

GREEN-TAYLOR WATER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2024 and 2023

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities of the Green-Taylor Water District (the "District") as of and for the year then ended December 31, 2024 and 2023, 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 respective financial position of the governmental activities of the District as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity 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-Taylor 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 opinions.

#### **Responsibility of Management 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.

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-Taylor 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 Responsibility for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Green-Taylor 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-Taylor 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, 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 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 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-Taylor Water District's basic financial statements. The accompanying combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 15, 2025, on our consideration of the 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 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 Districts internal control over financial reporting and compliance.

*Wise, Buckner, Sprowles & Associates PLLC*

Wise, Buckner, Sprowles & Associates PLLC  
Certified Public Accountants

Campbellsville, KY  
July 15, 2025

# 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, 2024 and 2023. 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.

### 2024 HIGHLIGHTS

During 2024, Green-Taylor Water District has updated its office software system, including website with online bill pay and has installed 8.7 miles of new water lines to unserved customers with grant funding. The telemetry system has been updated to a more user-friendly interface for the employees. The District has seen a jump in customer growth and plans to continue the many updates to our water system to make sure our assets are here for the years to come. Green-Taylor Water District staff and the Board of Directors continued to provide the best quality water at the lowest manageable for its customers. For the future, the District is looking into Meter Readers or Radio Read Meters so the customers won't have to read their meters. This will also help with water loss by having accurate meter reading each month.

### 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 District's 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, 2024 and 2023. 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	2024	2023
Cash and Investments	\$ 2,475,338	\$ 2,298,440
Other Assets	634,004	574,470
Capital Assets	13,183,815	11,686,417
Total Assets	16,293,157	14,559,327
DEFERRED OUTFLOWS OF RESOURCES		
Pension	142,963	142,963
Pension Contribution	112,846	94,709
OPEB	96,578	96,578
OPEB Contribution	7,252	19,996
Discount on Debt Refunding	24,921	28,416
Total Deferred Outflows of Resources	384,560	382,662
LIABILITIES		
Current Liabilities	795,053	596,483
Long-term Liabilities	3,842,163	4,125,365
Total Liabilities	4,637,216	4,721,848
DEFERRED INFLOWS OF RESOURCES		
OPEB	446,175	446,175
Pension	229,006	429,268
Premium in Debt Refunding	149,133	149,133
Total Deferred Inflows of Resources	824,314	1,024,576
NET POSITION		
Invested in Capital Assets, Net of Related Debt	11,994,815	10,272,416
Restricted	2,291,972	2,020,167
Unrestricted	(2,958,839)	(3,097,018)
Total Net Position	\$ 11,327,948	\$ 9,195,565

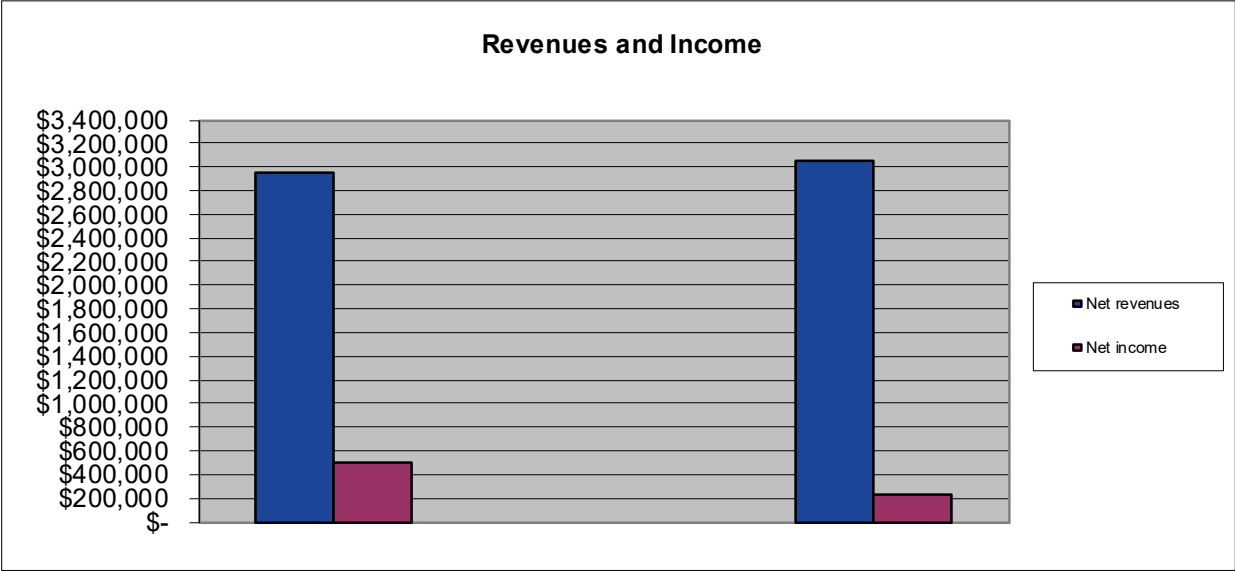
Net Position increased \$2,132,383 from 2023 to 2024.

