There can be no assurance that such rating will be maintained for any given period of time or will not be revised or withdrawn entirely by the rating agency, if in their judgement circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds were purchased at a competitive sale held on September 10, 2024, for underwriting to the public by _____ at a purchase price of _____. The initial public offering prices set forth on the cover page of this Official Statement may be changed by the Underwriter and the Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the offering prices set forth on the cover page.

MUNICIPAL ADVISOR

The Bonds will be sold by the solicitation and receipt of competitive bids. RSA Advisors, LLC, Municipal Advisor to the City, will receive a fee, subject to sale and delivery of the Bonds, for its advisory services.

MISCELLANEOUS

To the extent any statements made in this Official Statement involve matters of opinion or estimates, whether or not expressly stated to be such, such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the City from official and other sources and is believed by the City to be reliable, but such information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of the Bonds.

This Official Statement has been duly executed and delivered for and on behalf of the City of Elizabethtown, Kentucky, by its Mayor.

CITY OF ELIZABETHTOWN, KENTUCKY

JEFF GREGORY, MAYOR

APPENDIX A

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Demographic and Economic Data

CITY OF ELIZABETHTOWN, KENTUCKY

Elizabethtown is located in Central Kentucky and is located 45 miles south of Louisville, approximately 85 miles southwest of Lexington; and 130 miles north of Nashville, TN. Elizabethtown had a population of 31,121 in 2023.

Hardin County covers a total land area of 630 square miles and the City of Elizabethtown covers a total area of 25 square miles; and is located just south of the Ohio River.

The Economic Framework

In 2023, Elizabethtown had a labor force of 25,277 people and Hardin County had an unemployment rate of 4.1%. The top five jobs by occupation in Elizabethtown were as follows: Office and Admin Support – 3,480 (13.77%); Sales – 2,851 (11.28%); Executive, Managers, and Admin – 2,570 (10.17%); Production Workers – 1,993 (7.88%); Food Prep/Serving – 1,408 (5.57%).

LABOR MARKET STATISTICS

Population

Description	-----Estimate Year-----			
	2020	2021	2022	2023
Hardin County	110,829	111,878	111,743	112,273
Elizabethtown	26,261	31,120	31,773	31,121

Source: Kentucky Center for Statistics – University of Louisville, KY Dept. of Econ. Development

Population Projections

Description	Estimate Year		
	2025	2030	2035
Hardin County	115,110	118,974	122,367

Source: Kentucky Center for Statistics – University of Louisville

Unemployment Statistics

Description	-----Year Ending December 31-----				
	2019	2020	2021	2022	2023
County of Hardin					
Civilian Labor Force	49,901	47,386	46,527	46,808	47,422
Employment	47,164	44,082	44,413	44,821	45,471
Unemployment	1,937	3,304	2,114	1,987	1,951
Unemployment Rate	3.9%	7.0%	4.5%	4.2%	4.1%
State of Kentucky:					
Civilian Labor Force	2,064,637	2,005,210	2,010,884	2,030,274	2,026,263
Employment	1,979,803	1,874,863	1,921,355	1,948,312	1,941,994
Unemployment	84,834	130,347	89,529	81,962	84,269
Unemployment Rate	4.1%	6.5%	4.5%	4.0%	4.2%
US Comparable Rate:					
Unemployment Rate	3.7%	8.1%	5.3%	3.6%	3.6%

Source: The Kentucky Department for Employment Services, Not Seasonally Adjusted

LOCAL GOVERNMENT

Structure

Elizabethtown's Government structure consists of a Mayor and six Council Members. The Mayor serves a four-year term while the Council Members serve two-year terms. Hardin County is served by a Judge/Executive and three Magistrates. The Judge Executive and Magistrates are elected to serve a four-year term.

Planning and Zoning

Mandatory state codes enforced—Kentucky Plumbing Code, National Electric Code, Kentucky Boiler Regulations and Standards, Kentucky Building Code (modeled after BOCA code).

Sales and Use Tax

A state sales and use tax is levied at the rate of 6.0% on the purchase or lease price of taxable goods and on utility services. Local sales taxes are not levied in Kentucky.

State and Local Property Taxes

The Kentucky Constitution requires the state to tax all classes of taxable property, and state statutes allow local jurisdictions to tax only a few classes. All locally taxed property is subject to county taxes and school district taxes (either a county school district or an independent school district). Property located inside the city limits may also be subject to city property taxes. Property assessments in Kentucky are at 100% fair cash value. Accounts receivable are taxed at 85% of face value. Special local taxing jurisdictions (fire protection districts, watershed districts and sanitation districts) levy taxes within their operating areas (usually a small portion of community or county).

The table below lists the assessed property valuation as reported by the City of Elizabethtown:

	<u>2022</u>	<u>2024</u>
Residential	\$1,501,754,000	\$1,788,054,070
Commercial	\$1,375,531,000	\$1,687,186,050
Agricultural	\$10,121,000	\$14,271,820
Personal	\$492,162,000	\$510,347,354
Homestead Exemption	(\$106,399,000)	(\$118,475,950)
Agricultural Exemption	(\$47,049,000)	(\$63,753,669)
Total Assessed Value	<u>\$3,226,120,000</u>	<u>\$3,817,629,675</u>

Ten Largest Taxpayers

The following tables list the ten largest real property taxpayers and ten largest tangible property taxpayers of the City in 2023 as reported by the Hardin County Property Valuation Administrator.

<u>Rank</u>	<u>Taxpayer</u>	<u>Total Assessed Value</u>	<u>Percentage of Total</u>
1	Metalsa Struct Products Inc	\$33,101	1.03%
2	Arlington Park Apartments LLC	\$20,899	0.65%
3	Inland America	\$20,595	0.64%
4	Parkmall LLC	\$20,124	0.62%
5	Menard Inc	\$19,452	0.60%
6	AGC Flat Glass N. America Inc	\$18,400	0.57%
7	TDA Properties Inc	\$17,578	0.54%
8	Towne Mall LLC	\$14,970	0.46%
9	Hogan Holdings 56 LLC	\$13,640	0.42%
10	Two Winding Springs LLC	\$12,953	0.40%

EDUCATION

Public Schools

	<u>Hardin County Schools</u>	<u>Elizabethtown Ind. Schools</u>
Total ADA (2023-24)	13,050	2,280
Pupil-Teacher Ratio (2022)	15.2 - 1	15.5 - 1

Source: Kentucky Department of Education

Vocational Training

Vocational training is available at both the state vocational-technical schools and the area vocational education centers. The state vocational-technical schools are post-secondary institutions. The area vocational education centers are designed to supplement the curriculum of high school students. Both the state vocational-technical schools and the area vocational education centers offer evening courses to enable working adults to upgrade current job skills.

Arrangements can be made to provide training in the specific production skills required by an industrial plant. Instruction may be conducted either in the vocational school or in the industrial plant, depending upon the desired arrangement and the availability of special equipment.

Bluegrass State Skills Corporation

The Bluegrass State Skills Corporation, an independent public corporation created and funded by the Kentucky General Assembly, provides programs of skills training to meet the needs of business and industry from entry level to advanced training, and from upgrading present employees to retraining experienced workers. The Bluegrass State Skills Corporation is the primary source for skills training assistance for a new or existing company. The Corporation works in partnership with other employment and job training resources and programs, as well as Kentucky's economic development activities, to package a program customized to meet the specific needs of a company.

Technology Centers

<u>Institution</u>	<u>Location</u>	<u>Cumulative Enrollment 2022-23</u>
Boone County ATC	Hebron	187
Hardin County ATC	Alexandria	348
Carroll County ATC	Carrollton	286
Harrison County ATC	Cynthiana	444
Mason County ATC	Maysville	194

Source: Kentucky Department of Education

Colleges and Universities

<u>Institution</u>	<u>Location</u>	<u>Enrollment Fall 2022</u>
Art Academy of Cincinnati	Cincinnati	234
Miami University	Oxford	16,865
Mount Saint Joseph University	Cincinnati	1,423
Northern Kentucky University	Highland Heights	10,776
Thomas More College	Crestview Hills	1,829
University of Cincinnati	Cincinnati	29,989
Wilmington College	Wilmington	1,032
Xavier University	Cincinnati	2,981

Source: US News & World Report

EXISTING INDUSTRY

Firm	Product	Total Employed
<i>Elizabethtown</i>		
Bluegrass Tank & Equipment Inc.	Stainless steel tank fabricating, insulated food grade tank repair, service & manufacturer	48
Clinton Industries Inc.	Tool, dies & specialty machinery	13
EMP Corp.	Motor start relays	62
Elizabethtown Machine & Tool Co.	Machine shop	8
E-Town Truss, Inc.	Wooden roof & floor trusses	13
Inland Inc.	Innerbond products plus sealants, adhesives & caulks	14
Karbec LLC	Engineering, product design, and machine modification	12
RBT Services Inc.	Railcar, truck & barge bulk product transloading equipment	55
Structures USA LLC	Fabricated steel poles and structures	40
TMS Automotive LLC	Distribution, warehouse, auto parts washing/cleaning packaging, knitting	15

Source: Cabinet for Economic Development - 2020 Kentucky Directory of Manufacturers (January 8, 2020)

PROPERTY TAX RATES

	-----Tax Year 2019-----			-----Tax Year 2020-----			-----Tax Year 2021-----			-----Tax Year 2022-----			-----Tax Year 2023-----		
	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle
Hardin County-															
Extension Services	\$0.1645	\$0.0237	\$0.0146	\$0.0174	\$0.0258	\$0.0146	\$0.0180	\$0.0267	\$0.0146	\$0.0180	\$0.0260	\$0.0146	\$0.0180	\$0.0248	\$0.0146
General	\$0.1220	\$0.1250	\$0.1150	\$0.1240	\$0.1310	\$0.1150	\$0.1200	\$0.1260	\$0.1150	\$0.1160	\$0.1180	\$0.1150	\$0.1130	\$0.1130	\$0.1150
Health	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220	\$0.0220
Soil Conservation	\$0.0015	\$0.0000	\$0.0000	\$0.0015	\$0.0000	\$0.0000	\$0.0015	\$0.0000	\$0.0000	\$0.0015	\$0.0000	\$0.0000	\$0.0015	\$0.0000	\$0.0000
Totals:	\$0.1620	\$0.1707	\$0.1516	\$0.1649	\$0.1788	\$0.1516	\$0.1615	\$0.1747	\$0.1516	\$0.1575	\$0.1660	\$0.1516	\$0.1545	\$0.1598	\$0.1516
Schools-															
Elizabethtown	\$0.8340	\$0.8340	\$0.5380	\$0.8650	\$0.8650	\$0.5380	\$0.8830	\$0.8830	\$0.5380	\$0.8860	\$0.8860	\$0.5380	\$0.8870	\$0.8870	\$0.5380
Independent Schools															
Hardin Co. Schools	\$0.6350	\$0.6350	\$0.5400	\$0.6520	\$0.6520	\$0.5400	\$0.6520	\$0.6520	\$0.5400	\$0.6520	\$0.6520	\$0.5400	\$0.6520	\$0.6520	\$0.5400
City-															
Elizabethtown	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1160	\$0.1100	\$0.1100	\$0.1160

APPENDIX B

CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024

Estimated Debt Service Requirements

City of Elizabethtown, Kentucky

Estimated Annual Debt Service Requirements for the Series of 2024 Bonds

Fiscal Year Ended June 30	Principal	Interest	Total
6/30/2025		\$174,824	\$174,824
6/30/2026	\$390,000	\$393,850	\$783,850
6/30/2027	\$405,000	\$379,844	\$784,844
6/30/2028	\$415,000	\$366,010	\$781,010
6/30/2029	\$430,000	\$352,283	\$782,283
6/30/2030	\$445,000	\$338,283	\$783,283
6/30/2031	\$460,000	\$323,803	\$783,803
6/30/2032	\$475,000	\$308,843	\$783,843
6/30/2033	\$490,000	\$293,280	\$783,280
6/30/2034	\$505,000	\$277,111	\$782,111
6/30/2035	\$525,000	\$260,243	\$785,243
6/30/2036	\$540,000	\$242,400	\$782,400
6/30/2037	\$560,000	\$223,280	\$783,280
6/30/2038	\$580,000	\$202,610	\$782,610
6/30/2039	\$605,000	\$180,083	\$785,083
6/30/2040	\$630,000	\$156,000	\$786,000
6/30/2041	\$655,000	\$130,779	\$785,779
6/30/2042	\$680,000	\$104,243	\$784,243
6/30/2043	\$705,000	\$76,366	\$781,366
6/30/2044	\$735,000	\$47,023	\$782,023
6/30/2045	\$770,000	\$15,978	\$785,978
Totals:	\$11,000,000	\$4,847,131	\$15,847,131

APPENDIX C

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2023

CITY OF ELIZABETHTOWN, KENTUCKY
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:
DEPARTMENT OF FINANCE

Jeff Hawkins
Director of Finance

CITY OF ELIZABETHTOWN, KENTUCKY
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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INTRODUCTORY SECTION

JEFF HAWKINS
FINANCE DIRECTOR



200 West Dixie Avenue
P. O. Box 550
Elizabethtown, KY 42702
(270) 765-6121
jeff.hawkins@elizabethtownky.gov

CITY OF ELIZABETHTOWN
FINANCE DEPARTMENT

November 28, 2023

Honorable Mayor
Members of the City Council
City of Elizabethtown, Kentucky

We are pleased to submit the Annual Comprehensive Financial Report for the City of Elizabethtown for the fiscal year ended June 30, 2023. This report has been prepared by the Department of Finance in accordance with generally accepted accounting principles (GAAP), as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data presented and the completeness and fairness of presentation, including all disclosures, rests with the City. We believe the data as presented is accurate, that it is presented in a manner designed to fairly set forth the financial position and the results of operations of the City as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the City's financial affairs have been included.

City management's narrative on the financial activities of the City is in the Management's Discussion and Analysis (MD&A) section of the financial section of this report, immediately following the Independent Auditor's Report. The letter of transmittal is written to complement the MD&A and the financial statements, and should be read from that perspective and in conjunction with all other sections of the ACFR.

REPORTING ENTITY

The accompanying financial statements present the City's primary government and the component units over which the City exercises significant influence. Significant influence or accountability is based primarily on operational or financial relationship with the City (as distinct from legal relationships).

The Elizabethtown Tourism and Convention Bureau and Elizabethtown Airport Board are considered discretely presented component units as they are part of the City's annual budget. The Elizabethtown Tourism and Convention Bureau and Elizabethtown Airport Board issue separately audited financial statements, copies of which are available from the City Finance Department.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The Finance Department is responsible for establishing and maintaining the system of internal accounting control. This system strives to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. In addition, the Government's system of internal accounting control includes procedures to assure that transactions are executed in accordance with applicable laws and regulations in order to act as efficiently as possible.

Honorable Mayor
Members of the City Council
November 28, 2023
Page 2

The accounting policies of the City of Elizabethtown conform to accounting principles generally accepted in the United States of America applicable to governmental units. The accounts of the government 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 balances/net position, revenues and expenditures/expenses. The basis of accounting for each fund is that basis which is appropriate for the type of fund in accordance with generally accepted accounting practices. See the Notes to the Basic Financial Statements for a more detailed explanation.

The City Council annually approves the budget ordinance for the operating funds of the government. Budgetary control is maintained at the division level. Budgets are amended by ordinance approved during fiscal year. Annual budgets are adopted for: General Fund, Municipal Aid Program, Incentive Funds, Fire Protection Sinking Funds, Cemetery Funds, Special Project Grant, Narcotics Task Force Funds, Sewer Funds, and Natural Gas Funds. Encumbrance accounting is utilized during the fiscal year to facilitate effective budgeting control. Appropriations which have not been committed by June 30 lapse, except that capital projects may be re-appropriated at July 1, if the project is still authorized.

ECONOMIC DEVELOPMENT AND PROSPECTS FOR THE FUTURE

The Hardin County area was the talk of the State of Kentucky this year following the announcement of BlueOval SK. While the new joint venture between Ford Motor Company and SK International is not directly located within the City, growth is expected. Through economic impact studies, Elizabethtown is expected to see the largest growth in the region. Some estimates have the City growing by as much as 20,000 people. Along with BlueOval SK, at least two additional plants have been announced that will have supporting roles as direct suppliers to the venture. The Kentucky Whiskey House also broke ground on the City's first distillery and warehouse, which will put Elizabethtown on the Bourbon Trail. The Planning Office has been busier than ever before, fielding calls from all across the nation from businesses looking to expand in the area. Up to 3,000 apartments are either under construction or are being planned to help house our future residents. As said in prior years, the City's location and proximity to the interstate and parkway system along with our strong workforce make Elizabethtown attractive to any business looking to expand or relocate operations.

Alcohol sales continued to remain strong in Elizabethtown in fiscal year 2023. The City benefits by the collection of a regulatory fee on all alcohol sales. The City collects a regulatory fee to fund the hiring of additional police officers to assist with alcohol enforcement. In 2023 the City collected approximately \$193,000 in license fees, and \$1.6 million in regulatory fees. As designated by state statute, these fees must go towards the regulation and enforcement of alcohol laws, and we strictly adhere to those rules. With these fees, we have been able to increase the number of patrol officers on the street, provide aide to various agencies that help prosecute alcohol related offenses, and other agencies that help in both the prevention and recovery from alcohol-related dependencies. The City also hired a new full-time ABC Enforcement Officer to help monitor and regulate alcohol-related activities.

Honorable Mayor
Members of the City Council
November 28, 2023
Page 3

The Fund Balance in the General Fund decreased by approximately \$3.2 million during FY 2023 to \$39.9 million. The increase was due to additional staffing, increased capital spending, and generally higher costs for goods and services.

The Sports Park continues to flourish under the management of Sports Facilities Management (SFM). Events continue to grow and the park is being utilized more than ever. Large weekend tournaments coupled with local event leagues throughout the week have ensured the park remains busy. Restaurant tax collections of \$4.579 Million were more than adequate to fund the debt service of \$1.6 million in principle payments for the Park. The City and Tourism Commission continue to work well together in order to promote our City and provide opportunities for citizens and visitors alike.

The City's Parks and Recreation Department provides our citizens and visitors alike with numerous options to exercise and enjoy outdoor life. Freeman Lake continues to welcome families every day. At American Legion Park, tennis courts were transformed to pickleball courts and the new courts were well received.

After stronger than anticipated occupational revenues in fiscal year 2022, we budgeted our occupational tax revenue to grow in fiscal year 2023. Occupational Tax collections grew even more than expected in fiscal year 2023, generating 14.6% more than projected or \$2.6 Million. This increase is due to growth in our manufacturing and retail sectors, as well as higher wages paid to employees.

The City continued to prioritize solving drainage issues and maintaining City roadways, and plans to continue to use its Fund Balance to finance these projects in the future. During fiscal year 2023, the City increased its efforts on paving projects by spending more than 2 million dollars to keep our roads in top shape, and continued the upkeep and maintenance program for the numerous basins throughout the City. The City has completed the process of restoring the Buffalo Lake Reservoir, and has begun work on the next phase of the Henry Street stormwater drainage solution.

The Natural Gas Utility reported an operating loss of \$5.8 million. As was the case in the prior year, the Utility pays a share of the costs associated with the construction of our new Public Works facility without incurring any additional debt. A modest 20 cent per Mcf adjustment for the fixed distribution portion of the Gas Utility rate was instituted in July of 2012 to help offset rising costs such as retirement and health insurance. The rate has not been adjusted in several years. After higher prices in 2022, natural gas prices at the well head are back down to reasonable rates and the total cost to our customers will still be very attractive when compared to surrounding gas utilities.

The City is funding various sewer line projects through a low interest loan from the Kentucky Infrastructure Authority. The loan amount is approximately \$21 million. Debt service payments are currently being made on the KIA loan. The Sewer Utility showed operating income in the amount of \$700,000 for FY 2023. As with the Natural Gas Fund, the Sewer Fund helped internally fund the construction of the new Public Works Administration and Operations Facilities.

Honorable Mayor
Members of the City Council
November 28, 2023
Page 4

INDEPENDENT AUDIT

Kentucky revised Statute 91A.040 requires an annual audit of each fund of the City by an auditor of public accounts or a certified public accountant. This audit requirement has been conducted by the independent certified public accounting firm of Heartland CPAs and Advisors, PLLC, and their opinions have been included in this report.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Elizabethtown for its comprehensive annual financial report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

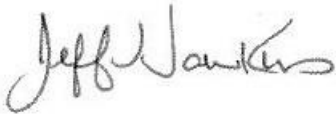
A Certificate of Achievement is valid for a period of one year only. The City of Elizabethtown has received a Certificate of Achievement for more than thirty consecutive fiscal years ended June 30. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENT

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to its preparation, and special thanks to Heartland CPAs and Advisors, PLLC.

We also thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Jeff Hawkins
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Elizabethtown
Kentucky**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

**CITY OF ELIZABETHTOWN
CITY OFFICIALS**

MAYOR: JEFF GREGORY

CITY COUNCIL: TONY BISHOP
MARTY FULKERSON
JULIA SPRINGSTEEN
CINDY WALKER
VIRGIL WILLOUGHBY
BILL WISEMAN

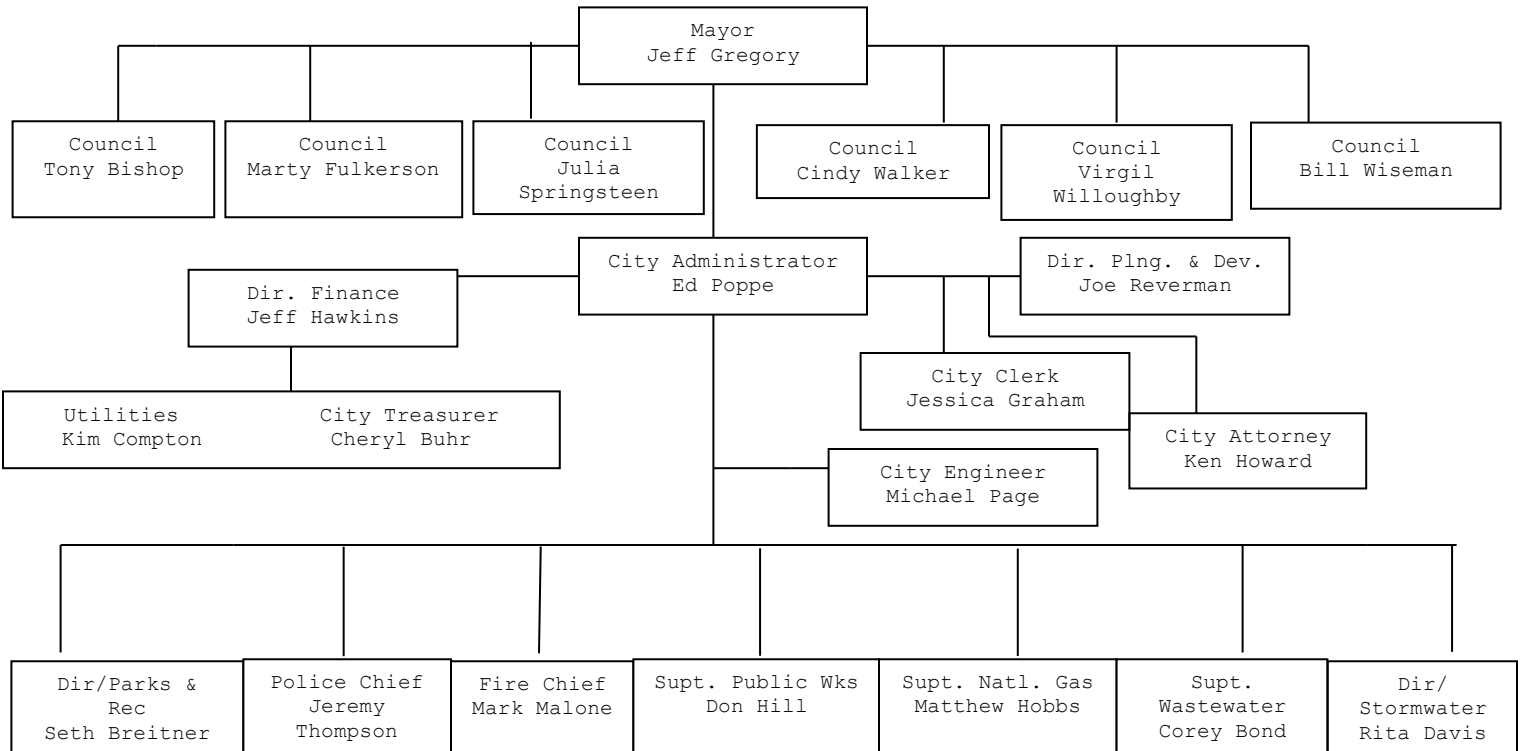
CITY ADMINISTRATOR: ED POPPE

FINANCE DIRECTOR: JEFF HAWKINS

TREASURER: CHERYL BUHR

CITY CLERK: JESSICA GRAHAM

ORGANIZATIONAL CHART



FINANCIAL SECTION



HCA

Heartland CPAs and Advisors PLLC

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor,
Members of the City Council
and Director of Finance
City of Elizabethtown, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Elizabethtown, Kentucky, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Elizabethtown, Kentucky, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Elizabethtown Tourism and Convention Bureau which represent 50 percent, 48 percent, and 95 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Elizabethtown Tourism and Convention Bureau, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Elizabethtown, 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 Elizabethtown, Kentucky's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Elizabethtown, 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 Elizabethtown, 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.

Emphasis of a Matter

As discussed in Note 1 to the financial statements, during the year ended June 30, 2023, the City adopted Governmental Accounting Standards Board Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, Statement 96, *Subscription-Based Information Technology Arrangements*, and Statement 99, *Omnibus 2022*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 to 16, budgetary comparison information on pages 62 and 63, pension and OPEB schedules on pages 64 to 71 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 Elizabethtown, Kentucky's basic financial statements. The combining and individual nonmajor fund financial statements, other supplementary information and schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 financial statements, other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2023, on our consideration of the City of Elizabethtown, 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 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 City of Elizabethtown, Kentucky's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Elizabethtown, Kentucky's internal control over financial reporting and compliance.



Heartland CPAs and Advisors, PLLC
Elizabethtown Kentucky
November 28, 2023

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELIZABETHTOWN, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
YEAR ENDED JUNE 30, 2023

The discussion and analysis of City of Elizabethtown, Kentucky's financial performance provides an overall review of the City's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to review the City's financial performance as a whole. Readers should also review the basic financial statements and notes to the basic financial statements to enhance their understanding of the City's financial performance.

FINANCIAL HIGHLIGHTS

- The ending cash and investment balance for the City was \$60.7 million.
- Governmental activities had \$54.6 million and business-type activities had \$20.7 million in revenue for the year.
- Governmental activities had \$51.4 million and business-type activities had \$25.6 million in expenses for the year.
- End-of-year capital assets listed at estimated cost less depreciation totaled \$211.1 million. The City added \$18.1 million in capital assets.

USING THIS ANNUAL REPORT

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

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

Component units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column of the government-wide financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units. The City's discretely presented component units issue separate audited financial statements which are available from the City finance department.

The statement of net position presents information on all of the City's assets, deferred outflows, liabilities and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements outline functions of the City that are principally supported by property taxes, sales taxes, license fees and permits, insurance premiums taxes, user charges and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, public works and recreation/tourism. The business-type activities of the City include water & sewer and gas operations. Capital assets and related debt are also supported by the revenue sources mentioned above. The government-wide financial statements can be found on pages 17 - 18 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental and proprietary funds. The proprietary funds are our water and sewer and gas operations and an internal service fund. All other activities of the City are included in the governmental funds. The basic governmental fund financial statements can be found on pages 19 - 25 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 61 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows exceeded liabilities and deferred inflows by \$178.1 million as of June 30, 2023. The largest portion of the City's net position reflects its investment in infrastructure and capital assets (e.g., land, buildings, vehicles, office equipment, technical equipment, construction and maintenance equipment, other equipment and construction in progress), less any related debt used to acquire those assets that is outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition, disposal and depreciation of capital assets. The City's combined net position decreased from \$179.8 million to \$178.1 million. Looking at the net position and net expenses of governmental and business-type activities separately, the change can be further explained due to the increases in pension and OPEB costs, payroll and revenue growth. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2).

