



CITY OF PADUCAH, KY

POPULAR ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2025



Introduction



A MESSAGE FROM FINANCE

To the Citizens of Paducah:

We are pleased to present the Popular Annual Financial Report (PAFR) for the City of Paducah. This report is designed to provide a fundamental understanding of our city government, local economic conditions, and where our financial position stands. This report is presented in accordance with guidelines from the Government Finance Officers Association (GFOA) and was prepared using information for the fiscal year ended on June 30, 2025. According to the GFOA:

“The GFOA established the Popular Annual Financial Reporting Awards Program (PAFR Program) in 1991 to encourage and assist state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then to recognize individual governments that are successful in achieving that goal.”

The PAFR contains highlights from the City’s 2025 Annual Comprehensive Financial Report (ACFR), which is a more detailed audited document. The PAFR and ACFR are prepared in accordance with Generally Accepted Accounting Principles (GAAP). Copies of both reports are available by visiting the City’s website at paducahky.gov.

Sincerely,

Audra Kyle, CPA
Finance Director
City of Paducah

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“At the City of Paducah, we believe that financial transparency is the foundation of public trust. Our residents deserve to know how their tax dollars are being used—and to be confident that those resources are managed responsibly and in the best interest of the entire community. The Mayor, City Commissioners, City Manager, and leadership team are united in our commitment to open and accountable financial practices. We recognize the deep responsibility that comes with managing public funds, and we are dedicated to being thoughtful, transparent stewards of the resources entrusted to us.”

- Daron Jordan, City Manager



About the City



The City provides a full range of municipal services including police and fire protection, refuse services, permitting and inspection services, construction and maintenance of streets and other infrastructure, recreational activities and cultural events, and general administrative services.

Location: Along the Ohio River below the mouth of the Tennessee River, Paducah is situated halfway between St. Louis, MO, and Nashville, TN, along Interstate-24.

Population: 27,137 (2020-U.S. Census Bureau)

Demographic: Median age 43.2; Median household income \$51,243; Median housing value \$164,600; Average household size 3.06 (<https://www.census.gov/quickfacts>)

Unemployment Rate: 5.1% for McCracken County. Rate for the State of Kentucky is 4.9%. (kystats.ky.gov)

Top Five Employers: Bon Secours Mercy Health, Inc., Baptist Healthcare Systems, WalMart Associates, Inc., Paducah Board of Education, Baptist Health Medical Group

HISTORY

Paducah, originally known as Pekin, was settled around 1815. Settlers were attracted to the community due to its location at the confluence of the Ohio and Tennessee Rivers. Paducah was established in 1827 by explorer General William Clark, who platted out the town and named it in honor of the largest nation of Native Americans that ever roamed North America, the Padouca Indians.

Paducah thrived due to its port facilities along the waterways. It became the site of dry dock facilities for steamboats and towboats, and in turn, headquarters for various bargeline companies. Rail and locomotive components were also made in Paducah, ultimately contributing to a river and rail industrial economy.

Paducah now has an estimated population of 27,137. It is the only city in McCracken County and the largest city in the Jackson Purchase eight county region. The City has established itself as the cultural, economic, medical, and transportation center for not only the Jackson Purchase region but for a large portion of Southern Illinois and portions of Western Tennessee and Southeastern Missouri.

In addition to the City's 34th consecutive GFOA Certificate of Achievement for Excellence in Financial Reporting, and the 2nd consecutive GFOA Popular Annual Financial Reporting Award, the City has received several awards over the past year, including:



- Outstanding Facility Award - Class IV
- Communication Award



Marinas.com 2024
Boaters' Choice
Award



Arbor Day
Foundation Tree
City USA



Special Merit Award for
Outstanding Plan—
City/County
Comprehensive Plan

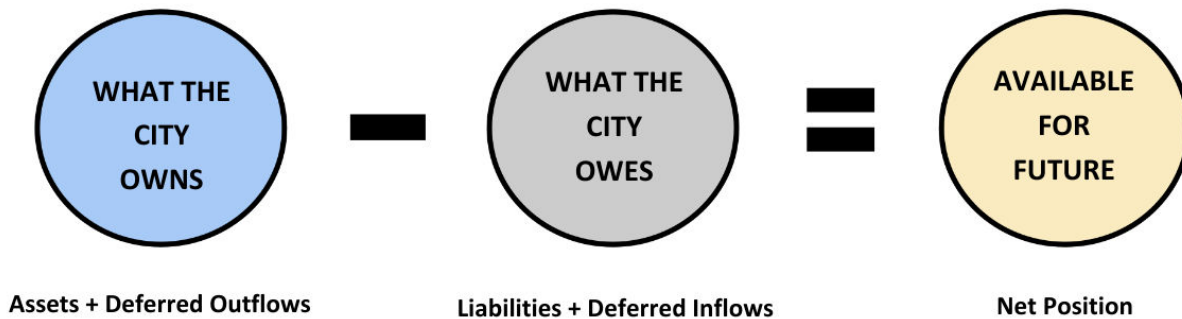
Government-wide Financials



The **Statement of Net Position** and **Statement of Activities** display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. *Component unit financial information is not disclosed in this report.*

Statement of Net Position

The Statement of Net Position represents the City's assets and liabilities, deferred outflows and deferred inflows, and the resulting net position. Net position is the difference between what the City owns and what the City owes. The City's Statement of Net Position for fiscal years ended June 30, 2023-2025 are shown below.



Governmental Activities Statement of Net Position History

	2025	2024	2023
Assets	\$229,279,166	\$176,210,771	\$172,577,069
Deferred Outflows	\$13,742,481	\$14,157,378	\$17,920,396
Liabilities	\$135,418,946	\$109,665,593	\$138,922,650
Deferred Inflows	\$32,392,463	\$35,446,822	\$19,454,783
Total Net Position	\$75,210,238	\$45,255,734	\$32,120,032

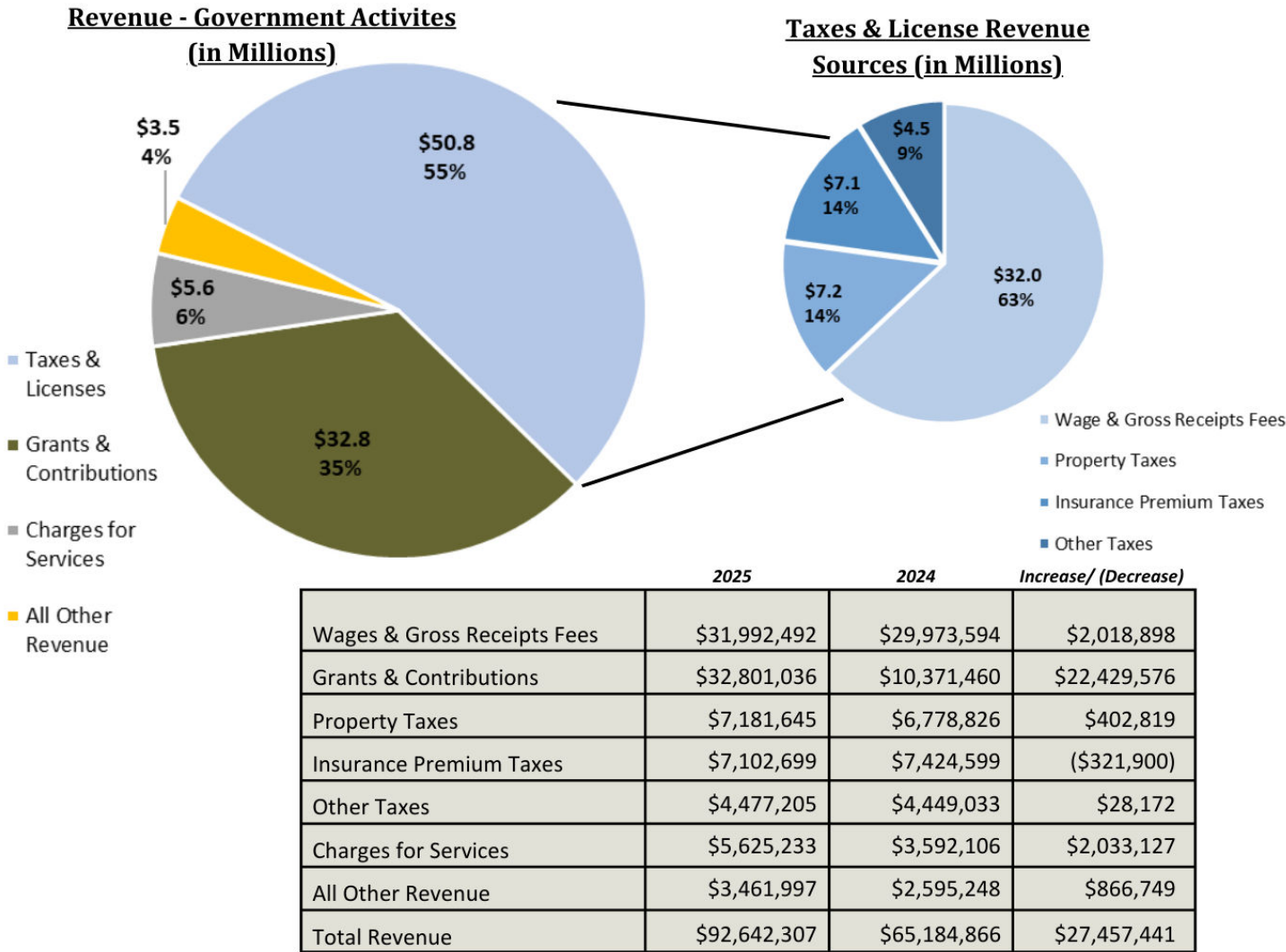
The City's net position is significantly affected by the inclusion of noncurrent liabilities/deferred inflows associated with its participation in the County Employee Retirement System (CERS). These pension and post-employment benefit obligations (OPEB) represent \$83.1 million in liabilities and deferred inflows in FY2025.