## 2024 Operating Results

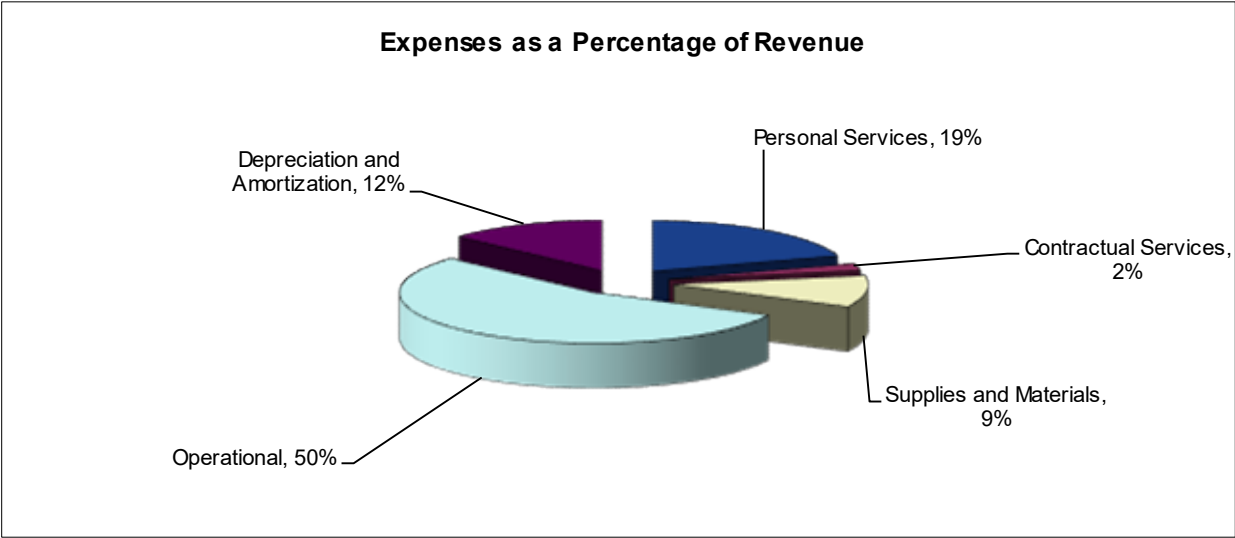
Condensed Statement of Revenues, Expenses and Changes in Net Position:

	2024	2023
Operating Revenues	\$ 3,055,522	\$ 2,952,314
Other Revenues	165,106	87,263
Total Revenues	3,220,628	3,039,577
Operating Expenses	2,455,786	2,087,571
Depreciation and Amortization	371,371	361,933
Non-operating Expenses	112,985	121,428
Total Expenses	2,940,142	2,570,932
Income/(Loss) Before Capital Contributions and Grants	280,486	468,645
Grants	1,766,647	141,725
Capital Contributions	85,250	47,907
Change in Net Position	2,132,383	658,277
Beginning Net Position	9,195,565	8,537,288
Ending Net Position	\$ 11,327,948	\$ 9,195,565

The following chart shows the difference between net revenues and net income for the years ended December 31, 2024 and 2023.



The following pie chart shows expenses as a percentage of revenue for the year ended December 31, 2024.



## Capital Assets

The net book value of the District's capital assets as of December 31, 2024 and 2023 are \$13,183,815 and \$11,686,417.

	CAPITAL ASSETS AT YEAR END	
	2024	2023
Land	\$ 50,235	\$ 50,235
Construction in Progress	5,100,433	3,263,164
Buildings	179,495	179,495
Plant & Equipment	16,284,899	16,269,875
Total Capital Assets	21,615,062	19,762,769
Less: Accumulated Depreciation	(8,431,247)	(8,076,352)
Capital Assets, Net	<u>\$ 13,183,815</u>	<u>\$ 11,686,417</u>

## Debt Outstanding

At year-end, the District had \$3,284,270 in notes outstanding versus \$3,571,843 last year. Long-term debt outstanding decreased \$287,573, from 2023 to 2024.