(Table 1)
Net Position
June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 46,649,781	\$ 48,523,468	\$ 17,975,826	\$ 32,266,320	\$ 64,625,607	\$ 80,789,788
Capital Assets	139,634,927	135,431,957	78,855,020	71,626,719	218,489,947	207,058,676
Total Assets	186,284,708	183,955,425	96,830,846	103,893,039	283,115,554	287,848,464
Deferred Outflows of Resources	12,104,322	11,260,745	1,410,658	1,749,718	13,514,980	13,010,463
Long-term Debt	81,504,475	77,635,073	24,087,927	24,400,749	105,592,402	102,035,822
Other Liabilities	5,373,654	4,430,301	2,133,696	3,158,047	7,507,350	7,588,348
Total Liabilities	86,878,129	82,065,374	26,221,623	27,558,796	113,099,752	109,624,170
Deferred Inflows of Resources	4,741,453	9,579,967	704,137	1,833,012	5,445,590	11,412,979
Net Position						
Net investment in						
capital assets	116,914,768	111,323,847	54,287,156	53,245,118	171,201,924	164,568,965
Restricted	3,289,569	2,764,126	3,512,082	3,434,616	6,801,651	6,198,742
Unrestricted	(13,434,889)	(10,517,144)	13,516,506	19,571,215	81,617	9,054,071
Total Net Position	\$ 106,769,448	\$ 103,570,829	\$ 71,315,744	\$ 76,250,949	\$ 178,085,192	\$ 179,821,778

Governmental activity unrestricted net position, the portion of net position that can be used to finance day-to-day governmental operations (without constraints established by debt covenants, enabling legislation or other legal requirements), decreased 27.7% from (\$10.5) million to (\$13.4) million at June 30, 2023. This was primarily due to revenue growth, payroll increases and recording pension and OPEB expenses. Restricted net position, those restricted mainly for capital projects and debt service increased \$.5 million (19.01%). This was due to more debt funds. Net investment in governmental capital assets increased by \$5.6 million (5.02%). This was due to assets put in service, less depreciation.

Business-type activities unrestricted net position decreased by \$6.1 million or 30.9% at June 30, 2023. This was due primarily to operating losses in the gas fund. Restricted net position, those restricted mainly for capital projects and debt service was stable. Investment in business-type capital assets increased by \$1.0 million (1.96%). The net increase was due to capital asset purchases and decreases in debt.

(Table 2)
Change in Net Position
Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
REVENUES:						
Program revenues:						
Charges for services	\$ 9,244,035	\$ 6,912,485	\$ 20,053,625	\$ 21,408,821	\$ 29,297,660	\$ 28,321,306
Operating grants and contributions	5,059,344	6,142,991	-	-	5,059,344	6,142,991
Capital grants and contributions	2,238,090	3,144,744	-	-	2,238,090	3,144,744
General revenues:						
Property taxes	4,610,386	4,393,040	-	-	4,610,386	4,393,040
Franchise taxes	1,348,788	1,288,589	-	-	1,348,788	1,288,589
Insurance premiums tax	5,118,309	5,003,650	-	-	5,118,309	5,003,650
Transient room tax	1,154,673	1,008,302	-	-	1,154,673	1,008,302
Restaurant tax	4,579,235	4,127,012	-	-	4,579,235	4,127,012
Withholding tax	20,632,370	18,749,173	-	-	20,632,370	18,749,173
Net profits tax	5,853,733	4,603,243	-	-	5,853,733	4,603,243
Investment earnings	1,045,188	(182,170)	658,678	147,347	1,703,866	(34,823)
Miscellaneous	563,837	438,469	-	-	563,837	438,469
Total revenues	61,447,988	55,629,528	20,712,303	21,556,168	82,160,291	77,185,696
EXPENSES						
Program Activities						
Primary Government:						
General government	12,582,596	11,115,136	-	-	12,582,596	11,115,136
Public safety	20,028,276	18,751,086	-	-	20,028,276	18,751,086
Public works	7,915,425	7,591,522	-	-	7,915,425	7,591,522
Recreation/tourism	10,323,407	9,181,247	-	-	10,323,407	9,181,247
Interest costs	563,466	834,626	-	-	563,466	834,626
Business-type Activities:						
Gas	-	-	18,176,927	11,831,371	18,176,927	11,831,371
Sewer	-	-	7,470,581	6,294,094	7,470,581	6,294,094
Total expenses	51,413,170	47,473,617	25,647,508	18,125,465	77,060,678	65,599,082
Excess (deficiency) before special item	10,034,818	8,155,911	(4,935,205)	3,430,703	5,099,613	11,586,614
Special item - loss on Justice Center	(6,836,199)	-	-	-	(6,836,199)	-
Change in net position	3,198,619	8,155,911	(4,935,205)	3,430,703	(1,736,586)	11,586,614
Net position, beginning of year	103,570,829	95,414,918	76,250,949	72,820,246	179,821,778	168,235,164
Net position, end of year	\$ 106,769,448	\$ 103,570,829	\$ 71,315,744	\$ 76,250,949	\$ 178,085,192	\$ 179,821,778

The City's total revenues increased by \$4.9 million or 6.4%. The total cost of all programs and services increased by \$2.9 million or 8.3%. The increase in revenues in the governmental activities was primarily from an increase in tax revenue and the decrease in revenues in the business-type activities was a result of decreased charges for services. The special item was from the transfer of the Justice Center to the Commonwealth of Kentucky Administrative Office of the Courts in the governmental activities

Governmental Activities

Revenues for the City's governmental activities increased \$5.8 million 10.5% while total expenses increased \$3.9 million 8.3%. The increase in revenues was primarily from an increase in tax revenue. Expenses decreased due to changes in the net pension and OPEB liabilities and payroll increases.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows, for governmental activities, the total cost of services and the net cost of services. The net cost shows the financial burden/benefit that was placed/received on/by the City's taxpayers by each of these functions.

(Table 3)

	Governmental Activities Total		Net Cost of Services	
	Cost of Services		Net Cost of Services	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
General government	\$ 12,582,596	\$ 11,115,136	\$ 3,696,522	\$ 3,407,627
Public safety	20,028,276	18,751,086	16,463,134	15,070,526
Public works	7,915,425	7,591,522	7,021,834	6,735,527
Recreation/tourism	10,323,407	9,181,247	9,045,035	8,215,160
Interest costs	563,466	834,626	(1,354,824)	(2,155,443)
Total expenses	<u>\$ 51,413,170</u>	<u>\$ 47,473,617</u>	<u>\$ 34,871,701</u>	<u>\$ 31,273,397</u>

Business-Type Activities

The business-type activities include the gas and water and sewer operations. These activities had total revenues of \$20.7 million and expenses of \$25.6 million, for fiscal year 2023. Of the revenues, \$20.0 million was charges for services and the remaining was for investment income. Business-type activities receive no support from tax revenues. The City will continue to monitor the charges and costs of these activities. If it becomes necessary, the City will increase the charges for these activities.

The gas operation had a decrease in net position of \$5.6 million. Metered sales revenue decreased by \$1.1 million, distribution expenses increased by \$6.8 million and administrative and general expenses decreased by \$0.5 million.

The water and sewer operation had an increase in net position of \$698 thousand. Operating revenue increased \$0.5 million, investment income increased \$0.4 million and operating expenses increased \$1.2 million.

The City's Funds

Information about the City's major funds starts on page 19. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues and other financing sources of \$59.6 million and expenditures and other financing uses of \$62.4 million. The General Fund

experienced a \$3.3 million decrease in fund balance. This decrease was due to increased payroll costs. There were no tax or fee increases.

General Fund-Budget Highlights

The City's budget is prepared according to Kentucky law. The most significant budgeted fund is the General Fund.

For the General Fund, revenues were budgeted at \$38.0 million with actual amounts of \$9.5 million. The excess of actual over budgeted revenues is primarily a result of increases in tax revenue. Budgeted expenditures of \$50.6 million compare with actual expenditures of \$50.7 million. The excess of budgeted over actual expenditures is primarily due to more capital outlay.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2023 the City had \$211.1 million invested in a variety of capital assets, as reflected in the following table, and \$139.5 million in governmental activities. See Note 6 to the basic financial statements for additional information concerning capital assets.

(Table 4)
Capital Assets at June 30, 2022 and 2021
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 24,645,427	\$ 23,018,057	\$ 1,547,366	\$ 1,547,366	\$ 26,192,793	\$ 24,565,423
Buildings	42,719,843	49,711,167	31,335,318	32,178,255	74,055,161	81,889,422
Distribution and collection	-	-	37,310,037	36,451,986	37,310,037	36,451,986
Infrastructure	52,209,959	49,513,026	-	-	52,209,959	49,513,026
Vehicles	3,841,791	4,041,394	689,045	738,214	4,530,836	4,779,608
Office equipment	258,301	209,265	10,601	16,623	268,902	225,888
Technical equipment	2,173,360	2,057,515	301,072	318,200	2,474,432	2,375,715
Construction and maintenance equipment	1,313,533	1,914,431	395,626	376,075	1,709,159	2,290,506
Other equipment	874,716	919,928	-	-	874,716	919,928
Total	128,036,930	131,384,783	71,589,065	71,626,719	199,625,995	203,011,502
Construction in progress	11,456,163	4,047,174	-	-	11,456,163	4,047,174
Total	\$ 139,493,093	\$ 135,431,957	\$ 71,589,065	\$ 71,626,719	\$211,082,158	\$207,058,676

The following reconciliation summarizes the change in Capital Assets for the years ended June 30, 2023 and 2022:

(Table 5)
Change in Capital Assets
Years Ended June 30, 2023 and 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Beginning balance	\$ 135,431,957	\$ 133,156,624	\$ 71,626,719	\$ 73,073,605	\$207,058,676	\$206,230,229
Additions	21,722,293	14,919,723	2,187,841	759,595	23,910,134	15,679,318
Retirements	(13,148,546)	(8,222,473)	(24,189)	(44,691)	(13,172,735)	(8,267,164)
Depreciation	(4,512,611)	(4,421,917)	(2,201,306)	(2,161,790)	(6,713,917)	(6,583,707)
Ending balance	\$ 139,493,093	\$ 135,431,957	\$ 71,589,065	\$ 71,626,719	\$211,082,158	\$207,058,676

The City invested in additional land, buildings, infrastructure, distribution lines, vehicles and equipment during the fiscal year. The City also added police vehicles and several other vehicles and construction equipment. The City transferred the Justice Center to the Commonwealth of Kentucky Administrative Office of the Courts.

Debt

At June 30, 2023, the City had \$39.7 million in bonds and notes outstanding. A total of \$2.7 million is due within one year. See Note 9 to the basic financial statements for additional information concerning outstanding debt.

(Table 6)
Outstanding Debt
June 30, 2023 and 2022

	2023	2022
Governmental:		
Bonds	\$21,175,000	\$22,535,000
Notes	1,240,717	1,398,646
Sub-total	22,415,717	23,933,646
Business-type:		
Water & Sewer System Loans	17,301,909	18,381,601
Total	\$ 39,717,626	\$ 42,315,247

Principal payments for governmental activities were \$1.5 million and business-type activities were \$1.1 million.

City Challenges for the Future

The City continues to be financially sound. However, the current state and national financial climate requires the City to remain prudent.

The City of Elizabethtown will continue to use careful planning and monitoring of finances to provide quality services to its citizens.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, 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 and spends. If you have questions about this report or need additional financial information, contact Jeff Hawkins, Finance Director, P.O. Box 550, City Hall, Elizabethtown, Kentucky 42702-0550, (270) 765-6121.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Assets	Governmental Activities	Business- Type Activities	Total	Component Airport Board	Units Tourism & Convention
Current Assets					
Non-pooled cash and cash equivalents	\$ 2,479,579	\$ 14,206,179	\$ 16,685,758	\$ 445,135	\$ 8,109,624
Investments	36,793,521	-	36,793,521	-	-
Prepaid expenses	-	-	-	15,723	103,639
Receivables:					
Taxes-current	5,473,978	-	5,473,978	-	-
Taxes-delinquent	32,989	-	32,989	-	-
Accounts receivable	-	890,812	890,812	-	-
Unbilled accounts	-	265,212	265,212	-	-
Water system sale	-	289,022	289,022	-	-
Intergovernmental-State of KY	45,800	-	45,800	-	-
Intergovernmental-Indirect Federal	60,161	-	60,161	-	-
Intergovernmental-Direct Federal	-	-	-	-	-
Other receivables	1,249,775	-	1,249,775	-	744,195
Inventory	250,440	2,588,139	2,838,579	-	80,456
Internal balances	263,538	(263,538)	-	-	-
Total Current Assets	46,649,781	17,975,826	64,625,607	460,858	9,037,914
Noncurrent Assets					
Restricted cash and cash equivalents	-	3,512,082	3,512,082	-	-
Receivable - sale of water system	-	3,753,873	3,753,873	-	-
Non-depreciable capital assets	36,101,590	1,547,366	37,648,956	1,171,197	295,914
Depreciable capital assets, net of accumulated depreciation	103,391,503	70,041,699	173,433,202	8,553,021	918,836
Right to use - subscription asset, net of accumulated amortization	141,834	-	141,834	-	-
Total Noncurrent Assets	139,634,927	78,855,020	218,489,947	9,724,218	1,214,750
Total Assets	186,284,708	96,830,846	283,115,554	10,185,076	10,252,664
Deferred Outflows of Resources					
Deferred amount on debt refundings	61,533	-	61,533	-	-
CERS Pension	7,789,566	822,392	8,611,958	-	140,563
CERS OPEB	4,253,223	588,266	4,841,489	-	82,354
Total Deferred Outflows of Resources	12,104,322	1,410,658	13,514,980	-	222,917
Liabilities					
Current Liabilities					
Accounts payable	2,624,434	783,077	3,407,511	-	138,681
Accrued liabilities	796,654	154,168	950,822	-	69,045
Other liabilities	37,676	126	37,802	-	-
Interest payable	228,037	-	228,037	-	-
Current portion of customer deposits	-	47,391	47,391	-	-
Current portion of unearned lease income	-	-	-	1,221	-
Current portion of bond obligations	1,371,092	-	1,371,092	-	-
Current portion of KIA loan	-	1,111,304	1,111,304	-	-
Current portion of loans payable	-	-	-	24,319	-
Current portion of compensated absences	116,030	37,630	153,660	-	-
Current portion of subscription liability	37,143	-	37,143	-	-
Current portion of notes payable	162,588	-	162,588	-	-
Total Current Liabilities	5,373,654	2,133,696	7,507,350	25,540	207,726
Noncurrent Liabilities					
Noncurrent portion of unearned lease income	-	-	-	88,428	-
Noncurrent portion of bond obligations	20,031,591	-	20,031,591	-	-
Noncurrent portion of loans payable	-	-	-	163,803	-
Noncurrent portion of KIA loan	-	16,190,605	16,190,605	-	-
Noncurrent portion of notes payable	1,078,129	-	1,078,129	-	-
Noncurrent portion of customer deposits	-	426,519	426,519	-	-
Noncurrent portion of CERS net pension liability	47,035,925	5,809,677	52,845,602	-	556,634
Noncurrent portion of CERS net OPEB liability	13,025,621	1,585,864	14,611,485	-	153,895
Noncurrent portion of subscription liability	101,149	-	101,149	-	-
Noncurrent portion of compensated absences	232,060	75,262	307,322	-	-
Total Noncurrent Liabilities	81,504,475	24,087,927	105,592,402	252,231	710,529
Total Liabilities	86,878,129	26,221,623	113,099,752	277,771	918,255
Deferred Inflows of Resources					
Deferred Revenue	-	-	-	-	132,886
CERS Pension	827,680	99,873	927,553	-	80,719
CERS OPEB	3,913,773	604,264	4,518,037	-	105,961
Total Deferred Inflows of Resources	4,741,453	704,137	5,445,590	-	319,566
Net Position					
Net investment in capital assets	116,914,768	54,287,156	171,201,924	9,724,218	1,214,750
Restricted for:					
Fire Protection	21	-	21	-	-
Cemetery	2,130,157	-	2,130,157	-	-
Grants	45,800	-	45,800	-	-
Public safety	279,059	-	279,059	-	-
Capital projects	-	1,557,747	1,557,747	-	-
Debt service	834,532	1,954,335	2,788,867	-	-
Unrestricted	(13,434,889)	13,516,506	81,617	183,087	8,023,010
Total Net Position	\$ 106,769,448	\$ 71,315,744	\$ 178,085,192	\$ 9,907,305	\$ 9,237,760

The accompanying notes are an integral part of this statement.

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position				
	Expenses	Charges For Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- Type Activities	Total	Component Airport Board	Units Tourism & Convention
Primary government:									
Governmental activities:									
General government	\$ 12,582,596	\$ 5,327,880	\$ 3,238,394	\$ 319,800	\$ (3,696,522)	\$ -	\$ (3,696,522)	\$ -	\$ -
Public safety	20,028,276	2,364,681	1,200,461	-	(16,463,134)	-	(16,463,134)	-	-
Public works	7,915,425	273,102	620,489	-	(7,021,834)	-	(7,021,834)	-	-
Recreation/tourism	10,323,407	1,278,372	-	-	(9,045,035)	-	(9,045,035)	-	-
Interest on long-term debt	563,466	-	-	1,918,290	1,354,824	-	1,354,824	-	-
Total governmental activities	51,413,170	9,244,035	5,059,344	2,238,090	(34,871,701)	-	(34,871,701)	-	-
Business-type activities:									
Gas	18,176,927	12,416,578	-	-	-	(5,760,349)	(5,760,349)	-	-
Sewer	7,470,581	7,637,047	-	-	-	166,466	166,466	-	-
	25,647,508	20,053,625	-	-	-	(5,593,883)	(5,593,883)	-	-
	<u>\$ 77,060,678</u>	<u>\$ 29,297,660</u>	<u>\$ 5,059,344</u>	<u>\$ 2,238,090</u>	<u>(34,871,701)</u>	<u>(5,593,883)</u>	<u>(40,465,584)</u>	<u>-</u>	<u>-</u>
Component units:									
Airport Board	\$ 927,375	\$ 132,836	\$ 301,221	\$ -	-	-	-	(493,318)	-
Tourism and Convention	5,440,333	1,216,914	738,567	-	-	-	-	-	(3,484,852)
	<u>\$ 6,367,708</u>	<u>\$ 1,349,750</u>	<u>\$ 1,039,788</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(493,318)</u>	<u>(3,484,852)</u>
General revenues:									
Taxes:									
Property taxes, levied for general purposes					4,610,386	-	4,610,386	-	-
Franchise taxes					1,348,788	-	1,348,788	-	-
Insurance premiums tax					5,118,309	-	5,118,309	-	-
Transient room tax					1,154,673	-	1,154,673	-	-
Restaurant tax					4,579,235	-	4,579,235	-	-
Withholding tax					20,632,370	-	20,632,370	-	-
Net profits tax					5,853,733	-	5,853,733	-	-
Intergovernmental					-	-	-	-	5,766,243
Interest and investment earnings					1,045,188	658,678	1,703,866	831	284,889
Miscellaneous					563,837	-	563,837	-	636
Special item - loss on Justice Center					(6,836,199)	-	(6,836,199)	-	-
Total general revenues and special item					38,070,320	658,678	38,728,998	831	6,051,768
Change in net position					3,198,619	(4,935,205)	(1,736,586)	(492,487)	2,566,916
Net position - beginning					103,570,829	76,250,949	179,821,778	10,399,792	6,670,844
Net position - ending					<u>\$ 106,769,448</u>	<u>\$ 71,315,744</u>	<u>\$ 178,085,192</u>	<u>\$ 9,907,305</u>	<u>\$ 9,237,760</u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CITY OF ELIZABETHTOWN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	GENERAL FUND	FIRE PROTECTION SINKING FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Non-pooled cash and cash equivalents	\$ 2,056,459	\$ 20	\$ 64,358	\$ 2,120,837
Investments	33,893,189	1	2,900,331	36,793,521
Receivables, (net where applicable of allowance for doubtful accounts):				
Taxes - current	5,473,978	-	-	5,473,978
Taxes - delinquent	32,989	-	-	32,989
Other receivables	970,716	-	279,059	1,249,775
Intergovernmental-indirect federal	60,161	-	-	60,161
Intergovernmental-State of KY	-	-	45,800	45,800
Due from other funds	430,446	-	-	430,446
Inventories, at cost	250,440	-	-	250,440
	<u>\$ 43,168,378</u>	<u>\$ 21</u>	<u>\$ 3,289,548</u>	<u>\$ 46,457,947</u>
TOTAL ASSETS				
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,210,744	\$ -	\$ -	\$ 2,210,744
Accrued liabilities	796,654	-	-	796,654
Other liabilities	37,676	-	-	37,676
Due to other funds	241,908	-	-	241,908
	<u>3,286,982</u>	<u>-</u>	<u>-</u>	<u>3,286,982</u>
TOTAL LIABILITIES				
Fund Balances:				
Nonspendable	250,440	-	-	250,440
Restricted	-	21	3,289,548	3,289,569
Unassigned	39,630,956	-	-	39,630,956
	<u>39,881,396</u>	<u>21</u>	<u>3,289,548</u>	<u>43,170,965</u>
TOTAL FUND BALANCES				
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,168,378</u>	<u>\$ 21</u>	<u>\$ 3,289,548</u>	<u>\$ 46,457,947</u>

The accompanying notes are an integral part of this statement.

CITY OF ELIZABETHTOWN
 RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO
 THE STATEMENT OF NET POSITION
 JUNE 30, 2023

Total fund balance per fund financial statements	\$ 43,170,965
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.	139,493,093
Right to use subscription assets are not reported in this fund financial statement because they are not current financial resources, but they are reported in the statement of net position.	141,834
Governmental funds record debt refundings as other financing uses when the issues are refunded. Unamortized losses on refundings are reported on the statement of net position as deferred outflows of resources.	61,533
Governmental funds do not record deferred outflows of resources for pensions and OPEB but those are reported on the statement of net position as deferred outflows of resources.	12,214,301
Governmental funds do not record deferred inflows of resources for pensions and OPEB but those are reported on the statement of net position as deferred inflows of resources.	(4,912,965)
Certain liabilities are not reported in this fund financial statement because they are not due and payable, but they are presented in the statement of net position:	
Bonds payable (net of premiums and discounts)	(21,402,683)
Subscription liability	(138,292)
CERS net pension liability	(47,035,925)
CERS net OPEB liability	(13,025,621)
Interest payable	(228,037)
Compensated absences payable	(348,090)
Notes payable	(1,240,717)
Internal service funds are used by management to charge the costs of certain activities such as insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. Assets were \$433,742 and liabilities were \$413,690.	<u>20,052</u>
Net position for governmental activities	<u><u>\$ 106,769,448</u></u>

The accompanying notes are an integral part of this statement.

CITY OF ELIZABETHTOWN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	GENERAL FUND	FIRE PROTECTION SINKING FUND	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes	\$ 4,610,386	\$ -	\$ -	\$ 4,610,386
Sales taxes	5,733,908	-	-	5,733,908
Licenses and permits	29,604,444	-	1,796,198	31,400,642
Fines, forfeitures and penalties	183,040	-	-	183,040
Revenue from use of money and property	844,809	46,578	153,801	1,045,188
Charges for current services	477,917	-	-	477,917
Recreation fees	1,274,451	-	-	1,274,451
Miscellaneous revenue	1,199,684	-	-	1,199,684
Insurance premiums tax	-	5,118,309	-	5,118,309
Local government	-	-	1,918,290	1,918,290
State of Kentucky	651,298	-	1,189,863	1,841,161
Federal grant revenue	2,960,750	-	214,519	3,175,269
TOTAL REVENUES	47,540,687	5,164,887	5,272,671	57,978,245
EXPENDITURES:				
Current:				
General government	6,805,003	-	17,702	6,822,705
Public safety	11,783,223	5,164,870	2,585,154	19,533,247
Public works	6,841,807	-	620,489	7,462,296
Recreation/tourism	9,235,639	-	-	9,235,639
Capital outlay	15,869,521	-	-	15,869,521
Debt service-principal	157,929	-	1,360,000	1,517,929
Debt service-interest	41,260	-	543,887	585,147
TOTAL EXPENDITURES	50,734,382	5,164,870	5,127,232	61,026,484
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(3,193,695)	17	145,439	(3,048,239)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	387,568	387,568
Insurance proceeds	723,285	-	-	723,285
Lease proceeds - subscription asset	177,292	-	-	177,292
Proceeds from disposal of capital assets	374,137	-	-	374,137
Transfers out	(1,404,987)	-	(7,581)	(1,412,568)
TOTAL OTHER FINANCING SOURCES (USES)	(130,273)	-	379,987	249,714
NET CHANGE IN FUND BALANCES	(3,323,968)	17	525,426	(2,798,525)
FUND BALANCES, JULY 1, 2022	43,205,364	4	2,764,122	45,969,490
FUND BALANCES, JUNE 30, 2023	\$ 39,881,396	\$ 21	\$ 3,289,548	\$ 43,170,965

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net change in total fund balances per fund financial statements	\$ (2,798,525)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays are reported as expenditures in this fund financial statement because they use current financial resources, but they are presented as assets in the statement of activities and depreciated over their estimated economic lives.	
Capital outlay	15,662,709
Depreciation	(4,512,611)
Amortization of subscription assets is not reported in this fund financial statement, but is presented as an expense in the statement of activities	(35,458)
Bond and other debt payments are recognized as expenditures of current financial resources in the fund financial statement but are reductions of liabilities in the statement of net position.	
Bond payments	1,360,000
Note payments	157,929
Subscription payments	39,000
Capital contributions for capital assets are not reported in this fund financial statement but they are presented as revenues in the statement of activities.	219,800
Generally, expenditures recognized in this fund financial statement are limited to only those that use current financial resources, but expenses are recognized in the statement of activities when they are incurred.	
Bond discount amortization	(6,257)
Bond premium amortization	20,165
Deferred amount on debt refundings amortization	(5,594)
Interest payable change	13,367
Compensated absences change	34,095
Miscellaneous	(12,988)
statement of activities.	
statement of activities.	
Pension - non-hazardous	565,071
Pension - hazardous	690,432
OPEB - non-hazardous	(358,264)
OPEB - hazardous	(574,548)
Decreases in unearned rent are recorded as revenues in the statement of activities, but not in the fund financial statements.	47,543
In the statement of activities, only the gain (loss) on disposal of capital assets is reported, whereas in the governmental funds, the proceeds for the sale increased financial resources.	(7,295,774)
Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	(11,473)
Change in net position of governmental activities	<u>\$ 3,198,619</u>

The accompanying notes are an integral part of this statement.

ASSETS	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	GAS	SEWER	TOTALS	INTERNAL SERVICE FUND
CURRENT ASSETS:				
Non-pooled cash and cash equivalents	\$ 4,166,318	\$ 10,039,861	\$ 14,206,179	\$ 358,742
Inventory	2,588,139	-	2,588,139	-
Receivables (net of allowance for uncollectible):				
Accounts	197,272	693,540	890,812	-
Unbilled accounts	232,674	32,538	265,212	-
Other receivables	-	-	-	-
Water system sale	-	289,022	289,022	-
Due from other funds	167,659	-	167,659	75,000
TOTAL CURRENT ASSETS	7,352,062	11,054,961	18,407,023	433,742
NONCURRENT ASSETS:				
Restricted cash and cash equivalents:				
Construction/improvements	-	1,954,335	1,954,335	-
KIA debt service	-	1,557,747	1,557,747	-
Receivable - sale of water system	-	3,753,873	3,753,873	-
Capital assets:				
Non-depreciable	1,228,000	319,366	1,547,366	-
Depreciable, net of accumulated depreciation	7,295,803	62,745,896	70,041,699	-
TOTAL NONCURRENT ASSETS	8,523,803	70,331,217	78,855,020	-
TOTAL ASSETS	15,875,865	81,386,178	97,262,043	433,742
DEFERRED OUTFLOWS OF RESOURCES				
CERS Pension	393,705	428,687	822,392	-
CERS OPEB	281,645	306,621	588,266	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	675,350	735,308	1,410,658	-
LIABILITIES				
CURRENT LIABILITIES:				
Accounts payable	601,753	181,324	783,077	413,690
Accrued liabilities	58,292	95,876	154,168	-
KIA loan	-	1,111,304	1,111,304	-
Customer deposits	42,035	5,356	47,391	-
Compensated absences	20,494	17,136	37,630	-
Other liabilities	126	-	126	-
Due to other funds	210,252	220,945	431,197	-
TOTAL CURRENT LIABILITIES	932,952	1,631,941	2,564,893	413,690
NONCURRENT LIABILITIES:				
KIA loan	-	16,190,605	16,190,605	-
Customer deposits	378,320	48,199	426,519	-
Net pension liability - CERS	2,781,040	3,028,637	5,809,677	-
Net OPEB liability - CERS	759,139	826,725	1,585,864	-
Compensated absences	40,989	34,273	75,262	-
TOTAL NONCURRENT LIABILITIES	3,959,488	20,128,439	24,087,927	-
TOTAL LIABILITIES	4,892,440	21,760,380	26,652,820	413,690
DEFERRED INFLOWS OF RESOURCES				
CERS Pension	47,842	52,031	99,873	-
CERS OPEB	290,206	314,058	604,264	-
TOTAL DEFERRED INFLOWS OF RESOURCES	338,048	366,089	704,137	-
NET POSITION				
Net investment in capital assets	8,523,803	45,763,353	54,287,156	-
Restricted for:				
Debt	-	1,557,747	1,557,747	-
Construction	-	1,954,335	1,954,335	-
Unrestricted	2,796,924	10,719,582	13,516,506	20,052
TOTAL NET POSITION	\$ 11,320,727	\$ 59,995,017	\$ 71,315,744	\$ 20,052

The accompanying notes are an integral part of this statement.

