

GREEN-TAYLOR WATER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2023 and 2022

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of  
Green-Taylor Water District  
Greensburg, KY

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities of Green-Taylor Water District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities Green-Taylor Water District, as of December 31, 2023 and 2022, 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.

MEMBERS: AICPA • KYCPA



## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedules of District's proportionate share of net pension and OPEB liabilities, and schedules of required contributions on pages 3 through 6 and pages 22 through 28 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 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2024 on our consideration of Green-Taylor 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 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 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-Taylor Water District's internal control over financial reporting and compliance.

*Wise, Buckner, Sprowles & Associates, PLLC*

Wise, Buckner, Sprowles & Associates, PLLC  
Campbellsville, KY

July 31, 2024

# GREEN-TAYLOR WATER DISTRICT

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## Management's Discussion and Analysis

Green-Taylor Water District is presenting the following discussion and analysis in order to provide an overall review of the utility's financial activities for the years ending December 31, 2023 and 2022. We encourage readers to consider the information presented here in conjunction with the utility's financial statements and notes to the basic financial statements in order to enhance their understanding of the utility's financial performance.

### 2023 HIGHLIGHTS

In today's economy, with the high costs of everything, Green-Taylor Water is committed to continue the same service as always. Green-Taylor Water District, with grant funding, has continued to run water lines to unserved customers, upgrade pump stations and water towers to better serve the needs of our customers. The Water District is once again fully staffed but the loss of years of knowledge from the retired former employees has affected the operation some.

Green-Taylor Water ended 2023 with a 24.17% water loss, this is up from the 2022 water loss total. Green-Taylor Water District is working to reduce water loss by repairing and upgrading water lines, searching the system looking for leaks, and training new employees. We are working on some muchneeded upgrades in the future including office software and our telemetry systems. Green-Taylor Water will continue to provide safe water at the best cost for its customers.

### Required Financial Statements

The Financial Statements of the District report information utilizing the full accrual basis of accounting. The Financial Statements conform to accounting principles which are generally accepted in the United States of America. The statements of Net Position include information on the District's assets and liabilities and provide information about the nature and amounts of investments in resources (assets) and the obligations to Districts creditors (liabilities). The Statement of Revenues, Expense and Changes in Net Position identify the District's revenues and expenses for the years ended December 31, 2023 and 2022. This statement normally provides information on the District's operations and can be used to determine whether the District has recovered all of its actual and projected costs through user fees and other charges. The third financial statement is the Statements of Cash Flows. This statement provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities. From the Statements of Cash Flows, the reader can obtain information on the source and use of cash and the change in the cash and cash equivalents balance.

**Green-Taylor Water District is an Equal Opportunity Provider and Employer**

Complaints of discrimination should be sent to:

USDA, Director, Office of Civil Rights, Washington, D.C. 20240-9410

**Financial Analysis of the District**

The Statements of Net Position includes all of the utility's assets and liabilities and provides information about the nature and amount of investments in resources and the obligations to creditors. This statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the utility.

A summary of the District's Statements of Net Position is presented below.

ASSETS	2023	2022
Cash and Investments	\$ 2,298,440	\$ 2,345,067
Other Assets	5,744,470	600,273
Capital Assets	1,168,647	11,534,959
<b>Total Assets</b>	<b>1,455,932</b>	<b>14,480,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension	1,429,633	168,267
Pension Contribution	94,709	106,914
OPEB	96,578	172,076
OPEB Contribution	19,996	30,404
Discount on Debt Refunding	28,416	31,912
<b>Total Deferred Outflows of Resources</b>	<b>3,826,622</b>	<b>509,573</b>
<b>LIABILITIES</b>		
Current Liabilities	596,483	587,078
Long-term Liabilities	4,125,365	5,113,717
<b>Total Liabilities</b>	<b>4,721,848</b>	<b>5,700,795</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
OPEB	446,175	244,703
Pension	429,268	352,217
Premium in Debt Refunding	149,133	154,869
<b>Total Deferred Inflows of Resources</b>	<b>1,024,576</b>	<b>751,789</b>
<b>NET POSITION</b>		<b>751,789</b>



Invested in Capital Assets, Net of Related Debt	1 0,272,416	9,715,958
Restricted	2 ,020,167	1,561,109
Unrestricted	( 3,097,018)	<u>(2,739,779)</u>
Total Net Position	<u>\$ 9,195,565</u>	<u>\$ 8,537,288</u>

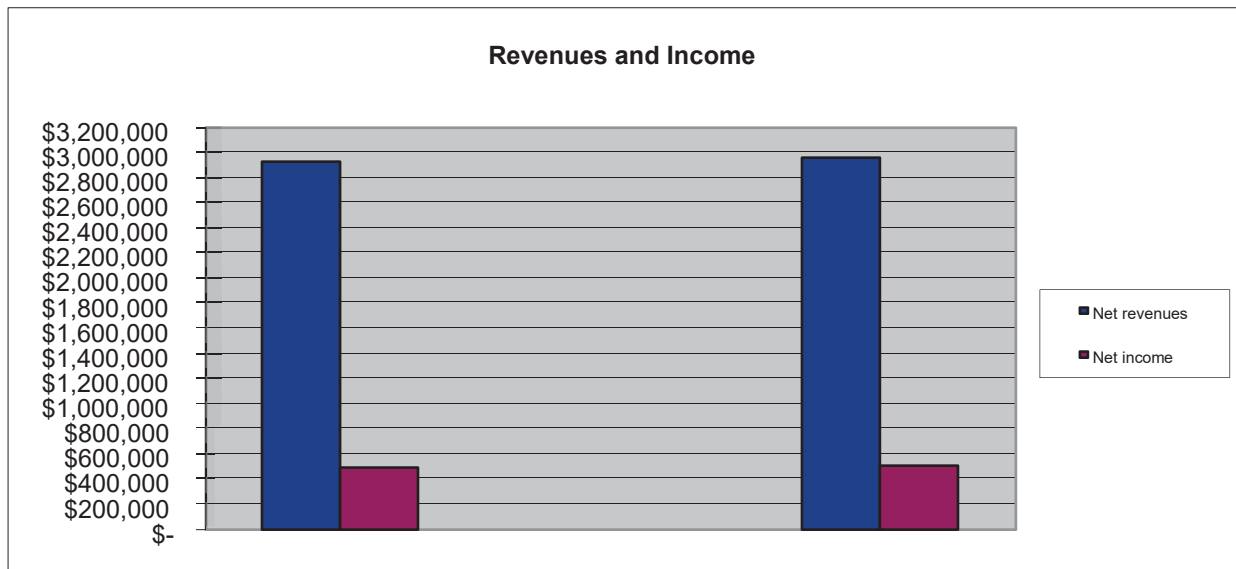
Net Position increased \$658,277 from 2022 to 2023.