The City's governmental net position at June 30, 2025, increased nearly \$30 million from prior year. This year the City accepted \$22.8 million in infrastructure improvements from the U.S. Army Corps of Engineers for their 65% share of rehabilitation to the City's floodwall. In addition, CERS and OPEB had favorable actuarial outcomes this fiscal year, which lowered the City's required pension expense and liability by over \$5.6 million.

Government-wide Financials



The Statement of Activities summarizes the City’s operations as a whole. As with most municipalities, the City’s governmental activities are heavily subsidized by taxes, with little or no program revenue for each function. The chart below demonstrates the significance of tax revenue to the City’s operations.



In FY2025, the City experienced revenue growth primarily from increased payroll-related taxes and the one-time federal capital contribution for the floodwall project, which reduced the overall share of tax revenues compared to a typical year.

Wages & gross receipts fees increased 6.7%, driven by broad-based payroll tax growth across multiple employers.

The increase in charges for services reflects the implementation of a new parcel fee to support 911 communication operations.

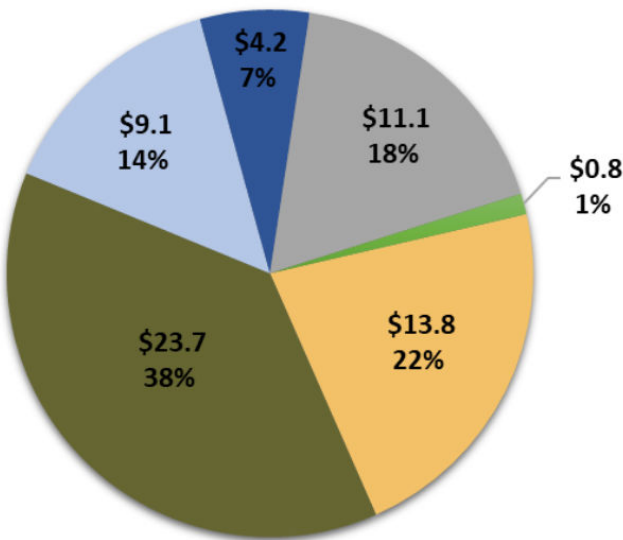
All other revenue includes unrestricted investment earnings, which increased due to newly issued bonds.

Government-wide Financials



Governmental expenses are categorized by the functions or various services provided to its businesses, citizens, and visitors.