CITY OF ELIZABETHTOWN
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	GAS	SEWER	TOTALS	INTERNAL SERVICE FUND
OPERATING REVENUE:				
Charges for metered sales	\$ 12,227,293	\$ 6,040,786	\$ 18,268,079	\$ -
Charges for services	-	-	-	2,473,575
Sewer surcharge fees	-	64,222	64,222	-
Other services and tap fees	189,285	1,532,039	1,721,324	-
TOTAL OPERATING REVENUE	12,416,578	7,637,047	20,053,625	2,473,575
OPERATING EXPENSES:				
Distribution	13,969,609	-	13,969,609	-
Administrative and general	3,898,898	1,173,637	5,072,535	-
Operating expenses Plant #2	-	2,231,566	2,231,566	-
Maintenance	-	657,724	657,724	-
Services	-	613,212	613,212	-
Construction	-	251,046	251,046	-
Operating expense - water tower	-	3,246	3,246	-
Operating expense - lift stations	-	114,901	114,901	-
Insurance claims and expenses	-	-	-	3,515,587
Depreciation	308,914	1,892,392	2,201,306	-
TOTAL OPERATING EXPENSES	18,177,421	6,937,724	25,115,145	3,515,587
INCOME (LOSS) FROM OPERATIONS	(5,760,843)	699,323	(5,061,520)	(1,042,012)
NON-OPERATING REVENUE (EXPENSE):				
Investment income	127,487	531,191	658,678	5,539
Gain (loss) on capital asset disposals	494	(9,906)	(9,412)	-
Interest paid on KIA loan	-	(522,951)	(522,951)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	127,981	(1,666)	126,315	5,539
NET INCOME (LOSS) BEFORE TRANSFERS	(5,632,862)	697,657	(4,935,205)	(1,036,473)
Transfers in	-	-	-	1,025,000
CHANGE IN NET POSITION	(5,632,862)	697,657	(4,935,205)	(11,473)
NET POSITION, JULY 1, 2022	16,953,589	59,297,360	76,250,949	31,525
NET POSITION, JUNE 30, 2023	\$ 11,320,727	\$ 59,995,017	\$ 71,315,744	\$ 20,052

The accompanying notes are an integral part of this statement.

CITY OF ELIZABETHTOWN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	BUSINESS-TYPE ACTIVITIES- ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES
	GAS	SEWER	TOTALS	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 13,189,363	\$ 7,538,352	\$ 20,727,715	\$ 2,473,575
Cash payments to employees	(1,335,246)	(1,462,308)	(2,797,554)	-
Cash payments for insurance claims	-	-	-	(3,204,199)
Cash payments for operating expenses	(13,737,544)	(3,768,075)	(17,505,619)	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(1,883,427)	2,307,969	424,542	(730,624)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	-	-	-	950,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	-	-	-	950,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(1,308,886)	(878,955)	(2,187,841)	-
Proceeds from disposal of capital assets	5,954	8,332	14,286	-
Principal paid on KIA loans	-	(1,079,692)	(1,079,692)	-
Interest paid on KIA loans	-	(522,951)	(522,951)	-
Principal received on water system sale	-	281,301	281,301	-
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,302,932)	(2,191,965)	(3,494,897)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income	127,981	531,191	659,172	5,539
NET CASH PROVIDED BY INVESTING ACTIVITIES	127,981	531,191	659,172	5,539
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	(3,058,378)	647,195	(2,411,183)	224,915
CASH AND RESTRICTED CASH, JULY 1, 2022	7,224,696	12,904,748	20,129,444	133,827
CASH AND RESTRICTED CASH, JUNE 30, 2023	\$ 4,166,318	\$ 13,551,943	\$ 17,718,261	\$ 358,742
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Income (loss) from operations	\$ (5,760,843)	\$ 699,323	\$ (5,061,520)	\$ (1,042,012)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	308,914	1,892,392	2,201,306	-
GASB 68 pension expense	(91,303)	(66,436)	(157,739)	-
GASB 75 OPEB expense	63,348	78,201	141,549	-
Change in assets and liabilities:				
(Increase) decrease in:				
Receivables	772,785	(98,695)	674,090	-
Due from other funds	(141,665)	-	(141,665)	-
Inventory	4,049,309	-	4,049,309	-
Increase (decrease) in:				
Accounts payable	(1,048,886)	(26,488)	(1,075,374)	311,388
Accrued liabilities	3,433	10,004	13,437	-
Due to other funds	(62,976)	(186,702)	(249,678)	-
Compensated absences	3,751	8,950	12,701	-
Other liabilities	(83)	-	(83)	-
Customer deposits	20,789	(2,580)	18,209	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ (1,883,427)	\$ 2,307,969	\$ 424,542	\$ (730,624)
Schedule of non-cash transactions:				
CERS Pension	\$ (91,303)	\$ (66,436)	\$ (157,739)	\$ -
CERS OPEB	\$ 63,348	\$ 78,201	\$ 141,549	\$ -

The accompanying notes are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESGENERAL STATEMENT

The financial statements of the City of Elizabethtown, Kentucky (the "City") have been prepared to conform with Accounting Principles Generally Accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

FINANCIAL REPORTING ENTITYCOMPONENT UNITS

The City of Elizabethtown is a chartered City in which citizens elect the mayor at large and six council members at large. The accompanying financial statements present the various governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information and illustrate the respective changes in financial position and cash flows, where applicable.

For financial reporting purposes, the accompanying financial statements include all of the operations over which the City is financially accountable. The City is financially accountable for organizations that make up its legal entity, as well as legally separate organizations that meet certain criteria. In accordance with GASB 14, "The Financial Reporting Entity," as amended by GASB 39, "Determining Whether Certain Organizations Are Component Units", the criteria for inclusion in the reporting entity involve those cases where the City or its officials appoint a voting majority of an organization's governing body, and is either able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or to impose specific financial burdens on the City or the nature and significance of the relationship between the City and the organization is such that exclusion would cause the City's financial statements to be incomplete. Applying this definition, City management has determined that the following component units are reportable within the accompanying financial statements.

Elizabethtown Tourism and Convention Bureau - (ETCB) The ETCB promotes convention and tourist activities which are financed by room tax revenues collected by the City and expenditures are authorized as part of the City's annual budget. ETCB was established by ordinance of the City of Elizabethtown on March 17, 1976. All Board Members are appointed by the Mayor. ETCB is presented discretely in the basic financial statements. The ETCB is separately audited and a copy of the independent auditor's report can be obtained from ETCB, 1030 North Mulberry Street, Elizabethtown, Kentucky 42701. The audit is performed by Clauson, Mouser & Co., PSC.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

Elizabethtown Airport Board - (EAB) The Elizabethtown Airport Board is a municipal corporation established under Chapter No. 76.77 of the 1928 Public Acts of the State of Kentucky and expanded by Kentucky Revised Statutes Chapter 183. The EAB operates and manages the Elizabethtown Airport. The EAB promotes the use of the airport and obtains revenues through the sale of fuel and airplane supplies through a management company. All Board members are appointed by the Mayor and the Board is financially dependent on the City. EAB is presented discretely in the basic financial statements. The EAB is separately audited and a copy of the independent auditor's report can be obtained from EAB, 1828 Kitty Hawk Drive, Elizabethtown, Kentucky 42701. The audit is performed by the City's auditor.

BASIS OF PRESENTATION - FUND ACCOUNTING

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The City's funds are ordered into two major categories: governmental and proprietary. Governmental funds include the general, special revenue, capital projects and debt service funds. Proprietary funds include enterprise funds and an internal service fund.

BASIS OF ACCOUNTINGGOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal service fund activity is eliminated to avoid "doubling up" revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

The government-wide Statement of Net Position presents the financial condition of the governmental and business-type activities of the City at year-end. The government-wide Statement of Activities presents a comparison between expenses and program revenues for each segment of the business-type activities of the City and for each governmental program. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

FUND FINANCIAL STATEMENTS

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

GOVERNMENTAL FUNDS

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The following are the City's Governmental Fund types:

General Fund -

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

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

Special Revenue Funds -

Special Revenue Funds are used to account for the proceeds of specific revenue resources (other than assessments, or major capital projects) that are legally restricted to expenditures for specified purposes. These funds include: Fire and Police Incentive, Municipal Aid, Special Project Grant, Narcotics Task Force Grant, Courthouse Operations Fund, Fire Protection Sinking Fund, Cemetery Fund and Alcohol Regulatory Commission Fund. The Fire Protection Sinking Fund is a major fund which receives revenue from an insurance premiums tax of 8% on fire and allied perils, casualty/liability, automobile, inland marine and other risks.

Capital Projects Funds -

Capital Projects Funds are used to account for the acquisition or construction of capital facilities (other than those financed by Proprietary Funds) being financed from General Obligation or Certificates of Obligation Bonds' proceeds, grants, or transfers from other funds. The capital projects fund is the Courthouse Project. This fund was closed in fiscal year 2023.

Debt Service Funds -

Debt Service Funds are used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Funds is restricted to signify the amounts that are restricted exclusively for debt service expenditures. The Debt Service Funds are the 2012C, 2013, 2015 and 2021 bond funds.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within two months of year-end and available to pay obligations of the current period). The revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, charges for services, interest income and intergovernmental revenues. All other Governmental revenues are recognized when received. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Property taxes levied to finance fiscal year 2023 are recorded when there is an enforceable legal claim and when the revenue is measurable and available. 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 year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on general long-term debt, which has not matured, are recognized when paid. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

PROPRIETARY FUNDS

Proprietary funds are accounted for using the accrual basis of accounting and the economic resources measurement focus. These funds account for operations that are primarily financed by user charges. The economic resources measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Revenues are recognized when earned and expenses are recognized when incurred. Allocations of costs, such as depreciation, are recorded in these funds. Unbilled utility receivables are recorded at June 30.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the City's enterprise funds and internal service fund are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The following are the City's Proprietary Fund types:

Enterprise Funds -

Natural Gas - To account for the provision of natural gas distribution to the residential and commercial users of the City. This is a major fund.

Sewer - To account for the provision of sewer treatment to the residential and commercial users of the City. This is a major fund. This fund included a water system until October 31, 2014, when the system was sold to Hardin County Water District No. 2 (see note 7).

Internal Service Funds -

The City's Internal Service Fund is the Employee Benefit Trust. This fund accounts for the costs of providing a self-insured health insurance plan for the City's employees. Revenues include premiums and expenses include claims and administrative items.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective funds. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The City maintains a minimum capitalization threshold of \$20,000. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives for both general capital assets and proprietary fund assets:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	10-50 years
Equipment	3-25 years
Vehicles	5-15 years
Infrastructure	7-50 years

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statements of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances in the Statement of Net Position.

Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the City has two items that qualify for reporting in this category: deferred amounts from refunding debt and amounts related to the CERS pension and OPEB.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. Currently, the City has one item that qualifies for reporting in this category: amounts related to the CERS pension and OPEB. These amounts are recognized as an inflow of resources in the period that the amounts become available.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

Budgets and Budgetary Accounting - the City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to June 1, the Director of Finance submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. Prior to July 1, the budget is legally enacted through passage of an ordinance. Budgets are amended by ordinances approved by the Council to authorize expenditures of various grants received and to adjust budgets as required.
4. The Director of Finance is authorized to transfer budgeted amounts between departments within any function of a fund; however, revisions that alter the total expenditures of any fund or function must have City Council approval.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund and the following Special Revenue Funds: Municipal Aid Program, Incentive Funds, Fire Protection Sinking Funds, Cemetery Fund, Special Project Grant, Narcotics Task Force Fund and Alcohol Regulatory Commission Fund.
6. Budgets are adopted on the basis consistent with Generally Accepted Accounting Principles (GAAP). Annual appropriated budgets are adopted for general and special revenue funds. All annual appropriations lapse at fiscal year-end.
7. The City Council has budgeted as transfers out funds for principal and interest payments made in the Debt Service Fund.
8. Kentucky Revised Statute 91A.030 prohibits adoption of a budget that provides for appropriations to exceed revenues in any one fiscal year in violation of Section 157 of the Kentucky Constitution.

CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investments are separately held and reflected in their respective fund on the balance sheet. Cash and cash equivalents include demand deposits and cash management accounts. Investments are valued at fair value.

For the purpose of the statement of cash flows, the City considers all highly liquid debt instruments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

RESTRICTED CASH

Restricted assets consist of cash and cash equivalents restricted for use in the Enterprise Funds.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023INVENTORY

On government-wide financial statements inventories are stated at cost and are recorded as inventory when purchased and are recognized as an expense when used. On fund financial statements inventories are stated at cost. The cost of inventory items is recorded as an expenditure in the governmental fund types when used. All funds use the first-in, first-out method.

PREPAID ASSETS

Payments made that will benefit periods beyond June 30, 2023, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed. There were no prepaid items at June 30, 2023.

RECEIVABLES

The City recognizes revenues as receivable when they are measurable and receipt is probable. Concentration of credit risk with respect to the receivables from customers and federal and state governments is limited due to the historical collection rates from customers and the stability of governmental institutions. An allowance of \$87,327 is used for gas and \$70,708 is used for water & sewer.

ACCRUED LIABILITIES AND LONG-TERM OBLIGATIONS

In the fund-level financial statements, governmental funds report the face amount of debt issued, as well as any premiums (discounts) as other financing sources (uses). Debt issuance costs are reported as debt service expenditures. All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. Bond premiums/discounts are amortized over the life of the bonds while deferred amounts on advance refunding's are amortized over the shorter of the remaining life of the refunded bonds or the life of the new bonds both in a systematic and rational method, which approximates the effective-interest method.

CONTRIBUTIONS OF CAPITAL

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023COMPENSATED ABSENCES

Compensated absences are payments to employees for accumulated sick leave. These amounts also include the related employer's share of applicable taxes and retirement contributions. The City uses the termination method to calculate the compensated absences amounts. The compensated absence liability is reported on the government-wide and business-type financial statements. The current portion is the amount estimated to be used in the following year. An expenditure is recognized in the governmental fund as payments come due each period, for example, as a result of employee resignations and retirements. Compensated absences not recorded at the fund level represent a reconciling item between the fund level and government-wide presentations.

RECEIVABLES AND PAYABLES WITHIN THE REPORTING ENTITY

Fund Financial Statements:

<u>Interfund Balances</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 430,446	\$ 241,908
Proprietary Funds:		
Water & Sewer	-	220,945
Gas	167,659	210,252
Internal Service Fund:		
Employee benefits trust	75,000	-
Total	<u>\$ 673,105</u>	<u>\$ 673,105</u>

Government-Wide Financial Statements:

<u>Interfund Balances</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 430,446	\$ 166,908
Proprietary Funds:		
Water & Sewer	-	220,945
Gas	166,908	209,501
Total	<u>\$ 597,354</u>	<u>\$ 597,354</u>

The above table presents the internal balances for the fund financial statements. For the government-wide financial statements, only those balances between the general fund, water & sewer fund and gas funds are included. All balances are between the general fund and the respective paying/receiving fund. The purpose of the balances is for expenses paid by the General Fund.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023ESTIMATES

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

IMPACT OF RECENTLY ISSUED ACCOUNTING PRINCIPLESRecently Issued And Adopted Accounting Principles

In March 2020, the GASB issued Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This statement is effective for periods beginning after June 15, 2022. This adoption did not have an effect on the financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This statement is effective for periods beginning after June 15, 2022. This adoption resulted in a right to use asset and liability being recorded. See note 19.

In October 2021, the GASB issued Statement 99, *Omnibus 2022*. This statement is effective for periods beginning after December 15, 2021. This adoption did not have an effect on the financial statements.

Recently Issued Accounting Pronouncements

In June 2022, the GASB issued Statement 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. This statement is effective for periods beginning after June 15, 2023. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

In June 2022, the GASB issued Statement 101, *Compensated Absences*. This statement is effective for periods beginning after December 15, 2023. Management is currently evaluating the impact of the adoption of this statement on the City's financial statements.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 2 - FUND BALANCES

Nonspendable fund balances are those that cannot be spent on future obligations. At June 30, 2023, the General Fund had \$250,440 for inventory.

Restricted fund balances arise when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. At June 30, 2023, the City had \$21 restricted due to tax requirements in the Fire Protection Sinking Fund and \$3,289,548 restricted in the nonmajor funds (\$2,130,157 restricted for the cemetery in the Cemetery fund, \$45,800 restricted for grants, \$279,059 restricted for public safety, and \$834,532 restricted for debt service).

Committed fund balances are those amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, which, for the City is the City Council. The City Council must approve by majority vote the establishment (and modification or rescinding) of a fund balance commitment. The City had no committed funds at June 30, 2023.

Assigned fund balances are those amounts that are constrained by the government's *intent* to be used for specific purposes, but are neither restricted nor committed. The City Council allows program supervisors to encumber funds. Assigned fund balance also includes (a) all remaining amounts (except for negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed and (b) amounts in the general fund that are intended to be used for a specific purpose. The City had no assigned funds at June 30, 2023.

Unassigned fund balance is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance. This classification is only used by other funds to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

The City considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Also, the City has established the order of assigned, committed and restricted when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. No minimum fund balance policy has been adopted.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 3 - PROPERTY TAX

Property taxes are levied by the City of Elizabethtown as of October 1 and payable to the City by December 31 of each year. The taxes become a lien on the first day of January of the succeeding year. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. Due to the immaterial amount of any additional property taxes receivable after the 60-day period, no additional accrual is made in the government-wide statements. Taxes levied for fiscal year 2023 were \$.116 per \$100 valuation for real property, \$.116 per \$100 valuation for business personal property and \$.116 per \$100 valuation for motor vehicles.

NOTE 4 - RESTAURANT AND TRANSIENT ROOM TAX

The City levies a 2 percent restaurant tax whose proceeds are remitted to the Elizabethtown Tourism and Convention Bureau. The City also levies a 3 percent transient room tax whose proceeds are remitted to the Elizabethtown Tourism and Convention Bureau.

NOTE 5 - DEPOSITS AND INVESTMENTS

DEPOSITS

It is the City's policy for deposits to be 105% secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. *Custodial Credit Risk-Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned or that the City will not be able to recover collateral securities in the possession of an outside party. At June 30, 2023, \$2,764,002 of the government's bank balance of \$5,764,002 was exposed to custodial credit risk. Of the amount exposed to custodial credit risk, the entire amount was collateralized by securities held by the pledging financial institution.

INVESTMENTS

As of June 30, 2023, the City had the following investments and maturities:

	Fair Value	Average Credit Quality Ratings (1)	Less				PROOF
			Than 1	1-5	6-10	MORE THAN 10	
Federal Farm Credit Bonds	\$ 713,975	Aaa	\$ -	\$ 713,975	\$ -	\$ -	\$ 713,975
Government National Mortgage Assn	301	Aaa	-	-	-	301	301
U.S. Treasury Bonds	463,243	Aaa	238,048	225,195	-	-	463,243
U.S. Treasury Notes	12,791,060	Aaa	3,943,250	8,847,810	-	-	12,791,060
KY Local Government Bonds	201,520	Aaa	-	103,841	-	97,679	201,520
Bond Mutual Fund	336,482	Aaa	336,482	-	-	-	336,482
Money Market Mutual Funds	36,232,370	Not Rated	36,232,370	-	-	-	36,232,370
Total Investments With Maturities	50,738,951		\$ 40,750,150	\$ 9,890,821	\$ -	\$ 97,980	\$ 50,738,951
Mutual Funds	1,505,018	N/A					
Domestic Equities	199,754	N/A					
Total Investments	\$ 52,443,723						

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable. Ratings are from Moody's Investors Service.

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

The City had no investments reported at amortized cost.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

At June 30, 2023, the City's investments were Level 1 inputs.

Investment Policies

City Policy

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Generally, the City's investing activities are under the custody of the City Finance Director. Investing policies comply with the State Statutes and the City Charter. Kentucky Revised Statute 66.480 defines the following items as permissible investments:

- Obligations of the United States and of its agencies and instrumentalities;
- Obligations of any corporation of the United States Government;
- Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency;
- Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency. Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4)

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

- Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;
- Commercial paper rated in the highest category by a nationally recognized rating agency;
- Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;
- Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and
- Shares of mutual funds, each of which shall have the following characteristics:
 1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
 2. The management company of the investment company shall have been in operation for at least five (5) years; and
 3. All of the securities in the mutual fund shall be eligible investments pursuant to this section.
- Investments of the cemetery fund have no restrictions.

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 policy provides that, to the extent practicable, investments are matched with anticipated cash flows. Investments are diversified to minimize the risk of loss resulting from over-concentration of assets in a specific maturity period, a single issuer, or an individual class of securities. **Concentration of Credit Risk** is the risk of loss attributed to the magnitude of the City's investment in a single issuer. U.S. Government securities and investments in mutual funds are excluded from this risk. The City does not have more than 5% or more of investments subject to the concentration of credit risk disclosure in any one issuer.

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's \$15.3 million in securities is held by the counterparty's trust department but not in the City's name. The City's policy is to have the securities held by the counterparty's trust department according to the trust department's policy.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for governmental activities for the fiscal year ended June 30, 2023, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Governmental activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 23,018,057	\$ 2,194,370	\$ (567,000)	\$ 24,645,427
Construction in progress	4,047,174	13,261,761	(5,852,772)	11,456,163
Total Capital Assets Not Being Depreciated	27,065,231	15,456,131	(6,419,772)	36,101,590
Capital Assets Being Depreciated:				
Buildings	67,235,121	676,737	(10,520,807)	57,391,051
Infrastructure	96,478,411	4,230,042	-	100,708,453
Vehicles	10,370,936	391,061	(347,691)	10,414,306
Office equipment	493,831	94,932	-	588,763
Technical equipment	8,944,473	740,870	-	9,685,343
Construction and maintenance equipment	4,917,037	53,930	(564,400)	4,406,567
Other equipment	1,888,178	78,590	-	1,966,768
Total capital assets being depreciated at historical cost	190,327,987	6,266,162	(11,432,898)	185,161,251
Less accumulated depreciation for:				
Buildings	(17,523,954)	(1,398,862)	(4,251,608)	(14,671,208)
Infrastructure	(46,965,385)	(1,533,109)	-	(48,498,494)
Vehicles	(6,329,542)	(528,384)	(285,411)	(6,572,515)
Office equipment	(284,566)	(45,896)	-	(330,462)
Technical equipment	(6,886,958)	(625,025)	-	(7,511,983)
Construction and maintenance equipment	(3,002,606)	(257,533)	(167,105)	(3,093,034)
Other equipment	(968,250)	(123,802)	-	(1,092,052)
Total accumulated depreciation	(81,961,261)	(4,512,611)	(4,704,124)	(81,769,748)
Total other capital assets, net	108,366,726	1,753,551	(6,728,774)	103,391,503
Governmental activities capital assets, net	\$ 135,431,957	\$ 17,209,682	\$ (13,148,546)	\$ 139,493,093

Depreciation was charged to functions as follows:

Governmental activities:	
General government	\$ 2,026,861
Public safety	827,232
Public works	539,018
Recreation/tourism	1,119,500
Total governmental activities depreciation expense	\$ 4,512,611

(Continued next page)

CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Capital asset activity for business-type activities for the fiscal year ended June 30, 2023, was as follows:

	Primary Government			Ending Balance
	Beginning Balance	Additions	Retirements	
Business-type activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 1,547,366	\$ -	\$ -	\$ 1,547,366
Construction in progress	-	-	-	-
Total Capital Assets Not Being Depreciated	1,547,366	-	-	1,547,366
Capital Assets Being Depreciated:				
Buildings and equipment	55,001,886	170,770	(161,254)	55,011,402
Distribution and collection systems	59,903,142	2,017,071	-	61,920,213
Total capital assets being depreciated at historical cost	114,905,028	2,187,841	(161,254)	116,931,615
Less accumulated depreciation for:				
Buildings and equipment	(21,374,519)	(1,042,286)	(137,065)	(22,279,740)
Distribution and collection systems	(23,451,156)	(1,159,020)	-	(24,610,176)
Total accumulated depreciation	(44,825,675)	(2,201,306)	(137,065)	(46,889,916)
Total other capital assets, net	70,079,353	(13,465)	(24,189)	70,041,699
Business-type activities capital assets, net	\$ 71,626,719	\$ (13,465)	\$ (24,189)	\$ 71,589,065
Depreciation was charged to functions as follows:				
Business-type activities:				
Water and sewer		\$ 1,892,392		
Natural gas		308,914		
Total business-type activities depreciation expense		\$ 2,201,306		

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 7 - SALE OF WATER SYSTEM ASSETS

On October 23, 2014, the Kentucky Public Service Commission approved an asset purchase agreement between the Hardin County Water District No. 2 and the City for the Hardin County Water District No. 2's purchase of certain water system assets of the City. The transaction closed on October 31, 2014. The agreement requires the Hardin County Water District No. 2 to pay a note to the City of \$8,000,000 in twenty annual installments of \$400,000 beginning in 2015. The note carries no specified interest rate, but interest was imputed at a rate of 2.745 percent resulting in a net principal amount of \$6,093,748 and a resulting interest amount of \$1,906,252 over the life of the note. This was recorded as a special item. The following is a schedule of future amounts to be received:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 289,022	\$ 110,978
2025	296,956	103,044
2026	305,108	94,892
2027	313,483	86,517
2028	322,088	77,912
2029-2033	1,748,014	251,986
2034-2035	768,224	31,776
Total	<u>\$ 4,042,895</u>	<u>\$ 757,105</u>

NOTE 8 - UNEARNED RENT - INDUSTRIAL FOUNDATION BUILDING

During the fiscal year ended June 30, 2015, the City purchased a building from the Elizabethtown Industrial Foundation. The transaction resulted in unearned rent of \$520,000 which is reported as unearned revenue. The amount recognized in 2023 was \$47,544. The 2023 payment was the final payment.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 9 - LONG TERM LIABILITIES

Outstanding Debt - At June 30, 2023, bonds payable consisted of the following individual issues:

	Original Issue Amount	Balance 6/30/2023 Governmental Activities Debt
2012C General Obligation Bonds, dated April 1, 2012, issued through the City. Payments are due in annual installments through 2037, bearing interest rates of 1.0% to 3.75%.	\$ 8,500,000	\$ 5,300,000
2013 General Obligation Refunding Bonds, dated April 16, 2013, issued through the City. Payments are due in annual installments through 2034 bearing interest rates of 1.0% to 3.0%.	5,780,000	3,555,000
2015 General Obligation Refunding Bonds, dated December 7, 2015, issued through the City. Payments are due in annual installments through 2036 bearing interest rates of 1.0% to 3.0%.	7,405,000	6,035,000
2021 General Obligation Refunding Bonds, dated August 17, 2021, issued through the City. Payments are due in annual installments through 2036 bearing interest rates of 1.0% to 3.0%.	<u>6,655,000</u>	<u>6,285,000</u>
Total bonds payable	<u>\$ 28,340,000</u>	<u>\$ 21,175,000</u>

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation bonds	\$ 22,535,000	\$ -	\$ (1,360,000)	\$ 21,175,000	\$ 1,385,000
Bond discount (GOB)	(60,478)	-	6,257	(54,221)	6,257
Bond premium (GOB)	302,069	-	(20,165)	281,904	(20,165)
Notes payable	1,398,646	-	(157,929)	1,240,717	162,588
Total bonds and notes payable	24,175,237	-	(1,531,837)	22,643,400	1,533,680
Other liabilities:					
Net pension liability - CERS	41,992,750	5,043,175	-	47,035,925	-
Net OPEB liability - CERS	12,703,802	321,819	-	13,025,621	-
Subscription arrangement	-	177,292	(39,000)	138,292	37,143
Compensated absences	382,185	216,019	(250,114)	348,090	116,030
Governmental Activities, long-term liabilities	\$ 79,253,974	\$ 5,758,305	\$ (1,820,951)	\$ 83,191,328	\$ 1,686,853
Business-type Activities					
Loans payable:					
Water and sewer loans	\$ 18,381,601	\$ -	\$ (1,079,692)	\$ 17,301,909	\$ 1,111,304
Total loans payable	18,381,601	-	(1,079,692)	17,301,909	1,111,304
Other liabilities:					
Net pension liability - CERS	5,093,003	716,674	-	5,809,677	-
Net OPEB liability - CERS	1,528,913	56,951	-	1,585,864	-
Compensated absences	100,191	87,878	(75,177)	112,892	37,630
Business-type Activities, long-term liabilities	\$ 25,103,708	\$ 861,503	\$ (1,154,869)	\$ 24,810,342	\$ 1,148,934
Component Units					
Tourism & Convention Bureau	\$ -	\$ -	\$ -	\$ -	\$ -
Airport Board	214,586	-	(26,464)	188,122	24,319
Total Component Units	\$ 1,169,819	\$ -	\$ (26,464)	\$ 188,122	\$ 24,319

Compensated absences are generally paid through the general, water and sewer fund and gas fund. The general fund, the sewer fund and gas fund were the funds with reductions in compensated absences during the fiscal year.