### 2023 Operating Results

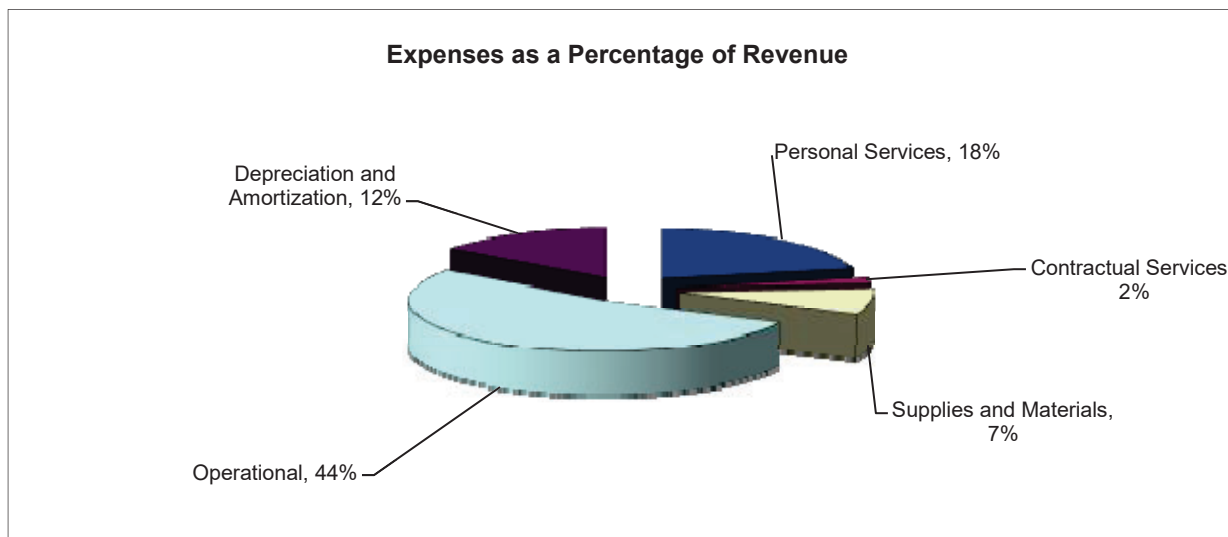
Condensed Statement of Revenues, Expenses and Changes in Net Position:

	<u>2023</u>	<u>2022</u>
Operating Revenues	\$ 2,952,314	\$ 2,919,880
Other Revenues	<u>87,263</u>	<u>103,532</u>
Total Revenues	3,039,577	3,023,412
Operating Expenses	2,087,571	2,087,015
Depreciation and Amortization	3 61,933	342,389
Non-operating Expenses	1 21,428	122,869
Total Expenses	<u>2,570,932</u>	<u>2,552,273</u>
Income/(Loss) Before Capital Contributions and Grants	4 68,645	471,139
Grants	1 41,725	258,600
Capital Contributions	4 7,907	41,425
Change in Net Position	<u>6 58,277</u>	<u>771,164</u>
Beginning Net Position	<u><del>8,537,288</del></u>	<u><del>7,766,124</del></u>
Ending Net Position	<u>\$ 9,195,565</u>	<u>\$ 8,537,288</u>

The following chart shows the difference between net revenues and net income for the years ended December 31, 2023 and 2022.



The following pie chart shows expenses as a percentage of revenue for the year ended December 31, 2023.



### Capital Assets

The net book value of the District’s capital assets as of December 31, 2023 and 2022 are \$11,686,417 and \$11,534,959.

		CAPITAL ASSETS AT YEAR END	
		2023	2022
Land		\$ 50,235	\$ 50,235
Construction in Progress		3,263,164	2,911,463
Buildings		179,495	179,495
Plant & Equipment		16,269,875	16,161,930
Total Capital Assets		19,762,769	19,303,123
Less: Accumulated Depreciation	(8,076,352)	(7,768,164)	(7,616,706)
		<u>11,534,959</u>	<u>11,686,417</u>
			<u>Capital Assets, Net \$ 11,686,417 \$</u>

### Debt Outstanding

At year-end, the District had \$3,571,843 in notes outstanding versus \$3,840,272 last year. Long-term debt outstanding decreased \$268,429, from 2022 to 2023.

### Financial Contact

The District’s financial statements are designed to provide the District’s customers, commissioners, creditors and other interested parties with a general overview of the District’s financial operations and financial condition. If you have questions about the report or need additional financial information, please contact the District’s Manager, Josh Riggle at (270) 932-4947 or 250 Industrial Park Road, Greensburg, KY 42743.

