



GERALD WUETCHER
DIRECT DIAL: (859) 231-3017
DIRECT FAX: (859) 259-3517
gerald.wuetcher@skofirm.com

300 WEST VINE STREET
SUITE 2100
LEXINGTON, KY 40507-1801
MAIN: (859) 231-3000
FAX: (859) 253-1093

December 29, 2025

Ms. Linda C. Bridwell, P.E.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615
Email: psced@ky.gov

Re: *Mountain Water District*

Dear Ms. Bridwell:

It has come to Mountain Water District's attention that the Public Service Commission has not received a copy of the reports of the District's auditors on the District's financial statements for the years 2021 through 2024. Enclosed is a copy of each report.

Sincerely,

Stoll Keenon Ogden PLLC

A handwritten signature in blue ink, reading "Gerald E. Wuetcher".

Gerald E. Wuetcher

Enclosures

Cc: Tammy Olson
 PSC-Filings Branch

MOUNTAIN WATER DISTRICT

REPORT OF AUDIT

DECEMBER 31, 2024

- CONTENTS -

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 6
FINANCIAL STATEMENTS:	
STATEMENTS OF FINANCIAL POSITION – PROPRIETARY FUND	7 – 8
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – PROPRIETARY FUND	9 – 10
STATEMENTS OF CASH FLOWS – PROPRIETARY FUND	11 – 12
NOTES TO THE FINANCIAL STATEMENTS	13– 38
INDEPENDENT AUDITORS'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <u>GOVERNMENT AUDITING STANDARDS</u>	39 – 40
REQUIRED SUPPLEMENTARY INFORMATION	41

RICHARD F. PAULMANN, CPA, LLC
301 MOUNT MERCY ROAD
PEWEE VALLEY, KY 40056
PH: (502) 550-1568
EMAIL: RPAULMANN@TWC.COM

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Mountain Water District
Pikeville, Kentucky

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities, of the Mountain Water District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Mountain Water 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Mountain Water 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 accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Mountain Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of 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 Mountain 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 Mountain 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 and budgetary comparison information on pages 3-5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 August 19, 2025, on our consideration of the Mountain Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Mountain Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mountain Water District's internal control over financial reporting and compliance.

The financial statements for the year ended December 31, 2023 are being presented for comparison purposes only.

Richard F. Paulmann, CPA, LLC



Pewee Valley, KY
August 19, 2025

MOUNTAIN WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024

Our discussion and analysis of the Mountain Water (the District) financial performance provides an overview of the District's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the accompanying basic financial statements. It is our intent that this discussion provide all parties interested in the District's financial condition, especially the users of the facilities, a better understanding of the District's operations and financial status.

The District reports its financial statements in a required model format issued by the Governmental Accounting Standards Board.

Financial Highlights

- Net assets increased this year by \$253,081.
- Gain from pension was \$873,182 because fund won lawsuit against brokers.
- from operating activities and before capital contributions.

- The District's total long-term debt decreased by \$1,104,086 from the prior year.

- The District acquired several vehicles through financing.

- The District was able to make the following purchases:
 1. Significant water and sewer line extensions to the outlying areas of Pike County.
 2. Assorted new equipment for treatment plant and distribution system to facilitate daily operations.

Overview of the Financial Statements

The District's basic financial statements include: (1) fund financial statements, and (2) notes to the financial statements. These financial statements present information about business-type activities, which consists principally of the fees the District charges its users to cover all or most of the cost of the services it provides.

Fund Financial Statements

The fund financial statements provide detailed information about the proprietary fund. When the District charges customers for services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds.

MOUNTAIN WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the fund financial statements. The notes to the financial statements begin immediately following the basic financial statements.

Reporting on the District as a Whole

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of this year's activities?" The Statements of Financial Position and the Statement of Revenue, Expenses and Changes in Fund Net Assets report information about the District as a whole and about its activities in a way that helps answer this question.

Our discussion begins with an analysis of overall revenues and expenses and their treatment. A majority of the District's revenue is received from charges for services.

The District's total revenues increased from a year ago by \$2,194,065 (20%). The increase was the result of steps allowed by the Public Service Commission. Total cost of all programs and services (including depreciation) increased by \$509,910 (4%). Interest expense decreased by \$50,914, due to debt being steady. This trend is expected to remain approximately the same through the next fiscal year end.

Financial Analysis of the District's Proprietary Fund

At year-end, the District's proprietary fund reported total net assets of \$65,636,691, which is an increase of \$253,081 from last year.

Capital Assets

As noted above, the District was able to make several capital asset purchases without significant additional debt.

Debt/Advances in Construction

At year-end, the District had various bond/notes payables to various lenders with a combined remaining principal balance of \$22,679,249 to be paid from utility revenues.