The net pension and OPEB liabilities - CERS pension and OPEB are generally paid through the general fund, sewer fund and gas fund.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

General Obligation Bonds - General obligation bonds were issued by the City for financing the acquisition of passive park land, construction of police and fire stations and construction of a sports park.

On April 3, 2012, the City issued \$8,500,000 in 2012C Series General Obligation Bonds with an average interest rate of 2.79 percent. The net proceeds of \$8,401,198 (after \$85,200 in cost of issuance and \$13,602 of discount) were deposited in the 2012C Debt Service Fund and then transferred to the General Fund.

On April 16, 2013, the City issued \$5,780,000 in General Obligation Refunding Bonds with an average interest rate of 2.40 percent to advance refund \$5,665,000 of outstanding 2003 Series General Obligation Bonds. The refunding was a partial advance refunding. The net proceeds of \$5,788,066 (after \$53,857 in cost of issuance, \$65,155 in bond premium and \$3,232 in interest which was deposited in the bond payment fund) were used to purchase U.S. Government securities. These securities were deposited in an irrevocable trust to call the bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$123,066. This difference, reported in the accompanying government-wide financial statements as a deduction from bonds payable, is being charged to operations through the year 2034 using the effective-interest method.

The City completed the refunding to reduce its total debt service payments over the next 20 years by \$1,454,778 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$1,156,035. The 2003 bonds were called on October 1, 2013.

During 2015, the City converted its water and sewer construction loan with the Kentucky Infrastructure Authority to permanent financing. The loan requires semi-annual payments at 3% interest over a 20 year period for a total principal payment of \$14,580,483.

During 2015, the City borrowed \$2,410,000 at an interest rate of 2.47% to acquire a building from the Elizabethtown Industrial Foundation. The loan requires annual payments over a 7 year period. During 2022, the City refinanced the loan in the amount of \$1,398,646 to mature in 2030 at an interest rate of 2.95%. Annual payments are scheduled to be \$199,189.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

On December 7, 2015, the City issued \$7,405,000 in General Obligation Refunding Bonds with an average interest rate of 2.61 percent to advance refund \$7,180,000 of outstanding 2010A Series General Obligation Bonds. The refunding was a partial advance refunding. The net proceeds of \$7,343,921 (after \$67,168 in cost of issuance, \$8,906 in bond premium and \$2,817 related to rounding which was deposited in the bond payment fund) were used to call the 2010A bonds.

The City completed the refunding to reduce its total debt service payments over the next 20 years by \$869,704 and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$717,712. The 2010A bonds were called on December 8, 2015.

The City received a commitment from the Kentucky Infrastructure Authority for a loan to construct sewer lines. The commitment was made on September 1, 2016, to borrow up to \$11,005,000. The City closed the loan with total borrowings of \$9,609,570. The interest rate on the loan is 2.75%.

On August 17, 2021, the City issued \$6,655,000 in General Obligation Refunding Bonds with an average interest rate of 2.17 percent to advance refund \$6,780,000 of outstanding 2011B Series General Obligation Bonds. The refunding was a current refunding. The net proceeds of \$6,832,742 (after \$138,130 in cost of issuance and \$315,872 in bond premium) were used to call the 2011B bonds and pay accrued interest.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Principal and interest requirements to retire the City's long-term obligations are as follows:

Year	General Obligation Bonds		Notes Payable		Totals
	Principal	Interest	Principal	Interest	
Governmental Activities					
2024	\$ 1,385,000	\$ 512,313	\$ 162,588	\$ 36,601	\$ 2,096,502
2025	1,425,000	478,859	167,385	31,805	2,103,049
2026	1,460,000	443,169	172,322	26,867	2,102,358
2027	1,490,000	406,063	177,406	21,783	2,095,252
2028	1,520,000	367,722	182,639	16,550	2,086,911
2029-2033	8,255,000	1,231,522	378,377	20,002	9,884,901
2034-2037	5,640,000	263,172	-	-	5,903,172
Total	<u>\$ 21,175,000</u>	<u>\$ 3,702,820</u>	<u>\$ 1,240,717</u>	<u>\$ 153,608</u>	<u>\$ 26,272,145</u>

Year	Loans Payable		Totals
	Principal	Interest	
Business-type Activities			
2024	\$ 1,111,304	\$ 491,339	\$ 1,602,643
2025	1,143,843	458,800	1,602,643
2026	1,177,337	425,306	1,602,643
2027	1,211,813	390,830	1,602,643
2028	1,247,301	335,342	1,582,643
2029-2033	6,806,344	1,206,869	8,013,213
2034-2038	4,294,287	307,242	4,601,529
2039	309,680	4,258	313,938
Total	<u>\$ 17,301,909</u>	<u>\$ 3,619,986</u>	<u>\$ 20,921,895</u>

Total interest costs incurred during 2023 were \$1,086,417 (\$563,466 in governmental activities and \$522,951 in business-type activities). All was charged to expense.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 10 - RETIREMENT SYSTEM

The City participates in the County Employees Retirement System (CERS).

Plan Description - The City participates in the County Employees' Retirement System (CERS), a component unit of the Commonwealth of Kentucky, which is a cost-sharing multiple-employer defined benefit plan. CERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Under the provisions of KRS Section 61.645, the Board of Trustees of Kentucky Retirement Systems (KERS) administers CERS. CERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained at www.kyret.ky.gov.

This system consists of two plans - *Nonhazardous and Hazardous*. Each plan is a cost-sharing multiple employer defined benefit pension plan that covers all regular full-time members employed in nonhazardous positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS.

Benefits Provided

The system provides for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of members under certain circumstances. Prior to July 1, 2009, cost-of-living adjustments (COLA) were provided annually equal to the percentage increase in the annual average of the consumer price index for all urban consumers for the most recent calendar year, not to exceed 5% in any plan year. On July 1, 2013, the COLA was not granted. Effective July 1, 2009, and on July 1 of each year thereafter through June 30, 2015, the COLA is limited to 1.5% provided the recipient has been receiving a benefit for at least 12 months prior to the effective date of the COLA. If the recipient has been receiving a benefit for less than 12 months prior to the effective date of the COLA, the increase shall be reduced on a pro-rata basis for each month the recipient has not been receiving benefits in the 12 months preceding the effective date of the COLA. The Kentucky General Assembly reserves the right to suspend or reduce the COLA if, in its judgment, the welfare of the Commonwealth so demands. No COLA has been granted since July 1, 2011.

The Board of Trustees adopted new actuarial assumptions since June 30, 2018. These assumptions are documented in the report titled "Kentucky Retirement Systems 2018 Actuarial Experience Study for the Period Ending June 30, 2018". The Total Pension liability as of June 30, 2020, was determined using these updated assumptions.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023Contributions

For the fiscal year ended June 30, 2023, plan members who began participating prior to September 1, 2008, were required to contribute 5% nonhazardous and 8% hazardous of their annual creditable compensation. Participating employers were required to contribute at an actuarially determined rate for CERS pensions. Per Kentucky Revised Statute Section 78.545(33) CERS normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last preceding 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 bases adopted by the Board.

In accordance with House Bill 1, signed by the Governor on June 27, 2008, plan members who began participating on, or after, September 1, 2008, were required to contribute a total of 6% for nonhazardous and 9% for hazardous of their annual creditable compensation, 5% for nonhazardous and 8% for hazardous of the contribution was deposited to the member's account while the 1% was deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E). Interest is paid each June 30 on members' accounts at a rate of 2.5%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1% contribution to the 401(h) account is non-refundable and is forfeited. For plan members who began participating prior to September 1, 2008, their contributions remain at 5% for nonhazardous and 8% for hazardous of their annual creditable compensation.

In accordance with Senate Bill 2, signed by the Governor on April 4, 2013, plan members who began participating on, or after, January 1, 2014, were 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. Members contribute 5% (nonhazardous) and 8% (hazardous) of their annual creditable compensation and 1% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with a 4% (nonhazardous) and 7.5% (hazardous) employer pay credit. The employer pay credit represents a portion of the employer contribution.

The City's contractually required contribution rate for the year ended June 30, 2023, was 23.40 percent of annual creditable compensation for nonhazardous employees and 42.81 percent of annual creditable compensation for hazardous employees. Contributions to the pension plan from the City were \$5,979,978 (\$2,449,926 for nonhazardous and \$3,530,052 for hazardous).

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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

At June 30, 2023, the City reported a liability of \$52,845,602 for its proportionate share of the net pension liability (\$21,963,695 for nonhazardous and \$30,881,907 for hazardous). The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 employers, actuarially determined. At June 30, 2022, the City's proportion was 0.303827 percent for nonhazardous and 1.012038 percent for hazardous which was a decrease of 0.00009 percent for nonhazardous and a decrease of 0.028796 percent for hazardous from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the City recognized pension expense of \$4,728,874 (\$1,828,563 for nonhazardous and \$2,900,311 for hazardous). At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 908,921	\$ 195,596
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	1,276,363	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	446,696	731,957
Contributions paid to CERS subsequent to the measurement date	<u>5,979,978</u>	<u>-</u>
	<u>\$ 8,611,958</u>	<u>\$ 927,553</u>

The amount reported as deferred outflows for City contributions subsequent to the measurement date of \$5,979,978 will be recognized as a reduction of the net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Pension Expense Amount</u>
2024	\$ 393,490
2025	328,838
2026	(352,606)
2027	<u>1,334,705</u>
	<u>\$ 1,704,427</u>

The City also owed \$816,503 to the plan for June 2023.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023Actuarial Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3 percent
Salary increases	3.30 percent to 19.05%, varies by service, including inflation
Investment rate of return	6.25 percent, net of pension plan investment expense, including inflation

The mortality table used for active members is a 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 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018 and adopted by the Board on April 18, 2019.

The long-term expected return on plan assets 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Specialty Credit	10.00%	2.28%
Core Fixed Income	10.00%	28.00%
Cash	0.00%	-0.91%
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total pension liability as of the Measurement Date was 6.25%. 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 27 year closed amortization period of the unfunded actuarial accrued liability. The discount rate determination does not use a municipal bond rate. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the CERS Annual Comprehensive Financial Report.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

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 6.25 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 (5.25 percent) or 1-percentage-point higher (7.25 percent) than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
City's proportionate share of the net pension liability	\$ 65,920,362	\$ 52,845,602	\$ 42,127,620

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position, which has been determined on the same basis as that used by the plan, is available in the separately issued CERS financial report which is available at kyret.ky.gov. The financial statements are prepared on the accrual basis of accounting. Member contributions and employer matching contributions are recognized in the fiscal year due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFIT PLANS

The City participates in the County Employees Retirement System (CERS).

Plan Description - The Kentucky Retirement Systems' Insurance Fund (Insurance Fund) was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance.

Senate Bill 209 passed during the 2022 legislative session increased the insurance dollar contribution for members hired on or after July 1, 2003 by \$5 for each year of service a member attains over certain thresholds, depending on a member's retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member's applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

This system consists of two plans - *Nonhazardous and Hazardous*. Each plan is a cost-sharing multiple employer defined benefit pension plan that covers all regular full-time members employed in nonhazardous and hazardous positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate in CERS.

Benefits provided - For members participating prior to July 1, 2003, KRS pays a percentage of the monthly premium for single coverage based upon the service credit accrued at retirement. Members participating on or after July 1, 2003, and before September 1, 2008, are required to earn at least 10 years of service credit in order to be eligible for insurance benefits at retirement. Members participating on or after September 1, 2008 are required to earn at least 15 years of service credit in order to be eligible for insurance benefits at retirement. The monthly health insurance contribution will be \$10 for each year of earned service increased by the CPI prior to July 1, 2009, and by 1.5% annually from July 1, 2009.

Contributions - For the fiscal year ended June 30, 2023, plan members who began participating prior to September 1, 2008, were required to contribute 0% of their annual creditable compensation. Those members who began participating on, or after, September 1, 2008, and before January 1, 2014 were required to contribute 1% of their annual creditable compensation. Those members who began participating on, or after, January 1, 2014, were required to contribute 1% of their annual creditable compensation but their contribution is not credited to their account and is not refundable. Participating employers were 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 preceding 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 bases adopted by the Board. The City's contractually required contribution rate for the year ended June 30, 2023, was 3.39 percent of annual creditable compensation for non-hazardous employees and 6.78 percent of annual creditable compensation for hazardous employees. Contributions to the OPEB plan from the City were \$913,994 (\$354,925 for nonhazardous and \$559,069 for hazardous).

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

At June 30, 2023, the City reported a liability of \$14,611,485 for its proportionate share of the net OPEB liability (\$5,995,416 for non-hazardous and \$8,616,069 for hazardous). The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The City's proportion of the net OPEB liability 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 members, actuarially determined. At June 30, 2022, the City's proportion was 0.303794 percent for nonhazardous and 1.011530 percent for hazardous which was a decrease of 0.000052 percent for nonhazardous and a decrease of 0.029301 percent for hazardous from its proportion measured as of June 30, 2021.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

For the year ended June 30, 2023, the City recognized OPEB expense of \$1,971,359 (\$904,196 for non-hazardous and \$1,067,163 for hazardous). At June 30, 2023, the City reported its proportionate share of the CERS deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 793,866	\$ 1,885,180
Changes in actuarial assumptions	2,386,490	2,263,841
Difference between projected and actual investment earnings	557,819	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	189,320	369,016
Contributions paid to CERS subsequent to the measurement date	913,994	-
	<u>\$ 4,841,489</u>	<u>\$ 4,518,037</u>

Of the total amount reported as deferred outflows of resources related to OPEB, \$913,994 resulting from City contributions subsequent to the measurement date and before the end of the fiscal year will be included as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the City's OPEB expense as follows:

<u>Year Ending June 30</u>	<u>OPEB Expense Amount</u>
2024	\$ 63,031
2025	(6,892)
2026	(542,344)
2027	197,172
2028	(301,509)
	<u>\$ (590,542)</u>

The City also owed \$118,759 to the plan for June 2023.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

Actuarial assumptions - The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.25%, net of OPEB plan investment expense, including inflation.
Projected salary increases	3.30 percent to 19.05%, varies by service, including inflation
Inflation rate	2.30%
Real Wage Growth	2.00%
Healthcare Trend Rate:	
Pre-65	Initial trend starting at 6.40% at January 1, 2022, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years.
Post-65	Initial trend starting at 6.30% at January 1, 2023, then gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years.
Municipal Bond Index Rate	3.69%
Discount Rate - Non-Hazardous	5.70%
Discount Rate - Hazardous	5.61%

The mortality table used for active members is a 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 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The actuarial assumptions used in the June 30, 2019, valuation were based on the results of an actuarial experience study for the period July 1, 2013 - June 30, 2018 and adopted by the Board on April 18, 2019.

The long-term expected return on plan assets 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.

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CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023

The target allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by the investment consultant, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	50.00%	4.45%
Private Equity	10.00%	10.15%
Specialty Credit	10.00%	2.28%
Core Fixed Income	10.00%	28.00%
Cash	0.00%	-0.91%
Real Estate	7.00%	3.67%
Real Return	13.00%	4.07%
	<u>100.00%</u>	

The projection of cash flows used to determine the discount rate of 5.70% for non-hazardous and 5.61% for hazardous assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26 years (closed) amortization period of the unfunded actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 3.69%, as reported in Fidelity Index's "20 -Year Municipal GO AA Index" as of June 30, 2022. 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. The target asset allocation and best estimates of arithmetic nominal rates of return for each major asset class are summarized in the Annual Comprehensive Financial Report.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

Sensitivity Of The City's Proportionate Share Of The Net OPEB Liability To Changes In The Discount Rate

The following table presents the City's proportionate share of the collective net OPEB liability of the System, calculated using the discount rate of 5.70% for non-hazardous and 5.61% for hazardous, as well as what the City's proportionate share of the collective 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:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
City's proportionate share of the net OPEB liability	\$ 19,986,685	\$ 14,611,485	\$ 10,216,575

Sensitivity Of The City's Proportionate Share Of The Collective Net OPEB Liability To Changes In The Healthcare Cost Trend Rates - The following presents the City's proportionate share of the collective net OPEB liability, as well as what the City's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates.

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
City's proportionate share of the net OPEB liability	\$ 10,473,951	\$ 14,611,485	\$ 19,627,025

OPEB plan fiduciary net position - Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CERS financial report which can be obtained at kyret.ky.gov.

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CITY OF ELIZABETHTOWN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2023

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

NOTE 12 - SELF-INSURANCE

As disclosed in Note 1, the Internal Service Fund (Employee Benefits Trust Fund) was established effective April 6, 1990, to account for the City's employee health care coverage program, which is self-insured by the City. Revenues are recognized from payroll deductions for employee dependent coverage and from City contributions for employee coverage. Liabilities for unpaid claims are estimated based on a review of claims incurred during the fiscal year but not paid until the following fiscal year. Changes in claims liability during fiscal years ended June 30, 2023, and 2022, were as follows:

<u>Fiscal year</u> <u>Ended</u> <u>June 30,</u>	<u>Balance at</u> <u>beginning of</u> <u>fiscal year</u>	<u>Current-year</u> <u>claims and</u> <u>changes in</u> <u>estimates</u> <u>and transfers</u>	<u>Claim</u> <u>payments</u> <u>and transfers</u>	<u>Balance at</u> <u>end of</u> <u>fiscal year</u>
2023	\$ 133,827	\$ 3,429,114	\$ 3,204,199	\$ 358,742
2022	\$ 124,800	\$ 2,428,184	\$ 2,419,157	\$ 133,827

There were \$413,690 in claims due within one year at June 30, 2023. The health care coverage program maintains a policy with a commercial insurance company that covers any claims greater than \$135,000 per year per employee and also covers any aggregate claims greater than \$3,017,156 per year. For the fiscal years ending June 30, 2023, 2022 and 2021, no settlements exceeded insurance coverage.

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 13 - INTERFUND TRANSFERS

	Transfers In	Transfers Out
	<u> </u>	<u> </u>
General Fund	\$ -	\$ 1,404,987
Special Revenue Funds:		
Courthouse Operations	7,581	-
Courthouse Capital Projects Fund	-	7,581
Debt Service Funds:		
2013 Bonds	379,987	-
Internal Service Fund	<u>1,025,000</u>	<u>-</u>
	<u>\$ 1,412,568</u>	<u>\$ 1,412,568</u>

These transfers were eliminated in the preparation of the government-wide financial statements except for those between governmental and proprietary funds. The transfers were made to make debt payments through the debt service fund, to pay for capital improvements, to fund self-insurance and close the courthouse capital projects fund.

NOTE 14 - INSURANCE AND RELATED ACTIVITIES AND RISK MANAGEMENT

The City is exposed to various forms of loss of assets associated with the risks of fire, personal liability, theft, vehicular accidents, errors and omissions, fiduciary responsibility, etc. Each of these risk areas is covered through the purchase of commercial insurance.

The City has purchased certain policies, which are retrospectively rated which include workers' compensation insurance. To obtain insurance for workers' compensation, the City participates in the Kentucky League of Cities Workers' Compensation Trust. This public entity risk pool operates as a common risk management and insurance program for all participating cities of Kentucky who are members of the Kentucky League of Cities. The City pays an annual premium to the fund for coverage. Contributions to the Workers' Compensation Trust are based on premium rates established by such fund in conjunction with the excess insurance carrier, subject to claims experience modifications and a group discount amount. Dividends may be declared, but are not payable until twenty-four (24) months after the expiration of the self-insurance term.

The City purchased unemployment insurance through the Kentucky League of Cities Unemployment Compensation Reimbursement Trust; however, risk has not been transferred to such fund.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 15 - INDIVIDUAL FUND EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds had expenditures in excess of appropriations for the year ended June 30, 2023:

General Fund	\$3,323,970
Courthouse Operations Fund	45,955
Courthouse Capital Projects Fund	7,570
2021 GOB Bond Fund	550
Gas Fund	5,632,862
Internal Service Fund	11,473

NOTE 16 - COMMITMENTS AND CONTINGENCIES

The City is a defendant in a number of lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions when finally adjudicated will not have material adverse effect on the financial position of the City. The City has no cases that are expected to result in a payment in future years. Also, the City has entered into various construction commitments related to the construction projects.

NOTE 17 - TAX ABATEMENTS

The GASB issued Statement 77, Tax Abatement Disclosures in August 2015. GASB 77 establishes reporting requirements for disclosure of tax abatement incentives granted by a governmental entity. This statement was effective for periods beginning after December 15, 2015.

The Commonwealth of Kentucky Cabinet for Economic Development offers incentives to businesses that promote new business development, expansion of existing facilities, or relocation of facilities. There are currently 17 different programs through which a business can obtain economic incentives. Currently, the City of Elizabethtown is mainly impacted by the Kentucky Business Investment Program (KBI). Through this program, the state offers a rebate of up to 3% of state withholding remitted to the state. The City of Elizabethtown offers a rebate equivalent to 1% of local withholding for a specified number of jobs created. The length of term of the program is usually 10 years with a maximum amount of incentive that is authorized to be rebated.

For the fiscal year ended June 30, 2023, the City of Elizabethtown had eight entities that had received final approval from the Commonwealth of Kentucky and were eligible to receive rebates. Rebates in the amount of \$757,858 were issued during the fiscal year ended June 30, 2023. This results from new jobs created by these businesses as required by state program criteria. These new jobs provided wages of \$75,785,808 to local employees. The economic benefit to the City, its citizens, and the local communities more than offsets this reduction of occupational license fee revenue. The rebates represent 3.67% of the total occupational license fee revenue collected by the City during this fiscal year.

(Continued next page)

CITY OF ELIZABETHTOWNNOTES TO BASIC FINANCIAL STATEMENTSJUNE 30, 2023NOTE 18 - CONDUIT DEBT OBLIGATIONS

The City has issued industrial revenue bonds that finance the construction and development of infrastructure. The bonds are payable solely from the revenues of the industry. In addition, no commitments were extended by the City for any of those bonds. At June 30, 2023, the bonds have an aggregate outstanding principal amount payable of \$26.8 million.

NOTE 19 - SUBSCRIPTION ARRANGEMENTS

On August 19, 2022, the City entered into a subscription-based information technology arrangement (SBITA) with a vendor for its primary virtual memory host server. The arrangement requires sixty monthly payments of \$3,250. The system went live September 1, 2022 and is discounted at a rate of 5.00% with an asset value of \$177,292. For the year ended June 30, 2023, the City reported a corresponding SBITA liability in the amount of \$138,292. For the year ended June 30, 2023, there was a principal reduction of \$39,000. As of June 30, 2023, the net SBITA right-to-use intangible asset was reported in the amount of \$141,834. Annual amortization is \$35,458. Future payments are as follows.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 37,143	\$ 1,857
2025	35,374	3,626
2026	33,690	5,310
2027	<u>32,085</u>	<u>6,915</u>
Total	<u>\$ 138,292</u>	<u>\$ 17,708</u>

NOTE 20 - SPECIAL ITEM

In August 2022, The City deeded the Hardin County Justice Center to the Commonwealth of Kentucky Administrative Office of the Courts. The asset had a cost of \$11,087,807 and accumulated depreciation of \$4,251,608 resulting in a loss of \$6,836,199.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ELIZABETHTOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	INCREASE (DECREASE)
REVENUES:			
Property taxes	\$ 4,240,000	\$ 4,610,386	\$ 370,386
Sales taxes	4,960,000	5,733,908	773,908
Licenses and permits	23,637,300	29,604,444	5,967,144
Fines, forfeitures and penalties	112,500	183,040	70,540
Revenue from use of money and property	223,000	844,809	621,809
Charges for current services	461,920	477,917	15,997
Recreation fees	668,050	1,274,451	606,401
Miscellaneous revenue	538,350	1,199,684	661,334
State grant revenue	320,820	651,298	330,478
Federal grant revenue	2,850,000	2,960,750	110,750
TOTAL REVENUES	38,011,940	47,540,687	9,528,747
EXPENDITURES:			
Current:			
General government	6,898,124	6,805,003	93,121
Public safety	12,302,792	11,783,223	519,569
Public works	3,009,466	6,841,807	(3,832,341)
Recreation/tourism	8,297,709	9,235,639	(937,930)
Capital outlay	20,051,960	15,869,521	4,182,439
Debt service-principal	-	157,929	(157,929)
Debt service-interest	-	41,260	(41,260)
TOTAL EXPENDITURES	50,560,051	50,734,382	(174,331)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,548,111)	(3,193,695)	9,354,416
OTHER FINANCING SOURCES (USES):			
Transfers in	200,000	-	(200,000)
Insurance proceeds	-	723,283	723,283
Capital lease proceeds	-	177,292	177,292
Transfers out	(575,000)	(1,404,987)	(829,987)
Proceeds from disposal of property	50,000	374,137	324,137
TOTAL OTHER FINANCING SOURCES (USES)	(325,000)	(130,275)	194,725
NET CHANGE IN FUND BALANCES	(12,873,111)	(3,323,970)	9,549,141
FUND BALANCES, JULY 1, 2022	12,873,111	43,205,364	30,332,253
FUND BALANCES, JUNE 30, 2023	\$ -	\$ 39,881,394	\$ 39,881,394

NOTE (1) - The basis of budgeting is the same as GAAP.

CITY OF ELIZABETHTOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
MAJOR SPECIAL REVENUE FUND - FIRE PROTECTION SINKING FUND
YEAR ENDED JUNE 30, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	INCREASE (DECREASE)
REVENUES:			
Insurance premiums tax	\$ 4,700,000	\$ 5,118,309	\$ 418,309
Revenue from use of money and property	-	46,578	46,578
TOTAL REVENUES	4,700,000	5,164,887	464,887
EXPENDITURES:			
Current:			
Public safety	4,700,000	5,164,870	(464,870)
TOTAL EXPENDITURES	4,700,000	5,164,870	(464,870)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	17	17
NET CHANGE IN FUND BALANCES	-	17	17
FUND BALANCES, JULY 1, 2022	-	4	4
FUND BALANCES, JUNE 30, 2023	\$ -	\$ 21	\$ 21

NOTE (1) - The basis of budgeting is the same as GAAP.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE CERS NET PENSION
LIABILITY - NONHAZARDOUS

June 30, 2023

Last 10 Years *

	2023	2022	2021	2020	
Proportion of the net pension liability	0.303827%	0.303917%	0.312209%	0.302278%	
Proportionate share of the net pension liability	\$ 21,963,695	\$ 19,377,094	\$ 23,952,154	\$ 21,259,347	
Covered payroll	\$ 8,561,249	\$ 8,020,009	\$ 8,282,869	\$ 7,891,239	
Proportionate share of the net pension liability as a percentage of covered payroll	256.5%	241.6%	289.2%	269.4%	
Plan fiduciary net position as a percentage of the total pension liability	52.42%	57.33%	47.81%	50.45%	
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.303181%	0.297731%	0.296117%	0.308610%	0.317516%
Proportionate share of the net pension liability	\$ 18,464,648	\$ 17,427,111	\$ 14,579,684	\$ 13,268,757	\$ 10,301,000
Covered payroll	\$ 8,092,391	\$ 7,545,897	\$ 8,235,546	\$ 7,319,457	\$ 7,787,255
Proportionate share of the net pension liability as a percentage of covered payroll	228.2%	230.9%	177.0%	181.3%	132.3%
Plan fiduciary net position as a percentage of the total pension liability	53.54%	53.30%	55.50%	59.97%	66.80%

* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE CERS NET PENSION
LIABILITY - HAZARDOUS

June 30, 2023

Last 10 Years *

	2023	2022	2021	2020	
Proportion of the net pension liability	1.012038%	1.040834%	1.034303%	1.006775%	
Proportionate share of the net pension liability	\$ 30,881,907	\$ 27,708,659	\$ 31,184,529	\$ 27,810,099	
Covered payroll	\$ 6,750,342	\$ 6,314,753	\$ 6,132,549	\$ 5,820,089	
Proportionate share of the net pension liability as a percentage of covered payroll	457.5%	438.8%	508.5%	477.8%	
Plan fiduciary net position as a percentage of the total pension liability	47.11%	52.26%	44.11%	46.63%	
	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.980788%	0.961871%	0.929592%	0.969756%	0.950538%
Proportionate share of the net pension liability	\$ 23,719,935	\$ 21,519,734	\$ 15,951,251	\$ 14,886,788	\$ 11,424,000
Covered payroll	\$ 5,547,427	\$ 5,361,935	\$ 4,911,716	\$ 4,814,429	\$ 5,009,475
Proportionate share of the net pension liability as a percentage of covered payroll	427.6%	401.3%	324.8%	309.2%	228.0%
Plan fiduciary net position as a percentage of the total pension liability	49.26%	49.78%	53.95%	57.52%	63.46%

* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

SCHEDULE OF CONTRIBUTIONS TO CERS PENSION - NONHAZARDOUS

June 30, 2023

Last 10 Years *

	2023	2022	2021	2020	
Contractually required contribution (actuarially determined)	\$ 2,449,926	\$ 1,812,416	\$ 1,547,862	\$ 1,598,594	
Contribution in relation to the actuarially determined contributions	2,449,926	1,812,416	1,547,862	1,598,594	
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	
Covered payroll	\$ 10,469,767	\$ 8,561,249	\$ 8,020,009	\$ 8,282,869	
Contributions as a percentage of covered payroll	23.40%	21.17%	19.30%	19.30%	
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 1,279,959	\$ 1,171,778	\$ 1,052,653	\$ 1,022,855	\$ 933,231
Contribution in relation to the actuarially determined contributions	1,279,959	1,171,778	1,052,653	1,022,855	933,231
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,891,239	\$ 8,092,391	\$ 7,545,897	\$ 8,235,546	\$ 7,319,457
Contributions as a percentage of covered payroll	16.22%	14.48%	13.95%	12.42%	12.75%

* Fiscal year 2015 was the first year of implementation, therefore, only nine years are shown.