Governmental Expenses
(in Millions)



- General Government
- Public Safety
- Public Service
- Parks & Recreation
- Planning & Development
- Interest on long-term debt

General government includes expenses for administrative departments of the City such as Mayor and Commissioners, Human Resources, Finance, and Information Technology.

Public Safety expenses are related to providing Police protection and Fire protection and prevention.

Public Service includes maintenance of the City's streets and facilities, engineering support services and administration of capital improvements, and floodwall protection.

Parks & Recreation includes administration of recreation programs & the City pool and maintenance of City grounds, including the Oak Grove Cemetery.

Planning & Development expenses are related to land use and development, long-range planning, housing, community development, and economic development.

	2025	2024	Increase/ (Decrease)
General Government	\$13,787,393	\$11,710,196	\$2,077,197
Public Safety	\$23,732,408	\$24,262,599	(\$530,191)
Public Service	\$9,065,508	\$6,965,473	\$2,100,035
Parks & Recreation	\$4,239,585	\$4,295,705	(\$56,120)
Planning & Development	\$11,088,437	\$4,559,675	\$6,528,762
Interest Expense	\$790,372	\$434,403	\$355,969
Total Expense	\$62,703,703	\$52,228,051	\$10,475,652

FY2025 expenses increased from the prior year by approximately \$10.5 million.

- All functions had decreases in expense due to the pension/OPEB adjustments discussed in Statement of Net Position on page 4. Heavy personnel driven functions such as Public Safety saw the most significant decreases.
- General Government expenses grew primarily due to depreciation expense on recent capital asset and infrastructure additions, increasing \$1.5 million from prior year.
- Planning & development expenses increased by \$6.5 million. This is due to the City's contribution to the construction of the Paducah Sports Park. Construction will continue in to FY2026.



Governmental Fund Highlights

The governmental fund statements provide information on near-term inflows, outflows, and balances of spendable resources. Revenue is recorded when “measurable and available”, and expenditures are recorded when the services or goods are received and the liabilities are incurred. Equity of the fund financial statements is called “fund balance” and is a measure of available spendable financial resources at the end of the year. The five different categories of fund balances are described and analyzed below.

Fund Balance Definitions:

Nonspendable fund balance

includes amounts that are not in a spendable form or are required to be maintained intact indefinitely. **Example:** real property held in inventory for urban development.

Restricted fund balance

has external limitations on use that may be imposed by creditors, grantors, contributors, or laws and regulations. **Example:** municipal aid funds restricted for paving by the State of Kentucky.

Committed fund balance

has self-imposed limitations enacted by the highest level of decision making that requires formal action to remove the limitations. **Example:** Investment Fund fund balance committed for capital and community & economic development.

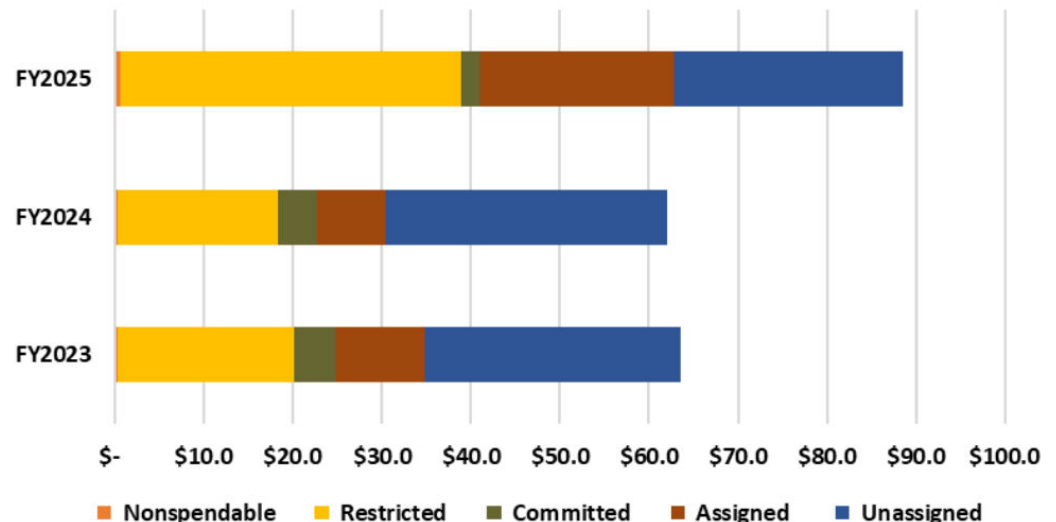
Assigned fund balance

has limitations resulting from intended use; formal action is not required.

