GREEN-TAYLOR WATER DISTRICT

FINANCIAL STATEMENTS

For the Years Ended December 31, 2025 and 2024

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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, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the District as of December 31, 2025, 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 of 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.

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- 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 2026, 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
June 2, 2026

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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, 2025 and 2024. 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.

2025 HIGHLIGHTS

During 2025, Green-Taylor Water District implemented new office software that includes a website with online bill pay, outbound calling and text messaging. We have completed 8.7 miles of new water lines for unserved customers with grant funding. We are working on implementing Field Operation Services software making workorders for Operators more efficient in the field. The District has seen growth and plans to continue looking for ways to improve our Customer Service. The District is hoping to acquire grant funding to purchase Meter Readers and Radio Read Meters, so that customers will no longer have to read their meters.

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, 2025 and 2024. 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.

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.

	2025	2024
ASSETS		
Cash and Investments	$ 2,506,379	$ 2,475,338
Other Assets	678,480	634,004
Capital Assets	13,399,698	13,183,815
Total Assets	16,584,557	16,293,157
DEFERRED OUTFLOWS OF RESOURCES		
Pension	127,782	165,973
Pension Contribution	108,322	112,846
OPEB	96,402	81,914
OPEB Contribution	7,687	7,252
Discount on Debt Refunding	21,425	24,921
Total Deferred Outflows of Resources	361,618	392,906
LIABILITIES		
Current Liabilities	579,655	795,053
Long-term Liabilities	3,557,758	3,842,163
Total Liabilities	4,137,413	4,637,216
DEFERRED INFLOWS OF RESOURCES		
OPEB	233,169	348,496
Pension	125,687	229,006
Premium in Debt Refunding	137,661	143,397
Total Deferred Inflows of Resources	496,517	720,899
NET POSITION		
Invested in Capital Assets, Net of Related Debt	12,450,698	11,994,815
Restricted	2,248,884	2,291,972
Unrestricted	(2,387,337)	(2,958,839)
Total Net Position	$ 12,312,245	$ 11,327,948

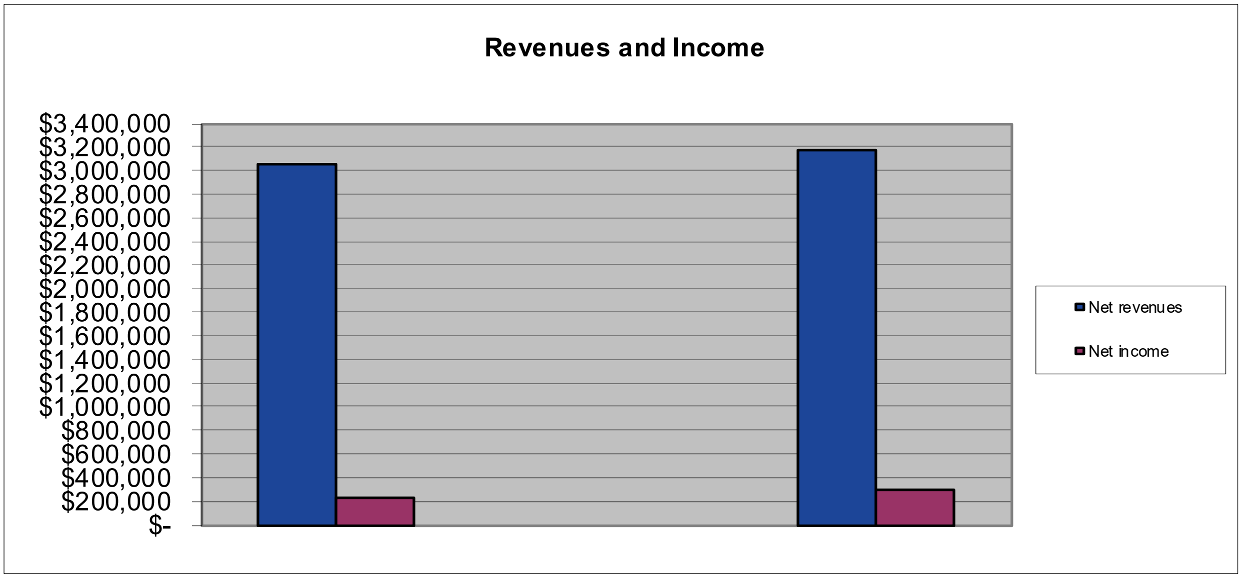
Net Position increased $984,297 from 2024 to 2025.