SCHEDULE OF CONTRIBUTIONS TO CERS PENSION - HAZARDOUS

June 30, 2023

Last 10 Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	
Contractually required contribution (actuarially determined)	\$ 3,530,052	\$ 2,285,665	\$ 1,898,215	\$ 1,843,444	
Contribution in relation to the actuarially determined contributions	<u>3,530,052</u>	<u>2,285,665</u>	<u>1,898,215</u>	<u>1,843,444</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll	\$ 8,245,857	\$ 6,750,342	\$ 6,314,753	\$ 6,132,549	
Contributions as a percentage of covered payroll	42.81%	33.86%	30.06%	30.06%	
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 1,446,874	\$ 1,231,529	\$ 1,164,076	\$ 995,114	\$ 998,031
Contribution in relation to the actuarially determined contributions	<u>1,446,874</u>	<u>1,231,529</u>	<u>1,164,076</u>	<u>995,114</u>	<u>998,031</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,820,089	\$ 5,547,427	\$ 5,361,935	\$ 4,911,716	\$ 4,814,429
Contributions as a percentage of covered payroll	24.86%	22.20%	21.71%	20.26%	20.73%

* Fiscal year 2015 was the first year of implementation, therefore, only eight years are shown.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE CERS NET OPEB
LIABILITY - NONHAZARDOUS

June 30, 2023

Last 10 Years *

	2023	2022	2021
Proportion of the net OPEB liability	0.303794%	0.303846%	0.312212%
Proportionate share of the net OPEB liability	\$ 5,995,416	\$ 5,816,979	\$ 7,538,970
Covered payroll	\$ 8,561,249	\$ 8,020,009	\$ 8,282,869
Proportionate share of the net OPEB liability as a percentage of covered payroll	70.03%	72.53%	91.02%
Plan fiduciary net position as a percentage of the total OPEB liability	60.95%	62.91%	51.67%
	2020	2019	2018
Proportion of the net OPEB liability	0.302214%	0.303169%	0.297731%
Proportionate share of the net OPEB liability	\$ 5,083,102	\$ 5,382,704	\$ 5,985,412
Covered payroll	\$ 7,891,239	\$ 8,092,391	\$ 7,545,897
Proportionate share of the net OPEB liability as a percentage of covered payroll	64.41%	66.52%	79.32%
Plan fiduciary net position as a percentage of the total OPEB liability	60.44%	60.44%	57.62%

* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE CERS NET OPEB
LIABILITY - HAZARDOUS

June 30, 2023

Last 10 Years *

	2023	2022	2021
Proportion of the net OPEB liability	1.011530%	1.040831%	1.034114%
Proportionate share of the net OPEB liability	\$ 8,616,069	\$ 8,415,736	\$ 9,556,305
Covered payroll	\$ 6,750,342	\$ 6,314,738	\$ 6,132,549
Proportionate share of the net OPEB liability as a percentage of covered payroll	127.64%	133.27%	155.83%
Plan fiduciary net position as a percentage of the total OPEB liability	64.13%	66.81%	58.84%
	2020	2019	2018
Proportion of the net OPEB liability	1.006647%	0.980843%	0.961871%
Proportionate share of the net OPEB liability	\$ 7,447,776	\$ 6,993,013	\$ 7,951,513
Covered payroll	\$ 5,820,089	\$ 5,547,427	\$ 5,361,935
Proportionate share of the net OPEB liability as a percentage of covered payroll	127.97%	126.06%	148.30%
Plan fiduciary net position as a percentage of the total OPEB liability	64.44%	64.24%	58.99%

* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

SCHEDULE OF CONTRIBUTIONS TO CERS OPEB - NON-HAZARDOUS

June 30, 2023

Last 10 Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution (actuarially determined)	\$ 354,925	\$ 494,840	\$ 381,752
Contribution in relation to the actuarially determined contributions	<u>354,925</u>	<u>494,840</u>	<u>381,752</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 10,469,767	\$ 8,561,249	\$ 8,020,009
Contributions as a percentage of covered payroll	3.39%	5.78%	4.76%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution (actuarially determined)	\$ 389,215	\$ 415,079	\$ 380,342
Contribution in relation to the actuarially determined contributions	<u>389,215</u>	<u>415,079</u>	<u>380,342</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,282,869	\$ 7,891,239	\$ 8,092,391
Contributions as a percentage of covered payroll	4.76%	5.26%	4.70%

* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

SCHEDULE OF CONTRIBUTIONS TO CERS OPEB - HAZARDOUS

June 30, 2023

Last 10 Years *

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution (actuarially determined)	\$ 559,069	\$ 706,731	\$ 601,163
Contribution in relation to the actuarially determined contributions	<u>559,069</u>	<u>706,731</u>	<u>601,163</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,245,857	\$ 6,750,342	\$ 6,314,738
Contributions as a percentage of covered employee payroll	6.78%	10.47%	9.52%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution (actuarially determined)	\$ 583,819	\$ 609,945	\$ 518,684
Contribution in relation to the actuarially determined contributions	<u>583,819</u>	<u>609,945</u>	<u>518,684</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,132,549	\$ 5,820,089	\$ 5,547,427
Contributions as a percentage of covered employee payroll	9.52%	10.48%	9.35%

* Fiscal year 2018 was the first year of implementation, therefore, only six years are shown.

CITY OF ELIZABETHTOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS PENSION

FOR THE YEAR ENDED JUNE 30, 2023

Changes of benefit terms. There were no changes in benefit terms for 2015 through 2023.

Changes of assumptions (as of June 30 of the year of measurement date):

2014

The assumed investment rate of return was decreased from 7.75% to 7.50%.

The assumed rate of inflation was reduced from 3.50% to 3.25%.

The assumed rate of wage inflation was reduced from 1.00% to 0.75%.

Payroll growth assumption was reduced from 4.50% to 4.00%.

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).

For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set back 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.

There is some margin in the current mortality tables for possible future improvement in mortality rates and that margin will be reviewed again when the next experience investigation is conducted.

The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.

2015 and 2016 - No changes.

2017 - The assumed investment return was changed from 7.50% to 6.25%. The price inflation assumption was changed from 3.25% to 2.30%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service. The payroll growth assumption (applicable for the amortization unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%.

2018 - No changes.

2019 - Salary rates were increased from 3.05% average to 3.30% to 10.30%, varies by service. Annual rates of retirement, disability, withdrawal and mortality were updated based on the 2018 experience study and the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members and from 0% to 50% for hazardous members.

2020 - No changes.

2021 - No changes.

2022 - No changes.

CITY OF ELIZABETHTOWN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS OPEB

FOR THE YEAR ENDED JUNE 30, 2023

Changes of benefit terms. There were no changes in benefit terms for 2018 to 2023.

Changes of assumptions (as of June 30 of the year of measurement date):

2017

The assumed investment return was changed from 7.50% to 6.25%. The price inflation assumption was changed from 3.25% to 2.30%, which also resulted in a 0.95% decrease in the salary increase assumption at all years of service. The payroll growth assumption (applicable for the amortization of unfunded actuarial accrued liabilities) was changed from 4.00% to 2.00%. For the Non-Hazardous Plan, the single discount rate changed from 6.89% to 5.84%. For the Hazardous Plan, the single discount rate changed from 7.37% to 5.96%.

2018 - No changes.

2019 - Salary rates were increased from 3.05% average to 3.55% to 19.05%, varies by service. Annual rates of retirement, disability, withdrawal and mortality were updated based on the 2018 experience study and the percent of disabilities assumed to occur in the line of duty was updated from 0% to 2% for non-hazardous members and from 0% to 50% for hazardous members. The municipal bond rate decreased from 3.62% to 3.13%.

2020 - The discount rate was changed from 5.68% to 5.34% for non-hazardous and from 5.34% to 5.30% for hazardous.

2021 - The discount rate was changed from 5.34% to 5.20% for non-hazardous and from 5.30% to 5.05% for hazardous. The municipal bond rate decreased from 3.13% to 1.92%.

2022 - The discount rate was changed from 5.20% to 5.70% for non-hazardous and from 5.05% to 5.61% for hazardous. The municipal bond rate decreased from 1.92% to 13.69%.

COMBINING FINANCIAL STATEMENTS

CITY OF ELIZABETHTOWN
 COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

	Special Revenue Funds	Capital Projects Fund - Courthouse	Debt Service Funds	Total Nonmajor Governmental Funds
Assets:				
Non-pooled cash and cash equivalents	\$ 184	\$ -	\$ 64,174	\$ 64,358
Investments	2,129,973		770,358	2,900,331
Receivables:				
Licenses and permits	279,059	-	-	279,059
Intergovernmental - State of KY	45,800	-	-	45,800
Total Assets	\$ 2,455,016	\$ -	\$ 834,532	\$ 3,289,548
Liabilities and Fund Balances:				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
Fund Balances				
Restricted	2,455,016	-	834,532	3,289,548
Total Fund Balances	2,455,016	-	834,532	3,289,548
Total Liabilities and Fund Balances	\$ 2,455,016	\$ -	\$ 834,532	\$ 3,289,548

CITY OF ELIZABETHTOWN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Projects Fund - Courthouse	Debt Service Funds	Total Nonmajor Governmental Funds
Revenues				
State of Kentucky	\$ 1,189,863	\$ -	\$ -	\$ 1,189,863
From use of money and property	153,411	11	379	153,801
Licenses and permits	1,796,198	-	-	1,796,198
Local government	-	-	1,918,290	1,918,290
Federal grant revenue	214,519	-	-	214,519
Total Revenues	3,353,991	11	1,918,669	5,272,671
Expenditures				
General government	17,702	-	-	17,702
Public safety	2,585,154	-	-	2,585,154
Public works	620,489	-	-	620,489
Debt service:				
Principal	-	-	1,360,000	1,360,000
Interest	-	-	543,887	543,887
Total Expenditures	3,223,345	-	1,903,887	5,127,232
Excess (Deficiency) of Revenues over Expenditures	130,646	11	14,782	145,439
Other Financing Sources (Uses)				
Refunding bond proceeds				-
Debt service - principal				-
Bond premium				-
Transfers in	7,581	-	379,987	387,568
Transfers out	-	(7,581)	-	(7,581)
Total Other Financing Sources (Uses)	7,581	(7,581)	379,987	379,987
Net Change in Fund Balances	138,227	(7,570)	394,769	525,426
Fund balance, JULY 1, 2022	2,316,789	7,570	439,763	2,764,122
Fund balance, JUNE 30, 2023	<u>\$ 2,455,016</u>	<u>\$ -</u>	<u>\$ 834,532</u>	<u>\$ 3,289,548</u>

CITY OF ELIZABETHTOWN
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2023

	CEMETERY FUND	FIRE AND POLICE INCENTIVE	MUNICIPAL AID	SPECIAL PROJECT GRANT	NARCOTICS TASK FORCE GRANT	COURTHOUSE OPERATIONS FUND	ARC FUND	TOTALS
ASSETS								
Non-pooled cash and cash equivalents	\$ 184	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184
Investments	2,129,973	-	-	-	-	-	-	2,129,973
Licenses and permits receivable	-	-	-	-	-	-	279,059	279,059
Intergovernmental receivable - State of KY	-	45,800	-	-	-	-	-	45,800
TOTAL ASSETS	\$ 2,130,157	\$ 45,800	\$ -	\$ -	\$ -	\$ -	\$ 279,059	\$ 2,455,016
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
Fund Balance:								
Restricted	2,130,157	45,800	-	-	-	-	279,059	2,455,016
TOTAL FUND BALANCE	2,130,157	45,800	-	-	-	-	279,059	2,455,016
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,130,157	\$ 45,800	\$ -	\$ -	\$ -	\$ -	\$ 279,059	\$ 2,455,016

CITY OF ELIZABETHTOWN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2023

	CEMETERY FUND	FIRE AND POLICE INCENTIVE	MUNICIPAL AID	SPECIAL PROJECT GRANT	NARCOTICS TASK FORCE GRANT	COURTHOUSE OPERATIONS FUND	ARC FUND	TOTALS
REVENUES:								
State of Kentucky	\$ -	\$ 531,232	\$ 596,014	\$ 24,475	\$ -	\$ 38,142	\$ -	\$ 1,189,863
From use of money and property	153,162	-	-	-	-	249	-	153,411
Licenses and permits	-	-	-	-	-	-	1,796,198	1,796,198
Federal grant revenue	-	-	-	-	214,519	-	-	214,519
TOTAL REVENUES	153,162	531,232	596,014	24,475	214,519	38,391	1,796,198	3,353,991
EXPENDITURES:								
General government	17,702	-	-	-	-	-	-	17,702
Public safety	-	506,435	-	-	214,519	91,927	1,772,273	2,585,154
Public works	-	-	596,014	24,475	-	-	-	620,489
TOTAL EXPENDITURES	17,702	506,435	596,014	24,475	214,519	91,927	1,772,273	3,223,345
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	135,460	24,797	-	-	-	(53,536)	23,925	130,646
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	7,581	-	7,581
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	7,581	-	7,581
NET CHANGE IN FUND BALANCES	135,460	24,797	-	-	-	(45,955)	23,925	138,227
FUND BALANCES, JULY 1, 2022	1,994,697	21,003	-	-	-	45,955	255,134	2,316,789
FUND BALANCES, JUNE 30, 2023	\$ 2,130,157	\$ 45,800	\$ -	\$ -	\$ -	\$ -	\$ 279,059	\$ 2,455,016

CITY OF ELIZABETHTOWN
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 JUNE 30, 2023

	2012C GENERAL OBLIGATION BONDS	2013 GENERAL OBLIGATION BONDS	2015 GENERAL OBLIGATION BONDS	2021 GENERAL OBLIGATION BONDS	TOTALS
ASSETS					
Non-pooled cash and cash equivalents	\$ -	\$ -	\$ -	\$ 64,174	\$ 64,174
Investments	395,213	29	77	375,039	770,358
TOTAL ASSETS	<u>\$ 395,213</u>	<u>\$ 29</u>	<u>\$ 77</u>	<u>\$ 439,213</u>	<u>\$ 834,532</u>
LIABILITIES AND FUND BALANCES					
FUND BALANCES:					
Restricted	<u>395,213</u>	<u>29</u>	<u>77</u>	<u>439,213</u>	<u>834,532</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 395,213</u>	<u>\$ 29</u>	<u>\$ 77</u>	<u>\$ 439,213</u>	<u>\$ 834,532</u>

CITY OF ELIZABETHTOWN
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 YEAR ENDED JUNE 30, 2023

	2012C GENERAL OBLIGATION BONDS	2013 GENERAL OBLIGATION BONDS	2015 GENERAL OBLIGATION BONDS	2021 GENERAL OBLIGATION BONDS	TOTALS
REVENUES:					
From use of money and property	\$ 90	\$ 173	\$ 77	\$ 39	\$ 379
Local government	858,648	-	556,256	503,386	1,918,290
TOTAL REVENUES	858,738	173	556,333	503,425	1,918,669
EXPENDITURES:					
Debt service:					
Principal	310,000	285,000	395,000	370,000	1,360,000
Interest	153,525	95,131	161,256	133,975	543,887
TOTAL EXPENDITURES	463,525	380,131	556,256	503,975	1,903,887
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	395,213	(379,958)	77	(550)	14,782
OTHER FINANCING SOURCES (USES):					
Transfers in	-	379,987	-	-	379,987
TOTAL OTHER FINANCING SOURCES (USES)	-	379,987	-	-	379,987
NET CHANGE IN FUND BALANCES	395,213	29	77	(550)	394,769
FUND BALANCE, JULY 1, 2022	-	-	-	439,763	439,763
FUND BALANCE, JUNE 30, 2023	\$ 395,213	\$ 29	\$ 77	\$ 439,213	\$ 834,532

OTHER SUPPLEMENTARY INFORMATION

CITY OF ELIZABETHTOWN
 COMPARATIVE BALANCE SHEETS
 GENERAL FUND

	June 30,	
	<u>2023</u>	<u>2022</u>
ASSETS		
Non-pooled cash and cash equivalents	\$ 2,056,459	\$ 2,393,790
Investments	33,893,189	37,029,938
Receivables	970,716	198,609
Taxes receivable	5,506,967	5,060,091
Receivable - indirect federal grants	60,161	79,959
Due from other funds	430,446	654,881
Inventories, at cost	250,440	195,987
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 43,168,378</u>	<u>\$ 45,613,255</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 2,210,744	\$ 1,886,720
Accrued liabilities	796,654	485,039
Other liabilities	37,676	36,132
Due to other funds	241,908	-
	<u> </u>	<u> </u>
TOTAL LIABILITIES	3,286,982	2,407,891
FUND BALANCES:		
Nonspendable	250,440	195,987
Unassigned	39,630,956	43,009,377
	<u> </u>	<u> </u>
TOTAL FUND BALANCES	39,881,396	43,205,364
	<u> </u>	<u> </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 43,168,378</u>	<u>\$ 45,613,255</u>

CITY OF ELIZABETHTOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	ORIGINAL & FINAL BUDGET	ACTUAL	INCREASE (DECREASE)
REVENUES:			
Property taxes	\$ 4,240,000	\$ 4,610,386	\$ 370,386
Sales taxes	4,960,000	5,733,908	773,908
Licenses and permits	23,637,300	29,604,444	5,967,144
Fines, forfeitures and penalties	112,500	183,040	70,540
Revenue from use of money and property	223,000	844,809	621,809
Charges for current services	461,920	477,917	15,997
Recreation fees	668,050	1,274,451	606,401
Miscellaneous revenue	538,350	1,199,684	661,334
State grant revenue	320,820	651,298	330,478
Federal grant revenue	2,850,000	2,960,750	110,750
TOTAL REVENUES	38,011,940	47,540,687	9,528,747
EXPENDITURES:			
Current:			
General government	6,898,124	6,805,003	93,121
Public safety	12,302,792	11,783,223	519,569
Public works	3,009,466	6,841,807	(3,832,341)
Recreation/tourism	8,297,709	9,235,639	(937,930)
Capital outlay	20,051,960	15,869,521	4,182,439
Debt service-principal	-	157,929	(157,929)
Debt service-interest	-	41,260	(41,260)
TOTAL EXPENDITURES	50,560,051	50,734,382	(174,331)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(12,548,111)	(3,193,695)	9,354,416
OTHER FINANCING SOURCES (USES):			
Transfers in	200,000	-	(200,000)
Insurance proceeds	-	723,285	723,285
Capital lease proceeds	-	177,292	177,292
Transfers out	(575,000)	(1,404,987)	(829,987)
Proceeds from disposal of property	50,000	374,137	324,137
TOTAL OTHER FINANCING SOURCES (USES)	(325,000)	(130,273)	194,727
NET CHANGE IN FUND BALANCES	(12,873,111)	(3,323,968)	9,549,143
FUND BALANCES, JULY 1, 2022	12,873,111	43,205,364	30,332,253
FUND BALANCES, JUNE 30, 2023	\$ -	\$ 39,881,396	\$ 39,881,396

CITY OF ELIZABETHTOWN
SCHEDULE OF GENERAL FUND REVENUES - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	FINAL BUDGET	ACTUAL	INCREASE (DECREASE)
GENERAL FUND REVENUES:			
Property Taxes:			
General	\$ 4,240,000	\$ 4,610,386	\$ 370,386
Sales Taxes:			
Transient room tax	960,000	1,154,673	194,673
Restaurant tax	4,000,000	4,579,235	579,235
Total Sales Taxes	4,960,000	5,733,908	773,908
Licenses and Permits:			
Minimum license fee	95,000	92,777	(2,223)
Tax on net profits	3,900,000	5,853,733	1,953,733
Occupational license fees	18,000,000	20,632,370	2,632,370
Building permits/plan reviews	375,100	865,037	489,937
Electrical inspections	150,000	773,858	623,858
Utility franchises	1,073,200	1,348,788	275,588
Sign permits	22,000	11,985	(10,015)
Miscellaneous fees	22,000	25,896	3,896
Total Licenses and Permits	23,637,300	29,604,444	5,967,144
Fines, Forfeitures and Penalties:			
Parking fines	-	50	50
Penalties	87,500	151,346	63,846
Judicial court fees	25,000	31,644	6,644
Total Fines, Forfeitures and Penalties	112,500	183,040	70,540
Revenue From Use of Money and Property:			
Interest on investments	100,000	714,986	614,986
Rental income	123,000	129,823	6,823
Total Revenue From Use of Money and Property	223,000	844,809	621,809
Charges for Current Services:			
Run reimbursement	4,000	2,427	(1,573)
Labor charges	65,000	67,594	2,594
Erosion permits	5,000	7,825	2,825
Tax collection fes	200,000	212,151	12,151
Administration charges for utility department	187,920	187,920	-
Total Charges for Current Services	461,920	477,917	15,997
Recreation Fees:			
Concerts/events	337,500	726,200	388,700
Outdoor pool	145,500	295,613	150,113
Golf course	20,200	50,843	30,643
Freeman Lake Park	38,100	58,398	20,298
Community center	126,750	143,397	16,647
Total Recreation Fees	668,050	1,274,451	606,401
State grant revenue	320,820	651,298	330,478
Federal grant revenue	2,850,000	2,960,750	110,750
Miscellaneous revenue and reimbursement	538,350	1,199,684	661,334
TOTAL GENERAL FUND REVENUES	<u>\$ 38,011,940</u>	<u>\$ 47,540,687</u>	<u>\$ 9,528,747</u>

CITY OF ELIZABETHTOWN
 SCHEDULE OF GENERAL FUND EXPENDITURES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2023

	FINAL BUDGET	ACTUAL	INCREASE (DECREASE)
GENERAL FUND EXPENDITURES:			
Current:			
General government	\$ 6,898,124	\$ 6,805,003	\$ 93,121
Public Safety:			
Public safety garage	337,161	306,127	31,034
Parking meter department	1,250	1,798	(548)
Police department	9,560,942	9,267,214	293,728
Fire department	7,103,439	7,372,954	(269,515)
Less: Fire dept. sinking fund	(4,700,000)	(5,164,870)	464,870
Total Public Safety	12,302,792	11,783,223	519,569
Public Works:			
Street department	4,988,385	4,993,763	(5,378)
Facilities management	553,569	386,470	167,099
Engineering department	499,823	451,251	48,572
Public works department	1,682,403	1,393,321	289,082
Storm water	971,931	987,518	(15,587)
Less: Utility reimbursement	(5,686,645)	(1,370,516)	(4,316,129)
Total Public Works	3,009,466	6,841,807	(3,832,341)
Recreation Department	8,297,709	9,235,639	(937,930)
Total Current Expenditures	30,508,091	34,665,672	(4,157,581)
Capital Outlay	20,051,960	15,869,521	4,182,439
Debt Service	-	199,189	(199,189)
TOTAL GENERAL FUND EXPENDITURES	\$ 50,560,051	\$ 50,734,382	\$ (174,331)

CITY OF ELIZABETHTOWN
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET AND ACTUAL
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023

	BUDGET CEMETERY FUND	ACTUAL CEMETERY FUND	BUDGET FIRE AND POLICE INCENTIVE	ACTUAL FIRE AND POLICE INCENTIVE	BUDGET MUNICIPAL AID	ACTUAL MUNICIPAL AID		
REVENUES:								
State of Kentucky	\$ -	\$ -	\$ 550,400	\$ 531,232	\$ 632,575	\$ 596,014		
From use of money and property	50,000	153,162	-	-	-	-		
TOTAL REVENUES	50,000	153,162	550,400	531,232	632,575	596,014		
EXPENDITURES:								
General government	50,000	17,702	-	-	-	-		
Public safety	-	-	550,400	506,435	-	-		
Public works	-	-	-	-	632,575	596,014		
TOTAL EXPENDITURES	50,000	17,702	550,400	506,435	632,575	596,014		
NET CHANGE IN FUND BALANCES	-	135,460	-	24,797	-	-		
FUND BALANCES, JULY 1, 2022	-	1,994,697	-	21,003	-	-		
FUND BALANCES, JUNE 30, 2023	\$ -	\$ 2,130,157	\$ -	\$ 45,800	\$ -	\$ -		
	BUDGET SPECIAL PROJECT GRANT	ACTUAL SPECIAL PROJECT GRANT	BUDGET NARCOTICS TASK FORCE GRANT	ACTUAL NARCOTICS TASK FORCE GRANT	BUDGET ARC FUND	ACTUAL ARC FUND	BUDGET COURTHOUSE OPERATIONS FUND	ACTUAL COURTHOUSE OPERATIONS FUND
REVENUES:								
State of Kentucky	\$ 15,000	\$ 24,475	\$ -	\$ -	\$ -	\$ -	\$ 4,500	\$ 38,142
From use of money and property	-	-	-	-	-	-	-	249
Licenses and permits	-	-	250,000	214,519	1,427,000	1,796,198	-	-
TOTAL REVENUES	15,000	24,475	250,000	214,519	1,427,000	1,796,198	4,500	38,391
EXPENDITURES:								
Public safety	-	-	250,000	214,519	1,427,000	1,772,273	4,500	91,927
Public works	15,000	24,475	-	-	-	-	-	-
TOTAL EXPENDITURES	15,000	24,475	250,000	214,519	1,427,000	1,772,273	4,500	91,927
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	23,925	-	(53,536)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	-	-	7,581
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	7,581
NET CHANGE IN FUND BALANCES	-	-	-	-	-	23,925	-	(45,955)
FUND BALANCES, JULY 1, 2022	-	-	-	-	-	255,134	-	45,955
FUND BALANCES, JUNE 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 279,059	\$ -	\$ -