GREEN-TAYLOR WATER DISTRICT  
STATEMENT OF NET POSITION  
December 31, 2023 and 2022

	2023	2022
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	\$ 278,273	\$ 993,958
Customer & Other Accounts Receivable, net	470,098	475,784
Inventory	85,192	106,604
Prepaid Expenses	19,141	17,847
Interest Receivable	39	38
Restricted Cash & Investments	2,020,167	<del>1,351,109</del>
Total Current Assets	2,872,910	2,945,340
<b>NON-CURRENT ASSETS</b>		
Capital Assets:		
Land & Construction in Progress	3,313,399	2,961,698
Other Capital Assets (net of accumulated depreciation)	8,373,018	<del>8,573,261</del>
Total Non-Current Assets	11,686,417	14,480,299
<b>TOTAL ASSETS</b>	<b>14,559,327</b>	<b>14,480,299</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
CERS - Pension	1,429,963	168,267
CERS - Pension Contributions	94,709	106,914
CERS - OPEB	96,578	172,076
CERS - OPEB Contributions	19,996	30,404
Discount on Debt Refunding	28,416	<del>31,912</del>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>382,662</b>	<b>509,573</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable - Trade	136,969	162,780
Accrued & Withheld Taxes	37,389	34,868
Customer Deposits	95,047	96,232
Liabilities Payable from Restricted Assets:		
Interest Payable	5,197	4,758
Current Portion - Notes Payable & Revenue Bonds	321,881	<del>288,440</del>
Total Current Liabilities	596,483	587,078
<b>NON-CURRENT LIABILITIES</b>		
Long-Term Liabilities (Excluding Current Portion):		
Net Pension Liability	894,654	1,226,980
Net OPEB Liability	(19,251)	334,905

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT

Non-Current Portion - Notes Payable	2,060,962	
		2,137,832
Non-Current Portion - Revenue Bonds	1,189,000	
		<u>1,414,000</u>
Total Non-Current Liabilities	<u>4,125,365</u>	<u>5,113,717</u>
<b>TOTAL LIABILITIES</b>	<u>4,721,848</u>	<u>5,700,795</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
CERS - OPEB	446,175	
		244,703
CERS - Pension	429,268	
		352,217
Premium on Debt Refunding	149,133	
		<u>154,869</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,024,576</u>	<u>751,789</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	10,272,416	9,715,958
Restricted	2,020,167	1,561,109
Unrestricted	(3,097,018)	
		<u>(2,739,779)</u>
<b>TOTAL NET POSITION</b>	<u><b>\$ 9,195,565</b></u>	<u><b>\$ 8,537,288</b></u>

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**

Years Ended December 31, 2023 and 2022

	2023	2022
	<u>                    </u>	<u>                    </u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 2,808,747	\$ 2,753,315
Service Charges and Other	143,567	
		<u>166,565</u>
<b>Total Operating Revenues</b>	<u>2,952,314</u>	<u>2,919,880</u>
<b>OPERATING EXPENSES</b>		
Contractual Services	50,483	
		40,816
Supplies & Materials	203,873	
		172,679
Depreciation & Amortization	361,933	
		342,389
Personal Service	532,678	
		728,286
Operational	1,300,537	
		<u>1,145,234</u>
<b>Total Operating Expenses</b>	<u>2,449,504</u>	<u>2,429,404</u>
02,810      490,476		
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Interest Income	32,003	
		30,244
Interest Expenses and Fiscal Charges	(121,428)	
		(122,869)
Bond Issuance Costs	-	
		-

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT		
Gain on Disposal of Asset	2 8,751	50,917
Other income	2 6,509	<u>22,371</u>
Total Non-operating Revenues (Expenses)	<u>( 34,165)</u>	<u>(19,337)</u>
INCOME (LOSS) BEFORE GRANTS & CAPITAL CONTRIBUTIONS	4 68,645	471,139
Grants	1 41,725	258,600
Capital Contributions	4 7,907	41,425
	<u>6 58,277</u>	<u>771,164</u>
CHANGE IN NET POSITION		
NET POSITION		771,164
Beginning of Year	8 ,537,288	<u>7,766,124</u>
End of Year	<u>\$ 9 ,195,565</u>	<u>\$ 8,537,288</u>

STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2023 and 2022

	2023	2022
	<u>                    </u>	<u>                    </u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	\$ 2 ,958,000	\$ 2,898,269
Cash Payments to Employees for Services	( 820,437)	(816,307)
Cash Payments to Suppliers for Goods & Services	( 1,560,586)	(1,330,041)
Net Customer Deposits Received and Returned	( 1,185)	4,000
	<u>5 75,792</u>	<u>755,921</u>
Net Cash Provided (Used) By Operating Activities		
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Principal Paid on Debt	( 268,429)	(226,238)
Proceeds from Debt	-	568,650
Interest Paid on Debt	( 117,494)	(119,555)
Acquisition of Capital Assets and Construction in Progress	( 513,391)	(876,634)
Proceeds from Disposal of Capital Assets	2 8,751	71,103
Contributed Capital	4 7,907	41,425
Capital Grants	1 41,725	258,600
	<u>                    </u>	<u>                    </u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT

Net Cash Provided (Used) By Financing Activities	( 680,931)	(282,649)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Other Income	2 6,509	22,371
Interest	32,003	<u>30,244</u>
Net Cash Provided (Used) From Investing Activities	<u>5 8,512</u>	<u>52,615</u>
Net Increase (Decrease) In Cash and Cash Equivalents	( 46,627)	525,887
Cash and Cash Equivalents - Beginning of Year	2 ,345,067	<u>1,819,180</u>
Cash and Cash Equivalents - End of Year	<u>\$ 2,298,440</u>	<u>\$ 2,345,067</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and Cash Equivalents	\$ 2 78,273	\$ 993,958
Restricted Cash and Cash Equivalents	<u>2,020,167</u>	<u>1,351,109</u>
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 2,298,440</u>	<u>\$ 2,345,067</u>

