

**Green River Valley Water District**

**Financial Statements**

**June 30, 2025 and 2024**



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## INDEPENDENT AUDITOR'S REPORT

To the Commissioners  
Green River Valley Water District  
Horse Cave, Kentucky

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Green River Valley Water District, as of and for the years ended June 30, 2025 and 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of Green River Valley Water District, as of June 30, 2025 and 2024, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***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 Green River Valley Water District'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 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 Green River Valley Water District'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 Green River Valley Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 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 Green River Valley Water District's basic financial statements. The accompanying schedules of operating expenses 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 schedules of operating expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025, on our consideration of the Green River Valley Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Green River Valley Water District'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 Green River Valley Water District's internal control over financial reporting and compliance.

*Campbell, Myers and Ratledge, PLLC*

Glasgow, Kentucky  
October 7, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Green River Valley Water District, we offer readers of the District's financial statements this narrative overview of the financial activities of the District for the fiscal years ending June 30, 2025 and 2024. We encourage readers to consider the information presented here in conjunction with the District's financial statements and notes to the basic financial statements to enhance their understanding of the District's financial performance.

### **Financial Highlights**

For the year ending June 30, 2025, total operating, and non-operating revenues (including capital contributions and grants) totaled \$7,711,238. This represents a 6% increase in revenues from the prior year. The increase was primarily due to a water rate increase effective October 30, 2023.

Operating expenses (including interest) amounted to \$6,727,196, an increase of approximately 8% from the prior year. This increase was primarily due to an increase in water treatment expenses as well as software costs.

Total assets increased by \$443,185 while total liabilities decreased by \$540,857. These changes resulted in an increase in net position of \$984,042.

### ***Overview of the Financial Statements***

This report consists of the Management's Discussion and Analysis report, the Independent Auditor's Report, Financial Statements and Supplementary Information. The Financial Statements include notes which explain in detail some of the information included in the Financial Statements.

### ***Required Financial Statements***

The financial statements of Green River Valley Water District report information of Green River Valley Water District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all Green River Valley Water District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Green River Valley Water District creditors (liabilities). It also provides the basis for evaluating the capital structure of Green River Valley Water District and assessing the liquidity and financial flexibility of Green River Valley Water District.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of Green River Valley Water District's operations over the past year and can be used to determine whether Green River Valley Water District has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness.

The final required financial statement is the Statement of Cash Flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash came from, what was cash used for, and what was the change in the cash balance during the reporting period.

**Green River Valley Water District  
Summary of Net Position  
June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
Total Current Assets	\$ 3,294,632	\$ 2,915,018
Total Restricted Assets	3,277,166	2,953,730
Net Capital Assets	<u>29,752,194</u>	<u>30,012,059</u>
Total Assets	<u>36,323,992</u>	<u>35,880,807</u>
<b>Liabilities</b>		
Total Current Liabilities	792,629	718,345
Total Liabilities Payable from Restricted Assets	749,265	740,093
Total Long-term Liabilities	<u>14,461,446</u>	<u>15,085,759</u>
Total Liabilities	<u>16,003,340</u>	<u>16,544,197</u>
<b>Net Position</b>		
Net Investment in Capital Assets	14,762,305	14,414,632
Restricted for equipment replacement	1,604,973	1,249,615
Restricted for debt retirement	1,576,324	1,608,989
Unrestricted	<u>2,377,050</u>	<u>2,063,374</u>
Total Net Position	<u>\$ 20,320,652</u>	<u>\$ 19,336,610</u>

The largest portion (73%) of the District's net position reflects its investment in capital assets, less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to citizens and consumers; consequently, these assets are not available for future spending.

Restricted net position (15%) represents resources that are subject to external restrictions on how they may be used.

The balance (12%) of unrestricted net position may be used to meet the District's ongoing obligations to citizens, consumers, and creditors. This is a 1% increase from the prior year.