## 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, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	\$ 183,366	\$ 278,273
Customer & Other Accounts Receivable, net	522,934	470,098
Inventory	71,892	85,192
Prepaid Expenses	19,298	19,141
Interest Receivable	19,880	39
Restricted Cash & Investments	2,291,972	2,020,167
Total Current Assets	<u>3,109,342</u>	<u>2,872,910</u>
NON-CURRENT ASSETS		
Capital Assets:		
Land & Construction in Progress	5,150,668	3,313,399
Other Capital Assets (net of accumulated depreciation)	8,033,147	8,373,018
Total Non-Current Assets	<u>13,183,815</u>	<u>11,686,417</u>
TOTAL ASSETS	<u>16,293,157</u>	<u>14,559,327</u>
DEFERRED OUTFLOWS OF RESOURCES		
CERS - Pension	165,973	142,963
CERS - Pension Contributions	112,846	94,709
CERS - OPEB	81,914	96,578
CERS - OPEB Contributions	7,252	19,996
Discount on Debt Refunding	24,921	28,416
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>392,906</u>	<u>382,662</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable - Trade	310,039	136,969
Accrued & Withheld Taxes	40,889	37,389
Customer Deposits	100,567	95,047
Liabilities Payable from Restricted Assets:		
Interest Payable	7,134	5,197
Current Portion - Notes Payable & Revenue Bonds	336,424	321,881
Total Current Liabilities	<u>795,053</u>	<u>596,483</u>
NON-CURRENT LIABILITIES		
Long-Term Liabilities (Excluding Current Portion):		
Net Pension Liability	920,985	894,654
Net OPEB Liability	(26,667)	(19,251)
Non-Current Portion - Notes Payable	1,998,845	2,060,962
Non-Current Portion - Revenue Bonds	949,000	1,189,000
Total Non-Current Liabilities	<u>3,842,163</u>	<u>4,125,365</u>
TOTAL LIABILITIES	<u>4,637,216</u>	<u>4,721,848</u>
DEFERRED INFLOWS OF RESOURCES		
CERS - OPEB	348,496	446,175
CERS - Pension	229,006	429,268
Premium on Debt Refunding	143,397	149,133
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>720,899</u>	<u>1,024,576</u>
NET POSITION		
Invested in Capital Assets, Net of Related Debt	11,994,815	10,272,416
Restricted	2,291,972	2,020,167
Unrestricted	(2,958,839)	(3,097,018)
TOTAL NET POSITION	<u>\$11,327,948</u>	<u>\$ 9,195,565</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
Years Ended December 31, 2024 and 2023