As of December 31, 2024, the District received advances for construction towards projects not completed in the amount of \$3,657,958. During 2024, various construction projects were completed allowing the advances for construction from the prior year in the amount of \$727,478 to be transferred to capital contributions from government grants.

MANAGEMENT'S DISCUSSION AND ANALYSIS
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(CONTINUED)

Contacting the District's Financial Management

This financial report is designed to provide our customers, creditors, and other users with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Treasurer, at the Mountain Water District, P. O. Box 3157, Pikeville, KY 41502, telephone number (606) 631-9162.

The **Kentucky County Employees Retirement System (CERS)** has recently won a lawsuit against brokers, resulting in a settlement that includes the return of **\$145 million** currently frozen in the Daniel Boone Fund due to an injunction imposed by the court. This settlement addresses various lawsuits related to the management of CERS funds, ensuring that the funds are managed in accordance with Kentucky law.

MOUNTAIN WATER DISTRICT
STATEMENT OF NET POSITION
, December 31, 2024
(with prior year data for comparison purposes only)

	2024	2023
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$ 299,811	\$ 107,399
Accounts Receivable (Net of Allowance for Delinquencies of \$44,000 in 2024 and \$40,000 in 2023)	1,824,302	1,381,378
Prepaid Expenses	-	
Inventory	237,710	530,468
TOTAL CURENT ASSETS	2,361,823	2,019,245
<u>NONCURRENT ASSETS</u>		
Restricted Cash		
Cash-Depreciation Reserve	917,696	883,618
Cash-Construction	331,778	460,151
Cash-Customer Deposits	479,177	439,096
Cash-Recycling Account	4,524	3,566
Cash-O & M Reserve	365,393	37,187
Cash-Wastewater Operation and Maintenance Reserve	925,653	891,701
Cash-Sinking Fund	639,163	620,340
TOTAL RESTRICTED CASH	3,663,384	3,335,659
Capital Assets		
Supply & Pumping	6,106,118	5,713,544
Water Treatment Equipment	10,557,066	10,216,355
Transmission & Distributiion	97,818,605	97,320,083
General Plant	6,840,780	6,635,732
Land and Land Rights	626,678	615,498
Sewer Utility Plant	47,387,862	47,353,797
Sewer General Plant	973,548	973,548
Total Capital Assets	170,310,657	168,828,557
Less: Accumulated Depreciation	(87,104,588)	(82,993,413)
Net Capital Assets	83,206,069	85,835,144
Construction in Progress	3,819,686	2,988,870
OTHER ASSETS		
Deposit on Leased Vehicles	625	625
FEMA receivable	859	859
Other Receivables	961	16,508
TOTAL OTHER ASSETS	2,445	17,992
TOTAL NONCURRENT ASSETS	90,691,584	92,177,665
TOTAL ASSETS	\$ 93,053,407	\$ 94,196,910
<u>DEFERRED OUT FLOW OF RESOURCES</u>		
Deferred Pension Contributions	\$ 658,343	\$ 596,115
Deferred OPEB	381,925	\$ 1,018,572
TOTAL OUT FLOW RESOURCES	\$ 1,040,268	\$ 1,614,687

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
STATEMENT OF NET POSITION (CONTINUED)
December 31, 2024
(with prior year data for comparison purposes only)

	<u>2024</u>	<u>2023</u>
<u>LIABILITIES</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable Trade	\$ 626,722	\$ 962,543
Other Accrued Liabilities	182,464	158,579
Accrued Interest	155,195	164,210
Customer Deposits	684,127	594,060
Line of Credit		123,801
Bonds Payable, Current	459,600	431,200
Notes Payable and Capital Leases, Current	<u>620,513</u>	<u>566,449</u>
TOTAL CURRENT LIABILITIES	2,728,621	3,000,842
<u>LONG-TERM LIABILITIES</u>		
Bonds Payable, Long-Term	11,419,900	11,890,000
KRWF	351,356	370,876
Net Pension Liability	4,955,977	5,310,431
Net OPEB Liability	(143,489)	(114,261)
Leases, Long-Term	2,855,464	3,552,394
Advances For Construction	3,657,958	2,891,348
Less - Deferred Financing Cost	<u>(50,158)</u>	<u>(53,598)</u>
TOTAL LONG-TERM LIABILITIES	23,047,008	23,847,190
<u>TOTAL LIABILITIES</u>	<u>25,775,629</u>	<u>26,848,032</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred Pension Investment Earnings	894,836	1,237,749
Deferred OPEB	<u>1,533,438</u>	<u>2,089,125</u>
	<u><u>2,428,274</u></u>	<u><u>3,326,874</u></u>
<u>NET POSITION</u>		
Invested in Capital Assets, Net of Related Debt	71,720,436	72,013,095
Restricted for:		
Construction	331,778	460,151
Depreciation, Maintenance and Replacement- Capital Assets	2,208,742	1,812,506
Customer Deposits	(204,950)	(154,964)
Sinking Fund	639,163	620,340
Unrestricted (Deficit)	<u>(8,805,397)</u>	<u>(9,114,437)</u>
<u>TOTAL NET POSITION</u>	<u>65,889,772</u>	<u>65,636,691</u>