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF NET POSITION
 GAS SYSTEM

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	June 30,	
	2023	2022
ASSETS		
CURRENT ASSETS:		
Non-pooled cash and cash equivalents	\$ 4,166,318	\$ 7,224,696
Receivables (net of allowance for uncollectible):		
Accounts	197,272	578,200
Unbilled accounts	232,674	624,531
Other	-	-
Inventory	2,588,139	6,637,447
Due from other funds	167,659	25,994
TOTAL CURRENT ASSETS	<u>7,352,062</u>	<u>15,090,868</u>
NONCURRENT ASSETS:		
Capital assets:		
Non-depreciable	1,228,000	1,228,000
Depreciable, net of accumulated depreciation	7,295,803	6,301,784
TOTAL NONCURRENT ASSETS	<u>8,523,803</u>	<u>7,529,784</u>
TOTAL ASSETS	<u>15,875,865</u>	<u>22,620,652</u>
DEFERRED OUTFLOWS OF RESOURCES		
CERS Pension	393,705	417,373
CERS OPEB	281,645	425,506
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>675,350</u>	<u>842,879</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	601,753	1,650,639
Accrued liabilities	58,292	54,858
Customer deposits	42,035	39,957
Compensated absences	20,494	19,244
Other liabilities	126	208
Due to other funds	210,252	273,228
TOTAL CURRENT LIABILITIES	<u>932,952</u>	<u>2,038,134</u>
NONCURRENT LIABILITIES:		
Customer deposits	378,320	359,609
Net pension liability - CERS	2,781,040	2,453,312
Net OPEB liability - CERS	759,139	736,481
Compensated absences	40,989	38,488
TOTAL NONCURRENT LIABILITIES	<u>3,959,488</u>	<u>3,587,890</u>
TOTAL LIABILITIES	<u>4,892,440</u>	<u>5,626,024</u>
DEFERRED INFLOWS OF RESOURCES		
CERS Pension	47,842	490,541
CERS OPEB	290,206	393,377
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>338,048</u>	<u>883,918</u>
NET POSITION		
Net investment in capital assets	8,523,803	7,529,784
Unrestricted	2,796,924	9,423,805
TOTAL NET POSITION	<u>\$ 11,320,727</u>	<u>\$ 16,953,589</u>

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 GAS SYSTEM

	YEARS ENDED JUNE 30,	
	2023	2022
OPERATING REVENUE:		
Charges for metered sales	\$ 12,227,293	\$ 13,376,540
Other services and tap fees	189,285	927,814
TOTAL OPERATING REVENUE	12,416,578	14,304,354
OPERATING EXPENSES:		
Distribution	13,969,609	7,121,484
Administrative and general	3,898,898	4,422,525
Depreciation	308,914	287,362
TOTAL OPERATING EXPENSES	18,177,421	11,831,371
INCOME (LOSS) FROM OPERATIONS	(5,760,843)	2,472,983
NON-OPERATING REVENUE (EXPENSE):		
Gain on capital asset disposals	494	-
Investment income	127,487	4,808
TOTAL NON-OPERATING REVENUES (EXPENSES)	127,981	4,808
CHANGE IN NET POSITION	(5,632,862)	2,477,791
NET POSITION, beginning of year	16,953,589	14,475,798
NET POSITION, end of year	\$ 11,320,727	\$ 16,953,589

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF CASH FLOWS
 GAS SYSTEM

	YEARS ENDED JUNE 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 13,189,363	\$ 13,621,193
Cash payments to employees	(1,335,246)	(1,091,694)
Cash payments for operating expenses	(13,737,544)	(13,160,614)
NET CASH USED BY OPERATING ACTIVITIES	(1,883,427)	(631,115)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from disposal of capital assets	5,954	-
Acquisition and construction of capital assets	(1,308,886)	(301,270)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(1,302,932)	(301,270)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	127,981	4,808
NET CASH PROVIDED BY INVESTING ACTIVITIES	127,981	4,808
NET DECREASE IN CASH AND RESTRICTED CASH	(3,058,378)	(927,577)
CASH AND RESTRICTED CASH, beginning of year	7,224,696	8,152,273
CASH AND RESTRICTED CASH, end of year	\$ 4,166,318	\$ 7,224,696
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH USED BY OPERATING ACTIVITIES:		
Income (loss) from operations	\$ (5,760,843)	\$ 2,472,983
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	308,914	287,362
GASB 68 pension expense	(91,303)	640,990
GASB 75 OPEB expense	63,348	183,003
Change in assets and liabilities (Increase) decrease in:		
Receivables	772,785	(683,161)
Due from other funds	(141,665)	(25,794)
Inventory	4,049,309	(4,645,530)
Increase (decrease) in:		
Accounts payable	(1,048,886)	1,063,055
Accrued liabilities	3,433	20,171
Compensated absences	3,751	7,801
Due to other funds	(62,976)	19,997
Other liabilities	(83)	208
Customer deposits	20,789	27,800
NET CASH USED BY OPERATING ACTIVITIES	\$ (1,883,427)	\$ (631,115)
Schedule of non-cash transactions:		
CERS Pension	\$ (91,303)	\$ 640,990
CERS OPEB	\$ 63,348	\$ 183,003

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF NET POSITION
 SEWER SYSTEM

	JUNE 30,	
	2023	2022
ASSETS		
CURRENT ASSETS:		
Non-pooled cash and cash equivalents	\$ 10,039,861	\$ 9,470,132
Receivables (net of allowance for uncollectible):		
Accounts	693,540	588,440
Unbilled accounts	32,538	38,943
Water system sale	289,022	281,301
TOTAL CURRENT ASSETS	<u>11,054,961</u>	<u>10,378,816</u>
NONCURRENT ASSETS:		
Restricted cash and cash equivalents:		
Construction/improvements	1,954,335	1,895,105
KIA debt service	1,557,747	1,539,511
Receivable - sale of water system	3,753,873	4,042,895
Capital assets:		
Non-depreciable	319,366	319,366
Depreciable, net of accumulated depreciation	62,745,896	63,777,569
TOTAL NONCURRENT ASSETS	<u>70,331,217</u>	<u>71,574,446</u>
TOTAL ASSETS	<u>81,386,178</u>	<u>81,953,262</u>
DEFERRED OUTFLOWS OF RESOURCES		
CERS Pension	428,687	449,081
CERS OPEB	306,621	457,758
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>735,308</u>	<u>906,839</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	181,324	207,814
Accrued liabilities	95,876	85,868
KIA loan	1,111,304	1,079,692
Customer deposits	5,356	5,614
Compensated absences	17,136	14,153
Due to other funds	220,945	407,647
TOTAL CURRENT LIABILITIES	<u>1,631,941</u>	<u>1,800,788</u>
NONCURRENT LIABILITIES:		
Customer deposits	48,199	50,521
KIA loan	16,190,605	17,301,909
Net pension liability - CERS	3,028,637	2,639,691
Net OPEB liability - CERS	826,725	792,432
Compensated absences	34,273	28,306
TOTAL NONCURRENT LIABILITIES	<u>20,128,439</u>	<u>20,812,859</u>
TOTAL LIABILITIES	<u>21,760,380</u>	<u>22,613,647</u>
DEFERRED INFLOWS OF RESOURCES		
CERS Pension	52,031	527,807
CERS OPEB	314,058	421,287
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>366,089</u>	<u>949,094</u>
NET POSITION		
Net investment in capital assets	45,763,353	45,715,334
Restricted for:		
Debt	1,557,747	1,539,511
Construction	1,954,335	1,895,105
Unrestricted	10,719,582	10,147,410
TOTAL NET POSITION	<u>\$ 59,995,017</u>	<u>\$ 59,297,360</u>

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
 SEWER SYSTEM

	YEARS ENDED JUNE 30,	
	2023	2022
OPERATING REVENUE:		
Charges for metered sales	\$ 6,040,786	\$ 6,053,492
Sewer surcharge fees	64,222	86,139
Other services and tap fees	1,532,039	964,836
TOTAL OPERATING REVENUE	7,637,047	7,104,467
OPERATING EXPENSES:		
Administrative and general	1,173,637	1,460,681
Operating expenses Plant #2	2,231,566	1,488,400
Maintenance	657,724	314,547
Services	613,212	389,279
Construction	251,046	120,869
Operating expense - water tower	3,246	3,103
Operating expense - lift stations	114,901	81,227
Depreciation	1,892,392	1,874,428
TOTAL OPERATING EXPENSES	6,937,724	5,732,534
INCOME FROM OPERATIONS	699,323	1,371,933
NON-OPERATING REVENUE (EXPENSE):		
Investment income	531,191	142,539
Loss on capital asset disposals	(9,906)	(7,898)
Interest paid on KIA loan	(522,951)	(553,662)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(1,666)	(419,021)
CHANGE IN NET POSITION	697,657	952,912
NET POSITION, beginning of year	59,297,360	58,344,448
NET POSITION, end of year	\$ 59,995,017	\$ 59,297,360

CITY OF ELIZABETHTOWN
 COMPARATIVE STATEMENTS OF CASH FLOWS
 SEWER SYSTEM

	YEARS ENDED JUNE 30,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 7,538,352	\$ 7,241,303
Cash payments to employees	(1,462,308)	(1,170,077)
Cash payments for operating expenses	(3,768,075)	(3,492,493)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,307,969	2,578,733
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(878,955)	(421,531)
Proceeds from disposal of capital assets	8,332	-
Principal paid on KIA loans	(1,079,692)	(1,048,980)
Interest paid on KIA loans	(522,951)	(553,662)
Transfers to capital projects	-	-
Principal received on water system sale	281,301	273,785
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	(2,191,965)	(1,750,388)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	531,191	142,539
NET CASH PROVIDED BY INVESTING ACTIVITIES	531,191	142,539
NET INCREASE (DECREASE) IN CASH AND RESTRICTED CASH	647,195	970,884
CASH AND RESTRICTED CASH, beginning of year	12,904,748	11,933,864
CASH AND RESTRICTED CASH, end of year	\$ 13,551,943	\$ 12,904,748
RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Income from operations	\$ 699,323	\$ 1,371,933
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,892,392	1,874,428
GASB 68 pension expense	(66,436)	(669,703)
GASB 75 OPEB expense	78,201	(179,807)
Change in assets and liabilities (Increase) decrease in:		
Receivables	(98,695)	136,836
Increase (decrease) in:		
Accounts payable	(26,488)	(114,476)
Accrued liabilities	10,004	31,456
Due to other funds	(186,702)	126,754
Compensated absences	8,950	5,947
Customer deposits	(2,580)	(4,635)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 2,307,969	\$ 2,578,733
Schedule of non-cash transactions:		
CERS Pension	\$ (66,436)	\$ (669,703)
CERS OPEB	\$ 78,201	\$ (179,807)

CITY OF ELIZABETHTOWN
SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2023

FUNCTION AND ACTIVITY	LAND	BUILDINGS	INFRASTRUCTURE	VEHICLES	OFFICE EQUIPMENT	TECHNICAL EQUIPMENT	CONSTRUCTION & MAINTENANCE EQUIPMENT	OTHER EQUIPMENT	TOTAL
GENERAL GOVERNMENT:									
Administration	\$ 5,261,046	\$ 13,803,978	\$ 35,547,904	\$ 138,175	\$ 204,194	\$ 2,119,267	\$ -	\$ 59,912	\$ 57,134,476
Finance	-	-	-	27,286	5,775	-	-	236,847	269,908
Planning and development	-	-	-	94,082	30,501	-	-	49,071	173,654
Cemetery	900	121,617	-	-	-	-	-	-	122,517
TOTAL GENERAL GOVERNMENT	5,261,946	13,925,595	35,547,904	259,543	240,470	2,119,267	-	345,830	57,700,555
PUBLIC SAFETY:									
Police	697,900	9,417,107	-	3,027,381	-	2,017,292	-	89,697	15,249,377
Fire	567,725	6,713,383	119,204	4,496,824	87,116	1,491,977	32,145	129,281	13,637,655
Parking lots	140,792	-	388,951	-	-	10,425	-	-	540,168
TOTAL PUBLIC SAFETY	1,406,417	16,130,490	508,155	7,524,205	87,116	3,519,694	32,145	218,978	29,427,200
PUBLIC WORKS:									
Engineering	-	-	-	137,151	23,458	182,024	26,069	452,821	821,523
Public works	265,300	3,027,520	-	361,469	78,051	173,932	1,518,031	5,105	5,429,408
Storm water	1,045,432	-	4,318,842	296,235	-	-	213,573	-	5,874,082
Streets	-	-	58,116,129	1,587,601	-	-	2,005,866	-	61,709,596
TOTAL PUBLIC WORKS	1,310,732	3,027,520	62,434,971	2,382,456	101,509	355,956	3,763,539	457,926	73,834,609
RECREATION	16,666,332	24,307,446	2,217,423	248,102	159,668	3,690,426	610,883	944,034	48,844,314
Construction in progress	-	7,699,004	3,757,159	-	-	-	-	-	11,456,163
GOVERNMENTAL CAPITAL ASSETS	\$ 24,645,427	\$ 65,090,055	\$ 104,465,612	\$ 10,414,306	\$ 588,763	\$ 9,685,343	\$ 4,406,567	\$ 1,966,768	\$ 221,262,841

CITY OF ELIZABETHTOWN
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
YEAR ENDED JUNE 30, 2023

FUNCTION AND ACTIVITY	GOVERNMENTAL CAPITAL ASSETS 7/1/2022	ADDITIONS	DEDUCTIONS	GOVERNMENTAL CAPITAL ASSETS 6/30/2023
GENERAL GOVERNMENT:				
Administration	\$ 65,269,285	\$ 2,952,998	\$ (11,087,807)	\$ 57,134,476
Finance	269,908	-	-	269,908
Planning and development	160,567	27,975	(14,888)	173,654
Cemetery	122,517	-	-	122,517
TOTAL GENERAL GOVERNMENT	65,822,277	2,980,973	(11,102,695)	57,700,555
PUBLIC SAFETY:				
Police	14,596,790	937,381	(284,794)	15,249,377
Fire	12,974,101	678,902	(15,348)	13,637,655
Parking lots	540,168	-	-	540,168
TOTAL PUBLIC SAFETY	28,111,059	1,616,283	(300,142)	29,427,200
PUBLIC WORKS:				
Engineering	833,918	-	(12,395)	821,523
Public works	5,906,428	77,980	(555,000)	5,429,408
Storm water	3,219,406	2,654,676	-	5,874,082
Streets	60,662,572	1,076,690	(29,666)	61,709,596
TOTAL PUBLIC WORKS	70,622,324	3,809,346	(597,061)	73,834,609
RECREATION	48,790,384	53,930	-	48,844,314
Construction in progress	4,047,174	13,261,761	(5,852,772)	11,456,163
GOVERNMENTAL CAPITAL ASSETS	\$ 217,393,218	\$ 21,722,293	\$ (17,852,670)	\$ 221,262,841

STATISTICAL SECTION

This part of the City of Elizabethtown's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial condition.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

REVENUE CAPACITY

These schedules contain information to help the reader assess the City's most significant local revenue sources.

DEBT CAPACITY

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future. The City has no overlapping debt.

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

OPERATING INFORMATION

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the respective year.

CITY OF ELIZABETHTOWN, KENTUCKY
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 74,173	\$ 75,123	\$ 81,210	\$ 83,665	\$ 86,228	\$ 94,283	\$ 103,626	\$ 106,818	\$ 111,324	\$ 116,915
Restricted	3,431	2,764	3,416	3,658	3,486	3,278	2,967	2,595	2,764	3,289
Unrestricted	20,899	5,709	59	4,362	(2,689)	(5,072)	(13,262)	(13,999)	(10,517)	(13,435)
Total governmental activities net position	<u>\$ 98,503</u>	<u>\$ 83,596</u>	<u>\$ 84,685</u>	<u>\$ 91,685</u>	<u>\$ 87,025</u>	<u>\$ 92,489</u>	<u>\$ 93,331</u>	<u>\$ 95,414</u>	<u>\$ 103,571</u>	<u>\$ 106,769</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	\$ 57,056	\$ 62,842	\$ 48,883	\$ 51,835	\$ 51,568	\$ 49,970	\$ 50,145	\$ 53,643	\$ 53,245	\$ 54,287
Restricted	3,622	4,106	3,859	2,559	1,804	3,517	3,518	3,475	3,435	3,512
Unrestricted	20,302	8,999	21,756	22,442	23,098	22,765	20,748	15,702	19,571	13,517
Total business-type activities net position	<u>\$ 80,980</u>	<u>\$ 75,947</u>	<u>\$ 74,498</u>	<u>\$ 76,836</u>	<u>\$ 76,470</u>	<u>\$ 76,252</u>	<u>\$ 74,411</u>	<u>\$ 72,820</u>	<u>\$ 76,251</u>	<u>\$ 71,316</u>
PRIMARY GOVERNMENT										
Net investment in capital assets	\$ 131,229	\$ 137,965	\$ 130,093	\$ 135,500	\$ 137,796	\$ 144,253	\$ 153,771	\$ 160,461	\$ 164,569	\$ 171,202
Restricted	7,053	6,870	7,275	6,217	5,290	6,795	6,485	6,070	6,199	6,801
Unrestricted	41,201	14,708	21,815	26,804	20,409	17,693	7,486	1,703	9,054	82
Total primary government net position	<u>\$ 179,483</u>	<u>\$ 159,543</u>	<u>\$ 159,183</u>	<u>\$ 168,521</u>	<u>\$ 163,495</u>	<u>\$ 168,741</u>	<u>\$ 167,742</u>	<u>\$ 168,234</u>	<u>\$ 179,822</u>	<u>\$ 178,085</u>

CITY OF ELIZABETHTOWN, KENTUCKY
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EXPENSES										
Governmental activities:										
General government	\$ 9,211	\$ 9,474	\$ 10,961	\$ 8,863	\$ 9,489	\$ 9,450	\$ 11,349	\$ 12,041	\$ 11,115	\$ 12,583
Public safety	11,836	11,040	14,298	11,983	17,015	17,964	20,307	20,939	18,751	20,028
Public works	5,201	5,588	5,248	5,274	5,723	5,718	6,167	5,985	7,592	7,916
Recreation/tourism	7,384	7,538	8,700	8,706	8,855	8,891	7,874	8,070	9,181	10,323
Interest on long-term debt	1,400	1,520	1,373	1,105	1,037	921	855	833	835	563
Total governmental activities expenses	<u>35,032</u>	<u>35,160</u>	<u>40,580</u>	<u>35,931</u>	<u>42,119</u>	<u>42,944</u>	<u>46,552</u>	<u>47,868</u>	<u>47,474</u>	<u>51,413</u>
Business-type activities:										
Gas	13,839	13,917	9,355	7,321	10,086	11,071	9,161	10,319	11,831	18,177
Water and sewer	8,163	6,894	6,670	6,171	6,326	7,538	7,543	7,401	6,294	7,471
Total business-type activities expenses	<u>22,002</u>	<u>20,811</u>	<u>16,025</u>	<u>13,492</u>	<u>16,412</u>	<u>18,609</u>	<u>16,704</u>	<u>17,720</u>	<u>18,125</u>	<u>25,648</u>
Total primary government expenses	<u>\$ 57,034</u>	<u>\$ 55,971</u>	<u>\$ 56,605</u>	<u>\$ 49,423</u>	<u>\$ 58,531</u>	<u>\$ 61,553</u>	<u>\$ 63,256</u>	<u>\$ 65,588</u>	<u>\$ 65,599</u>	<u>\$ 77,061</u>
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 4,481	\$ 4,115	\$ 3,811	\$ 3,485	\$ 3,828	\$ 3,329	\$ 3,384	\$ 3,266	\$ 4,063	\$ 5,328
Public safety	54	263	113	1,033	1,145	1,076	1,220	1,513	1,622	2,365
Public works	953	262	296	85	164	223	274	267	262	273
Recreation/tourism	832	740	830	899	872	914	220	185	966	1,278
Operating grants and contributions	1,849	1,697	2,105	2,210	2,775	2,648	4,476	3,571	6,143	5,059
Capital grants and contributions	4,506	2,853	3,192	3,794	2,636	3,952	2,811	1,864	3,145	2,238
Total governmental activities program revenues	<u>12,675</u>	<u>9,930</u>	<u>10,347</u>	<u>11,506</u>	<u>11,420</u>	<u>12,142</u>	<u>12,385</u>	<u>10,666</u>	<u>16,201</u>	<u>16,541</u>
Business-type activities:										
Charges for services	24,202	19,908	14,311	15,564	16,827	17,811	14,362	15,908	14,304	12,417
Capital grants and contributions	39	-	-	-	-	-	-	2,754	7,105	7,637
Total business-type activities program revenues	<u>24,241</u>	<u>19,908</u>	<u>14,311</u>	<u>15,564</u>	<u>16,827</u>	<u>17,811</u>	<u>14,362</u>	<u>18,662</u>	<u>21,409</u>	<u>20,054</u>
Total primary government program revenues	<u>\$ 36,916</u>	<u>\$ 29,838</u>	<u>\$ 24,658</u>	<u>\$ 27,070</u>	<u>\$ 28,247</u>	<u>\$ 29,953</u>	<u>\$ 26,747</u>	<u>\$ 29,328</u>	<u>\$ 37,610</u>	<u>\$ 36,595</u>
Net (expense)/revenue										
Governmental activities	\$ (22,357)	\$ (25,230)	\$ (30,233)	\$ (24,425)	\$ (30,699)	\$ (30,802)	\$ (34,167)	\$ (37,202)	\$ (31,273)	\$ (34,872)
Business-type activities	2,239	(903)	(1,714)	2,072	415	(798)	(2,342)	942	3,284	(5,594)
Total primary government net expense	<u>\$ (20,118)</u>	<u>\$ (26,133)</u>	<u>\$ (31,947)</u>	<u>\$ (22,353)</u>	<u>\$ (30,284)</u>	<u>\$ (31,600)</u>	<u>\$ (36,509)</u>	<u>\$ (36,260)</u>	<u>\$ (27,989)</u>	<u>\$ (40,466)</u>

(Continued next page)

CITY OF ELIZABETHTOWN, KENTUCKY
 CHANGES IN NET POSITION
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)
 (Concluded)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes	\$ 3,378	\$ 3,373	\$ 3,462	\$ 3,572	\$ 3,673	\$ 3,726	\$ 3,982	\$ 4,122	\$ 4,393	\$ 4,610
Franchise taxes	1,085	1,068	1,062	1,078	1,122	1,113	1,131	1,162	1,289	1,349
Insurance premiums tax	3,332	3,525	3,549	3,758	3,972	4,232	4,667	4,692	5,004	5,118
Transient room tax	557	654	652	648	680	752	712	586	1,008	1,155
Restaurant tax	2,684	2,836	3,128	3,163	3,291	3,489	3,410	3,678	4,127	4,579
Withholding tax	13,135	13,775	15,234	15,792	16,717	17,239	16,632	17,355	18,749	20,632
Net profits tax	2,425	2,362	2,688	2,950	3,347	4,091	2,840	3,539	4,603	5,854
Interest and investment earnings	344	408	541	8	157	1,213	682	536	(182)	1,045
Gain on asset disposal	65	-	-	-	-	-	-	-	-	-
Miscellaneous	964	1,184	1,006	456	113	605	954	862	438	564
Special item	-	-	-	-	-	-	-	-	-	(6,836)
Transfers	-	-	-	-	-	-	-	2,754	-	-
Total governmental activities	<u>27,969</u>	<u>29,185</u>	<u>31,322</u>	<u>31,425</u>	<u>33,072</u>	<u>36,460</u>	<u>35,010</u>	<u>39,286</u>	<u>39,429</u>	<u>38,070</u>
Business-type activities:										
Gain on asset disposal	-	-	-	-	-	-	-	-	-	-
Special item	-	(799)	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	(2,754)	-	-
Interest and investment earnings	96	96	265	265	399	580	501	221	147	659
Total business-type activities	<u>96</u>	<u>(703)</u>	<u>265</u>	<u>265</u>	<u>399</u>	<u>580</u>	<u>501</u>	<u>(2,533)</u>	<u>147</u>	<u>659</u>
Total primary government	<u>\$ 28,065</u>	<u>\$ 28,482</u>	<u>\$ 31,587</u>	<u>\$ 31,690</u>	<u>\$ 33,471</u>	<u>\$ 37,040</u>	<u>\$ 35,511</u>	<u>\$ 36,753</u>	<u>\$ 39,576</u>	<u>\$ 38,729</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 5,612	\$ 3,955	\$ 1,089	\$ 7,000	\$ 2,373	\$ 5,658	\$ 843	\$ 2,084	\$ 8,156	\$ 3,198
Business-type activities	2,335	(1,606)	(1,449)	2,337	814	(218)	(1,841)	(1,591)	3,431	(4,935)
Total primary government	<u>\$ 7,947</u>	<u>\$ 2,349</u>	<u>\$ (360)</u>	<u>\$ 9,337</u>	<u>\$ 3,187</u>	<u>\$ 5,440</u>	<u>\$ (998)</u>	<u>\$ 493</u>	<u>\$ 11,587</u>	<u>\$ (1,737)</u>

CITY OF ELIZABETHTOWN, KENTUCKY
GOVERNMENTAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year	Property Tax	(1) Franchise Tax	(2) Transient Room Tax	(2) Restaurant Tax	Insurance Premiums Tax	(1) Withholding Tax	(1) Net Profits Tax	Total
2014	\$ 3,377,575	\$ 1,084,677	\$ 557,454	\$ 2,683,501	\$ 3,332,017	\$ 13,134,606	\$ 2,424,975	\$ 26,594,805
2015	3,373,436	1,067,792	654,495	2,835,603	3,524,557	13,775,116	2,362,451	27,593,450
2016	3,461,916	1,061,850	652,336	3,128,195	3,549,299	15,234,375	2,688,148	29,776,119
2017	3,572,200	1,077,873	648,226	3,162,703	3,758,063	15,791,396	2,950,050	30,960,511
2018	3,672,677	1,122,056	679,868	3,291,012	3,971,933	16,716,501	3,347,639	32,801,686
2019	3,725,281	1,112,817	752,362	3,489,380	4,232,460	17,238,632	4,090,734	34,641,666
2020	3,981,682	1,131,589	712,383	3,409,731	4,667,279	16,632,521	2,839,690	33,374,875
2021	4,121,811	1,162,590	585,753	3,677,825	4,691,691	17,354,688	3,539,055	35,133,413
2022	4,393,040	1,288,589	1,008,302	4,127,012	5,003,650	18,749,173	4,603,243	39,173,009
2023	4,610,386	1,348,788	1,154,673	4,579,235	5,118,309	20,632,370	5,853,733	43,297,494

(1) Included as part of licenses and permits on the Statement of Revenues, Expenditures and Changes in Fund Balances

(2) Included as part of sales taxes on the Statement of Revenues, Expenditures and Changes in Fund Balances

CITY OF ELIZABETHTOWN, KENTUCKY
 FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
General Fund										
Nonspendable	\$ 110	\$ 149	\$ 136	\$ 186	\$ 154	\$ 130	\$ 154	\$ 155	\$ 196	\$ 250
Restricted	-	-	-	-	-	-	-	-	-	-
Unassigned	<u>21,023</u>	<u>24,191</u>	<u>22,748</u>	<u>26,210</u>	<u>30,864</u>	<u>33,346</u>	<u>31,448</u>	<u>37,841</u>	<u>43,009</u>	<u>39,631</u>
Total General Fund	<u><u>\$ 21,133</u></u>	<u><u>\$ 24,340</u></u>	<u><u>\$ 22,884</u></u>	<u><u>\$ 26,396</u></u>	<u><u>\$ 31,018</u></u>	<u><u>\$ 33,476</u></u>	<u><u>\$ 31,602</u></u>	<u><u>\$ 37,996</u></u>	<u><u>\$ 43,205</u></u>	<u><u>\$ 39,881</u></u>
All other governmental funds										
Restricted	<u><u>\$ 3,430</u></u>	<u><u>\$ 2,764</u></u>	<u><u>\$ 3,416</u></u>	<u><u>\$ 3,658</u></u>	<u><u>\$ 3,486</u></u>	<u><u>\$ 3,278</u></u>	<u><u>\$ 3,278</u></u>	<u><u>\$ 2,595</u></u>	<u><u>\$ 2,764</u></u>	<u><u>\$ 3,289</u></u>

CITY OF ELIZABETHTOWN, KENTUCKY
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
REVENUES										
Taxes	\$ 9,951	\$ 10,388	\$ 10,792	\$ 11,141	\$ 11,617	\$ 12,200	\$ 12,571	\$ 13,077	\$ 14,532	\$ 15,463
Licenses and permits	18,336	18,589	20,377	21,444	22,878	24,274	22,475	24,147	27,724	31,401
Fines, forfeitures and penalties	116	266	112	117	196	137	133	98	122	183
Use of money and property	444	394	603	54	157	1,211	680	536	(182)	1,045
Charges for services	259	259	296	257	249	248	274	267	468	478
Recreation fees	832	740	830	899	872	914	220	185	966	1,274
Local government	1,642	1,643	1,599	2,709	1,611	1,615	1,259	752	1,976	1,918
State of Kentucky	2,608	2,368	2,670	2,930	2,856	2,997	2,947	3,527	3,090	1,841
Federal grants	1,131	597	508	433	442	565	2,585	1,110	3,538	3,175
Contributions	49	53	502	-	-	76	-	-	-	-
Miscellaneous	1,675	1,177	544	695	1,115	866	1,191	657	655	1,200
Total revenues	\$ 37,043	\$ 36,474	\$ 38,833	\$ 40,679	\$ 41,993	\$ 45,103	\$ 44,335	\$ 44,356	\$ 52,889	\$ 57,978
EXPENDITURES										
General government	\$ 4,677	\$ 4,250	\$ 5,459	\$ 5,025	\$ 4,976	\$ 4,730	\$ 5,646	\$ 5,790	\$ 6,103	\$ 6,823
Public safety	10,704	11,278	11,422	12,036	12,788	13,564	14,547	15,127	16,466	19,533
Public works	4,927	5,522	4,395	4,920	4,713	4,929	5,080	5,046	6,266	7,462
Recreation/tourism	6,562	6,770	7,427	7,733	7,741	7,735	6,590	6,230	7,879	9,236
Capital outlay	3,170	5,147	7,547	3,743	4,147	8,710	11,241	5,695	7,056	15,869
Debt Service										
Principal	2,038	2,270	2,201	2,286	2,201	2,260	2,359	2,392	2,453	1,518
Interest	1,356	1,304	1,373	1,061	994	929	861	792	721	585
Bond issuance costs	-	-	67	-	-	-	-	-	138	-
Total expenditures	33,434	36,541	39,891	36,804	37,560	42,857	46,324	41,072	47,082	61,026
Excess of revenues over (under) expenditures	\$ 3,609	\$ (67)	\$ (1,058)	\$ 3,875	\$ 4,433	\$ 2,246	\$ (1,989)	\$ 3,284	\$ 5,807	\$ (3,048)
OTHER FINANCING SOURCES (USES)										
Issuance of debt	\$ -	\$ 3,045	\$ 7,405	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,655	\$ -
Bond premium (discount)	-	-	9	-	-	-	-	-	316	-
Debt service - principal	-	-	(7,180)	-	-	-	-	-	(6,780)	-
Lease proceeds	-	-	-	-	-	-	-	-	-	177
Insurance proceeds	51	6	35	-	10	1	28	63	62	723
Sales of capital assets	125	321	-	50	7	3	2	97	118	374
Transfers in	713	547	410	473	385	375	387	3,139	7,204	388
Transfers out	(1,456)	(1,312)	(426)	(642)	(385)	(375)	(612)	(560)	(8,004)	(1,413)
Total other financial sources (uses)	(567)	2,607	253	(119)	17	4	(195)	2,739	(429)	249
Special item	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net change in fund balances	\$ 3,042	\$ 2,540	\$ (805)	\$ 3,756	\$ 4,450	\$ 2,250	\$ (2,184)	\$ 6,023	\$ 5,378	\$ (2,799)
Debt service as a percentage of noncapital expenditures	11.21%	11.38%	11.05%	10.12%	9.56%	9.34%	9.18%	9.00%	7.93%	4.66%

Note: the debt service as a percentage of noncapital expenditures is calculated as follows:

Sum of debt service principal + interest divided by total noncapital expenditures
 (the difference between total expenditures and capitalized capital outlay expenditures).