Unassigned fund balance

is the total fund balance in the General Fund in excess of the other fund balance categories.

Fund Balance History Governmental Funds



- Unassigned fund balance was \$25.7 at the end of FY2025.
 - ▶ Unassigned fund balance makes up approximately 29% of total fund balance and is all contained in the General Fund.
 - ▶ These funds are available for spending at the City’s discretion, but only up to the amount represented by cash. At year-end \$22.4 million was available as General Fund cash. City policy requires that an amount not less than 10% of the General Fund’s budgeted expenditures remain undesignated in the fund balance. For FY2025, that amount is \$5.8 million, leaving \$16.6 million as unreserved.
 - ▶ As a measure of General Fund liquidity, readers may compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 44.4% of final appropriations for FY2025, which transfers to 162 days of expenditures.
- Overall fund balance increased by \$26.5 million from prior year.
 - ▶ In January 2025 the City issued \$25.8 in general obligation bonds to finance a portion of the Riverfront Park development, as well as finance the City’s remaining share of the Paducah Sports Park. These funds will carryover for spending in FY2026.
 - ▶ The Kentucky Department for Local Government injected \$3.5 million of State funds for the Riverfront Park development, which will carryover for spending in FY2026.



Governmental Fund Highlights

General Fund

The General Fund is the chief operating fund of the City. The activities paid through this fund constitute the City’s core administrative and operational tasks. Because its accounting method (modified accrual) focuses on near-term inflows and outflows, the General Fund’s fund statements provide a look at the City’s day-to-day operations. General fund expenditures by category are listed below.

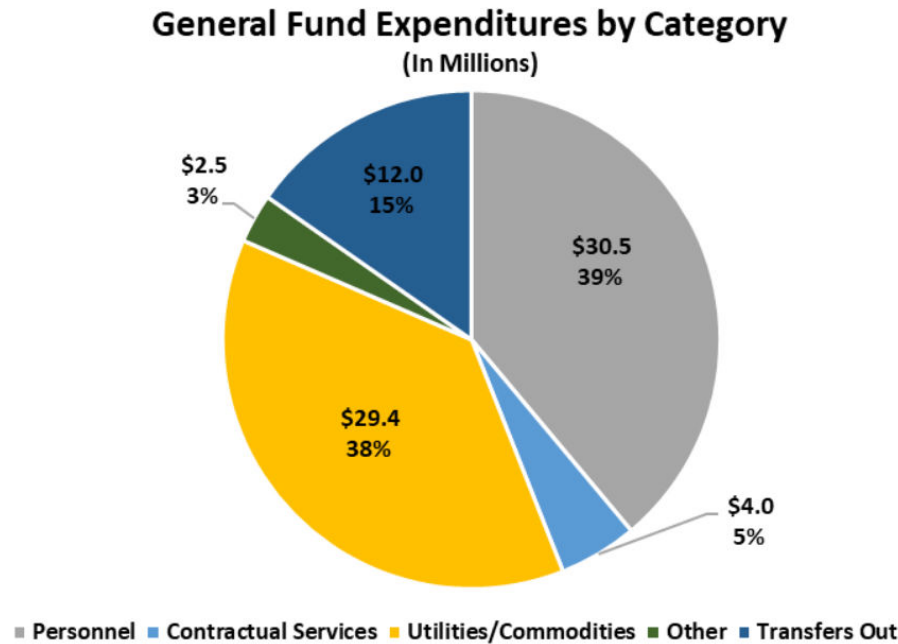
	2025	2024	Increase/ (Decrease)
Personnel	\$30,468,202	\$30,460,103	\$8,099
Contractual Services	\$4,029,182	\$3,295,708	\$733,474
Utilities/Commodities/Repairs	\$29,369,463	\$6,173,299	\$23,196,164
Other	\$2,454,558	\$1,718,479	\$736,079
Transfers Out	\$12,040,165	\$6,804,942	\$5,235,223
Total General Fund Expense	\$78,361,570	\$48,452,531	\$29,909,039

For fund statement presentation and it’s accounting method, the \$22.8 million floodwall improvement is reflected as both a revenue (donation) and expense (property/plant repairs), generating the sharp increase displayed above.