**Green River Valley Water District  
Summary of Changes in Net Position  
For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Total operating revenues	\$ 6,929,271	\$ 6,626,673
Total operating expenses	<u>6,375,984</u>	<u>5,889,635</u>
Operating income	553,287	737,038
Total non-operating revenue (expense)	<u>(168,437)</u>	<u>(214,425)</u>
Income before capital contributions	384,850	522,613
Capital contributions	<u>599,192</u>	<u>493,178</u>
Increase (decrease) in net position	984,042	1,015,791
Net position, beginning of the year	<u>19,336,610</u>	<u>18,320,819</u>
Net position, end of the year	<u>\$ 20,320,652</u>	<u>\$ 19,336,610</u>

Net position increased by \$984,042 a decrease from the prior year of \$31,749.

**Capital Asset Changes**

On June 30, 2025, the District had invested \$29.75 million in capital assets net of accumulated depreciation. This amount represents a net decrease of \$259,865 due to depreciation expense in excess of net additions to plant during the fiscal year.

**Debt Administration**

As of June 30, 2025, the District had \$14,279,000 of bonds outstanding, a decrease of \$519,000 from the prior year's balance of \$14,798,000. This decrease resulted from current year scheduled payments. The balance of the Kentucky Infrastructure Authority loan at June 30, 2025 was \$646,286, a decrease of \$64,907 from prior year.

**Request for Information**

This financial report is designed to provide our customers and creditors with a general overview of Green River Valley Water District's finances and to demonstrate Green River Valley Water District's accountability for the funds it receives. If you have any questions about this report or need any additional information, please contact the Green River Valley Water District at P.O. Box 460, Horse Cave, Kentucky 42749, or by phone (270) 786-2134

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Net Position**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 2,049,639	\$ 1,742,254
Accounts receivable	586,385	683,340
Accrued interest	2,967	2,967
Plant materials and supplies, (at replacement cost)	613,438	447,240
Prepaid and other assets	42,203	39,217
Total Current Assets	3,294,632	2,915,018
<b>Non-current Assets</b>		
Restricted Assets		
Cash - Construction account	95,869	95,126
Cash - Depreciation funds	1,038,906	703,805
Cash - Bond and interest redemption fund	1,576,324	1,608,989
Investments - Depreciation fund	566,067	545,810
Total Restricted Assets	3,277,166	2,953,730
Capital Assets		
Utility plant in service	55,899,680	54,830,494
Accumulated depreciation	(26,147,486)	(24,818,435)
Net Capital Assets	29,752,194	30,012,059
Total Non-current Assets	33,029,360	32,965,789
Total Assets	\$ 36,323,992	\$ 35,880,807

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Net Position (Concluded)**  
**June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 626,086	\$ 462,419
Deferred revenue	-	108,000
Customer deposits	166,543	147,926
Total Current Liabilities	792,629	718,345
<b>Liabilities Payable from Restricted Assets</b>		
Current maturities of long-term debt	624,312	606,794
Accrued interest	124,953	133,299
Total Liabilities Payable from Restricted Assets	749,265	740,093
<b>Long-term Liabilities</b>		
Long-term debt, less current maturities, net of premium and discount	14,461,446	15,085,759
Total Long-term Liabilities	14,461,446	15,085,759
Total Liabilities	16,003,340	16,544,197
<b>Net Position</b>		
Net investment in capital assets	14,762,305	14,414,632
Restricted for debt retirement	1,576,324	1,608,989
Restricted for equipment replacement	1,604,973	1,249,615
Unrestricted	2,377,050	2,063,374
Total Net Position	\$ 20,320,652	\$ 19,336,610

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Operating revenue:</b>		
Metered water sales:		
Residential	\$ 3,961,580	\$ 3,714,846
Commercial	507,095	478,195
	4,468,675	4,193,041
Wholesale water sales:		
Horse Cave	898,435	803,098
CEA Cave City	340,062	339,260
Munfordville	338,191	341,329
Larue County	300,815	292,902
Green-Taylor	166,647	165,445
Edmonson	21,895	23,313
CEA	-	1,369
	2,066,045	1,966,716
Other operating revenues:		
Cash water sales	448	422
Revenues from maintenance and contract work, net of expenses of \$69,061 and \$48,983 respectively	49,977	65,248
Forfeited discounts	147,576	107,790
Miscellaneous	196,550	293,456
	394,551	466,916
Total operating revenues	6,929,271	6,626,673
<b>Operating expenses:</b>		
Source of supply and pumping expenses:		
Operations	1,052,507	1,017,988
Water treatment expenses:		
Operations	506,998	336,331
Transmission and distribution:		
Operations	103,290	99,488
Maintenance	1,368,164	1,357,315
Customer accounts expenses	341,857	410,235
Administrative and general expenses	1,484,667	1,202,734
Depreciation and amortization	1,384,254	1,329,942
Taxes other than income	134,247	135,602
Total operating expenses	6,375,984	5,889,635
Operating income	\$ 553,287	\$ 737,038