CITY OF ELIZABETHTOWN, KENTUCKY
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN CALENDAR YEARS

City Direct Rate				Overlapping Rates			
				Hardin County School District			
Calendar Year	Real Estate	Tangible	Motor Vehicle	Calendar Year	Real Estate	Tangible	Motor Vehicle
2013	11.6	11.6	11.6	2013	60.7	60.7	54.0
2014	11.6	11.6	11.6	2014	60.7	60.7	54.0
2015	11.6	11.6	11.6	2015	62.9	62.9	54.0
2016	11.6	11.6	11.6	2016	62.9	62.9	54.0
2017	11.6	11.6	11.6	2017	63.1	62.9	54.0
2018	11.6	11.6	11.6	2018	63.5	63.5	54.0
2019	11.6	11.6	11.6	2019	65.2	65.2	54.0
2020	11.6	11.6	11.6	2020	65.2	65.2	54.0
2021	11.6	11.6	11.6	2021	65.2	65.2	54.0
2022	11.6	11.6	11.6	2022	65.2	65.2	54.0

Overlapping Rates			
Elizabethtown Ind. School District			
Calendar Year	Real Estate	Tangible	Motor Vehicle
2013	69.9	69.9	53.8
2014	72.5	72.5	53.8
2015	78.0	78.0	53.8
2016	80.9	80.9	53.8
2017	83.4	83.4	53.8
2018	83.4	83.4	53.8
2019	86.5	86.5	53.8
2020	86.5	86.5	53.8
2021	88.3	88.3	53.8
2022	88.6	88.6	53.8

Overlapping Rates												
County-Wide Jurisdictions												
Calendar Year	County			Extension Services			Health			Soil Conservation		
	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle	Real Estate	Tangible	Motor Vehicle
2013	10.9	11.0	11.5	1.10	1.49	1.46	2.2	2.2	2.2	0.10	-	-
2014	10.9	10.9	11.5	1.10	1.56	1.46	2.2	2.2	2.2	0.10	-	-
2015	10.9	11.3	11.5	1.38	1.92	1.46	2.2	2.2	2.2	0.15	-	-
2016	11.6	11.5	11.5	1.47	2.14	1.46	2.2	2.2	2.2	0.15	-	-
2017	13.0	13.0	11.5	1.57	2.40	1.46	2.2	2.2	2.2	0.15	-	-
2018	12.2	12.5	11.5	1.65	2.37	1.46	2.2	2.2	2.2	0.15	-	-
2019	12.4	13.1	11.5	1.74	2.58	1.46	2.2	2.2	2.2	0.15	-	-
2020	12.4	13.1	11.5	1.74	2.58	1.46	2.2	2.2	2.2	0.15	-	-
2021	12.0	12.6	11.5	1.80	2.67	1.46	2.2	2.2	2.2	0.15	-	-
2022	11.6	11.8	11.5	1.80	2.60	1.46	2.2	2.2	2.2	0.15	-	-

Source: Kentucky Revenue Cabinet Department of Property Valuation
Note: Property taxes are levied on a calendar year basis.

CITY OF ELIZABETHTOWN, KENTUCKY
 PRINCIPAL PROPERTY TAX PAYERS
 JUNE 30, 2023
 (amounts expressed in thousands)

Taxpayer	Calendar Year 2022			Calendar Year 2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Metalsa Struct Products Inc	\$ 33,101	1	1.03%	\$ 25,000	1	1.90%
Arlington Park Apartments Llc	\$ 20,899	2	0.65%			
Inland America	\$ 20,595	3	0.64%			
Parkmall LLC	\$ 20,124	4	0.62%			
Menard Inc	\$ 19,452	5	0.60%			
AGC Flat Glass N. America Inc	\$ 18,400	6	0.57%			
TDA Properties Inc	\$ 17,578	7	0.54%			
Towne Mall LLC	\$ 14,970	8	0.46%			
Hogan Holdings 56 LLC	\$ 13,640	9	0.42%			
Two Winding Springs LLC	\$ 12,953	10	0.40%			
Ambrake				\$ 10,645	2	
Walmart				\$ 10,000	3	0.80%
Teachers Retirement				\$ 8,409	4	0.80%
Dow Corning Corp.				\$ 6,450	5	0.60%
Etown Partners				\$ 6,025	6	0.50%
Rouse Companies				\$ 5,500	7	
Gates Rubber Company				\$ 5,100	8	0.40%
Flint Ink				\$ 5,000	9	

Source: City Financial Records and Property Valuation Office.

CITY OF ELIZABETHTOWN, KENTUCKY
 PRINCIPAL WITHHOLDING TAX PAYERS
 JUNE 30, 2023
 (amounts expressed in thousands)

Taxpayer	Fiscal Year 2023			Fiscal Year 2014	
	Taxable Amount	Amount Remitted	Rank	Taxable Amount	Amount Remitted
Hospital	\$ 194,884	\$ 2,631	1		
Industry	\$ 138,423	\$ 1,869	2		
Industry	\$ 61,262	\$ 827	3		
Industry	\$ 41,120	\$ 555	4		
Industry	\$ 38,703	\$ 522	5		
Education	\$ 27,622	\$ 373	6		
State	\$ 22,907	\$ 309	7		
Retail	\$ 16,680	\$ 225	8		
Local Gov'T	\$ 16,485	\$ 223	9		
Education	\$ 15,707	\$ 212	10		
Hospital				\$ 99,793	\$ 1,347
Industry				\$ 68,529	\$ 925
Industry				\$ 44,116	\$ 595
Industry				\$ 28,725	\$ 388
Industry				\$ 25,965	\$ 351
Education				\$ 16,543	\$ 223
Industry				\$ 16,000	\$ 216
State				\$ 15,720	\$ 212
Education				\$ 14,346	\$ 194
Retail				\$ 12,681	\$ 171

Source: City Financial Records.

Note: Individual business names were not listed due to confidentiality laws.
 Instead, the taxpayers were listed by type.

CITY OF ELIZABETHTOWN, KENTUCKY
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Fiscal Year	Residential Property	Commercial Property	Agricultural Property	(1) (2) Personal Property	Less: Homestead Disability Exemptions	Agricultural Exemption	Total Taxable Assessed Value	Tax Rate at Cents Per Hundred
2014	1,238,407	1,004,389	57,287	388,898	70,196	41,640	2,577,145	11.6
2015	1,278,854	1,026,034	59,241	379,595	72,855	43,813	2,627,057	11.6
2016	1,233,798	1,122,406	58,693	435,646	74,111	43,140	2,733,293	11.6
2017	1,304,952	1,100,498	63,658	400,524	77,593	45,801	2,746,238	11.6
2018	1,314,360	1,164,511	61,027	421,518	80,006	44,947	2,836,463	11.6
2019	1,354,268	1,238,236	59,114	423,030	86,093	43,755	2,944,799	11.6
2020	1,385,031	1,302,421	60,657	421,822	88,179	45,358	3,036,395	11.6
2021	1,529,074	1,308,600	57,010	437,693	104,012	47,009	3,181,354	11.6
2022	1,501,754	1,375,531	10,121	492,162	106,399	47,049	3,226,120	11.6

Source: Hardin County Property Valuation Office

- (1) Does not include assessed valuations for motor vehicles - tax collected by County Clerk.
- (2) Bank share valuations not included as they are assessed by the Commonwealth of Kentucky and taxed at a rate of 2.5 cents per hundred valuation.
- (3) The actual value is determined by the County Property Valuation Administrator based on valuations performed every 4 years. The City has determined that the actual value is not readily estimable. Therefore, the actual value has not been presented.

CITY OF ELIZABETHTOWN, KENTUCKY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN CALENDAR YEARS

<u>YEAR</u>	<u>TOTAL LEVIED</u>	<u>CURRENT COLLECTIONS</u>	<u>% OF LEVY</u>	<u>SUBSEQUENT COLLECTIONS</u>	<u>TOTAL</u>	<u>% OF LEVY</u>	<u>TAX BALANCE</u>
For the Calendar Year Ended:							
2013	3,116,804	3,096,894	99.36%	19,550	3,116,444	99.99%	360
2014	3,189,822	3,108,543	97.45%	80,880	3,189,423	99.99%	399
2015	3,247,386	3,234,460	99.60%	12,018	3,246,478	99.97%	908
2016	3,320,884	3,308,104	99.62%	10,412	3,318,516	99.93%	2,368
2017	3,415,581	3,392,081	99.31%	20,787	3,412,869	99.92%	2,712
2018	3,533,221	3,514,293	99.46%	15,656	3,529,949	99.91%	3,272
2019	3,655,372	3,622,715	99.11%	22,851	3,645,566	99.73%	9,806
2020	3,768,504	3,746,530	99.42%	21,138	3,767,668	99.98%	836
2021	3,941,927	3,874,260	98.28%	58,469	3,932,729	99.77%	9,198
2022	4,108,670	4,096,625	99.71%	-	4,096,625	99.71%	12,045

Source: City financial records

All unpaid property taxes on real property are recorded at the county courthouse and a lien is placed against the property.

CITY OF ELIZABETHTOWN
 GROWTH HISTORY - INCREASE OF UTILITY CUSTOMERS
 LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>WATER CUSTOMERS</u>	<u>SEWER CUSTOMERS</u>	<u>GAS CUSTOMERS</u>
2014	9,674	12,414	8,339
2015	48 *	12,210	8,314
2016	48 *	12,459	8,394
2017	48 *	12,545	8,358
2018	48 *	12,725	8,403
2019	48 *	12,887	8,302
2020	-	13,096	8,279
2021	-	12,900	8,332
2022	-	13,308	8,391
2023	-	13,483	8,374

* residual customers after water system sale in 2014

Source: City financial records

CITY OF ELIZABETHTOWN, KENTUCKY
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

Fiscal Year	Governmental Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Municipal Property Corporation Bonds	Notes Payable	Capital Leases	Revenue Bonds	Loans Payable	Notes Payable			
2014	\$ 32,415	\$ 6,741	\$ 45	\$ -	\$ -	\$ 13,379	\$ 215	\$ 52,795	\$ 0	\$ 1,683
2015	31,118	6,006	2,696	180	-	14,312	154	54,466	6.1%	1,719
2016	30,149	6,006	2,419	144	-	13,762	110	52,590	5.8%	1,676
2017	28,952	4,457	2,138	108	-	18,112	66	53,833	5.8%	1,716
2018	27,735	3,633	1,997	72	-	20,398	22	53,857	5.8%	1,717
2019	26,491	2,778	1,852	36	-	21,440	-	52,597	5.6%	1,676
2020	25,223	1,889	1,704	-	-	20,450	-	49,266	5.2%	1,570
2021	23,924	964	1,552	-	-	19,431	-	45,871	4.9%	1,462
2022	22,777	-	1,399	-	-	18,382	-	42,558	4.4%	1,333
2023	21,403	-	1,241	138	-	17,302	-	40,084	4.1%	1,255

Note: Details regarding City's outstanding debt can be found in the notes to the financial statements. There is no overlapping debt.
 See page 88 - Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF ELIZABETHTOWN, KENTUCKY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities General Obligation Bonds	Percentage of Total Taxable Assessed Value of Property	Per Capita
2014	\$ 32,414,660	1.261%	\$ 1,035
2015	31,117,998	1.207%	982
2016	30,149,591	1.148%	961
2017	28,952,044	1.059%	923
2018	27,734,251	1.009%	884
2019	26,491,208	0.930%	844
2020	25,222,902	0.857%	804
2021	23,924,323	0.788%	763
2022	22,776,591	0.706%	713
2023	21,402,683	0.663%	670

Note: The amount restricted for debt service is not externally restricted and has not been specifically restricted for payment of principal.

CITY OF ELIZABETHTOWN, KENTUCKY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2023

Overlapping Debt	\$ -
City Direct Debt	<u>22,643,400</u>
Total Direct and Overlapping Debt	<u><u>\$ 22,643,400</u></u>

CITY OF ELIZABETHTOWN, KENTUCKY
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 2023

Assessed valuation of property		<u>\$ 3,226,120,000</u>
Legal debt margin:		
Debt limitation - 10% of assessed value		\$ 322,612,000
Total bonded debt	\$ 21,175,000	
Less: Revenue bonds	<u>-</u>	<u>21,175,000</u>
Legal debt margin		<u>\$ 301,437,000</u>

CITY OF ELIZABETHTOWN, KENTUCKY
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 (amounts expressed in thousands)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<u>10% LIMITATION</u>										
Debt Limit Equal to 10% of Assessed Valuation	\$ 253,718	\$ 257,715	\$ 232,461	\$ 273,329	\$ 274,624	\$ 283,646	\$ 294,480	\$ 303,640	\$ 318,135	\$ 322,612
Total Net Debt Applicable to 10% Limit	<u>32,535</u>	<u>31,230</u>	<u>30,245</u>	<u>29,040</u>	<u>27,815</u>	<u>26,565</u>	<u>25,290</u>	<u>23,985</u>	<u>22,535</u>	<u>21,175</u>
Legal 10% Debt Margin (Available Borrowing Capacity)	<u>\$ 221,183</u>	<u>\$ 226,485</u>	<u>\$ 202,216</u>	<u>\$ 244,289</u>	<u>\$ 246,809</u>	<u>\$ 257,081</u>	<u>\$ 269,190</u>	<u>\$ 279,655</u>	<u>\$ 295,600</u>	<u>\$ 301,437</u>
Total Net Debt Applicable to the 10% Limit as a Percentage of 10% Debt Limit	12.82%	12.12%	13.01%	10.62%	10.13%	9.37%	8.59%	7.90%	7.08%	6.56%

CITY OF ELIZABETHTOWN, KENTUCKY
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Fiscal Year	(1) Population	(2) Personal Income (in thousands)	(3) Per Capita Personal Income	(4) Median Age	(5) Education Level (High School or Above %)	(6) Unemployment Rate
2014	31,375	856,757	27,307	35.5	88.3%	5.2%
2015	31,689	889,188	28,060	35.4	88.1%	5.1%
2016	31,375	906,793	28,901	35.4	88.1%	4.1%
2017	31,375	906,789	28,902	35.4	88.1%	4.7%
2018	31,375	906,789	28,902	35.4	88.1%	4.7%
2019	31,375	933,992	29,769	35.4	88.1%	4.1%
2020	31,375	915,857	29,191	35.4	88.1%	5.1%
2021	31,375	934,065	29,771	35.4	90.6%	5.8%
2022	31,931	971,469	30,424	36.7	92.2%	4.0%
2023	31,931	971,469	30,424	36.7	92.2%	4.0%

- (1) Estimate by Elizabethtown Planning Department based on U.S. Census population for the years 2011 through 2013, estimate was calculated using the 2010 U.S. Census population and total housing usings constructed annually times 2.3 (average household size in 2010 U.S. Census). 2022 is based on 2021 Census.
- (2) Estimate by Elizabethtown Planning Department based on multiplying per capita income by population.
- (3) Estimate by Elizabethtown Planning Department based on 2010 U.S. Census per capita income of \$24,263, and estimating 3% annual increase in wages.
- (4) Estimate by Elizabethtown Planning Department based on comparison of 2000 Census median age of 35.9 and the 2010 Cenus median age of 35.4 which showed a .05 decrease annually.
- (5) Estimate by Elizabethtown Planning Department based on comparison of 2000 Census and 2010 Census which showed a 5% increase over 10 years.
- (6) Estimate from United States Department of Labor, Bureau of Labor Statistics. 2020 includes reductions due to COVID-19 pandemic.

CITY OF ELIZABETHTOWN, KENTUCKY
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND TEN YEARS AGO

EMPLOYER	2023		2014	
	EMPLOYEES	RANK	EMPLOYEES	RANK
Baptist Health Hardin	2,871	1		
Metalsa	2,200	2	722	3
Altec	1,000	3	534	6
Effex Management Solutions	860	4		
AGC Automotive Americas	800	5	507	7
Ambrake	669	6	1,217	2
Wal-Mart	650	7	598	5
Commonwealth Of Kentucky	625	8	612	4
Hardin Co Board Of Education	450	9	438	9
Ky Comm & Tech College	376	10	449	8
Elizabethtown Ind. Schools	350		408	10
Summit Polymers	317			
Hardin Memorial Hospital			2,172	1
Total	11,168		7,657	

Source: City Occupational Tax Records.

CITY OF ELIZABETHTOWN, KENTUCKY
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Function										
Administration										
Mayor's Office	12	12	12	12	12	16	16	16	16	15
Finance	15	14	13	14	14	13	13	13	15	18
Planning	10	10	9	10	10	9	9	9	9	9
Public Safety										
Police	67	63	62	64	70	77	78	78	82	86
Fire	53	53	53	53	57	62	62	62	64	63
Garage	3	3	3	3	3	3	3	3	3	3
Drug Task Force	2	2	2	2	2	2	2	2	3	3
Parking Meter	1	1	1	1	0	0	0	0	0	0
Public Works										
Engineering	6	6	6	3	8	9	5	5	5	5
Administration	8	8	8	11	8	7	7	13	9	9
Street	22	24	27	27	28	26	29	29	31	36
Stormwater	8	8	8	9	9	11	8	8	9	4
Recreation	28	27	27	37	27	25	23	25	21	21
Water & Wastewater *	51	40	34	31	34	37	44	41	25	24
Natural Gas	19	15	14	14	15	16	16	17	24	24
Total	305	286	279	291	297	313	315	321	316	320

*2014 was the last year for water
 Source: City payroll department.

CITY OF ELIZABETHTOWN, KENTUCKY
OPERATING INDICATORS BY FUNCTION
LAST TEN CALENDAR YEARS

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Finance										
Business License Issued	4,452	3,962	3,890	3,811	3,952	4,280	3,885	3,843	4,413	3,691
Planning										
Building Permits Issued	382	372	361	359	421	361	387	382	350	420
Construction Costs(millions)	\$64.32	\$102.77	\$59.10	\$60.50	\$91.17	\$99.10	\$98.61	\$82.89	\$169.38	\$376.83
Public Safety										
Police										
Calls For Service	31,502	30,349	31,867	27,069	30,514	29,958	35,333	43,291	38,162	33,570
Arrests & Citations	5,237	4,886	3,833	3,038	3,928	4,194	5,407	4,988	3,920	3,365
Fire										
Fire Runs	1,105	1,222	1,312	1,386	1,490	1,583	1,619	1,413	1,679	1,873
Inspections	2,351	2,489	2,267	2,539	2,581	2,232	2,407	2,122	2,209	2,000
Public Works										
Street										
Brush & Trash Loads	4,353	4,525	4,074	3,701	4,407	4,248	4,299	4,318	3,647	3,615
Miles of Streets	156	156	156	157	159	159	159	159	165	166
Recreation										
Shelter Rentals	231	251	307	264	351	318	282	204	405	426
Golfers	2,751	2,751	2,751	1,793	2,224	1,565	1,969	2,764	3,702	7,839
Swimmers	7,545	6,595	0	30,310	33,000	34,678	37,372	0	25,959	47,882
Water										
Daily Production(millions of gallons)	2.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Purchased Water(millions of gallons)	0.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Wastewater										
Avg Daily Treatment(millions of gallons)	6.09	5.96	7.11	6.40	7.00	7.80	7.80	6.37	6.93	5.97
Natural Gas										
Gas Usage(1000 MCF)	2.245	2.216	2.022	1.975	1.750	1.967	1.900	1.785	1.870	1.937

*Records requests not included

Source: City of Elizabethtown Departmental Annual Reports

CITY OF ELIZABETHTOWN, KENTUCKY
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	55	55	55	55	60	74	87	87	87	91
Fire Stations	3	3	3	3	3	3	3	3	3	3
Streets										
Streets (miles)	154	155	156	157	159	159	159	159	165	166
Streetlights	3,386	3,386	3,386	3,386	3,400	3,400	3,400	3,400	3,195	3,223
Parks and Recreation										
Parks	7	7	7	7	7	7	7	7	7	7
Parks acreage	700	700	700	700	700	700	700	700	700	700
Community Centers	1	1	1	1	1	1	1	1	1	1
Soccer Fields	14	14	14	14	14	14	14	14	14	14
Tennis Courts	26	26	26	26	26	26	26	26	26	26
Swimming Pools	1	0	1	1	1	1	1	1	1	1
Water										
Water mains (miles)	164	-	-	-	-	-	-	-	-	-
Water meters	9,674	-	-	-	-	-	-	-	-	-
Sewer										
Sewer mains (miles)	223	223	223	226	228	230	230	230	234	254
Avg treated gallons daily - millions	6.09	6.09	7.11	6.40	7.00	7.80	7.80	6.37	6.93	5.97
Customers	12,414	12,414	12,459	12,545	12,725	12,887	13,096	13,096	13,308	13,483
Natural Gas										
Mains (miles)	224	224	224	224	224	224	224	225	224	224
Gas meters	8,366	8,314	8,394	8,358	8,403	8,302	8,279	8,332	8,391	8,374

Source: City of Elizabethtown Departmental Annual Reports

GOVERNMENTAL COMPLIANCE SECTION

CITY OF ELIZABETHTOWN, KENTUCKY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2023

FEDERAL GRANTOR/ PASS - THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH ENTITY IDENTIFYING NUMBER	PROVIDED TO SUBRECIPIENTS	TOTAL FEDERAL EXPENDITURES
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Community Development Block Grant	14.218	N/A		\$ 65,277
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				65,277
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Passed Through Kentucky Department of Local Government:				
Land and Water Conservation Fund State and Local Assistance Program	15.916	LCWF 21-01603 P		132,384
TOTAL U.S. DEPARTMENT OF THE INTERIOR				132,384
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Bulletproof Vest Partnership Program	16.607	N/A		5,246
Passed Through Kentucky Justice and Public Safety Cabinet:				
Edward Byrne Memorial Justice Assistance	16.738	2021-JAG-00034 2022-JAG-00076		41,400 173,140
				214,540
TOTAL U.S. DEPARTMENT OF JUSTICE				219,786
<u>U.S. DEPARTMENT OF TREASURY</u>				
Passed Through Kentucky Department of Local Government:				
Covid-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A		2,611,824
TOTAL U.S. DEPARTMENT OF TREASURY				2,611,824
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Grant Program	66.818	N/A		59,400
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY				59,400
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
High Intensity Drug Trafficking Areas Program	95.001	N/A		86,618
TOTAL EXECUTIVE OFFICE OF THE PRESIDENT				86,618
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,175,289

The accompanying notes are an integral part of this schedule.

CITY OF ELIZABETHTOWN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2023

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Elizabethtown under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of City of Elizabethtown, it is not intended to and does not present the financial position, changes in net position or cash flows of City of Elizabethtown.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting for proprietary funds and the modified accrual basis of accounting for governmental funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C - INDIRECT COST RATE

The City has elected to not use the 10 percent de minimum indirect cost rate allowed under the Uniform Guidance.

CITY OF ELIZABETHTOWN
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2023

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued (unmodified):

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? yes X none

Noncompliance material to financial
statements noted? yes X no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified
that are not considered to be material
weakness(es)? yes X none

Type of auditor's report issued on compliance for major programs (unmodified):

Any audit findings disclosed that are
required to be reported in accordance
with 2 CFR 200.516(a)? yes X no

Identification of major programs:

CFDA Number	Federal Program or Cluster
21.027	Covid 19 - Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish
Between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

CITY OF ELIZABETHTOWN

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

June 30, 2023

There were no prior year findings.



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Heartland CPAs and Advisors PLLC

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Mayor,
Members of the City Council
and Director of Finance
City of Elizabethtown, Kentucky

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Elizabethtown, Kentucky, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Elizabethtown, Kentucky's basic financial statements and have issued our report thereon dated November 28, 2023. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Elizabethtown Tourism and Commission Bureau, a discretely presented component unit, as described in our report on City of Elizabethtown, Kentucky's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance or other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Elizabethtown Kentucky's financial statements are free of 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 City'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.



Heartland CPAs and Advisors, PLLC
Elizabethtown, Kentucky
November 28, 2023



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Heartland CPAs and Advisors PLLC

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Honorable Mayor,
Members of the City Council
and Director of Finance
City of Elizabethtown, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of Elizabethtown's compliance with the types of compliance requirements described as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City of Elizabethtown's major federal programs for the year ended June 30, 2023. City of Elizabethtown's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, City of Elizabethtown complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of City of Elizabethtown and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of City of Elizabethtown's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City of Elizabethtown's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Elizabethtown's compliance based on our audit. 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, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City of Elizabethtown's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City of Elizabethtown's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of City of Elizabethtown's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City of Elizabethtown's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Heartland CPAs and Advisors, PLLC
Elizabethtown, Kentucky
November 28, 2023

APPENDIX D

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Form of Legal Opinion of Bond Counsel



700 N. Hurstbourne Parkway
Suite 115
Louisville, Kentucky 40222
Telephone: 502-423-2000
Telefax: 502-423-2001
www.stepToe-johnson.com

September __, 2024

City of Elizabethtown, Kentucky
Elizabethtown, Kentucky

Ladies and Gentlemen:

We have examined the transcript of proceedings for the issue of \$11,000,000* City of Elizabethtown, Kentucky General Obligation Bonds, Series of 2024 (the “Bonds”), dated September __, 2024, numbered R-1 upward, and of denominations of \$5,000 or any integral multiple thereof. The Bonds are issued by the City of Elizabethtown, Kentucky (“City”). The Bonds mature, bear interest, and are subject to mandatory and optional redemption upon the terms set forth therein. We have also examined a specimen Bond.