2025 Operating Results

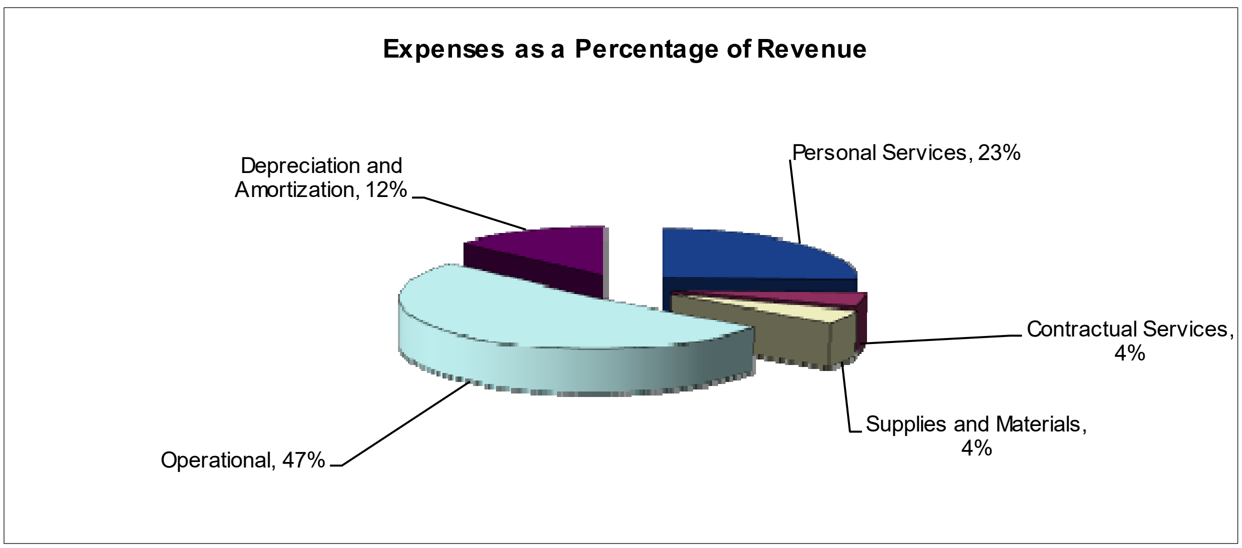
Condensed Statement of Revenues, Expenses and Changes in Net Position:

	2025	2024
Operating Revenues	$ 3,175,734	$ 3,055,522
Other Revenues	132,797	165,106
Total Revenues	3,308,531	3,220,628
Operating Expenses	2,501,074	2,455,786
Depreciation and Amortization	377,234	371,371
Non-operating Expenses	90,119	112,985
Total Expenses	2,968,427	2,940,142
Income/(Loss) Before Capital Contributions and Grants	340,104	280,486
Grants	574,493	1,766,647
Capital Contributions	69,700	85,250
Change in Net Position	984,297	2,132,383
Beginning Net Position	11,327,948	9,195,565
Ending Net Position	$ 12,312,245	$ 11,327,948

The following chart shows the difference between net revenues and net income for the years ended December 31, 2025 and 2024.



The following pie chart shows expenses as a percentage of revenue for the year ended December 31, 2025.



Capital Assets

The net book value of the District's capital assets as of December 31, 2025 and 2024 are $13,399,698 and $13,183,815.