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2024
(with prior year data for comparison purposes only)

	<u>2024</u>	<u>2023</u>
<u>OPERATING REVENUE</u>		
Metered Sales-Residential	\$8,054,368	\$6,527,527
Metered Sales-Commercial	850,781	940,304
Sewage Revenue	2,362,512	2,036,550
Metered Sales-Multi-Family	363,862	311,106
Metered Sales-Public Authorities	481,158	491,056
Surcharge Revenue	334,649	-
Other Water Service Revenue	287,312	218,811
Service Connection Fees	55,109	142,059
Metered Sales-Industrial	88,316	56,552
Fire Protection Revenue	<u>1,463</u>	<u>1,500</u>
<u>TOTAL OPERATING REVENUE</u>	12,919,530	10,725,465
<u>OPERATING EXPENSES</u>		
Depreciation	4,314,896	4,330,620
Water Purchased	1,080,266	1,106,938
Material and Supplies	1,340,928	1,118,552
Wages	2,594,560	2,525,183
Contract Service-Accounting	76,189	72,395
Education, Dues and Meetings	47,209	33,888
Employee Benefits	797,171	592,642
Contract Service-Legal Engineering	121,844	338,307
Easements	-	6,205
PSC Tax Assessment	17,010	14,103
Payroll Taxes	205,771	168,258
Retirement Expense	281,875	591,027
Settlement Fees	4,800	8,422
Sewage fees	60,854	53,895
Repairs and Maintenance	1,257,593	820,414
Utilities	1,515,674	1,378,087
Telephone Expense	65,418	55,252
Insurance	152,677	197,418
Advertising	3,268	16,487
Amortization Expense	<u>3,440</u>	<u>3,440</u>
<u>TOTAL OPERATING EXPENSE</u>	<u>13,941,443</u>	<u>13,431,533</u>
<u>OPERATING LOSS</u>	<u>(1,021,913)</u>	<u>(2,706,068)</u>
<u>NON-OPERATING REVENUE (EXPENSES)</u>		
Gain On Sale of Assets	2,053	26,450
Interest Income	111,835	74,515
Interest Expense	(403,858)	(454,772)
Bond Issue Cost		
Rate Study	<u>(18,282)</u>	<u>(151,638)</u>
<u>TOTAL NON-OPERATING REVENUE (EXPENSES)</u>	<u>(308,252)</u>	<u>(505,445)</u>
<u>LOSS BEFORE CAPITAL CONTRIBUTIONS AND OTHER CHANGES IN NET POSITION</u>	<u>(\$1,330,165)</u>	<u>(\$3,211,513)</u>

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2024
(with prior year data for comparison purposes only)

	<u>2024</u>	<u>2023</u>
<u>CAPITAL CONTRIBUTIONS AND OTHER CHANGES</u>		
<u>IN NET ASSETS</u>		
Capital Contributions from:		
Gain from Pension	873,182	
Government and State Grants	564,823	\$160,186
Customers through Tap-on Fees	<u>145,241</u>	
<u>TOTAL CAPITAL CONTRIBUTIONS AND</u>		
<u>OTHER CHANGES IN NET POSITION</u>	<u>1,583,246</u>	<u>160,186</u>
<u>CHANGE IN NET POSITION</u>	<u>253,081</u>	<u>(3,051,327)</u>
<u>NET POSITION, BEGINNING OF YEAR</u>	<u>65,636,691</u>	<u>68,688,018</u>
SEE NOTE 3		
<u>NET POSITION, END OF YEAR</u>	<u>\$ 65,889,772</u>	<u>\$ 65,636,691</u>

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(with prior year data for comparison purposes only)