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

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Revenues, Expenses and Changes in Net Position (Concluded)**  
**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Nonoperating revenue (expenses):</b>		
Interest income	\$ 160,375	\$ 122,282
Amortization of bond premium and discount	22,400	25,758
Interest on long-term debt	(351,212)	(362,465)
Total nonoperating revenue (expenses)	(168,437)	(214,425)
Income (Loss) before capital contributions	384,850	522,613
 <b>Capital Contributions</b>		
Tap fees	123,292	113,579
Grant revenue	475,900	379,599
Total capital contributions	599,192	493,178
Increase (Decrease) in net position	984,042	1,015,791
 <b>Net Position:</b>		
Beginning of year	19,336,610	18,320,819
End of year	\$ 20,320,652	\$ 19,336,610

**GREEN RIVER VALLEY WATER DISTRICT**  
**Statements of Cash Flows**  
**For the Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<b>Cash flows from operating activities:</b>		
Cash receipts from customers	\$ 7,044,843	\$ 6,447,394
Cash payments to suppliers for goods and services	(3,178,304)	(2,757,210)
Cash payments to employees for services	(1,818,943)	(1,729,521)
Net cash provided (used) by operating activities	<u>2,047,596</u>	<u>1,960,663</u>
<b>Cash flows from capital and related financing activities:</b>		
Principal paid on long-term debt	(584,395)	(679,907)
Interest paid on long-term debt	(359,558)	(373,302)
Cash paid for capital assets	(1,124,389)	(922,110)
Grant revenues	367,900	501,238
Tap fees	123,292	113,579
Net cash provided (used) in financing activities	<u>(1,577,150)</u>	<u>(1,360,502)</u>
<b>Cash flows from investing activities:</b>		
Investment Income	140,118	107,871
Net cash provided (used) in investing activities	<u>140,118</u>	<u>107,871</u>
Net increase (decrease) in cash and cash equivalents	610,564	708,032
Cash and cash equivalents, beginning of year	4,150,174	3,442,142
<b>Cash and cash equivalents, end of year</b>	<u>\$ 4,760,738</u>	<u>\$ 4,150,174</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 553,287	\$ 737,038
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,384,254	1,329,942
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	96,955	(203,038)
(Increase) decrease in prepaid and other assets	(2,986)	3,066
(Increase) decrease in plant materials and supplies	(166,198)	75,227
Increase (decrease) in accounts payable	163,667	(5,331)
Increase (decrease) in customer deposits	18,617	23,759
Net cash provided (used) by operating activities	<u>\$ 2,047,596</u>	<u>\$ 1,960,663</u>

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

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies**

Organization

Green River Valley Water District was organized in 1962 under KRS 74:010 to provide water to sections of Barren, Hart and Larue counties. In addition to the above, the District also wholesales water to certain other cities and water districts. The commissioners are appointed for specified terms by the respective county judges.

Basis of Accounting/Measurement Focus

The accounts of the District are organized on the basis of a proprietary fund accounting entity. The operations are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate.

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The three classifications of net position are defined as follows:

- *Investment in capital assets* - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* - This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted* - This component of net position consists of assets that do not meet the definition of “restricted” or “investment in capital assets.”

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies, Continued**

Cash and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Investments are reported at fair market value.

Inventories

Inventory is valued using average cost method. Inventory consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense or capitalized as inventory items are consumed.

Receivables

Accounts Receivable totaled \$586,385 and \$683,340 on June 30, 2025, and 2024 respectively, of which all was due from retail and wholesale customers.

The District uses the direct write-off method to account for bad debts. No allowance for bad debts has been provided, as no material write-offs are expected for receivables as of June 30, 2025. The direct write-off method does not significantly depart from generally accepted accounting principles. As of June 30, 2025, and 2024, bad debts were \$17,444 and \$9,200, respectively.