CAPITAL ASSETS AT YEAR END

	2025	2024
Land	$ 50,235	$ 50,235
Construction in Progress	5,683,226	5,100,433
Buildings	179,495	179,495
Plant & Equipment	16,295,223	16,284,899
Total Capital Assets	22,208,179	21,615,062
Less: Accumulated Depreciation	(8,808,481)	(8,431,247)
Capital Assets, Net	$ 13,399,698	$ 13,183,815

Debt Outstanding

At year-end, the District had $2,939,614 in notes outstanding versus $3,284,269 last year. Long-term debt outstanding decreased $344,655, from 2024 to 2025.

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, Patrick Davis at (270) 932-4947 or 250 Industrial Park Road, Greensburg, KY 42743.

GREEN-TAYLOR WATER DISTRICT
STATEMENT OF NET POSITION
December 31, 2025 and 2024

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash & Cash Equivalents	$ 257,495	$ 183,366
Customer & Other Accounts Receivable, net	512,562	522,934
Inventory	117,446	71,892
Prepaid Expenses	21,603	19,298
Interest Receivable	26,869	19,880
Restricted Cash & Investments	2,248,884	2,291,972
Total Current Assets	3,184,859	3,109,342
NON-CURRENT ASSETS		
Capital Assets:		
Land & Construction in Progress	5,733,461	5,150,668
Other Capital Assets (net of accumulated depreciation)	7,666,237	8,033,147
Total Non-Current Assets	13,399,698	13,183,815
TOTAL ASSETS	16,584,557	16,293,157
DEFERRED OUTFLOWS OF RESOURCES		
CERS - Pension	127,782	165,973
CERS - Pension Contributions	108,322	112,846
CERS - OPEB	96,402	81,914
CERS - OPEB Contributions	7,687	7,252
Discount on Debt Refunding	21,425	24,921
TOTAL DEFERRED OUTFLOWS OF RESOURCES	361,618	392,906
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable - Trade	95,956	310,039
Accrued & Withheld Taxes	46,065	40,889
Customer Deposits	114,387	100,567
Liabilities Payable from Restricted Assets:		
Interest Payable	7,433	7,134
Current Portion - Notes Payable & Revenue Bonds	315,814	336,424
Total Current Liabilities	579,655	795,053
NON-CURRENT LIABILITIES		
Long-Term Liabilities (Excluding Current Portion):		
Net Pension Liability	918,102	920,985
Net OPEB Liability	15,856	(26,667)
Non-Current Portion - Notes Payable	1,874,800	1,998,845
Non-Current Portion - Revenue Bonds	749,000	949,000
Total Non-Current Liabilities	3,557,758	3,842,163
TOTAL LIABILITIES	4,137,413	4,637,216
DEFERRED INFLOWS OF RESOURCES		
CERS - OPEB	233,169	348,496
CERS - Pension	125,687	229,006
Premium on Debt Refunding	137,661	143,397
TOTAL DEFERRED INFLOWS OF RESOURCES	496,517	720,899
NET POSITION		
Invested in Capital Assets, Net of Related Debt	12,450,698	11,994,815
Restricted	2,248,884	2,291,972
Unrestricted	(2,387,337)	(2,958,839)
TOTAL NET POSITION	$12,312,245	$11,327,948

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Charges for Services	$ 3,027,018	$ 2,925,895
Service Charges and Other	148,716	129,627
Total Operating Revenues	3,175,734	3,055,522
OPERATING EXPENSES		
Contractual Services	134,366	62,296
Supplies & Materials	129,443	286,169
Depreciation & Amortization	377,234	371,371
Personal Service	736,923	566,319
Operational	1,500,342	1,541,002
Total Operating Expenses	2,878,308	2,827,157
OPERATING INCOME (LOSS)	297,426	228,365
NON-OPERATING REVENUES (EXPENSES)		
Interest Income	110,469	130,075
Interest Expenses and Fiscal Charges	(90,119)	(112,985)
Gain on Disposal of Asset	-	12,600
Other income	22,328	22,431
Total Non-operating Revenues (Expenses)	42,678	52,121
INCOME (LOSS) BEFORE GRANTS & CAPITAL CONTRIBUTIONS	340,104	280,486
Grants	574,493	1,766,647
Capital Contributions	69,700	85,250
CHANGE IN NET POSITION	984,297	2,132,383
NET POSITION		
Beginning of Year	11,327,948	9,195,565
End of Year	$ 12,312,245	$ 11,327,948