	<u>2024</u>	<u>2023</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from Customers	\$12,923,530	\$10,712,079
Payment to Suppliers	(8,234,775)	(7,424,044)
Payment to Employees	<u>(2,388,789)</u>	<u>(2,873,981)</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>2,299,966</u>	<u>414,054</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>		
Increase		
Customer Deposits	<u>52,081</u>	<u>61,498</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds From Tap-On Fees	145,241	-
Payments for rate increase	(18,282)	(151,638)
Government Grants	564,823	160,186
Advances for Construction	766,610	2,505,196
Purchases of Equipment	(1,141,390)	(671,360)
Construction in Progress	(830,816)	(1,255,179)
Loan and LOC Proceeds	148,882	745,380
Principal Payments	(1,174,955)	(1,198,564)
Interest Payments	(403,858)	(454,772)
Proceeds from Sale of Vehicles	<u>-</u>	<u>-</u>
<u>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>(1,943,745)</u>	<u>(320,751)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest Income	<u>111,835</u>	<u>75,515</u>
<u>NET INCREASE IN CASH AND EQUIVALENTS AND RESTRICTED CASH</u>	<u>520,137</u>	<u>230,316</u>
<u>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</u>	3,443,058	3,212,742
<u>CASH AND CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</u>	<u>\$ 3,963,195</u>	<u>\$ 3,443,058</u>
Cash and Cash Equivalents	\$ 299,811	\$ 107,399
Total Restricted Cash	<u>\$ 3,663,384</u>	<u>\$ 3,335,659</u>
Combined	<u><u>3,963,195</u></u>	<u><u>3,443,058</u></u>

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

"Continued"

(with prior year data for comparison purposes only)

	<u>2024</u>	<u>2023</u>
<u>RECONCILIATION OF OPERATING LOSS</u>		
<u>TO NET CASH PROVIDED BY</u>		
<u>OPERATING ACTIVITIES</u>		
Operating Loss	\$ (1,021,913)	\$ (2,706,068)
Adjustments to Reconcile Operating Loss to Net Cash Provided by Operating Activities		
Depreciation	4,314,896	4,330,620
Amortization	3,440	3,440
Increase (Decrease) in Provision for Uncollectible Accounts	4,000	-
Decrease (Increase) In:		
Customer Accounts Receivable	(442,924)	(13,386)
Other Accounts Receivable	-	-
Prepaid Expenses	-	18,727
Net Pension adjustment	(759,595)	(134,889)
Net OPEB adjustment	110,188	(1,233,488)
Inventory	322,758	(104,818)
Increase (Decrease) In:		
Accounts Payable Trade	(311,936)	307,830
Other Accrued Liabilities	81,052	(53,914)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,299,966</u>	<u>\$ 414,054</u>
NON-CASH CAPITAL AND RELATED FINANCINGS ACTIVITIES		
During the period the District purchased Vehicles in exchange for long term debt.	<u>\$ 148,882</u>	<u>\$ 177,989</u>
During the period the District completed certain construction projects that were transferred to capital assets.	<u>\$ 727,478</u>	<u>\$ 1,436,268</u>
Gain on Sale of Assets	<u>\$ -</u>	<u>\$ -</u>

See Accompanying notes to the basic financial statements

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Mountain Water District ("the District") conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the more significant policies:

A. Organization

Mountain Water District is a political subdivision of the Pike County Fiscal Court, organized under chapter 74 of the Kentucky Revised Statutes. It was formed from a merger of four existing water districts-Marrowbone Water District, Shelby Valley Water District, Pond Creek Water District, and John's Creek Water District- on June 30, 1986 and at that time assumed all assets and liabilities of the existing water districts.

The territorial limits of Mountain Water District, set by the Pike County Judge/Executive on January 20, 1987, are all of Pike County except; (1) the territory of that portion of the Sandy Valley Water District located in Pike County (2) the water services area of the City of Pikeville, and (3) special financing relationships.

B. Reporting Entity

The District is the basic level of government which has financial accountability and control over all activities related to the District. The District is not included in any other governmental "reporting entity" as defined by GASB pronouncement. The Board of Commissioners have decision making authority, the power to designate management, the ability to influence operations, and the primary accountability for fiscal matters. There are no component units as defined in GASB Statement 14 and 61 which are included in the District's reporting entity.

C. Basis of Presentation-Funds Accounting

The accounts of the District are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate.

Proprietary Funds/Enterprises Funds

Proprietary funds and Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises-where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for accountability, capital maintenance, public policy, management control, or other purposes.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. 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.

E. Basis of Accounting

All proprietary funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when obligations are incurred.

F. Encumbrance Accounting

The District does not use encumbrance accounting. Since effective budgetary control and accountability and cash planning and control can be facilitated without encumbrance accounting, this is not considered departure from generally accepted accounting principles. There were no unperformed contracts in process at year end which otherwise might have resulted in the need to encumber estimated expenditures.

G. Customer Accounts Receivable

Customer accounts receivable are stated at face value, less allowance for uncollectible accounts. Changes in the allowance are charged to operating expenses.

H. Capital Assets

Capital Assets, which included property, plant and equipment, are reported in the fund financial statements at historical cost.

Depreciation is recorded as an allocated expense in the Statement of Revenues, Expenses and Changes in Fund Net Position with accumulated depreciation reflected in the Statement of Financial Position. Depreciation is computed using straight-line method over the estimated useful lives of the related assets. Estimated useful lives range from 3 to 40 years.