The City experienced flooding in spring of 2025, resulting in the installation of the City’s floodgates and increased temporary employment costs.

The “Other” category of expense is primarily comprised of year-end audit accruals to account for right-to-use leased assets and subscriptions.

The FY2025 budget authorized an \$8.3 million spend down of unassigned fund balance for various projects including: Riverfront Park, street improvements, City-owned facility improvements, and set aside funds for future replacement of certain City-owned facilities. The majority of these appropriations were transferred out to the Capital Improvement fund for utilization there.

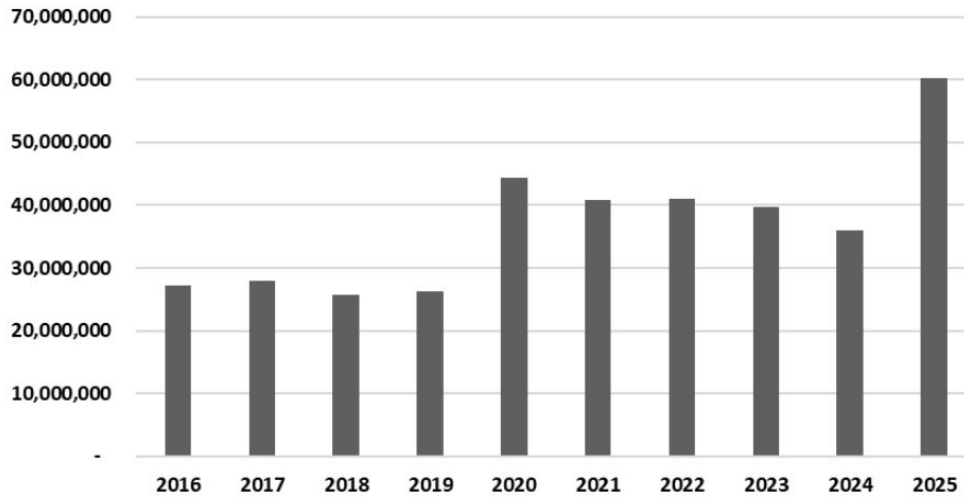


Debt Analysis/Capital Assets



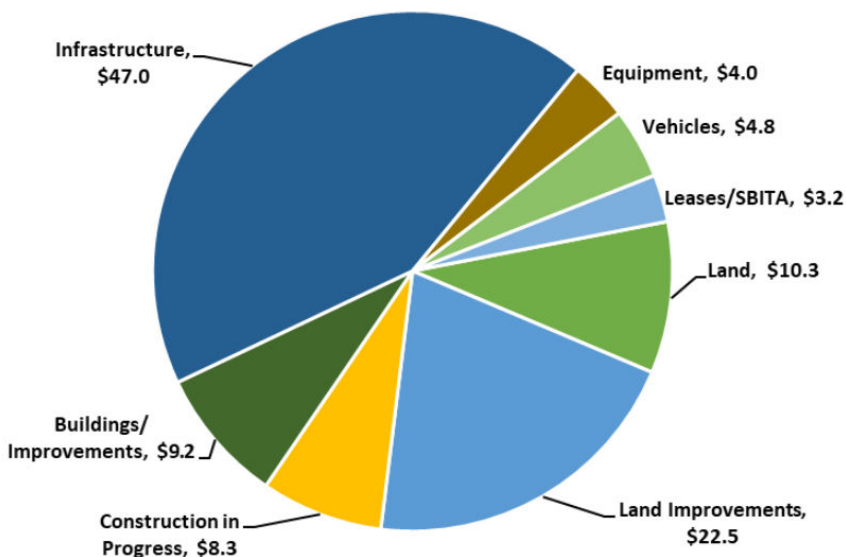
The total governmental long-term debt outstanding (bonds and notes payable) at June 30, 2025, was \$60.3 million. Below is a 10-year graphical illustration of the City's total governmental long-term debt, net of discounts and premiums. In FY2020, the City issued general obligation bonds of \$20.5 million. General obligation bonds of \$25.8 million were issued in FY2025. Both bond issuances include funds to finance the City's portion of the construction of Paducah Sports Park, totaling \$35 million.