STATEMENTS OF CASH FLOWS (CONTINUED)

Years Ended December 31, 2023 and 2022

	2023	2022
	<u>                    </u>	<u>                    </u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES</b>		
Operating Income/(Loss)	\$ 5 02,810	\$ 490,476
<b>ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES</b>		
Depreciation and Amortization	361,933	342,389
Change in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	5 ,686	(21,611)
(Increase) Decrease in Inventory	2 1,412	46,510
(Increase) Decrease in Prepaid Expenses	( 1,294)	2,446
(Increase) Decrease in Deferred Outflows	1 23,415	(4,450)
Increase (Decrease) in Accounts Payable	( 25,811)	(20,267)
Increase (Decrease) in Accrued and Withheld Taxes	2 ,521	6,068
Increase (Decrease) in Customer Deposits	( 1,185)	4,000
Increase (Decrease) in Net Pension Liability	( 332,326)	(130,297)
Increase (Decrease) in Net OPEB Liability	( 354,156)	(72,547)
Increase (Decrease) in Deferred Inflows	2 72,787	<u>113,204</u>
Total Reconciling Adjustments	<u>7 2,982</u>	<u>265,445</u>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>\$ 575,792</u>	<u>\$ 755,921</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 1: DESCRIPTION OF ENTITY

Reporting Entity - The Green-Taylor Water District Commissioners have financial accountability and control over all activities related to the water district. The district's primary source of income is derived from water sales. The district also receives funding from federal government sources and must comply with the requirements of those funding source entities.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The accounts of Green-Taylor Water District are accounted for within a single proprietary (enterprise) fund. The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The Generally Accepted Accounting Principles applicable are those similar to businesses in the private sector. Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of net revenues.

The proprietary fund financial statements are presented on the accrual basis of accounting. Operating income reported by the District includes revenues and expenses related to the continuing operation of water services for its customers. Operating revenues are charges to customers for services. Operating expenses are costs of providing the services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Non-exchange revenues, including intergovernmental revenues and grants, are reported when all eligibility have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Cash Equivalents and Investments – The District considers all highly liquid investments with a remaining maturity of 90 days or less when purchased to be cash equivalents. Investments are presented at fair value. Short-term investments generally mature or are otherwise available for withdrawal in less than one year.

Accounts Receivable – Receivables include amounts due from customers for water services. These receivables are due at the time the services are billed. Billing is completed monthly and accounts are considered past due on the twenty first day after the end of each billing period. Accounts receivable are presented net of uncollectable accounts. The allowance amount is estimated using a percentage of accounts past due more than 30 days. At December 31, 2023 and 2022, the allowance for doubtful accounts was \$288,269 and \$267,629 respectively.

Inventory – Inventories are generally used for construction, operation and maintenance work rather than for resale. Materials and supplies inventory consist principally of spare parts that are recorded when purchased and expensed when used. Inventory is stated at the lower of cost or market value. Cost is generally determined on a first-in, first-out basis.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Capital Assets and Related Depreciation - The utility plant and equipment are recorded at cost. Depreciation is computed using the straight-line method over the plant's estimated useful life of 40 years. The office building is depreciated on a straight-line basis over an estimated useful life of 50 years. Machinery, office equipment and service vehicles are depreciated on a straight-line basis over their estimated useful life ranging from 5 to 10 years.

Long-Term Obligations - Long-term debt and other obligations are reported as district liabilities. Bond Issue Costs are being expensed during the period incurred.

Postemployment Benefits Other Than OPEB's (OPEB) – For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Kentucky Retirement System (CERS) and addition to/deductions from CERS's fiduciary net position have been determined on the same basis they are reported by CERS.

For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.



GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues and Expenses - Revenues and expenses are distinguished between operating and nonoperating items. Operating revenues generally result from providing services and producing, and delivering goods in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses for enterprise 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.

Charges for Services - District billings are rendered and recorded monthly based on metered usage.

Capital Contributions - Cash and capital assets are contributed to the District by external parties. The value of property contributed to the District is reported as revenue on the statement of revenues, expenses and changes in net assets.

Net Position - Net position comprises the various net earnings from operating income, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

*Invested in capital assets, net of related debt*—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 assets 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 net assets*—this component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

NOTE 3: CASH AND CASH EQUIVALENTS

A comparison of the District's cash and investments is shown below:

	2023	2022
Unrestricted:		
Cash	\$ 2 78,273	\$ 993,958
Total Unrestricted	2 78,273	993,958
Restricted:		
Cash	8 45,167	1,351,109
U. S. Treasury	-	-
	845,167	1,351,109
Certificates of Deposit and Savings	1,175,000	-
Total Restricted	2,020,167	1,351,109
Total Cash and Cash Equivalents	\$2,298,440	\$ 2,345,067

There are three categories of credit risk that apply to the government's bank balance:

1. Insured or collateralized with securities held by the government or by the government's agent in the government's name.
2. Collateralized with securities held by the pledging financial institution's trust department or the government's agent in the government's name.
3. Uncollateralized.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 3: CASH AND CASH EQUIVALENTS - CONTINUED

	BANK AMOUNT	
	2023	2022
Insured (FDIC) or Collateral Held by Pledging		
Bank's Securities in District's name	\$ 2,882,819	\$ 3,837,857
Uninsured or Uncollateralized		
Total (Memorandum Only)	\$ 2,882,819	\$ 3,837,857

The carrying amounts of the District's deposits at December 31, 2023 and 2022 were \$2,298,440 and \$2,345,067, respectively and the bank balances were \$2,364,699 and \$2,380,451 respectively. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit. Of the bank balances for each year, all was insured by federal depository insurance or collateralized by the pledging financial institutions.