Capital additions improvements and major renewals are capitalized, whereas maintenance, repairs and minor renewals are charged to expenses when they are incurred. In the case of disposals, the assets and related reserves are removed from the accounts and the net amount less any proceeds from disposals, is charged or credited to revenues. Most construction in progress is not capitalized until water runs through the lines.

I. Bad Debts

Bad debts are recognized using the reserve method of accounting for uncollectible accounts.

J. Inventory

Inventory is valued at lower of cost or net realizable value on a First-In, First-Out Basis. December 31, 2024 and 2023 inventory balances were \$237,710 and \$530,468 respectively.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Cash and Cash Equivalents

For purpose of the statement of cash flows, the District considered all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

As of December 31, 2024, cash and cash equivalents restricted cash consisted of the following:

	2024	2023
Petty Cash	\$ 320	320
Cash in Bank	299,491	107,399
Restricted Cash	<u>3,782,091</u>	<u>3,335,659</u>
Total	<u>\$ 4,081,902</u>	<u>\$3,443,378</u>

L. Investment Policy

The District's policy is to invest available funds in the following:

1. Obligations of the U.S. and its agencies and Instrumentalities.
2. Obligations and contract for future delivery of purchases of obligations backed by the full faith and credit of the U.S. or a U.S. Government agency, including but not limited to"
 - a) United States Treasury
 - b) Export-Import Bank of the United States.
 - c) USDA-Rural Development
 - d) Government National Mortgage Corporation, and
 - e) Merchant Marine Bonds
3. Obligations of any corporation of the U.S. Government.
4. Certificate of Deposit issued by other interest bearing accounts of any bank or savings and loan institutions which are issued by the Federal Deposit Insurance Corporation or similar entity of which are collateralized, to the extent uninsured, by any obligation permitted by section 41.240(4) of the Kentucky revised statutes.
5. Uncollateralized certificates of deposits issued by any bank or savings and loans institution rated in one of the three highest categories by a national recognized rating agency.
6. Bankers' Acceptance for banks rated in one of three highest categories by a nationally recognized rating agency.
7. Commercial paper rated in the highest categories by a nationally recognized rated agency.
8. Bonds or certified of indebtedness of the Commonwealth of Kentucky and of its agencies or instrumentalities.
9. Securities issued by a state or local government, or any instrumentality or agency thereof, in the U.S. , and rated in one the three highest categories by a nationally recognized rating agency.
10. Shares of mutual funds, which contain certain characteristics.

Limits on investments transactions are limited in amount in one category to 20% of the total funds invested and no investment shall be purchased on a margin basis.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment policy continued

The District is currently invested only in interest bearing accounts of local federal insured financial institutions, including interest bearing checking accounts and certificates.

M. Leave Policy-Vacation/Leave Policy-Sick Leave

The District allows full-time employees to accrue vacation leave as follows: (a) ten (10) days during the first year of employment. Employees can accrue vacation time up to a maximum of twice the annual entitlement. If an accrual of twice the annual vacation entitlement is attained, additional vacation days do not accrue. Upon termination of employment, an employee shall be paid for all accrued vacation leave.

Employees shall accrue sick leave at the rate of ten (10) days per year. Employees can accrue sick leave up to a maximum of 160 hours, after the maximum is obtained no additional sick leave is accrued. Upon termination, resignation, retirement or voluntary leave, the employee shall not be reimbursed for the accrued leave hours.

As of December 31, 2024 and 2023, the accrued liability for vacation leave was -0- and -0-, respectively.

N. Advertising

The District expenses advertising costs as incurred. Total advertising costs charged to expense for the years ended December 31, 2024 and 2023 are \$3,268 and \$16,487, respectively.

O. Net Position Classifications

In the fund financial statements, Net Position is classified as net assets and displayed in three components.

- Invested in capital assets, net of related debt-Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted net assets-Consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net assets-All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

N. Accounting Policy for Loan Cost

Comparative loan costs are amortized on the straight line method over the remaining life of the loan and A direct deduction from the carrying amount of the debt liability. Amortization for 2024 and 2023 was \$3,441 and charged to amortization expense. Original Deferred Financial Cost was \$92,316 for both years.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN

Plan description

The District participated in the District Employee Retirement Systems, a cost sharing multiple-employer Public Employee Retirement System, which covers its paid employees who have achieved at least one year, of service credit. For the fiscal year ended December 31, 2024 the District's covered payroll for nonhazardous positions was \$2,781,357. CERS issues a publicly available financial report included in the Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS.

That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, 40601, or by calling (502)564-4646 or at <https://kyret.ky.gov>.