	2024	2023
OPERATING REVENUES		
Charges for Services	\$ 2,925,895	\$ 2,808,747
Service Charges and Other	129,627	143,567
Total Operating Revenues	<u>3,055,522</u>	<u>2,952,314</u>
OPERATING EXPENSES		
Contractual Services	62,296	50,483
Supplies & Materials	286,169	203,873
Depreciation & Amortization	371,371	361,933
Personal Service	566,319	532,678
Operational	1,541,002	1,300,537
Total Operating Expenses	<u>2,827,157</u>	<u>2,449,504</u>
OPERATING INCOME (LOSS)	<u>228,365</u>	<u>502,810</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	130,075	32,003
Interest Expenses and Fiscal Charges	(112,985)	(121,428)
Bond Issuance Costs	-	-
Gain on Disposal of Asset	12,600	28,751
Other income	22,431	26,509
Total Non-operating Revenues (Expenses)	<u>52,121</u>	<u>(34,165)</u>
INCOME (LOSS) BEFORE GRANTS & CAPITAL CONTRIBUTIONS	280,486	468,645
Grants	1,766,647	141,725
Capital Contributions	85,250	47,907
CHANGE IN NET POSITION	2,132,383	658,277
NET POSITION		
Beginning of Year	9,195,565	8,537,288
End of Year	<u>\$ 11,327,948</u>	<u>\$ 9,195,565</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT  
STATEMENTS OF CASH FLOWS  
Years Ended December 31, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	\$ 3,002,686	\$ 2,958,000
Cash Payments to Employees for Services	(861,319)	(820,437)
Cash Payments to Suppliers for Goods & Services	(1,703,255)	(1,560,586)
Net Customer Deposits Received and Returned	5,520	(1,185)
Net Cash Provided (Used) By Operating Activities	443,632	575,792
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Principal Paid on Debt	(311,270)	(268,429)
Proceeds from Debt	23,696	-
Interest Paid on Debt	(107,553)	(117,494)
Acquisition of Capital Assets and Construction in Progress	(1,868,769)	(513,391)
Proceeds from Disposal of Capital Assets	12,600	28,751
Contributed Capital	85,250	47,907
Capital Grants	1,766,647	141,725
Net Cash Provided (Used) By Financing Activities	(399,399)	(680,931)
CASH FLOWS FROM INVESTING ACTIVITIES		
Other Income	22,431	26,509
Interest	110,234	32,003
Net Cash Provided (Used) From Investing Activities	132,665	58,512
Net Increase (Decrease) In Cash and Cash Equivalents	176,898	(46,627)
Cash and Cash Equivalents - Beginning of Year	2,298,440	2,345,067
Cash and Cash Equivalents - End of Year	<u>\$ 2,475,338</u>	<u>\$ 2,298,440</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents	\$ 183,366	\$ 278,273
Restricted Cash and Cash Equivalents	2,291,972	2,020,167
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 2,475,338</u>	<u>\$ 2,298,440</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT  
STATEMENTS OF CASH FLOWS (CONTINUED)  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating Income/(Loss)	\$ 228,365	\$ 502,810
ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES		
Depreciation and Amortization	371,371	361,933
Change in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	(52,836)	5,686
(Increase) Decrease in Inventory	13,300	21,412
(Increase) Decrease in Prepaid Expenses	(157)	(1,294)
(Increase) Decrease in Deferred Outflows	(13,739)	123,415
Increase (Decrease) in Accounts Payable	173,070	(25,811)
Increase (Decrease) in Accrued and Withheld Taxes	3,500	2,521
Increase (Decrease) in Customer Deposits	5,520	(1,185)
Increase (Decrease) in Net Pension Liability	26,331	(332,326)
Increase (Decrease) in Net OPEB Liability	(7,416)	(354,156)
Increase (Decrease) in Deferred Inflows	(303,677)	272,787
Total Reconciling Adjustments	<u>215,267</u>	<u>72,982</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 443,632</u>	<u>\$ 575,792</u>

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

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, 2024 and 2023, the allowance for doubtful accounts was \$299,522 and \$288,269 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, 2024 and 2023

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Revenues and Expenses - Revenues and expenses are distinguished between operating and non-operating 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:

	2024	2023
Unrestricted:		
Cash	\$ 183,366	\$ 278,273
Total Unrestricted	183,366	278,273
Restricted:		
Cash	416,972	845,167
U. S. Treasury	-	-
	416,972	845,167
Certificates of Deposit and Savings	1,875,000	1,175,000
Total Restricted	2,291,972	2,020,167
Total Cash and Cash Equivalents	<u>\$2,475,338</u>	<u>\$2,298,440</u>

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, 2024 and 2023

NOTE 3: CASH AND CASH EQUIVALENTS - CONTINUED

	BANK AMOUNT	
	2024	2023
Insured (FDIC) or Collateral Held by Pledging Bank's Securities in District's name	\$ 2,942,918	\$ 2,882,819
Uninsured or Uncollateralized	-	-
Total (Memorandum Only)	<u>\$ 2,942,918</u>	<u>\$ 2,882,819</u>

The carrying amounts of the District's deposits at December 31, 2024 and 2023 were \$2,475,338 and \$2,298,440, respectively and the bank balances were \$2,422,870 and \$2,364,699 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, 2024 and 2023 was as follows:

	Balance 12/31/23	Additions	Deletions	Balance 12/31/24
Capital Assets Not Being Depreciated:				
Land and Land Rights	\$ 50,235	\$ -	\$ -	\$ 50,235
Construction in Progress	3,263,164	1,837,269	-	5,100,433
Total Capital Assets Not Being Depreciated	3,313,399	1,837,269	-	5,150,668
Capital Assets Being Depreciated:				
Buildings	179,495	-	-	179,495
Utility Plant	15,532,180	-	-	15,532,180
Service Equipment	674,558	31,500	16,476	689,582
Office Furniture and Equipment	63,137	-	-	63,137
Total Capital Assets Being Depreciated	<u>\$ 16,449,370</u>	<u>\$ 31,500</u>	<u>\$ 16,476</u>	<u>\$ 16,464,394</u>
Accumulated Depreciation				
Buildings	\$ 126,255	\$ 4,049	\$ -	\$ 130,304
Utility Plant	7,839,090	350,344	16,476	8,172,958
Service Equipment	48,552	15,554	-	64,106
Office Furniture and Equipment	62,455	1,424	-	63,879
Total Accumulated Depreciation	<u>8,076,352</u>	<u>371,371</u>	<u>16,476</u>	<u>8,431,247</u>
Total Capital Assets Being Depreciated, Net	<u>8,373,018</u>	<u>(339,871)</u>	<u>-</u>	<u>8,033,147</u>
Total Capital Assets, Net	<u>\$ 11,686,417</u>	<u>\$ 1,497,398</u>	<u>\$ -</u>	<u>\$ 13,183,815</u>

The District's depreciation expense for the year ended December 31, 2024 was \$371,371.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 4: CAPITAL ASSETS - CONTINUED

	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
Total Capital Assets Not Being 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	\$ 16,341,425	\$ 161,690	\$ 53,745	\$ 16,449,370
Accumulated Depreciation				
Buildings	\$ 122,306	\$ 3,949	\$ -	\$ 126,255
Utility Plant	7,497,338	341,752	-	7,839,090
Service Equipment	87,454	14,843	53,745	48,552
Office Furniture and Equipment	61,066	1,389	-	62,455
Total Accumulated Depreciation	7,768,164	361,933	53,745	8,076,352
Total Capital Assets Being Depreciated, Net	8,573,261	(200,243)	-	8,373,018
Total Capital Assets, Net	\$ 11,534,959	\$ 151,458	\$ -	\$ 11,686,417

NOTE 5: LONG-TERM OBLIGATIONS

Revenue Bonds with principal payments are detailed as follows:

	2024	2023
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.	\$ 1,189,000	\$ 1,414,000
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%	1,542,219	1,616,939
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%	553,051	540,904
Total Debt	3,284,270	3,571,843
Payments Due in Less Than One Year	336,424	321,881
Total Long-Term Obligations	\$ 2,947,846	\$ 3,249,962



GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 5: LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all bonded debt outstanding as of December 31, 2024 are as follows:

	Principal	Interest	Total
2025	\$ 336,424	\$ 80,211	\$ 416,635
2026	298,182	67,452	365,634
2027	164,973	59,036	224,009
2028	166,797	54,288	221,085
2029	173,654	49,731	223,385
2030-2034	917,336	175,935	1,093,271
2035-2039	704,135	86,078	790,213
2040-2044	522,769	16,380	539,149
	<u>\$ 3,284,270</u>	<u>\$ 589,111</u>	<u>\$3,873,381</u>

Long-Term liability activity for the year ended December 31, 2024, was as follows:

	12/31/2023 Balance	Additions	Reductions	12/31/2024 Balance	Due in One Year
Revenue Bonds	\$ 1,414,000	\$ -	\$ 225,000	\$ 1,189,000	\$ 240,000
Net Pension Liability	894,654	26,331	-	920,985	-
Net OPEB Liability	(19,251)	-	7,416	(26,667)	-
Notes Payable	2,157,843	23,696	86,270	2,095,269	96,424
	<u>\$ 4,447,246</u>	<u>\$ 50,027</u>	<u>\$ 318,686</u>	<u>\$ 4,178,587</u>	<u>\$ 336,424</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 cost-sharing 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/>.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 7: PENSION PLAN - CONTINUED

*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, 2024, 2023, and 2022 was \$88,118, \$71,815, and \$80,186 from the District and \$24,728, \$22,894, and \$26,728 from employees. The total covered payroll for CERS during the years ended December 31, 2024, 2023, and 2022 was \$509,043, \$457,874, and \$486,516.