NOTE 4: CAPITAL ASSETS

Capital asset activity for the years ended December 31, 2023 and 2022 was as follows:

	Balance 12/31/22	Additions	Deletions	Balance 12/31/23
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 50,235	\$ -	\$ -	\$ 50,235
Construction in Progress	2,911,463	351,701	-	3,263,164
	\$ 1,634,425	\$ 161,690	\$ 53,745	\$ 1,649,370
Total Capital Assets Not Being Depreciated				
Depreciated	2,961,698	351,701	-	3,313,399
Capital Assets Being Depreciated:				
Buildings	179,495	-	-	179,495
Utility Plant	15,532,180	-	-	15,532,180
Service Equipment	566,613	161,690	53,745	674,558
Office Furniture and Equipment	63,137	-	-	63,137
Total Capital Assets Being Depreciated				

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

Accumulated Depreciation

Buildings	\$ 1 22,306	\$ 3,949	\$ -	\$ 126,255
Utility Plant	7,497,338	341,752	-	7,839,090
Service Equipment	8 7,454	14,843	53,745	48,552
Office Furniture and Equipment	6 1,066	1,389	-	62,455
Total Accumulated Depreciation	<u>7,768,164</u>	<u>361,933</u>	<u>5 3,745</u>	<u>8,076,352</u>
Total Capital Assets Being Depreciated, Net	<u>8,573,261</u>	<u>(200,243)</u>	<u>-</u>	<u>8,373,018</u>
Total Capital Assets, Net	<u>\$ 1 1,534,959</u>	<u>\$ 151,458</u>	<u>\$ -</u>	<u>\$ 11,686,417</u>

The District's depreciation expense for the year ended December 31, 2023 was \$361,933.

NOTE 4: CAPITAL ASSETS - CONTINUED

	Balance 12/31/21	Additions	Deletions	Balance 12/31/22
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 5 0,235	\$ -	\$ -	\$ 50,235
Construction in Progress	2,199,361	712,102	-	2,911,463
Total Capital Assets Not Being Depreciated	<u>2,249,596</u>	<u>712,102</u>	<u>-</u>	<u>2,961,698</u>
Capital Assets Being Depreciated:				
Buildings	1 79,495	-	-	179,495
Utility Plant	1 5,532,180	-	-	15,532,180
Service Equipment	4 91,535	162,732	8 7,654	566,613
Office Furniture and Equipment	6 1,337	1,800	-	63,137

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

Total Capital Assets Being Depreciated	<u>\$ 1 6,264,547</u>	<u>\$ 164,532</u>	<u>\$ 8 7,654</u>	<u>\$ 16,341,425</u>
Accumulated Depreciation				
Buildings	\$ 1 16,915	\$ 5,391	\$ -	\$ 122,306
Utility Plant	7,166,887	330,451	-	7,497,338
Service Equipment	1 51,068	3,855	67,469	87,454
Office Furniture and Equipment	5 8,374	2,692	-	61,066
Total Accumulated Depreciation	<u>7,493,244</u>	<u>342,389</u>	<u>6 7,469</u>	<u>7,768,164</u>
Total Capital Assets Being Depreciated, Net	<u>8,771,303</u>	<u>(177,857)</u>	<u>20,185</u>	<u>8,573,261</u>
Total Capital Assets, Net	<u>\$ 1 1,020,899</u>	<u>\$ 534,245</u>	<u>\$ 2 0,185</u>	<u>\$ 11,534,959</u>

NOTE 5: LONG-TERM OBLIGATIONS

Revenue Bonds with principal payments are detailed as follows:

	2023	2022
2019 Series B Refinancing of 1995, 1996, 2004 and 2004A Revenue Bonds, original amount \$2,289,000, maturing January 1, 2043, with a rate of 2.74%, principal payments commencing January 1, 2021.	\$ 1,414,000	\$ 1,819,000
Kentucky Infrastructure Authority Loan, F18-005, original amount \$1,726,606, maturing June 1, 2042, with interest payments due semi-annually June and December, at a rate of 1.75%	1,616,939	1,690,368
Kentucky Infrastructure Authority Loan, F19-018, original amount \$564,600, maturing June 1, 2042, with interest payments due semi-annually June and December, at a rate of 2.00%	540,904	540,904
Total Debt	3,571,843	4,050,272
Payments Due in Less Than One Year	321,881	<del>288,440</del>
Total Long-Term Obligations	<u>\$ 3,249,962</u>	<u>\$ 3,761,832</u>

NOTE 5: LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all bonded debt outstanding as of December 31, 2023 are as follows:

Principal	Interest	Total
<u>                    </u>	<u>                    </u>	<u>                    </u>

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

2024 \$	3 21,881 \$	93,563 \$	415,444	2025	3
	36,424	80,211	416,635		
2026	2 98,182		67,452	365,634	2027
	164,973		5 9,036	224,009	
2028	166,797	5 4,288	221,085	2029-2033	9 18,134
199,718	1,117,852				
2034-2038		7 23,395	100,499	823,894	
2039-2033		6 42,057	27,907		
		669,964 \$	3,571,843	\$ 6 82,674	\$
		4,254,517			

Long-Term liability activity for the year ended December 31, 2023, was as follows:

	12/31/2022			12/31/2023	Due in
	Balance	Additions	Reductions	Balance	One Year
Revenue Bonds	\$ 1,624,000	\$ -	\$ 210,000	\$ 1,414,000	\$ 225,000
Net Pension Liability	1,226,980	-	332,326	894,654	-
Net OPEB Liability	334,905	-	354,156	(19,251)	-
Notes Payable	2,231,272	-	73,429	2,157,843	-
	<u>\$ 5,417,157</u>	<u>\$ -</u>	<u>\$ 969,911</u>	<u>\$ 4,447,246</u>	<u>\$ 96,881</u>
					<u>\$ 321,881</u>

**NOTE 6: RISK MANAGEMENT**

The Green-Taylor Water District is exposed to various risks and losses related to torts; theft of, damage to, and destruction of assets; errors and omissions and natural disasters. The District purchases commercial insurance to cover these instances.