Benefits provided

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions

Funding for CERS is provided by members, who contribute 5% nonhazardous (6% for employees hired after September 1, 2008) of their salary through payroll deductions and by employers of members who contribute 26.95% nonhazardous (21.17% - pension, 5.78% insurance) of the member's salary. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

As of December 31, 2024, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2024. An expected total pension liability as of June 30, 2024 was determined using standard roll-forward techniques. The District proportion of the net pension liability was based on contributions to CERS during the fiscal year ended June 30, 2024.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN (CONTINUED)

For the year ended December 31, 2024, the District recognized pension expense of \$242,851 for nonhazardous. At December 31, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>Nonhazardous</u>		
Difference between expected actual experience \$	\$ 239,878	\$ 223,913
Changes in assumptions..	-0-	
Net difference between projected and actual earnings on investments..	340,364...	...659,007
Changes in proportion and differences between District District contributions and proportionate share of contributions	78,101	11,919
District contributions subsequent to The measurement date		
	<hr/>	<hr/>
TOTAL	<u>\$ 658,343</u>	<u>.\$894,839</u>

At December 31, 2024, the District reported deferred outflows of resources for District contributions subsequent to the measurement date of -0-. These contributions will be recognized as a reduction of the net pension liability during the year ended December 31, 2024.

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN (CONTINUED)

Year ending December 31:	
2025	\$ (129,908)
2026	86,916
2027	(122,490)
2028	<u>(71,014)</u>
TOTAL	<u>\$ (236,496)</u>

Actuarial Methods and Assumptions

Total pension liability for CERS was determined by applying procedures to the actuarial valuation as of June 30, 2024. The financial reporting actuarial valuation as of June 30, 2024, used the following actuarial methods and assumptions:

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Experience Study	July 1, 2013 – June 30, 2018
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	26 years, closed
Payroll Growth Rate	2.00%
Investment Return	6.25%
Inflation	2.30%
Salary Increases	3.30% to 11.55%, varies by service for
nonhazardous	3.05% to 18.55%, varies by service for
hazardous	
Mortality	RP-2000 Combined Mortality Table,
projected to 2013	with Scale BB (set back 1 year for females)

There have been no changes in plan provisions since June 30, 2024. However, the Board of Trustees has adopted new actuarial assumptions since June 30, 2024. These assumptions are documented in the report titled "Kentucky Retirement Systems 2024 Actuarial Experience Study for the Period Ending June 30, 2024". The total pension liability as of June 30, 2024 is determined using these updated assumptions.

The long-term expected rate of return was determined by using a building block method in which the best estimate ranges of expected future real rates of returns are developed

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 11 - PENSION PLAN (CONTINUED)

for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class is summarized in the table below. The current long-term inflation assumption is 2.30% per annum for both the non-hazardous and hazardous system 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	<u>Target Allocation</u>	<u>Long Term Nominal Rate of Return</u>
US Equity	21.75%	5.70%
Non-U.S Equity	21.75%	6.35%
Private Equity	10.00%	9.70%
Specialty Credit/High Yield	15.00%	2.80%
Core Bonds	10.00%	0.00%
Opportunistic	0.00%	0.00%
Real Estate	10.00%	5.40%
Opportunistic	00.00%	0.00%
Real Return	10.00%	4.55%
Cash Equivalent	<u>1.50%</u>	<u>0.00%</u>
TOTAL	<u>100.00 %</u>	

Discount rate - The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investments earnings were calculated using the long-term assumed investment return of 6.25%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 9 - PENSION PLAN (CONTINUED)

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 - percentage-point lower (5.25%) or 1 - percentage-point higher (7.25%) than the current rate:

	Current 1% Decrease <u>(5.5%)</u>	Discount Rate <u>(6.5%)</u>	1% Increase <u>(7.5%)</u>
Mountain Water's Share Of the net pension liability	<u>\$6,389,094</u>	<u>\$4,955,977</u>	<u>\$3,766,892</u>

Benefits: The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty. As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after, July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after, July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after, July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee's spouse receives \$10 per month for insurance benefits for each year of the deceased employee's earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5%, based upon Kentucky Revised Statutes. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.**21**

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Contributions: Contribution requirements of the participating employers are established and may be amended by the KRS Board of Trustees. The District's contractually required contribution rate for the year ended December 31, 2024 was .006% of covered payroll. Contributions to the Insurance Fund from the District were \$39,024 for the year ended December 31, 2024. Employees that entered the plan prior to September 1, 2008 are not required to contribute to the Insurance Fund. Employees that entered the plan after September 1, 2008 are required to contribute 1% of their annual creditable compensation which is deposited to an account created for the payment of health insurance benefits under 26 USC Section 401(h) in the Pension Fund (see Kentucky Administrative Regulation 105 KAR 1:420E).

The District 's proportion of the collective net OPEB liability and OPEB expense was determined using the employers' actual contributions for Fiscal Year 2024. This method is expected to be reflective of the employers' long-term contribution effort. At June 30, 2024, the District's proportion for the nonhazardous was .082951%.