Long Term Debt History



The City's net position invested in capital assets for governmental activities as of June 30, 2025, is \$96.4 million (net of accumulated depreciation and related debt.) This investment in capital assets includes land, buildings & improvements, vehicles & equipment, park facilities, roads & bridges, construction in progress (CIP), leases, and subscription-based information technology arrangements (SBITA).

**Governmental Capital Assets - Net of Depreciation
(In Millions)**



During fiscal year 2025, project and equipment additions totaled over \$37.1 million. Multiple projects totaling \$8.3 million remained in construction in progress at year-end.

Major additions for the year include:

- Flood Wall Rehabilitation
- Riverfront Park (CIP)
- S. 25th St. Improvements
- S. 24th St. Improvements (CIP)
- Allie Morgan Building Rehabilitation
- Pumper Truck

Benchmarks



How do we compare?

Below, Paducah is compared to Hopkinsville, Kentucky, and Owensboro, Kentucky. Per Capita is defined as the total dollar value divided by the population of each city. For example, Debt per Capita is the total bonded indebtedness divided by the population. This calculation allows the debt of each city to be easily compared based on population.

GENERAL COMPARISONS			
	Paducah ¹	Hopkinsville, KY ²	Owensboro, KY ³
Population	27,137	30,692	60,675
Total taxable assessed real estate value	\$2,367,581,632	\$2,605,210,614	\$4,397,175,743
Real estate tax rate ⁴	.264	.209	.261
Land area (square miles)	20.78	31.96	21.67
Unemployment rate ⁵	5.1%	5.9%	4.6%
General Fund revenues	\$70,923,485 ⁶	\$54,915,071	\$76,221,967
Total governmental funds—revenue per capita	\$3,445 ⁶	\$1,789	\$1,762
Total governmental funds—expenditure per capita	\$3,544 ⁶	\$1,627	\$1,873

DEBT COMPARISONS			
	Paducah ¹	Hopkinsville, KY ²	Owensboro, KY ³
Total outstanding debt—primary government	\$60,318,669	\$49,035,122	\$129,418,650
Debt per capita	\$2,223	\$1,598	\$2,133
Total outstanding debt as a percentage of assessed taxable real estate	2.55%	1.88%	2.94%

¹ FY2025 Annual Comprehensive Financial Report (ACFR).

² FY2025 ACFR (year ended June 30, 2025)

³ FY2025 ACFR (year ended June 30, 2025)

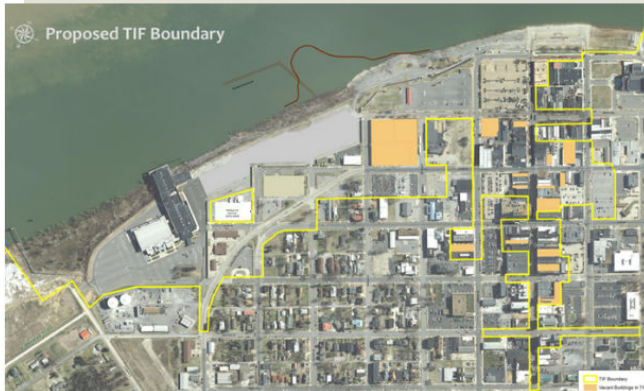
⁴ Real Estate Tax Rates are per \$100 of assessed value.

⁵ Source: US Dept of Labor, Local Area Unemployment Statistics for Cities & Towns above 25,000 Population (rates for June 2025)

⁶ These numbers reflect a one-time \$22.8 million contribution (See Page 8.)



Items of Interest



Tax Increment Financing District (TIF)

The City has received approval from the Kentucky Economic Development Financing Authority (KEDFA) for a TIF District. The District includes approximately 315 acres of Paducah downtown riverfront which will be used to promote public and private development. The tax revenue in excess of the prescribed baseline will be reinvested in the area with funds from state sales tax, property tax, individual income tax, and corporate income tax in addition to local property and payroll taxes.