The District did not have settled claims that exceeded the District's commercial insurance coverage in any of the past three years.

**NOTE 7: PENSION PLAN**

**General information about the County Employees retirement system Hazardous & Non-Hazardous ("CERS")**

*Plan description* – Employees of the Green-Taylor Water District are covered by the CERS, a costsharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute ("KRS")

Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

**NOTE 7: PENSION PLAN - CONTINUED**

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

*Benefits provided* – CERS provides retirement, health insurance, death, and disability benefits to Plan employees and beneficiaries. Employees are vested in the plan after five years' service. For retirement purposes, employees are grouped into three tiers, based on hire date:

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

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

Contributions – Required contributions by the employee are based on the tier:

	Required contribution
Tier 1	5%
Tier 2	5% + 1% for insurance
Tier 3	5% + 1% for insurance

The District's contribution requirement for CERS for the years ended December 31, 2023, 2022, and 2021 was \$71,815, \$80,186, and \$79,141 from the District and \$22,894, \$26,728, and \$25,801 from employees. The total covered payroll for CERS during the years ended December 31, 2023, 2022, and 2021 was \$457,874, \$486,516, and \$524,936.

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

At December 31, 2023, the District reported a liability of \$894,654 for its proportionate share of the net pension liability for CERS. The net pension liability for each plan was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District's proportion was 0.013943 percent.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 7: PENSION PLAN - CONTINUED

For the year ended December 31, 2023, the District recognized pension expense of \$135,262. At December 31, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 46,315	\$ 2,431
Changes of assumptions	-	81,996
Net difference between projected and actual earnings on pension plan investments	9 6,648	108,852
Changes in proportion and differences between District contributions and proportionate share of contributions	-	235,989
District contributions subsequent to the measurement date	<del>94,709</del>	-
<b>Total</b>	<b>\$ 237,672</b>	<b>\$ 429,268</b>

\$94,709 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized in pension expense as follows:

Year Ended December 31:

2024	( 199,160)
2025	( 98,456)
2026	1 9,972
2027	(8,661)
2028	-
Thereafter	-

*Actuarial assumptions*—the total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	CERS
Inflation	2.30%
Projected salary increases	3.05%
Investment rate of return, net of investment expense & inflation	6.50%

For CERS, Mortality rates for the period after service retirement are according to the 1983 Group Annuity Mortality Table for all retired employees and beneficiaries as of December 31, 2006 and the 1994 Group Annuity Mortality Table for all other employees. The Group Annuity Mortality Table set forward five years is used for the period after disability retirement.

GREEN-TAYLOR WATER DISTRICT  
 NOTES TO FINANCIAL STATEMENTS  
 Years Ended December 31, 2023 and 2022

NOTE 7: PENSION PLAN - CONTINUED

For CERS, the long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. The most recent analysis, performed for the period covering fiscal years 2005 through 2008, is outlined in a report dated August 25, 2009. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

*Discount rate*—for CERS, the discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan employees and employers will be made at statutory contribution rates. Projected inflows from investment earning were calculated using the long-term assumed investment return of 7.50%. The long-term investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of CERS proportionate share of net pension liability to changes in the discount rate*—The following table present the net pension liability of the Green-Taylor Water District, calculated using the discount rates selected by CERS, as well as what the Green-Taylor Water District’s net pension 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:

	1% Decrease	Current Discount Rate	1% Increase
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	1,129,554	894,654	699,442

*Pension plan fiduciary net positions*—detailed information about the pension plan’s fiduciary net position is available in the financial report of CERS.

The County Employee’s Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky 40601.

NOTE 8: POST EMPLOYMENT BENEFIT PLAN

**General Information about the OPEB Plan – CERS**

Medical Insurance Plan

*Plan description* - Employees whose positions do not require a degree beyond a high school diploma are covered by the Kentucky Retirement Systems’ Insurance Fund, a component of the cost-sharing multipleemployer defined benefit pension plan administered by the Kentucky Retirement System, an agency of the Commonwealth of Kentucky. Under the provisions of the Kentucky Revised Statute (“KRS”) Section 61.645, the Board of Trustees of the Kentucky Retirement administers CERS and has the authority to establish and amend benefit provisions. The Kentucky Retirement System issues a publicly available



GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

financial report that includes financial statements and required supplementary information for CERS. That report may be obtained from <http://kyret.ky.gov/>.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

*Benefits provided* – To be eligible for medical benefits, the member must have retired either for service or disability. The Kentucky Retirement Systems’ Insurance Fund offers coverage for eligible members receiving benefits from KERS, CERS, and SPRS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. 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 based on years of service.

*Contributions* – In order to fund the post-retirement healthcare benefit, for Tier 1 plan members (those participating prior to September 1, 2008) 4.70% of the gross annual payroll of members is contributed, all of which is paid by the District. For Tier 2 plan members (those participating on, or after September 1, 2008 and before January 1, 2014) an additional 1% of the gross annual payroll is contributed by the plan member. Tier 3 plan members (those whose participation began after January 1, 2014) also contribute an additional 1% of their annual payroll into a Cash Balance Plan. Also, the premiums collected from retirees as described in the plan description and investment interest help meet the medical expenses of the plan.

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

At December 31, 2023, the District reported a liability of (\$19,251) for its proportionate share of the net OPEB liability for CERS. The net OPEB liability for the plan was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District’s proportion of the net OPEB liability for CERS was based on the actual liability of the employees and former employees relative to the total liability of the System as determined by the actuary. At June 30, 2023, the District’s proportion was 0.013943 percent.