OPEB Liability: For the period ending December 31, 2023, the Board reported a liability of \$(331,669) for its proportionate share of the net OPEB liability. The net OPEB liability 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 was based on a projection of the District 's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined.

For the year ended December 31, 2024, the District recognized OPEB expense of \$(331,669) for nonhazardous in total. The District also reported deferred outflows of recourses and deferred inflows of resources related to pensions as the following:

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

	Deferred Outflows Of Resources	Deferred Inflows
<u>Nonhazardous</u>		
Liability Experience	\$ 79,606	\$1,128,974
Difference between expected actual experience	130,018	101,246
Changes in assumptions	126,130	257,072
Net difference between projected and actual earnings on investments		
Changes in proportion and differences between District contributions and proportionate share of contributions ...	46,171...	46,146
District contributions subsequent to The measurement date		
TOTAL	<u>\$ 381,925</u>	<u>\$1,533,438</u>

Net OPEB Liability: The District 's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(OPEB) (CONTINUED)

Actuarial Assumptions and Methods

Total pension liability for CERS was determined by actuarial valuation as of December 31, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation 2.30 percent
Salary Increases 3.05 percent, average, including inflation
Investment Rate of Return 6.25 percent, net of
pension plan investment expense, including inflation

For 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 the healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback 1 year for females). For disabled members, the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (setback 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 the margin will be reviewed again, when the next experience investigation is conducted.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2008 - June 30, 2013.

The long-term expected return on plan assets is reviewed as part of the regular experience studies prepared every five years. Several factors are considered in evaluating the long-term rate of return assumptions 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

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(OPEB) (CONTINUED)

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 cover a longer time frame. 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.

The target allocation and best estimates of arithmetic real rates of return for each major class are summarized in the table on the following page.

	<u>Target Allocation</u>	<u>Long Term Nominal Rate of Return</u>
US Equity	21.75%	5.70%
Special Credit/High Yield	15.00%	2.80%
Core Bonds	10.00%	0.00%
Non-US Equity	21.75%	6.35%
Opportunistic	0.00%	0.00%
Private Equity	10.00%	9.70%
Real Estate	10.00%	5.40%
Real Return	10.00%	4.55%
Cash Equivalent	<u>1.50%</u>	<u>-.60%</u>
TOTAL	<u>100.00 %</u>	

Discount Rate

The discount rates used to measure the total net OPEB liability were 5.3% nonhazardous. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 26-year amortization period of the unfunded

MOUNTAIN WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2024
(CONTINUED)

NOTE 10 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS
(OPEB) (CONTINUED)

actuarial accrued liability. The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 2.45%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 30, 2018. Future contributions are projected in accordance with the Board's current funding policy, which includes the requirement that each participating employer in the System contribute the actuarially determined contribution rate, which is determined using a closed funding period (25 year as of June 30, 2018).

Sensitivity of the Board's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the Board's proportionate share of the net OPEB liability calculated using the discount rates of 5.68%, as well as what the Board's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower, (4.84%), or 1 percentage point higher, (6.84%), than the current rate:

	<u>1% Decrease</u> <u>(4.85%)</u>	<u>Discount Rate</u> <u>(5.85%)</u>	<u>1% Increase</u> <u>(6.85%)</u>
Greenup's Share Of the net			
pension liability	<u>\$194,013</u>	<u>\$(143,489)</u>	<u>\$(667,805)</u>

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

4. CUSTOMER DEPOSIT FUND

Deposits required from customers when they sign up for the water service are deposited into the customer deposit escrow account. When services are terminated or a customer has paid in a timely fashion, a refund of the deposit plus interest is given after a year of water service. Customer deposits as of December 31, 2024 and December 31, 2023 were \$684,127 and \$594,060 respectively, and are currently held in escrow.

5. COMMITMENTS AND CONTINGENCIES

The District has been committed to several construction projects that have not been either started or completed as of the date of this report.

6. RECLASSIFICATIONS

Certain amounts in prior year financial statements have been reclassified for comparative purposes to conform with presentation in the current year financial statements.

7. SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through August 13, 2025 the date the financial statements were available to be issued.

8. RESTRICTED ASSETS AND RESERVE NET POSITION

Each of the proprietary funds has a portion of its net assets restricted in connection with assets restricted in uses, such as bond interest and redemption, depreciation, and customer deposits. Restricted net assets includes excess of restricted cash over liabilities payable from restricted cash.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

9. DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 2024, the carrying amount of the District's deposits with financial institutions was \$3,878,215. The Bank balance is collateralized as follows:

Amount insured by FDIC	\$ 750,000
Amount collateralized by securities held by third party trust company in the District's name	<u>3,128,215</u>
<u>Total Bank Balance</u>	<u>\$ 3,878,215</u>

Pledged collateral was obtained for amounts up to \$2,425,913 for money on deposit at Community Trust Bank in the name of the District. Pledged collateral was obtained for accounts up to \$702,302 for money on deposit with BB&T and Community Trust Bank in the name of the District.