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received From Customers	$ 3,186,106	$ 3,002,686
Cash Payments to Employees for Services	(888,696)	(861,319)
Cash Payments to Suppliers for Goods & Services	(2,026,093)	(1,703,255)
Net Customer Deposits Received and Returned	13,820	5,520
Net Cash Provided (Used) By Operating Activities	285,137	443,632
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Principal Paid on Debt	(344,656)	(311,270)
Proceeds from Debt		23,696
Interest Paid on Debt	(86,324)	(107,553)
Acquisition of Capital Assets and Construction in Progress	(593,117)	(1,868,769)
Proceeds from Disposal of Capital Assets	-	12,600
Contributed Capital	69,700	85,250
Capital Grants	574,493	1,766,647
Net Cash Provided (Used) By Financing Acitivities	(379,904)	(399,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Other Income	22,328	22,431
Interest	103,480	110,234
Net Cash Provided (Used) From Investing Activities	125,808	132,665
Net Increase (Decrease) In Cash and Cash Equivalents	31,041	176,898
Cash and Cash Equivalents - Beginning of Year	2,475,338	2,298,440
Cash and Cash Equivalents - End of Year	$ 2,506,379	$ 2,475,338
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION		
Cash and Cash Equivalents	$ 257,495	$ 183,366
Restricted Cash and Cash Equivalents	2,248,884	2,291,972
TOTAL CASH AND CASH EQUIVALENTS	$ 2,506,379	$ 2,475,338

See accompanying notes to the financial statements.

GREEN-TAYLOR WATER DISTRICT
STATEMENTS OF CASH FLOWS (CONTINUED)
Years Ended December 31, 2025 and 2024

	2025	2024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES		
Operating Income/(Loss)	$ 297,426	$ 228,365
ADJUSTMENT TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) FOR OPERATING ACTIVITIES		
Depreciation and Amortization	377,234	371,371
Change in Assets & Liabilities		
(Increase) Decrease in Accounts Receivable	10,372	(52,836)
(Increase) Decrease in Inventory	(45,554)	13,300
(Increase) Decrease in Prepaid Expenses	(2,305)	(157)
(Increase) Decrease in Deferred Outflows	27,792	(13,739)
Increase (Decrease) in Accounts Payable	(214,083)	173,070
Increase (Decrease) in Accrued and Withheld Taxes	5,176	3,500
Increase (Decrease) in Customer Deposits	13,820	5,520
Increase (Decrease) in Net Pension Liability	(2,883)	26,331
Increase (Decrease) in Net OPEB Liability	42,523	(7,416)
Increase (Decrease) in Deferred Inflows	(224,381)	(303,677)
Total Reconciling Adjustments	(12,289)	215,267
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 285,137	$ 443,632

See accompanying notes to the financial statements.

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 eternal users for goods or services and the activity in 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 exchanges 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, 2025 and 2024, the allowance for doubtful accounts was $288,316 and $299,522 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 reports 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.

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:

	2025	2024
Unrestricted:		
Cash	$ 257,495	$ 183,366
Total Unrestricted	257,495	183,366
Restricted:		
Cash	373,884	416,972
U. S. Treasury	-	-
	373,884	416,972
Certificates of Deposit and Savings	1,875,000	1,875,000
Total Restricted	2,248,884	2,291,972
Total Cash and Cash Equivalents	$2,506,379	$2,475,338

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.