For the year ended December 31, 2023, the Company recognized OPEB expense of \$57,189. At December 31, 2023, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,421	\$ 273,340
Changes of assumptions	3 7,884	
Net difference between projected and actual earnings on pension plan investments	3 6,027	26,401
Changes in proportion and differences between Company contributions and proportionate share of contributions	9,246	40,495
Company contributions subsequent to the measurement date	<del>1 9,996</del>	-
<b>Total</b>	<b>\$ 116,574</b>	<b>\$ 446,175</b>

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Of the total amount reported as deferred outflows of resources related to OPEB, \$19,996 resulting from District 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 December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the Company's OPEB expense as follows:

Year Ended December 31:

2024	( 88,488)	2025	( 109,098)
2026		( 88,061)	
2027		( 63,950)	
2028		-	
Thereafter		-	

*Actuarial assumptions* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation as of:	June 30, 2016
Actuarial cost method:	Entry age normal
Asset valuation method:	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Amortization method:	Level percent of pay
Amortization period:	27 years, closed
Payroll growth rate:	4.00%
Investment return:	7.50%
Inflation:	3.25%
Salary increases:	4.00%, average
Mortality:	RP-2000 Combined Mortality Table, projected to 2013 with Scale BB (set back 1 year for females)
Healthcare trend rates (Pre-65)	Initial trend starting at 7.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 5 years.
Healthcare trend rates (Post-65)	Initial trend starting at 5.50% and gradually decreasing to an ultimate trend rate of 5.00% over a period of 2 years.

Mortality rates were based on the RP-2000 Combined Mortality Table projected to 2025 with projection scale BB and set forward two years for males and one year for females is used for the period after service retirement and for dependent beneficiaries. The RP-2000 Disabled Mortality Table set forward two years for males and seven years for females is used for the period after disability retirement.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 valuation.

The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

*Discount rate* - The discount rate used to measure the total OPEB liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the employer contributions will be made at statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CERS – 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 for one year for females). For disabled members, the RP-2000 Combined Disabled Mortality Table projected with Scale BB to 2013 (set back four years for males) is used for the period after disability retirement.

*Discount rate* – For CERS, the projection of cash flows used to determine the discount rate of 5.93% for CERS Non-hazardous assumed that local employers would contribute the actuarially determined contributions 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 6.56%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2021. 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 CAFR.

*Sensitivity of CERS proportionate share of net OPEB liability to changes in the discount rate*—The following table present the net OPEB liability of the District, calculated using the discount rates selected by each OPEB system, as well as what the District's 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:

	1% Decrease	Current Discount Rate	1% Increase
CERS	4.93%	5.93%	6.70%
District's proportionate share of net OPEB liability	36,126	(19,251)	(65,622)

Sensitivity of the District's proportionate share of the collective net OPEB liability to changes in the healthcare cost trend rates – The following presents the City and the Campbellsville Water and Sewer Company's proportionate share of the collective net OPEB liability, as well as what the City and the Campbellsville Water and Sewer Company'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 1percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
CERS	4.93%	5.93%	6.93%
District's proportionate share of net OPEB liability	(61,702)	(19,251)	32,896

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2023 and 2022

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

NOTE 9: SUBSEQUENT EVENT

The District's management has evaluated subsequent events through July 31, 2024, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

GREEN-TAYLOR WATER DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION -  
BUDGET TO ACTUAL  
For the Year Ended December 31, 2023

	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,816,529	\$ 2,808,747	\$ (7,782)
Service Charges and Other	1,44,617	143,567	(1,050)
Total Operating Revenues	<u>2,961,146</u>	<u>2,952,314</u>	<u>(8,832)</u>
<b>OPERATING EXPENSES</b>			
Contractual Services	5,12,64	50,483	781
Supplies & Materials	2,20,696	203,873	6,823
Depreciation & Amortization	3,61,476	361,933	(457)
Personal Service	8,16,815	532,678	284,137
Operational	1,275,112	1,300,537	(25,425)
Total Operating Expenses	<u>2,725,363</u>	<u>2,449,504</u>	<u>275,859</u>
OPERATING INCOME (LOSS)	<u>2,35,783</u>	<u>502,810</u>	<u>267,027</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Income	3,23,222	32,003	(319)
Interest Expenses and Fiscal Charges	(94,122)	(121,428)	(27,306)
Miscellaneous Non-Utility Expense	-	-	-
Other Income	21,626	55,260	33,634
Total Non-operating Revenues (Expenses)	<u>(40,174)</u>	<u>(34,165)</u>	<u>6,009</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u>1,95,609</u>	<u>468,645</u>	<u>273,036</u>
Grants	-	141,725	141,725
Capital Contributions	5,06,266	47,907	(2,719)
<b>CHANGE IN NET POSITION</b>	<u>2,46,235</u>	<u>658,277</u>	<u>412,042</u>
<b>NET POSITION</b>			
Beginning of Year	-	8,537,288	8,537,288
End of Year	<u>\$ -</u>	<u>\$ 9,195,565</u>	<u>\$ 8,949,330</u>





GREEN-TAYLOR WATER DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY  
 December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)		0.013943%	0.016973%	0.021288%	0.021617%	0.021808%	0.019834%	0.018440%	0.017980%	0.017693%
District's proportionate share of the net pension liability (asset)	894,654	1,226,980	1,357,277	1,658,006	1,533,766	1,207,951	967,493	908,107	788,456	574,000
District's covered-employee payroll	457,874	486,516	524,936	544,405	564,084	523,566	434,294	422,789	431,084	412,119
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	195.39%	252.20%	258.56%	304.55%	271.90%	230.72%	222.77%	214.79%	182.90%	139.28%
Plan fiduciary net position as a percentage of the total pension liability	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%	66.80%