Capital Assets

The utility plant in service is stated at cost. The cost of additions to the utility plant and major replacements of retired units of property is capitalized. Cost includes direct labor, outside services, materials and transportation, employee fringe benefits, overhead, and interest on funds borrowed to finance construction. The cost and accumulated depreciation of property sold or retired is deducted from capital assets, and any profit or loss resulting from the disposal is credited or charged in the non operating section of the statement of revenues, expenses, and changes in net position. The cost of current repairs, maintenance, and minor replacements is charged to expense as incurred. Depreciation has been provided over estimated useful lives of the assets using the straight-line method. Depreciation expense for the years ended June 30, 2025, and 2024 was \$1,384,254 and \$1,329,942, respectively.

The estimated useful lives of capital assets are as follows:

Utility plant	50-62.5 years
Equipment	7-10 years
Other	5-20 years

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 1 – Description of Entity and Summary of Significant Accounting Policies, Concluded**

Compensated Absences

Accumulated unpaid vacation and sick pay amounts are accrued when benefits vest to employees and the unpaid liability is reflected in accrued liabilities.

Long-Term Obligations

Long-term debt and other obligations are reported as liabilities on the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds.

Operating Revenues and Expenses

Operating revenues and expenses consist of those revenues that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Non operating revenues and expenses consist of those revenues and expenses that are related to financing and investing type of activities and result from non exchange transactions.

Capital Contributions

Transmission and distribution system assets contributed to the District by installers are capitalized at the installers' costs and recorded as capital contributions when received. Also included in capital contributions are various grants received for infrastructure and payments received from customers for tap fees.

Income Taxes

The District is exempt from federal and state income taxes.

Use of Restricted/Unrestricted Funds

When an expense is incurred for purposes for which both restricted and unrestricted funds are available, the District's policy is to apply restricted funds first.

**Note 2 – Cash and Investments**

Depreciation Fund -Debt Reserve Fund / Short Lived Asset Fund

The ordinances authorizing the USDA bond issues of the District require monthly transfers into a depreciation/debt reserve fund. These funds can be used for capital improvements, expansions, and extraordinary repairs and if necessary, make required bond payments. The maximum requirement in these funds is \$132,000 (Series 2010) and \$320,400 (Series 2019) totaling \$452,400. As of June 30, 2025, the District's depreciation/ debt reserve fund balance exceeded the maximum requirement.

The USDA bond issues 2019 A and 2019 B require a monthly transfer of \$38,570 per month into a short lived asset account. These funds may be used at any time for the replacement of all equipment and short lived assets. These transfers shall continue as long as these bonds are outstanding. For the year ended June 30, 2025, the District had complied with this requirement.

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 2 – Cash and Investments, Concluded**

Bond and Interest Redemption Fund

The ordinances authorizing the various bond issues require a monthly deposit of one-twelfth of the annual bond and interest due currently. The District has made all required deposits into these accounts.

Deposits

The carrying amount of the District's cash deposits was \$5,326,805 at June 30, 2025 and \$4,695,984 at June 30, 2024 and the bank balances were \$5,326,605 at June 30, 2025 and \$4,736,998 at June 30, 2024. The difference between book and bank balances primarily represents checks that have been issued but have not cleared the bank as of June 30.

All the District's cash and investment accounts were insured by FDIC or by pledged securities at the financial institution.

The nature of the District's cash and investments being restricted or unrestricted is as follows:

	<u>2025</u>		<u>2024</u>
<u>Unrestricted:</u>			
Cash and cash equivalents	\$ 2,049,639	\$	1,742,254
 <u>Restricted:</u>			
Cash and cash equivalents	2,711,099		2,407,920
Investments-CDs	566,067		545,810
Total Cash and Investments	\$ 5,326,805	\$	4,695,984

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 3 – Capital Assets**

Capital asset activity for the year ended June 30, 2025 and 2024 was as follows:

	Balance			Balance
	June 30, 2024	Additions	Deletions	June 30, 2025
Land & Land Rights	\$ 159,172	\$ 225,779	\$ -	\$ 384,951
L & L Rights Structures & Improvements	105,496	-	-	105,496
L & L Rights Water Treatment	203,386	-	-	203,386
L & L Rights Hydrants	6,900	-	-	6,900
Total Non Depreciable Assets	<u>474,954</u>	<u>225,779</u>	<u>-</u>	<u>700,733</u>
Depreciable Assets:				
Structures & Improvements	8,887,805	-	-	8,887,805
Structures & Improvements Office Bldg.	692,514	-	-	692,514
Collecting and Impounding Reservoirs	2,556,206	-	-	2,556,206
River Intakes	1,000,625	-	-	1,000,625
Supply Mains	1,747,068	-	-	1,747,068
Electric Pumping Equipment	4,607,869	258,197	-	4,866,066
Water Treatment Equipment	3,093,459	3,331	-	3,096,790
Distribution Reservoir & Stand Pipes	5,267,252	-	-	5,267,252
Transmission & Distribution Mains	20,246,408	358,224	-	20,604,632
Services	991,788	11,798	-	1,003,586
Meters	2,000,813	59,698	-	2,060,511
Meter Installation	157,159	-	-	157,159
Hydrants	132,739	367	-	133,106
Other Plant	33,114	-	-	33,114
Office Furniture & Equipment	331,965	-	-	331,965
Transportation Equipment	1,229,957	143,374	(79,908)	1,293,423
Tools Shop & Equipment	219,680	6,882	-	226,562
Lab Equipment	3,343	-	-	3,343
Power Oper Equipment	863,248	81,444	-	944,692
Communication Equipment	292,528	-	-	292,528
Total Depreciable Assets	<u>54,355,540</u>	<u>923,315</u>	<u>(79,908)</u>	<u>55,198,947</u>
Total Capital Assets	54,830,494	1,149,094	(79,908)	55,899,680
Less: Accumulated Depreciation	<u>(24,818,435)</u>	<u>(1,384,254)</u>	<u>55,203</u>	<u>(26,147,486)</u>
	<u>\$ 30,012,059</u>	<u>\$ (235,160)</u>	<u>\$ (24,705)</u>	<u>\$ 29,752,194</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 3 – Capital Assets, Concluded:**

	Balance			Balance
	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>
Land & Land Rights	\$ 157,172	\$ 2,000	\$ -	\$ 159,172
L & L Rights Structures & Improvements	105,496	-	-	105,496
L & L Rights Water Treatment	203,386	-	-	203,386
L & L Rights Hydrants	6,900	-	-	6,900
Total Non Depreciable Assets	<u>472,954</u>	<u>2,000</u>	<u>-</u>	<u>474,954</u>
 Depreciable Assets:				
Structures & Improvements	8,864,194	23,611	-	8,887,805
Structures & Improvements Office Bldg.	610,371	82,143	-	692,514
Collecting and Impounding Reservoirs	2,556,206	-	-	2,556,206
River Intakes	1,000,625	-	-	1,000,625
Supply Mains	1,747,068	-	-	1,747,068
Electric Pumping Equipment	4,586,247	21,622	-	4,607,869
Water Treatment Equipment	3,062,466	30,993	-	3,093,459
Distribution Reservoir & Stand Pipes	5,267,252	-	-	5,267,252
Transmission & Distribution Mains	19,852,936	393,472	-	20,246,408
Services	978,081	13,707	-	991,788
Meters	1,939,708	61,105	-	2,000,813
Meter Installation	157,159	-	-	157,159
Hydrants	132,739	-	-	132,739
Other Plant	33,114	-	-	33,114
Office Furniture & Equipment	331,965	-	-	331,965
Transportation Equipment	1,243,957	136,000	(150,000)	1,229,957
Tools Shop & Equipment	219,680	-	-	219,680
Lab Equipment	3,343	-	-	3,343
Power Oper Equipment	789,285	73,963	-	863,248
Communication Equipment	209,034	83,494	-	292,528
Total Depreciable Assets	<u>53,585,430</u>	<u>920,110</u>	<u>(150,000)</u>	<u>54,355,540</u>
Total Capital Assets	54,058,384	922,110	(150,000)	54,830,494
Less: Accumulated Depreciation	<u>(23,638,493)</u>	<u>(1,329,942)</u>	<u>150,000</u>	<u>(24,818,435)</u>
	<u>\$ 30,419,891</u>	<u>\$ (407,832)</u>	<u>\$ -</u>	<u>\$ 30,012,059</u>

**Note 4 – Compensated Absences**

Compensated absences for the District includes both vacation and sick pay based on the employee's length of employment. Upon termination, employees are paid for all unused accrued vacation and up to 240 hours of accrued sick leave. This liability is included in accrued liabilities on the statement of net position.