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

At December 31, 2024, the District reported a liability of \$920,985 for its proportionate share of the net pension liability for CERS. The net pension liability for each plan was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2024, the District's proportion was 0.015400 percent.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 7: PENSION PLAN - CONTINUED

For the year ended December 31, 2024, the District recognized pension expense of 84,094. 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	\$ 44,577	\$ -
Changes of assumptions	-	41,610
Net difference between projected and actual earnings on pension plan investments	63,251	122,465
Changes in proportion and differences between District contributions and proportionate share of contributions	58,145	64,931
District contributions subsequent to the measurement date	112,846	-
Total	<u>\$ 278,819</u>	<u>\$ 229,006</u>

\$112,846 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, 2025. 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:	
2025	(66,555)
2026	39,481
2027	(22,763)
2028	(13,196)
2029	-
Thereafter	-

*Actuarial assumptions*—the total pension liability in the June 30, 2024 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, 2024 and 2023

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:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
CERS	5.50%	6.50%	7.50%
District's proportionate share of net pension liability	1,187,300	920,985	700,014

*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 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/>.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

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, 2024, the District reported a liability of (\$26,667) for its proportionate share of the net OPEB liability for CERS. The net OPEB liability for the plan was measured as of June 30, 2024, 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, 2024, the District's proportion was 0.015416 percent.

For the year ended December 31, 2024, the Company recognized OPEB expense of \$83,180. At December 31, 2024, 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	\$ 14,794	\$ 209,814
Changes of assumptions	24,163	18,816
Net difference between projected and actual earnings on pension plan investments	23,441	47,776
Changes in proportion and differences between Company contributions and proportionate share of contributions	19,516	72,090
Company contributions subsequent to the measurement date	7,252	-
Total	<u>\$ 89,166</u>	<u>\$ 348,496</u>

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Of the total amount reported as deferred outflows of resources related to OPEB, \$7,252 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:	
2025	(112,644)
2026	(89,735)
2027	(64,845)
2028	642
2029	-
Thereafter	-

*Actuarial assumptions* – The total OPEB liability in the June 30, 2024 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.

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.

GREEN-TAYLOR WATER DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
Years Ended December 31, 2024 and 2023

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

**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:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
CERS	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability	36,056	(26,667)	(79,404)

**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 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Trend Rate</b>	<b>1% Increase</b>
CERS	4.99%	5.99%	6.99%
District's proportionate share of net OPEB liability	(64,157)	(26,667)	17,007

NOTE 9: SUBSEQUENT EVENT

The District's management has evaluated subsequent events through July 15, 2025, 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, 2024

	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
OPERATING REVENUES			
Charges for Services	\$ 2,935,565	\$ 2,925,895	\$ (9,670)
Service Charges and Other	131,471	129,627	(1,844)
Total Operating Revenues	3,067,036	3,055,522	(11,514)
OPERATING EXPENSES			
Contractual Services	50,305	62,296	(11,991)
Supplies & Materials	304,087	286,169	17,918
Depreciation & Amortization	371,089	371,371	(282)
Personal Service	850,941	566,319	284,622
Operational	1,450,044	1,541,002	(90,958)
Total Operating Expenses	3,026,466	2,827,157	199,309
OPERATING INCOME (LOSS)	40,570	228,365	187,795
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	108,713	130,075	21,362
Interest Expenses and Fiscal Charges	(87,725)	(112,985)	(25,260)
Miscellaneous Non-Utility Expense	-	-	-
Other Income	19,225	35,031	15,806
Total Non-operating Revenues (Expenses)	40,213	52,121	11,908
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	80,783	280,486	199,703
Grants	140,455	1,766,647	1,626,192
Capital Contributions	85,750	85,250	(500)
CHANGE IN NET POSITION	166,533	2,132,383	1,965,850
NET POSITION			
Beginning of Year	-	9,195,565	9,195,565
End of Year	\$ -	\$ 11,327,948	\$ 11,161,415

GREEN-TAYLOR WATER DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY  
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's proportion of the net pension liability (asset)	0.015400%	0.013943%	0.016973%	0.021288%	0.021617%	0.021808%	0.019834%	0.016529%	0.018440%	0.017980%
District's proportionate share of the net pension liability (asset)	920,985	894,654	1,226,980	1,357,277	1,658,006	1,533,766	1,207,951	967,493	908,107	788,456
District's covered-employee payroll	509,043	457,874	486,516	524,936	544,405	564,084	523,566	434,294	422,789	431,084
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	180.92%	195.39%	252.20%	258.56%	304.55%	271.90%	230.72%	222.77%	214.79%	182.90%
Plan fiduciary net position as a percentage of the total pension liability	61.61%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%	59.97%