GREEN-TAYLOR WATER DISTRICT  
 SCHEDULE OF CONTRIBUTIONS TO CERS  
 December 31, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 94,709	\$ 106,914	\$ 104,942	\$ 106,867	\$ 89,223	\$ 71,182	\$ 56,141	\$ 55,093	\$ 54,410	\$ 54,907
Contributions in relation to the contractually required contribution	(94,709)	(106,914)	(104,942)	(106,867)	(89,223)	(71,182)	(56,141)	(55,093)	(54,410)	(54,907)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566	\$ 434,294	\$ 422,789	\$ 431,084	\$ 412,119
Contributions as a percentage of covered-employee payroll	20.68%	21.98%	19.99%	19.63%	15.82%	13.60%	12.93%	13.03%	12.62%	13.32%



GREEN-TAYLOR WATER DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION -  
CERS For the Year Ended December 31, 2023

NOTE 1 – CHANGES OF BENEFIT TERMS

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2009: A new benefit tier for members who first participate on or after September 1, 2008 was introduced which included the following changes:

1. Tiered Structure for benefit accrual rates
2. New retirement eligibility requirements
3. Different rules for the computation of final average compensation

2014: A cash balance plan was introduced for member whose participation date in on or after January 1, 2014.

NOTE 2 – CHANGES OF ASSUMPTION

The following changes were made by the Kentucky Legislature and reflected in the valuation performed as of June 30 listed below:

2006: The assumptions were updated as the result of an experience study for the five year period ending June 30, 2005

2007: Amortization bases have been combined and will be amortized over a single 30 year closed period beginning June 30, 2007.

2009: The assumptions were updated as the result of an experience study for the three year period ending June 30, 2008

2013: The amortization period of the unfunded accrued liability was reset to a closed 30 year period.

2015:

1. The assumed investment rate of return was decreased from 7.75% to 7.50%.
2. The assumed rate of inflation was reduced from 3.50% to 3.25%.
3. The assumed rate of wage inflation was reduced from 1.00% to 0.75%.
4. Payroll growth assumption was reduced from 4.50% to 4.00%.
5. The mortality table used for active members is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females).
6. 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 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.
7. The assumed rates of Retirement, Withdrawal and Disability were updated to more accurately reflect experience.



GREEN-TAYLOR WATER DISTRICT  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET OPEB LIABILITY  
 December 31, 2023

	2023	2022	2021	2020	2019	2018	2017
District's proportion of the net OPEB liability (asset)	0.013943%	0.016970%	0.021283%	0.021611%	0.021802%	0.019833%	0.016529%
District's proportionate share of the net OPEB liability (asset)	\$ (19,251)	\$ 344,905	\$ 407,452	\$ 521,840	\$ 366,700	\$ 352,131	\$ 332,289
District's covered-employee payroll	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566	\$ 434,294
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	-4.20%	70.89%	77.62%	95.86%	65.01%	67.26%	76.51%
Plan fiduciary net position as a percentage of the total OPEB liability	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%	52.40%

GREEN-TAYLOR WATER DISTRICT  
 SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB  
 December 31, 2023

	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	\$ 19,996	\$ 30,404	\$ 37,929	\$ 37,217	\$ 35,311	\$ 23,105	\$ 19,036
Contributions in relation to the contractually required contribution	(19,996)	(30,404)	(37,929)	(37,217)	(35,311)	(23,105)	(19,036)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566	\$ 434,294
Contributions as a percentage of covered-employee payroll	4.37%	6.25%	7.23%	6.84%	6.26%	4.41%	4.38%





GREEN-TAYLOR WATER DISTRICT NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – CERS OPEB  
For the Year Ended December 31, 2023

NOTE 1 – CHANGES OF BENEFIT TERMS

With the passage of House Bill 471, the eligibility for non-single subsidies (NSS) for the KEHP – participating members who retired prior to July 1, 2010 is restored, but the state will only finance, via its KEHP “Shared Responsibility” contributions, the costs of the NSS related to those KEHP-participating members who retired on or after July 1, 2010.

NOTE 2 – METHODS AND ASSUMPTIONS USED IN ACTUARIALLY DETERMINED CONTRIBUTIONS

The actuarially determined contribution rates, as a percentage of payroll, used to determine the actuarially determined contribution amounts in the Schedule of Employer Contributions are calculated as of the indicated valuation date. The following actuarial methods and assumptions (from the indicated actuarial valuations) were used to determine the contribution rates reported in that schedule for the year ending June 30, 2023.

Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	30 years, Open
Asset valuation method	Five-year smoothed value
Inflation	3.00%
Real Wage Growth	0.50%
Wage Inflation	3.50%
Salary increases, including wage inflation	3.50% - 7.20%
Discount Rate	8.00%
Healthcare cost trend rates:	
Under 65	7.75% for FY 2017 decreasing to an ultimate rate of 5.00% by FY 2023
Ages 65 and Older	5.75% for FY 2017 decreasing to an ultimate rate of 5.00% by FY 2020
Medicare Part B Premiums 1.02% for FY 2017 with an ultimate rate of 5.00% by 2029 Under age 65 claims	
The current premium charged by KEHP is used as	
	the base cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).



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

To the Board of Commissioners of  
Green-Taylor Water District  
Greensburg, KY

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-Taylor Water District, as of and for the years ended December 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Green-Taylor Water District's basic financial statements, and have issued our report thereon dated June 31, 2024. **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Green-Taylor Water District's internal control over financial reporting (internal control) to determine the 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-Taylor Water District's internal control. Accordingly, we do not express an opinion of the effectiveness of Green-Taylor 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 may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Green-Taylor 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*.

MEMBERS: AICPA • KYCPA

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**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.

*Wise, Buckner, Sprowles & Associates, PLLC*

Wise, Buckner, Sprowles & Associates, PLLC  
Campbellsville, KY

July 31, 2024