NOTE 3: CASH AND CASH EQUIVALENTS - CONTINUED

	BANK AMOUNT	
	2025	2024
Insured (FDIC) or Collateral Held by Pledging Bank's Securities in District's name	$ 3,837,857	$ 2,942,918
Uninsured or Uncollateralized	-	-
Total (Memorandum Only)	$ 3,837,857	$ 2,942,918

The carrying amounts of the District's deposits at December 31, 2025 and 2024 were $2,506,379 and $2,475,338, respectively and the bank balances were $2,548,986 and $2,422,870 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, 2025 and 2024 was as follows:

	Balance 12/31/24	Additions	Deletions	Balance 12/31/25
Capital Assets Not Being Depreciated:				
Land and Land Rights	$ 50,235	$ -	$ -	$ 50,235
Contruction in Progress	5,100,433	582,793	-	5,683,226
Total Capital Assets Not Being Depreciated	5,150,668	582,793	-	5,733,461
Capital Assets Being Depreciated:				
Buildings	179,495	-	-	179,495
Utility Plant	15,532,180	-	-	15,532,180
Service Equipment	689,582	2,246	-	691,828
Office Furniture and Equipment	63,137	8,078	-	71,215
Total Capital Assets Being Depreciated	$ 16,464,394	$ 10,324	$ -	$ 16,474,718
Accumulated Depreication				
Buildings	$ 130,304	$ 4,110	$ -	$ 134,414
Utility Plant	8,189,434	355,652	-	8,545,086
Service Equipment	47,630	15,841	-	63,471
Office Furniture and Equipment	63,879	1,631	-	65,510
Total Accumulated Depreciation	8,431,247	377,234	-	8,808,481
Total Capital Assets Being Depreciated, Net	8,033,147	(366,910)	-	7,666,237
Total Capital Assets, Net	$ 13,183,815	$ 215,883	$ -	$ 13,399,698

The District's depreciation expense for the year ended December 31, 2025 was $377,234.

NOTE 4: CAPITAL ASSETS - CONTINUED

	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	$ 16,449,370	$ 31,500	$ 16,476	$ 16,464,394
Accumulated Depreication				
Buildings	$ 126,255	$ 4,049	$ -	$ 130,304
Utility Plant	7,839,090	350,344	-	8,189,434
Service Equipment	48,552	15,554	16,476	47,630
Office Furniture and Equipment	62,455	1,424	-	63,879
Total Accumulated Depreciation	8,076,352	371,371	16,476	8,431,247
Total Capital Assets Being Depreciated, Net	8,373,018	(339,871)	-	8,033,147
Total Capital Assets, Net	$ 11,686,417	$ 1,497,398	$ -	$ 13,183,815

NOTE 5: LONG-TERM OBLIGATIONS

Revenue Bonds with principal payments are detailed as follows:

	2025	2024
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.	$ 949,000	$ 1,189,000
Kentucky Infrastructure Authority Loan, F18-005, original amount $1,726,606, maturing June 1, 2042, with interest payments due semi-annualy June and December, at a rate of 1.75%	1,461,009	1,616,939
Kentucky Infrastructure Authority Loan, F19-018, original amount $564,600, maturing June 1, 2042, with interest payments due semi-annualy June and December, at a rate of 2.00%	529,605	553,051
Total Debt	2,939,614	3,358,990
Payments Due in Less Than One Year	315,814	336,424
Total Long-Term Obligations	$ 2,623,800	$ 3,022,566

NOTE 5: LONG-TERM OBLIGATIONS – CONTINUED

The annual requirements to amortize all bonded debt outstanding as of December 31, 2025 are as follows:

	Principal	Interest	Total
2026	$ 315,814	$ 67,452	$ 383,266
2027	164,973	59,036	224,009
2028	166,797	54,288	221,085
2029	173,654	49,731	223,385
2030	180,545	44,939	225,484
2031-2035	872,323	153,748	1,026,071
2036-2040	720,071	71,773	791,844
2041-2045	345,437	7,933	353,370
	$ 2,939,614	$ 508,900	$3,448,514

Long-Term liability activity for the year ended December 31, 2025, was as follows:

	12/31/2024 Balance	Additions	Reductions	12/31/2025 Balance	Due in One Year
Revenue Bonds	$ 1,189,000	$ -	$ 240,000	$ 949,000	$ 200,000
Net Pension Liability	920,985	-	2,883	918,102	-
Net OPEB Liability	(26,667)	42,523	-	15,856	-
Notes Payable	2,095,269	-	104,656	1,990,613	115,814
	$ 4,178,587	$ 42,523	$ 347,539	$ 3,873,571	$ 315,814

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/.