GREEN-TAYLOR WATER DISTRICT  
SCHEDULE OF CONTRIBUTIONS TO CERS  
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 112,846	\$ 94,709	\$ 106,914	\$ 104,942	\$ 106,867	\$ 89,223	\$ 71,182	\$ 56,141	\$ 55,093	\$ 54,410
Contributions in relation to the contractually required contribution	(112,846)	(94,709)	(106,914)	(104,942)	(106,867)	(89,223)	(71,182)	(56,141)	(55,093)	(54,410)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 509,043	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566	\$ 434,294	\$ 422,789	\$ 431,084
Contributions as a percentage of covered-employee payroll	22.17%	20.68%	21.98%	19.99%	19.63%	15.82%	13.60%	12.93%	13.03%	12.62%

GREEN-TAYLOR WATER DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - CERS  
For the Year Ended December 31, 2024

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, 2024

	2024	2023	2022	2021	2020	2019	2018
District's proportion of the net OPEB liability (asset)	0.015416%	0.013943%	0.016970%	0.021283%	0.021611%	0.021802%	0.019833%
District's proportionate share of the net OPEB liability (asset)	\$ (26,667)	\$ (19,251)	\$ 344,905	\$ 407,452	\$ 521,840	\$ 366,700	\$ 352,131
District's covered-employee payroll	\$ 509,043	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	-5.24%	-4.20%	70.89%	77.62%	95.86%	65.01%	67.26%
Plan fiduciary net position as a percentage of the total OPEB liability	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%	57.62%

GREEN-TAYLOR WATER DISTRICT  
SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB  
December 31, 2024

	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	\$ 7,252	\$ 19,996	\$ 30,404	\$ 37,929	\$ 37,217	\$ 35,311	\$ 23,105
Contributions in relation to the contractually required contribution	(7,252)	(19,996)	(30,404)	(37,929)	(37,217)	(35,311)	(23,105)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 509,043	\$ 457,874	\$ 486,516	\$ 524,936	\$ 544,405	\$ 564,084	\$ 523,566
Contributions as a percentage of covered-employee payroll	1.42%	4.37%	6.25%	7.23%	6.84%	6.26%	4.41%

GREEN-TAYLOR WATER DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – CERS OPEB  
For the Year Ended December 31, 2024

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, 2024.

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).

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



GREEN-TAYLOR WATER DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended December 31,2024

	Federal CFDA <u>Number</u>	<u>Disbursements</u>
<u>Department of the Treasury</u>		
Passed through the Kentucky Infrastructure Authority:		
Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 1,766,647
		<u>1,766,647</u>
Totals for Department of Treasury		
		<u>\$ 1,766,647</u>
Total Federal Financial Assistance		
		<u>\$ 1,766,647</u>

GREEN-TAYLOR WATER DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Years Ended December 31, 2024 and 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Green-Taylor Water District under programs of the federal government for the year ended December 31, 2024. The information in this Schedule is presented in accordance with the requirements of title 2 U.S. *Code of federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Taylor County School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Green-Taylor Water District.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Green-Taylor Water District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## Section I - Summary of Auditors' Results

### Financial Statements

Type of audit issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?            Yes       X       No
- Significant deficiencies identified that are not considered to be material weakness(es)?            Yes       X       None Noted

Noncompliance material to financial statements noted?            Yes       X       No

### Federal Awards

Internal control over major programs?

- Material weakness(es) identified?            Yes       X       No
- Significant Deficiencies identified that are not considered to be material weakness(es)?            Yes       X       None Noted

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a)?            Yes       X       No

Identification of major programs:

CFDA Number

21.027

Name of Federal Program or Cluster

Department of the Treasury  
Passed through the Kentucky Infrastructure Authority:  
Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?       X       Yes            No

## Section II - Financial Statement of Findings

No matters were reported

## Section III - Federal Award Findings and Questioned Costs

No matters were reported.

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, 2024 and 2023, 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 July 15, 2025.

**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*.

**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 15, 2024

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

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Green-Taylor Water District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Green-Taylor Water District's major federal programs for the year ended December 31, 2024. Green-Taylor Water District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Green-Taylor Water District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of Green-Taylor Water District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Green-Taylor Water District's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Green-Taylor Water District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a

reasonable user of the report on compliance about Green-Taylor Water District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Green-Taylor Water District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Green-Taylor Water District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Green-Taylor Water District's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

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

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

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

*Wise, Buckner, Sprowles & Associates PLLC*

Wise, Buckner, Sprowles & Associates PLLC  
Certified Public Accountants

Campbellsville, Kentucky  
July 15, 2025