	<u>June 30, 2024</u>	<u>Net Change</u>	<u>June 30, 2025</u>
Accrued Sick Leave	\$ 96,922	\$ 16,722	\$ 113,644
Accrued Vacation	62,601	12,405	75,006
Total Compensated Absences	<u>\$ 159,523</u>	<u>\$ 29,127</u>	<u>\$ 188,650</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 5 – Long-Term Debt**

The District had bonds and notes payable at June 30, 2025 and 2024 as follows:

	<u>2025</u>	<u>2024</u>
Series 2010 Revenue Bonds (Build America) issued on December 22, 2010 in the amount of \$3,200,000; due in annual installments beginning April 1, 2012 ranging from \$51,500 to \$128,000 through April, 2049; interest rate of 2.25% due semi-annually on April 1 and October 1. Through the Build America bond issuance, the District receives a refund of 35% of each semi-annual interest payment.	\$ 2,351,000	\$ 2,422,000
Series 2013 B Refunding Bonds issued on March 27, 2013 in the amount of \$3,795,000; due in annual installments on January 1 ranging from \$10,000 to \$460,000 through January, 2028; interest rates varying from 2.3% to 4.6% due semi-annually on January 1 and July 1.	240,000	350,000
Series 2020 D Refunding Bonds issued May 6, 2020 in the amount of \$5,060,000 due in annual installments on January 1 ranging from \$155,000 to \$275,000 through January, 2044; interest rates varying from 3.2% to 5.2% due semi-annually on January 1 and July 1.	4,205,000	4,395,000
Series 2019 A Revenue Bonds issued June 21, 2021 in the amount of \$5,600,000, due in annual installments beginning April 1, 2022 ranging from \$98,000 to \$189,000 through April 2061; interest rate of 1.75% due semi-annually on April 1 and October 1.	5,198,000	5,301,000
Series 2019 B Revenue Bonds issued June 21, 2021 in the amount of \$2,462,000, due in annual installments beginning April 1, 2022 ranging from \$98,000 to \$189,000 through April 2061; interest rate of 1.75% due semi-annually on April 1 and October 1.	<u>2,285,000</u>	<u>2,330,000</u>
Total bonds	<u>\$ 14,279,000</u>	<u>\$ 14,798,000</u>
 Note Payable Kentucky Infrastructure Authority: A \$1,287,500, .75% loan was approved by KIA for repairing a section of the Rio Verde Dam. As of June 30, 2016 all of the funds had been advanced and the project completed. The loan, plus principal and interest is to be repaid in semi-annual payments of \$35,398 through December 1, 2034.	 <u>\$ 646,285</u>	 <u>\$ 711,679</u>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 5 – Long-Term Debt, Continued**

Principal and interest maturities of bonded debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 538,500	\$ 411,330	\$ 949,830
2027	553,500	391,805	945,305
2028	463,500	372,875	836,375
2029	463,500	338,761	802,261
2030	476,000	306,870	782,870
2031-2035	2,579,500	1,222,974	3,802,474
2036-2040	2,380,000	861,776	3,241,776
2041-2045	2,427,500	558,813	2,986,313
2046-2050	1,600,000	331,629	1,931,629
2051-2055	1,208,000	203,212	1,411,212
2056-2060	1,317,000	93,696	1,410,696
2061	272,000	4,760	276,760
<b>Total</b>	<b><u>\$ 14,279,000</u></b>	<b><u>\$ 5,098,501</u></b>	<b><u>\$ 19,377,501</u></b>

Long term debt activities for the years ended June 30, 2025, and 2024 are as follows:

	<u>Balance</u>		<u>Debt Payments</u>	<u>Balance</u>	<u>Amount Due</u>
	<u>June 30, 2024</u>	<u>Additions</u>	<u>and Reductions</u>	<u>June 30, 2025</u>	<u>within One Year</u>
Series 2010	\$ 2,422,000	\$ -	\$ (71,000)	\$ 2,351,000	\$ (72,500)
Series 2013 B	350,000	-	(110,000)	240,000	(115,000)
Series 2020 D	4,395,000	-	(190,000)	4,205,000	(200,000)
Series 2019 A	5,301,000	-	(103,000)	5,198,000	(105,000)
Series 2019 B	2,330,000	-	(45,000)	2,285,000	(46,000)
KIA Loan	711,680	-	(65,395)	646,285	(65,886)
	15,509,680	-	(584,395)	14,925,285	(604,386)
Bond premium and discount	182,873	-	(22,400)	160,473	(19,926)
<b>Total debt net with premium/discount</b>	<b><u>\$ 15,692,553</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (606,795)</u></b>	<b><u>\$ 15,085,758</u></b>	<b><u>\$ (624,312)</u></b>

	<u>Balance</u>		<u>Debt Payments</u>	<u>Balance</u>	<u>Amount Due</u>
	<u>June 30, 2023</u>	<u>Additions</u>	<u>and Reductions</u>	<u>June 30, 2024</u>	<u>within One Year</u>
Series 2010	\$ 2,491,000	\$ -	\$ (69,000)	\$ 2,422,000	\$ (71,000)
Series 2013 B	570,000	-	(220,000)	350,000	(110,000)
Series 2020 D	4,575,000	-	(180,000)	4,395,000	(190,000)
Series 2019 A	5,402,000	-	(101,000)	5,301,000	(103,000)
Series 2019 B	2,375,000	-	(45,000)	2,330,000	(45,000)
KIA Loan	776,587	-	(64,907)	711,680	(65,394)
	16,189,587	-	(679,907)	15,509,680	(584,394)
Bond premium and discount	208,631	-	(25,758)	182,873	(22,400)
<b>Total debt net with premium/discount</b>	<b><u>\$ 16,398,218</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (705,665)</u></b>	<b><u>\$ 15,692,553</u></b>	<b><u>\$ (606,794)</u></b>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2025 and 2024**

**Note 5 – Long-Term Debt, Concluded**

Principal and interest maturities of the KIA note payable are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 65,886	\$ 4,724	\$ 70,610
2027	66,381	4,228	70,609
2028	66,879	3,730	70,609
2029	67,382	3,228	70,610
2030	67,889	2,721	70,610
2031-2035	<u>311,868</u>	<u>5,877</u>	<u>317,745</u>
	<u>\$ 646,285</u>	<u>\$ 24,508</u>	<u>\$ 670,793</u>

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. During the current year, the District performed calculations of excess investment earnings on various bonds and financings and on June 30, 2025, does not expect to incur a liability.

**Note 6 – Commitments**

The District has been awarded Kentucky Cleaner Water Program grant funds provided through the American Rescue Plan Act of 2021, Coronavirus State Fiscal Recovery Fund totaling \$1,385,805. Funds are to be used for various water line extensions and projects of the District and must be spent by December 31, 2026. As of June 30, 2025, the District had received \$358,810 of grant funds.

**Note 7 – Retirement Plan**

The District participated in a defined contribution 457(B) Employee Retirement Plan. The District contributes 6% of employee compensation to individual employee accounts for each participating employee who meets certain requirements as to age and length of service. Employees are permitted to make contributions up to applicable Internal Revenue Code limits. For the years ended June 30, 2025 and 2024, employee contributions totaled \$14,206 and \$14,206, and the District recognized retirement expense of \$81,085 and \$84,109, respectively.

**Note 8 – Subsequent Events**

The District has evaluated subsequent events through October 7, 2025 the date which the financial statements were available to be issued.

Subsequent to the audit date the District entered into an agreement with Edmonson County Water District for the purchase of all Hart County customers lines and the Water Treatment Plant at Wax in Grayson County with all accompanying assets for a percentage of Edmonson County Water District outstanding indebtedness not to exceed 52%.