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, 2025, 2024, and 2023 was $100,900, $88,118, and $71,815 from the District and $26,294, $24,728, and $22,895 from employees. The total covered payroll for CERS during the years ended December 31, 2025, 2024, and 2023 was $549,580, $509,043, and $457,874.

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

At December 31, 2025, the District reported a liability of $918,102 for its proportionate share of the net pension liability for CERS. The net pension liability for each plan was measured as of June 30, 2025, 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, 2025, the District's proportion was 0.016499 percent.

NOTE 7: PENSION PLAN - CONTINUED

For the year ended December 31, 2025, the District recognized pension expense of 40,310. At December 31, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 30,437	$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	33,882	125,684
Changes in proportion and differences between District contributions and proportionate share of contributions	63,463	-
District contributions subsequent to the measurement date	108,322	-
Total	$ 236,104	$ 125,684

$108,322 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, 2026. 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:	
2026	63,705
2027	(16,085)
2028	(29,832)
2029	(15,694)
2030	-
Thereafter	-

Actuarial assumptions—the total pension liability in the June 30, 2025 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.

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	1,213,792	918,102	674,150

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/.

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, 2025, the District reported a liability of $15,856 for its proportionate share of the net OPEB liability for CERS. The net OPEB liability for the plan was measured as of June 30, 2025, 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, 2025, the District's proportion was 0.016509 percent.

For the year ended December 31, 2025, the Company recognized OPEB expense of ($79,606). At December 31, 2025, the Company reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 51,426	$ 136,313
Changes of assumptions	10,575	9,079
Net difference between projected and actual earnings on pension plan investments	12,551	48,460
Changes in proportion and differences between Company contributions and proportionate share of contributions	21,850	39,317
Company contributions subsequent to the measurement date	7,687	-
Total	$ 104,089	$ 233,169

NOTE 8: POST EMPLOYMENT BENEFIT PLAN - CONTINUED

Of the total amount reported as deferred outflows of resources related to OPEB, $7,687 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, 2026. 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:	
2026	(86,877)
2027	(61,410)
2028	8,064
2029	3,456
2030	-
Thereafter	-

Actuarial assumptions – The total OPEB liability in the June 30, 2025 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.

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 6.26% 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	5.26%	6.26%	7.26%
District's proportionate share of net OPEB liability	95,139	15,856	(50,873)

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:

	1% Decrease	Current Trend Rate	1% Increase
CERS	5.26%	6.26%	7.26%
District's proportionate share of net OPEB liability	(36,642)	15,856	77,312

NOTE 9: SUBSEQUENT EVENT

The District's management has evaluated subsequent events through June 2, 2026, the date the financial statements were available to be issued.

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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, 2025

	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
OPERATING REVENUES			
Charges for Services	$ 3,039,188	$ 3,027,018	$ (12,170)
Service Charges and Other	150,056	148,716	(1,340)
Total Operating Revenues	3,189,244	3,175,734	(13,510)
OPERATING EXPENSES			
Contractual Services	255,258	134,365	120,893
Supplies & Materials	226,023	129,442	96,581
Depreciation & Amortization	341,081	377,234	(36,153)
Personal Service	912,572	736,923	175,649
Operational	1,447,912	1,500,342	(52,430)
Total Operating Expenses	3,182,846	2,878,306	304,540
OPERATING INCOME (LOSS)	6,398	297,428	291,030
NON-OPERATING REVENUES (EXPENSES)			
Interest Income	103,556	110,469	6,913
Interest Expenses and Fiscal Charges	(73,459)	(90,119)	(16,660)
Miscellaneous Non-Utility Expense	-	-	-
Other Income	19,824	35,031	15,207
Total Non-operating Revenues (Expenses)	49,921	55,381	5,460
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	56,319	352,809	296,490
Grants	140,455	574,493	434,038
Capital Contributions	85,750	69,700	(16,050)
CHANGE IN NET POSITION	142,069	997,002	854,933
NET POSITION			
Beginning of Year	-	11,327,948	11,327,948
End of Year	$ -	$ 12,324,950	$ 12,182,881