Paducah Sports Park

The City is partnering with McCracken County and the McCracken Sports Tourism Commission (STC) in the design and construction of outdoor recreation facilities. The design includes five rectangular fields and four diamond-shaped fields that can be configured in a variety of ways and sizes. These multi-use synthetic turf fields can incorporate soccer, baseball, softball, rugby, or football. Other design features include a memorial complex to Dr. Stuart Nelson, shelter and restroom facilities, concession facilities, picnic and playground areas, and a significant amount of parking. This \$70 million project is scheduled to open Spring 2026. With an expectation of holding 35-40 tournaments per year, the STC estimates that the facility could generate a local economic impact of approximately \$130 million in its first five years of use.



Paducah Riverfront Park

The City has been awarded a \$10.4 million BUILD grant which will be used to create new opportunities for tourism, recreation and commerce along the Ohio riverfront. This project will include a riverboat excursion pier and plaza, providing a safer and easier transition from boat to land, as well as allow for more secure riverboat dockings and move the disembarkation point out of the flow of traffic at the

foot of Broadway. The project also includes connecting sidewalks from the floodwall to the Greenway Trail and the development of a multi-use path to aid in the movement of pedestrian/bike traffic from the Convention Center to downtown. Other amenities including: intersection improvements, wayfinding, shelters, and enhanced greenspace, will provide a more enjoyable experience for visitors moving between the river and downtown. This transformative project is scheduled to be completed in 2026.



City Contact Info



City Hall
300 South 5th Street
P.O. Box 2267
Paducah, KY 42002-2267

Hours: 8:00 a.m.- 4:30 p.m.

270-444-8800 (General Information
& Customer Experience Department)

Business License/Payroll Tax

270 444-8513

Code Enforcement

270-444-8522

Communications Manager

270-444-8669

Garbage Collection/Recycling

270-444-8511

Parks & Recreation

270-444-8508

Fire Department

270-444-8521

Police Department

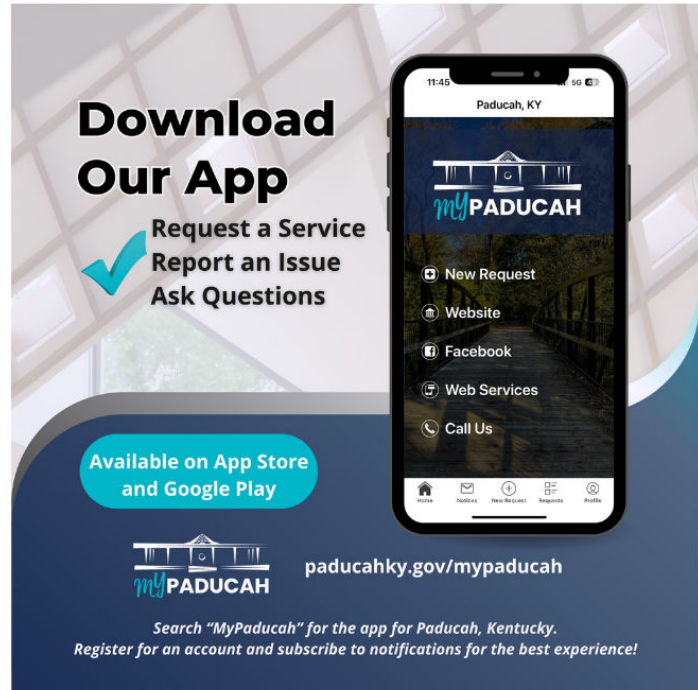
270-444-8550

Human Resources

270-444-8540

Planning

270-444-8690



Enews List

Do you want to stay engaged and informed about City of Paducah events, projects, and news releases?

Sign up for updates!

Visit: www.paducahky.gov/enews-list

City Commission Meetings

The Paducah Board of Commissioners meets the second and fourth Tuesdays of each month (unless otherwise noted) at 5 p.m. in the Commission Chambers of City Hall. The general public is invited to attend. The meetings are aired live on Government 11 (for Comcast subscribers) and tape replayed.

Additional information such as Commission minutes, packets, and highlights may be obtained at: www.paducahky.gov/city-commission-meeting-information