## **Supplementary Information**

**GREEN RIVER VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**For the Year Ended June 30, 2025**

	Source of Supply and Pumping Expenses	Water Treatment Expenses	Transmission and Distribution		Customer Accounts Expenses	Administrative and General Expenses	Total (Memorandum Only)
	Operations	Operations	Operations	Maintenance			
Salaries and wages - employees	\$ 554,258	\$ 135	\$ -	\$ 503,042	\$ 287,418	\$ 385,343	\$ 1,730,196
Salaries and wages - directors	-	-	-	-	-	29,800	29,800
Employee retirement and benefits	-	-	-	7,662	-	81,085	88,747
Purchased water	4,565	-	-	-	-	-	4,565
Purchased power	380,490	-	103,290	-	-	38,988	522,768
Chemicals	-	429,336	-	-	-	-	429,336
Materials and supplies	54,826	5,099	-	438,568	8,932	16,532	523,957
Contractual services - accounting	-	-	-	-	-	27,050	27,050
Contractual services - legal	-	-	-	-	-	70,288	70,288
Contractual services - customer accounts	-	-	-	-	4,435	-	4,435
Contractual services - other	58,368	72,428	-	214,083	-	240,882	585,761
Transportation expense	-	-	-	204,809	37,200	3,600	245,609
Insurance - vehicle	-	-	-	-	-	18,696	18,696
Insurance - workers' compensation and unemployment	-	-	-	-	-	23,609	23,609
Employee insurance	-	-	-	-	-	192,194	192,194
Employee flex reimbursements	-	-	-	-	-	75,845	75,845
Property and other insurance	-	-	-	-	-	101,657	101,657
Bad debt expense	-	-	-	-	-	21,628	21,628
Miscellaneous	-	-	-	-	3,872	157,470	161,342
<b>Totals</b>	<b>\$ 1,052,507</b>	<b>\$ 506,998</b>	<b>\$ 103,290</b>	<b>\$ 1,368,164</b>	<b>\$ 341,857</b>	<b>\$ 1,484,667</b>	<b>\$ 4,857,483</b>

**GREEN RIVER VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**For the Year Ended June 30, 2024**

	Source of Supply and Pumping Expenses	Water Treatment Expenses	Transmission and Distribution		Customer Accounts Expenses	Administrative and General Expenses	Total (Memorandum Only)
	Operations	Operations	Operations	Maintenance			
Salaries and wages - employees	\$ 497,838	\$ -	\$ -	\$ 486,119	\$ 281,187	\$ 375,154	\$ 1,640,298
Salaries and wages - directors	-	-	-	-	-	18,775	18,775
Employee retirement and benefits	-	-	-	5,114	-	84,109	89,223
Purchased water	14,983	-	-	-	-	-	14,983
Purchased power	423,214	-	99,488	-	-	31,938	554,640
Chemicals	-	304,401	-	-	-	-	304,401
Materials and supplies	33,885	3,170	-	453,080	73,822	19,006	582,963
Contractual services - accounting	-	-	-	-	-	30,200	30,200
Contractual services - legal	-	-	-	-	-	47,325	47,325
Contractual services - customer accounts	-	-	-	-	8,382	-	8,382
Contractual services - other	48,068	28,760	-	236,105	-	83,107	396,040
Transportation expense	-	-	-	176,897	37,200	3,600	217,697
Insurance - vehicle	-	-	-	-	-	18,696	18,696
Insurance - workers' compensation and unemployment	-	-	-	-	-	22,850	22,850
Employee insurance	-	-	-	-	-	179,662	179,662
Employee flex reimbursements	-	-	-	-	-	75,852	75,852
Property and other Insurance	-	-	-	-	-	89,805	89,805
Bad debt expense	-	-	-	-	-	17,444	17,444
Miscellaneous	-	-	-	-	9,644	105,211	114,855
<b>Totals</b>	<b>\$ 1,017,988</b>	<b>\$ 336,331</b>	<b>\$ 99,488</b>	<b>\$ 1,357,315</b>	<b>\$ 410,235</b>	<b>\$ 1,202,734</b>	<b>\$ 4,424,091</b>



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

To the Commissioners  
Green River Valley Water District  
Horse Cave, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of Green River Valley Water District, as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 7, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Green River Valley Water District'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 Green River Valley Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Green River Valley Water District's internal control.

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

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

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Green River Valley Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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*.

We noted other matters that we reported to management of Green River Valley Water District in a separate letter dated October 7, 2025.

### **Purpose of this Report**

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

*Campbell, Myers & Rutledge, PLLC*

Glasgow, Kentucky  
October 7, 2025