GREEN-TAYLOR WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE CERS NET PENSION LIABILITY
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability (asset)	0.016499%	0.015400%	0.013943%	0.016973%	0.021288%	0.021617%	0.021808%	0.019834%	0.016529%	0.018440%
District's proportionate share of the net pension liability (asset)	918,102	920,985	894,654	1,226,980	1,357,277	1,658,006	1,533,766	1,207,951	967,493	908,107
District's covered-employee payroll	549,580	509,043	457,874	486,516	524,936	544,405	564,084	523,566	434,294	422,789
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	167.06%	180.92%	195.39%	252.20%	258.56%	304.55%	271.90%	230.72%	222.77%	214.79%
Plan fiduciary net position as a percentage of the total pension liability	65.34%	61.61%	57.48%	52.42%	57.33%	47.81%	50.45%	53.54%	53.30%	55.50%

GREEN-TAYLOR WATER DISTRICT
SCHEDULE OF CONTRIBUTIONS TO CERS
December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	$ 108,322	$ 112,846	$ 94,709	$ 106,914	$ 104,942	$ 106,867	$ 89,223	$ 71,182	$ 56,141	$ 55,093
Contributions in relation to the contractually required contribution	(108,322)	(112,846)	(94,709)	(106,914)	(104,942)	(106,867)	(89,223)	(71,182)	(56,141)	(55,093)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 549,580	$ 509,043	$ 457,874	$ 486,516	$ 524,936	$ 544,405	$ 564,084	$ 523,566	$ 434,294	$ 422,789
Contributions as a percentage of covered-employee payroll	19.71%	22.17%	20.68%	21.98%	19.99%	19.63%	15.82%	13.60%	12.93%	13.03%

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 if 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, 2025

	2025	2024	2023	2022	2021	2020	2019
District's proportion of the net OPEB liability (asset)	0.016509%	0.015416%	0.013943%	0.016970%	0.021283%	0.021611%	0.021802%
District's proportionate share of the net OPEB liability (asset)	$ 15,856	$ (26,667)	$ (19,251)	$ 344,905	$ 407,452	$ 521,840	$ 366,700
District's covered-employee payroll	$ 549,580	$ 509,043	$ 457,874	$ 486,516	$ 524,936	$ 544,405	$ 564,084
District's proportionate share of the net OPEB liability (asset) as a percentage of it covered-employee payroll	2.89%	-5.24%	-4.20%	70.89%	77.62%	95.86%	65.01%
Plan fiduciary net position as a percentage of the total OPEB liability	97.66%	104.89%	104.23%	60.95%	62.91%	51.67%	60.44%

GREEN-TAYLOR WATER DISTRICT

SCHEDULE OF CONTRIBUTIONS TO CERS - OPEB

December 31, 2025

	2025	2024	2023	2022	2021	2020	2019
Contractually required contribution	$ 7,687	$ 7,252	$ 19,996	$ 30,404	$ 37,929	$ 37,217	$ 35,311
Contributions in relation to the contractually required contribution	(7,687)	(7,252)	(19,996)	(30,404)	(37,929)	(37,217)	(35,311)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
District's covered-employee payroll	$ 549,580	$ 509,043	$ 457,874	$ 486,516	$ 524,936	$ 544,405	$ 564,084
Contributions as a percentage of covered-employee payroll	1.40%	1.42%	4.37%	6.25%	7.23%	6.84%	6.26%

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, 2025.

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 basae cost and is projected forward using only the health care trend assumption (no implicit rate subsidy is recognized).

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, 2025 and 2024, 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 2, 2026.

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

June 2, 2026