Based upon this examination, we are of the opinion, based upon the laws, regulations, rulings, and decisions in effect on the date hereof, that:

1. The Bonds constitute valid obligations of the City in accordance with their terms, which, unless paid from other sources, are payable from taxes to be levied by the City, without limitation as to rate.
2. Under the laws, regulations, rulings, and judicial decisions in effect on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”). Further, interest on the Bonds will not be treated as a specific item of tax preference in computing the Federal alternative minimum tax; however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022. In rendering the opinions set forth in this paragraph, we have assumed continuing compliance with certain covenants designed to meet the requirements of Section 103 of the Code. We express no other opinion as to the federal or state tax consequences of purchasing, holding, or disposing of the Bonds.
3. Interest on the Bonds is not subject to taxation by the Commonwealth of Kentucky, and the Bonds are not subject to ad valorem taxation by the Commonwealth of Kentucky or any political subdivision thereof.

The City has NOT designated the Bonds as “qualified tax-exempt obligations” with respect to investments by certain financial institutions under Section 265 of the Code.

In rendering this opinion, we have relied upon covenants and certifications of facts, estimates, and expectations made by officials of the City and others contained in the transcript for the Bonds; which we have not independently verified. It is to be understood that the enforceability of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium, and any other laws in effect from time to time affecting creditors' rights generally, and to the exercise of judicial discretion.

The opinions expressed in this letter are based upon the law in effect on the date hereof, and may be affected by actions taken or omitted or events occurring after the date hereof, including subsequent interpretations of the applicable law by competent judicial, regulatory and administrative authorities that modify, revoke, supplement, reverse, overrule or otherwise change applicable law and current interpretations thereof, and specifically by current or future legislative proposals, which, if enacted into law, could adversely affect the tax exemption of the interest on the Bonds. We assume no obligation to revise or supplement this opinion should such law be changed by legislative action, judicial decision, or otherwise, or to determine or to inform any person whether any such actions are taken or omitted or any such events occur.

STEPTOE & JOHNSON PLLC

APPENDIX E

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Continuing Disclosure Agreement

CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (this “Certificate”) is executed and delivered as of September 24, 2024, by the City of Elizabethtown, Kentucky (the “Issuer”), in connection with the issuance and delivery of \$11,000,000 aggregate principal amount of General Obligation Bonds, Series 2024 (the “Obligations”). The Obligations are being issued under and in accordance with an ordinance duly adopted by the City Council of the Issuer on August 5, 2024 (the “Authorizing Legislation”). The Issuer hereby certifies, covenants, and agrees as follows:

Section 1. Purpose of this Certificate.

This Certificate is being executed and delivered by the Issuer to provide for the disclosure of certain information concerning the Obligations on an ongoing basis, as set forth herein, for the benefit of the Holders (as hereinafter defined) of the Obligations, in accordance with the provisions of Rule 15c2-12 of the Securities and Exchange Commission, as amended from time to time (the “Rule”).

Section 2. Definitions; Scope of this Certificate.

All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Authorizing Legislation and the Obligations. Notwithstanding the foregoing, the term “Disclosure Agent” shall mean the Issuer or any disclosure agent appointed or engaged by the Issuer, and any successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

“Annual Financial Information” means a copy of the annual comprehensive financial report prepared for the Issuer, which shall include, if prepared, a balance sheet, a statement of revenues and expenditures, and a statement of changes in fund balances, generally consistent with the information set forth in Appendix D to the Offering Document. All of such Annual Financial Information shall be prepared using generally accepted accounting principles as applied to governmental units; provided, however, that the Issuer may change the accounting principles used to prepare such Annual Financial Information so long as the Issuer includes, as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change, and explaining how to compare the financial information provided by the differing accounting principles. Any items listed above may be set forth in other documents which have been transmitted to the MSRB, including any Offering Documents of debt issues of the Issuer or any related public entities, or may be included by specific reference to any documents available to the public on the MSRB’s Electronic Municipal Market Access (EMMA) system or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

“Beneficial Owner” means any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Obligations (including any persons holding the Obligations through nominees, depositories, or other intermediaries).

“Event,” with respect to the Obligations, means any of the following events:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves, reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements, reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;

- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of any proposed or final determinations of taxability, any Notices of Proposed Issue (IRS Form 5701-TEB), or any other material notices or determinations with respect to the tax status of the security, or any other material events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers (except any mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event);
- (ix) Defeasances;
- (x) Release, substitution, or sale of any property securing the repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership, or any other similar event of the Issuer (Note – This event is considered to occur upon the occurrence of any of the following events: The appointment of a receiver, fiscal agent, or other similar officer for the Issuer in any proceeding under the U.S. Bankruptcy Code or in any other proceeding under any state or federal law in which any court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer in possession of such assets or business but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer);
- (xiii) The consummation of a merger, consolidation, or other acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake any such actions, or the termination of a definitive agreement relating to such actions, other than in accordance with its terms, if material;
- (xiv) Appointment of any successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or any other similar terms of any Financial Obligation of the Issuer, any of which affect security holders, if material; and
- (xvi) Default, acceleration event, termination event, modification of terms, or any other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

The SEC requires the listing of (i) through (xvi), although some of such events may not be applicable to the Obligations.

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

“Holders” means any holder or Beneficial Owner of the Obligations.

“MSRB” means the Municipal Securities Rulemaking Board.

“Offering Document” means the Official Statement dated September 10, 2024.

“Operating Data” means an update of certain operating data of the Issuer, which is limited to the information set forth under the following headings (or their functional equivalents) of Appendix A to the Offering Document: “Assessed Property Valuation,” “Historical Tax Rates,” “Tax Property Tax Rates,” “Ten Largest Taxpayers”.

“Participating Underwriter” means any of the original underwriters of the Obligations required to comply with the Rule in connection with the offering of the Obligations.

“SEC” means the Securities and Exchange Commission.

Section 3. Disclosure of Information.

(A) Information Provided to the Public. Except to the extent that this Certificate is modified or otherwise altered in accordance with Section 4 hereof, the Issuer shall make, or shall cause the Disclosure Agent to make, public the information set forth in subsections (i), (ii), and (iii) below:

(i) Annual Financial Information and Operating Data. The Annual Financial Information and Operating Data of the Issuer, at least annually, on or before 270 days after the end of each fiscal year ending June 30, commencing with the fiscal year ended June 30, 2024, and continuing with each fiscal year thereafter. If the Disclosure Agent is an entity or person other than the Issuer, then the Issuer shall provide the Annual Financial Information and Operating Data to the Disclosure Agent no later than fifteen Business Days before the disclosure date set forth above. The Annual Financial Information and Operating Data may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information; provided that the audited financial statements of the Issuer may be submitted separately from the other Annual Financial Information.

(ii) Event Notices. Notice of the occurrence of any Event, in a timely manner, not in excess of ten business days after the occurrence of the Event.

(iii) Failure to Provide Annual Financial Information or Operating Data. Notice of the failure of the Issuer to provide the Annual Financial Information or Operating Data by the disclosure date required by subsection (A)(ii) of this Section.

(B) Dates Information is to be Provided to the Public. The Annual Financial Information and Operating Data of the Issuer and, subject to the timing requirement set forth in subsection (A)(ii) of this Section, notices of Event occurrences shall be made public on the same day as notice thereof is given to the Holders of the outstanding Obligations, if such notice is required in accordance with the provisions of the Authorizing Legislation or the Obligations, and such information shall not be made public before the date of such notice.

(C) Means of Making Information Public.

(i) Information shall be deemed to have been made public by either the Issuer or the Disclosure Agent under this Certificate if such information is transmitted as provided in subsection (C)(ii) of this Section, by the following means:

(a) to all of the Holders of outstanding Obligations, by first class mail, postage prepaid;

(b) to the MSRB, in any electronic format prescribed by the MSRB, and accompanied by the identifying information prescribed by the MSRB; or

(c) to the SEC, by (1) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (2) first class mail, postage prepaid; provided, however, that the Issuer and the Disclosure Agent are authorized to transmit information to the SEC by any means that are mutually acceptable to the Issuer or the Disclosure Agent, as the case may be, and the SEC.

(ii) The following information shall be transmitted to the following parties:

(a) All information required to be provided to the public under subsection (A) of this Section shall also be transmitted to the MSRB.

(b) All information required to be provided to the public under subsection (A) of this Section shall be made available, upon request therefor, to any Holders of the Obligations, but need not be transmitted to the Holders of the Obligations who do not so request.

(iii) To the extent that the Issuer is obligated to file any Annual Financial Information and Operating Data with the MSRB under this Certificate, such Annual Financial Information and Operating Data may be set forth in a document or a set of documents transmitted to the MSRB or may be included by specific reference to any documents available to the public on the MSRB's Electronic Municipal Market Access (EMMA) system or filed with the SEC.

(iv) The Issuer or the Disclosure Agent may require payment from the Holders of the Obligations in connection with any request from a Holder for any periodic information regarding the finances or operational data of the Issuer or for any information regarding the occurrence of an Event, as provided by subsection (C)(ii)(b) of this Section, by charging any Holder which makes such a request for (1) the reasonable costs incurred by the Issuer or Disclosure Agent in duplicating and transmitting the requested information to such Holder, and (2) the reasonable administrative expenses incurred by the Issuer or Disclosure Agent in providing the requested information to such Holder.

Section 4. Amendment or Modification.

Notwithstanding any other provision of this Certificate to the contrary, the Issuer may amend this Certificate and waive any provision hereof, so long as such amendment or waiver is supported by an opinion of nationally recognized bond counsel with expertise in federal securities laws, stating that such amendment or waiver would not, in and of itself, cause any of the undertakings set forth herein to violate the Rule if such amendment or waiver had been effective on the date hereof, but taking into account any subsequent change in the Rule or in the official interpretation thereof, as well as any change in circumstance.

Section 5. Miscellaneous.

(A) Termination of Certificate. The obligations of the Issuer and the Disclosure Agent, if any, under this Certificate shall terminate when all of the Obligations are, or are deemed to be, no longer outstanding by reason of the redemption or legal defeasance of the Obligations or upon the maturity thereof.

(B) Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from (i) disseminating any other information using the means of dissemination set forth herein or by any other means of communication, or (ii) including any other information, in addition to the information that is required by this Certificate, in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided hereunder. If the Issuer chooses to include any other information in any Annual Financial Information, Operating Data, or notice of the occurrence of an Event in addition to that which is specifically

required under this Certificate, the Issuer shall have no obligation hereunder to update any such additional information or to include such information in any future Annual Financial Information, Operating Data, or notice of the occurrence of an Event provided under this Certificate.

(C) Defaults; Remedies. If the Issuer or the Disclosure Agent, if any, fails to comply with any of the provisions of this Certificate, any Holder of the Obligations may take any action as may be necessary and appropriate, including seeking an action in mandamus or for specific performance, to cause the Issuer or the Disclosure Agent, as the case may be, to comply with its respective obligations hereunder. Any default under this Certificate shall not constitute a default on the Obligations, and the sole remedy available in any proceeding to enforce this Certificate shall be an action to compel specific performance.

(D) Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Disclosure Agent, if any, the Participating Underwriter, and the Holders or Beneficial Owners of the Obligations and shall create no rights in any other person or entity.

Section 6. Additional Disclosure Obligations.

The Issuer hereby acknowledges and understands that other state and federal laws, including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, may apply to the Issuer and that, under some circumstances, compliance with this Certificate, without additional disclosures or other action, may not fully discharge all of the duties and obligations of the Issuer under such laws.

Section 7. Notices.

Any notices or communications to the Issuer may be given as follows:

To the Issuer: City of Elizabethtown, Kentucky
200 West Dixie Avenue
Elizabethtown, Kentucky 42701
Attention: Finance Director
Telephone: (270) 765-6121

[The remainder of this page is intentionally left blank.]

[SIGNATURE PAGE CONTINUING DISCLOSURE CERTIFICATE]

IN WITNESS WHEREOF, the Issuer has caused its duly authorized officer to execute this Certificate as of the day and year first above written.

CITY OF ELIZABETHTOWN, KENTUCKY

By: _____

Mayor

APPENDIX F

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Official Terms and Conditions of Bond Sale

OFFICIAL TERMS AND CONDITIONS OF BOND SALE
\$11,000,000*
City of Elizabethtown, Kentucky
General Obligation Bonds,
Series of 2024
Dated September 24, 2024

SALE: 11:00 A.M. E.D.S.T. September 10, 2024

The City of Elizabethtown, Kentucky ("City"), will until September 10, 2024, at 11:00 A.M., E.D.S.T., receive in the office of Jeff Hawkins, the City's Director of Finance, City Hall, 200 W. Dixie Avenue, Elizabethtown, Kentucky 42702 competitive bids for the purchase of the Bonds herein described, subject to the following terms and conditions. To be considered bids must be submitted on an Official Bid Form and must be delivered to the City at the address indicated on the date of sale no later than the hour indicated submitted manually or electronically via PARITY. Bids will be considered by the Mayor and may be accepted without further action by the City Council.

THE BONDS

Description of Bonds - The Bonds offered for sale are \$11,000,000 of General Obligation Bonds, Series of 2024, dated September 24, 2024 (the "Bonds") being fully registered Bonds of the denominations of \$5,000 and any integral multiple of \$5,000. Said Bonds will mature on September 1 in each of the years 2025 through 2044.

*Subject to Permitted Adjustment decreasing the principal amount of the Bonds to be sold as set forth in Bidding Terms and Conditions below.

The Bonds maturing on or after September 1, 2032 are subject to redemption at the option of the Corporation prior to their stated maturities on any date falling on or after September 1, 2031, in any order of maturities (less than all of a single maturity to be selected by lot), in whole or in part, upon notice of such prior redemption being given by the Paying Agent in accordance with DTC requirements not less than thirty (30) days prior to the date of redemption, upon terms of the face amount, plus accrued interest, but without redemption premium.

Principal on the Bonds will be payable at the principal office of WesBanco Bank, Wheeling, West Virginia. Interest on the Bonds will be paid at rates to be established upon the basis of competitive bidding as hereinafter set forth, such interest to be payable on March 1 and September 1 of each year, beginning March 1, 2025 utilizing the Book-Entry-Only-System to Registered Owners as of the 15th day of the month preceding a due date.

AUTHORITY, PURPOSE AND SECURITY

The Bonds have been authorized by an ordinance passed and adopted by the City Council (Bond Ordinance) pursuant to the authority of Sections 158 and 159 of the Constitution of the Commonwealth of Kentucky and Sections 66.011 through 66.171 of the Kentucky Revised Statutes.

The proceeds of the Bonds (together with other funds available for such purpose) will be used to finance the acquisition, construction and equipping of a new Fire Station, a Police Station expansion and other public projects (the "Project").

The Bonds constitute general obligations of the City for the payment of the principal of and interest on which the full faith, credit and taxing power of the City are irrevocably pledged.

BIDDING TERMS AND CONDITIONS

Bids must be made on Official Bid Form, contained in Information for Bidders available from the undersigned or RSA Advisors. LLC, Lexington, Kentucky, or by visiting at www.rsamuni.com submitted manually or electronically via PARITY® *INFRA*.

1. Time of Sale - Bids for the Bonds must be received by the Mayor of the City on the date and no later than the time above set out: 11:00 A.M. E.S.T. on September 10, 2024. The Mayor has been authorized by the City Council, to accept the lowest evaluated bid upon the advice of the Financial Advisor.

2. Sale Conditions -

- (a) Bids will be considered and must be made on the Official Bid Form or via PARITY® in order to provide for uniformity in submission of bids and ready determination of the lowest and best bid.
- (b) Bids will be for the entire issue at not less than \$10,780,000 (98% of par) not to exceed \$11,000,000 principal amount of Bonds plus accrued interest, (if any) from the date of the Bonds (September 24, 2024) to the date of delivery, PAYABLE IN FEDERAL FUNDS.
- (c) The determination of the best purchase bid for the Bonds will be made on the basis of all bids submitted for exactly the principal amount offered for the Bonds under the terms and conditions herein specified; provided, however, the City reserves the right to decrease the total principal amount of the Bonds sold to such best bidder ("Permitted Adjustment") in an amount not exceed \$1,100,000, with such decrease made in any or all maturities. In the event of any such adjustment, no rebidding or recalculation of a submitted bid will be required or permitted. The price at which such adjusted principal amount of Bonds will be sold will be at the same price per \$5,000 of Bonds as the price per \$5,000 for the \$11,000,000 of Bonds bid.
- (d) The successful purchaser of the Bonds (without further advice from the City) is required to deposit with the Paying Agent bank for the Bonds, 2% of the principal amount of Bonds awarded, by the close of business of the first banking business day following the award of the Bonds. The purchaser shall wire transfer the good faith deposit to the Paying Agent, WesBanco Bank, Wheeling, West Virginia; Attention: Ms. Kerrie A. Weisenborn (304-905-7080). The good faith deposit will be applied (without interest) to the purchase price of the Bonds. The good faith deposit will be forfeited to the City if the purchaser fails to take delivery.
- (e) Bidders must stipulate an interest rate or rates in multiples of 1/8, 1/10 or 1/20 of 1% on an ascending scale, in that the interest rate stipulated in any year may not be less than that stipulated for any preceding maturity.
- (f) Only one interest rate shall be permitted per Bond, and all Bonds of the same maturity shall bear the same rate. There is no limit on the number of different interest rates.
- (g) The successful bidder may elect to notify the Financial Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each term bond specified, and (b) Term Bonds will be subject to mandatory redemption by lot on September 1 in accordance with the maturity schedule setting the actual size of the issue.
- (h) The right to reject bids for any reason deemed advisable by the City and the right to waive any possible informalities or irregularities in any bid which in the judgment of the City will be minor or immaterial is expressly reserved.

3. Additional Sale Provisions -

- (a) The Bonds are being offered and are to be issued subject to, and the City will furnish to the purchaser upon Bond delivery, the approving legal opinion of Bond Counsel, Steptoe & Johnson PLLC, Louisville, Kentucky, as to the due and proper authorization, validity and tax-exempt status of the Bonds and interest thereon as more particularly described in the Official Statement, to which reference is made. The City will also furnish, at its own expense, the printed Bonds, together with customary closing documents, including a no-litigation certificate.
- (b) The Bonds are offered for sale on the basis of the principal not being subject to Kentucky ad valorem taxation and on the basis of the interest on the Bonds being excludable from gross income for Federal and Kentucky income taxation on the date of their delivery to the successful bidder, subject to the further exceptions, assumptions and provisions of the Official Statement. The Bonds have been NOT designated by the City as "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. If, prior to the delivery of the Bonds, any event should occur which alters such tax-exempt and other status, the purchaser will have the privilege of avoiding the purchase contract by giving immediate written notice to the Mayor of the City, whereupon the good faith deposit of the purchaser will be returned to the purchaser, and all respective obligations of the parties will be terminated.

- (c) The successful bidder for the Bonds shall be required to certify the re-offering prices of the Bonds purchased to the Financial Advisor immediately upon award of the Bonds.
- (d) Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Bond Sale, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.
- (e) The purchaser will be required to take delivery of and pay for the Bonds on a date to be designated by the City and upon notice being given by the City or its Financial Advisor at least seven (7) business days prior to the designated delivery date.
- (f) Prospective bidders are advised that RSA Advisors, LLC, Lexington, Kentucky ("RSA") has been employed as Municipal Advisor in connection with the issuance of the Bonds. RSA's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery thereof. Bidders may submit a bid for the purchase of the Bonds at the time of the advertised public sale, either individually or as a member of a syndicate organized to submit a bid for the purchase of the Bonds.
- (f) The City will provide to the successful purchaser a Final Official Statement in accordance with SEC Rule 15c2-12. A Final Official Statement will be provided in Electronic Form to the successful bidder, in sufficient time to meet the delivery requirements of the successful bidder under SEC and Municipal Securities Rulemaking Board Delivery Requirements.
- (g) The purchaser of the Bonds shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under these Official Terms and Conditions to establish the issue price of the Bonds may be taken on behalf of the City by the City's Independent Registered Municipal Advisor identified herein and any notice or report to be provided to the City shall be provided to the City's Independent Registered Municipal Advisor.

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

- (1) the City shall disseminate these Official Terms and Conditions of Bond Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth herein.

Any bid submitted pursuant to these Official Terms and Conditions shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

If the competitive sale requirements are not satisfied, the City shall advise the applicable winning bidder. The City will treat the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the "hold-the-offering-price rule"), in each case applied on a maturity-by-maturity basis (and, if different

interest rates apply within any maturity, to each separate CUSIP number within that maturity). Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Bonds. Bidders should prepare their bids for the Bonds on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.

If the competitive sale requirements are not satisfied, the winning bidder for the Bonds shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the hold-the-offering-price rule as the issue price of that maturity, in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity)

The City acknowledges that, in making the representations set forth above, the winning bidder will rely on (a) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires; (b) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires; and (c) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid for the Bonds, each bidder confirms that: (1) any agreement among underwriters, any selling group agreement, and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires; and (2) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

TAX EXEMPTION; NOT BANK QUALIFIED

Bond Counsel advises as follows with respect to the Bonds:

(A) The Bonds and the interest thereon are exempt from income and ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivisions.

(B) The interest income from the Bonds is excludable from the gross income of the recipient thereof for Federal income tax purposes under existing law and interest on the Bonds will not be a specific item of tax preference for purposes of computing the Federal alternative minimum tax, however, with respect to certain corporations, interest on the Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on corporations for tax years beginning after December 31, 2022.

(C) As a result of certifications by the City, indicating the issuance of more than \$10,000,000 of tax-exempt obligations during the calendar year ending December 31, 2024, the Bonds may NOT be treated by financial institutions as “qualified tax-exempt obligations” within the meaning of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

The City will enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said City will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

Financial information regarding the City may be obtained from the City Treasurer, City Hall, PO Box 550, 200 West Dixie Avenue, Elizabethtown, Kentucky 42701 Telephone 270-765-6669.

BOOK-ENTRY-ONLY-SYSTEM

The Bonds shall utilize the Book-Entry-Only-System administered by The Depository Trust Company ("DTC").

DTC will act as securities depository for the Bonds. The Bonds initially will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Bond Certificate will be issued, in the aggregate principal amount of the Bonds, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. "Direct Participants" include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its participants are on file with the Securities and Exchange Commission.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds ("Beneficial Ownership Interest") are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their Beneficial Ownership interests in Bonds, except in the event that use of the book-entry system for the Securities is discontinued. Transfers of ownership interest in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Bonds with DTC and their registration in the name of Cede & Co., effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners, will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments of the Bonds will be made to DTC. DTC's practice is to credit Direct Participants' account on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Issuer, or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Trustee, disbursements of such payments to Direct Participants shall be the responsibility of DTC, and disbursements of such payment to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Beneficial Ownership Interests purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Beneficial Ownership Interests by causing the Direct Participant to transfer the Participant's interest in the Beneficial Ownership Interests, on DTC's records, to the purchaser or the Trustee, as appropriate. The requirements for physical delivery of Bonds in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Bond Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered by the Bond Registrar.

NEITHER THE CITY NOR THE BOND REGISTRAR/PAYING AGENT WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO ANY DIRECT PARTICIPANT, INDIRECT PARTICIPANT OR ANY BENEFICIAL OWNER OR ANY OTHER PERSON NOT SHOWN ON THE REGISTRATION BOOKS OF THE BOND REGISTRAR/PAYING AGENT AS BEING AN OWNER WITH RESPECT TO: (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PURCHASE PRICE OF TENDERED BONDS OR THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND RESOLUTION TO BE GIVEN TO HOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER.

CITY OF ELIZABETHTOWN, KENTUCKY

By /s/ Jeff Hawkins, Director of Finance

APPENDIX G

**CITY OF ELIZABETHTOWN, KENTUCKY
GENERAL OBLIGATION BONDS
SERIES 2024**

Official Bid Form

OFFICIAL BID FORM
(Bond Purchase Agreement)

The City of Elizabethtown, Kentucky (“City” or “Issuer”), will until 11:00 A.M., E.D.S.T., on September 10, 2024, receive in the office of the Director of Finance, City Hall, 200 West Dixie Avenue, Elizabethtown, Kentucky 42701 or electronically via PARITY®, competitive bids for its \$11,000,000* General Obligation Bonds, Series of 2024, dated as of delivery (September 24, 2024); maturing September 1, 2025 through 2044 (“Bonds”).

We hereby bid for said \$11,000,000* principal amount of Bonds, the total sum of \$_____ (not less than \$10,780,000) plus accrued interest, if any, from September 24, 2024, at the following annual rate(s), payable March 1, 2025 and semiannually thereafter (rates on ascending scale) and maturing as to principal on September 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Rate</u>	<u>Year</u>	<u>Amount*</u>	<u>Rate</u>
2025	\$390,000	_____%	2035	\$540,000	_____%
2026	405,000	_____%	2036	560,000	_____%
2027	415,000	_____%	2037	580,000	_____%
2028	430,000	_____%	2038	605,000	_____%
2029	445,000	_____%	2039	630,000	_____%
2030	460,000	_____%	2040	655,000	_____%
2031	475,000	_____%	2041	680,000	_____%
2032	490,000	_____%	2042	705,000	_____%
2033	505,000	_____%	2043	735,000	_____%
2034	525,000	_____%	2044	770,000	_____%

*Subject to Permitted Adjustment increasing or decreasing the principal amount of Bonds by up to \$1,100,000 in any or all maturities.

We understand this bid may be accepted for as little as \$9,900,000 of Bonds or as much as \$12,100,000, at the same price per \$5,000 Bond, with the variation in such amount occurring in any maturity or all maturities, which will be determined by the City at the time of acceptance of the best bid.

Electronic bids for the Bonds must be submitted through PARITY® and no other provider of electronic bidding services will be accepted. Subscription to the PARITY® Competitive Bidding System is required in order to submit an electronic bid. The City will neither confirm any subscription nor be responsible for the failure of any prospective bidders to subscribe. For the purposes of the bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids whether in electronic or written form. To the extent any instructions or directions set forth in PARITY® conflict with the terms of the Official Terms and Conditions of Sale of Bonds, this Official Terms and Conditions of Sale of Bonds shall prevail. Electronic bids made through the facilities of PARITY® shall be deemed an offer to purchase in response to the Notice of Bond Sale and shall be binding upon the bidders as if made by signed, sealed written bids delivered to the City. The City shall not be responsible for any malfunction or mistake made by or as a result of the use of the electronic bidding facilities provided and maintained by PARITY®. The use of PARITY® facilities are at the sole risk of the prospective bidders. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Notwithstanding the foregoing non-electronic bids may be submitted via facsimile or by hand delivery utilizing the Official Bid Form.

The successful bidder may elect to notify the Municipal Advisor within twenty-four (24) hours of the award of the Bonds that certain serial maturities as awarded may be combined with immediately succeeding serial maturities as one or more Term Bonds; provided, however, (a) bids must be submitted to permit only a single interest rate for each Term Bond specified, and (b) Term Bonds will be subject to mandatory redemption by lot on September 1 in accordance with the maturity schedule setting the actual size of the issue.

It is understood that the City will furnish the final approving Legal Opinion of Steptoe & Johnson PLLC, Bond Counsel, Louisville, Kentucky.

The DTC Book-Entry-Only-System will be utilized on delivery of this issue.

No certified or bank cashier's check will be required to accompany a bid, but the successful bidder shall be required to wire transfer an amount equal to 2% of the principal amount of Bonds awarded by the close of business on the date following the award. Said good faith amount will be applied (without interest) to the purchase price on delivery. Wire transfer procedures should be arranged through WesBanco Bank, Wheeling, West Virginia, Attn: Ms. Kerrie A. Weisenborn (304-905-7080).

If we are the successful bidder, we agree to accept and make payment for the Bonds in Federal Funds within 45 days of delivery and upon acceptance by the Issuer's Financial Advisor this Official Bid Form shall become the Bond Purchase Agreement.

Respectfully submitted,

Bidder

By _____
Authorized Officer

Address

Total interest cost from September 24, 2024 to final maturity \$ _____
 Plus discount or less any premium \$ _____
 Net interest cost (Total interest cost plus discount or less any premium) \$ _____
 Average interest rate or cost (ie NIC) _____%

The above computation of net interest cost and of average interest rate or cost is submitted for information only and is not a part of this Bid.

Accepted by the Director of Finance for the City of Elizabethtown, Kentucky for \$ _____ amount of Bonds at a price of \$ _____ as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Rate</u>
2025	_____,000	_____ %	2035	_____,000	_____ %
2026	_____,000	_____	2036	_____,000	_____ %
2027	_____,000	_____	2037	_____,000	_____ %
2028	_____,000	_____	2038	_____,000	_____ %
2029	_____,000	_____	2039	_____,000	_____ %
2030	_____,000	_____	2040	_____,000	_____ %
2031	_____,000	_____	2041	_____,000	_____ %
2032	_____,000	_____	2042	_____,000	_____ %
2033	_____,000	_____	2043	_____,000	_____ %
2034	_____,000	_____	2044	_____,000	_____ %

Dated: September 10, 2024.

Director of Finance
City of Elizabethtown, Kentucky