10. CAPITAL ASSETS

The following is a summary of changes in fixed asset:

	Balance January 1, <u>2024</u>	<u>Additions</u>	<u>Dispositions</u>	Balance December 31, <u>2024</u>
Description				
Supply & Pumping	\$5,713,544	\$ 392,574	\$ -0-	\$6,106,118
Water Treatment Equipment	10,216,355	340,711	-0-	10,557,066
Transmission & Distribution	97,320,083	498,522		97,818,605
General Plant	6,635,732	205,048	-0-	6,840,780
Land and Land Rights	615,498	11,180	-0-	626,678
Sewer Utility Plant	47,353,797	34,065	-0-	47,387,862
Sewer General Plant	<u>973,548</u>	<u>-0-</u>	<u>-0-</u>	<u>973,548</u>
Totals	168,828,557	1,482,100	-0-	170,310,657
Accumulated Depreciation	<u>(82,993,413)</u>	<u>(4,111,175)</u>	<u>-0-</u>	<u>(87,104,588)</u>
Net Utility Plant	<u>\$85,835,144</u>	<u>\$ (2,629,075)</u>	<u>\$ -0-</u>	<u>\$82,206,069</u>
	January 1,			December 31,
Description	<u>2023</u>	<u>Additions</u>	<u>Dispositions</u>	<u>2023</u>
Supply & Pumping	\$5,713,544	\$ 0	\$ -0-	\$5,713,544
Water Treatment Equipment	10,165,318	51,037	-0-	10,216,355
Transmission & Distribution	96,978,677	341,406	-0-	97,320,083
General Plant	6,585,444	50,288	-0-	6,635,732
Land and Land Rights	580,874	34,624	-0-	615,498
Sewer Utility Plant	46,958,924	394,873	-0-	47,353,797
Sewer General Plant	<u>957,215</u>	<u>16,333</u>	<u>-0-</u>	<u>973,548</u>
Totals	167,939,996	888,561	-0-	168,828,557
Accumulated Depreciation	<u>(78,662,793)</u>	<u>(4,330,620)</u>	<u>-0-</u>	<u>(82,993,413)</u>
Net Utility Plant	<u>\$89,277,203</u>	<u>\$ (3,442,059)</u>	<u>\$ -0-</u>	<u>\$85,835,144</u>

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

10. CAPITAL ASSETS (Continued)

Depreciation expense was \$4,314,896 and \$4,291,820 for the years ended December 31, 2024 and 2023, respectively.

11. CONSTRUCTION FUNDS

The District has several construction accounts used for the water projects. These are as follows:

	<u>2024</u>	<u>2023</u>
Big Creek Sewer Coal Settlement	\$3,401	\$ 5,401
John Creek Project	50,588	248,157
District Wide Tap Fees	24,892	47,485
Misc. Line Extensions	7,005	4,301
PCFC Projects	81,458	81,458
Phelps Sewer Project	5,592	5,592
Belfry Pond Sewer Project	2,837	2,837
Repair and Maintenance Reimbursement	(155)	1,402
Restricted ARPA Funding	152,662	59,964
Various Misc. projects	<u>3,498</u>	<u>3,554</u>
Total Construction Funds	<u>\$ 331,778</u>	<u>\$ 460,151</u>

12. RESTRICTED ASSETS AND RESERVE NET POSITION

As of December 31 ,2024 and 2023 restricted cash were as follows:

	<u>2024</u>	<u>2023</u>
Depreciation Reserve	\$ 917,696	\$ 883,618
Sinking Fund	639,163	620,340
Customer Deposit Escrow Account	479,177	439,096
Operation & Maintenance reserve	365,393	37,187
Waste Water O & M Reserve	926,653	891,701
Recycling Account	4,524	3,566
Construction Account	<u>331,778</u>	<u>460,151</u>
Total Restricted Cash	<u>\$3,664,384</u>	<u>\$3,335,659</u>

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

13. RESTRICTED ASSETS AND RESERVE NET ASSETS Continued)

The District is required by debt covenants to pay into and maintain a Depreciation Reserve Fund, a Repair and Maintenance Fund and Operation and Maintenance Fund. These Amounts may be used for extraordinary maintenance expenses related to the project or for costs of replacing worn obsolete portions of the project. If Amounts are withdrawn from said funds, the District must make required periodic deposits until the required balance is reinstated.

	Maximum Required Balance	Required Balance at 12/31/24	Actual Balance At 12/31/24
Depreciation Reserve Funds	\$438,060	\$ 438,060	\$ 917,696
Repairs and Maintenance Funds	\$200,750	<u>200,750</u>	<u>925,653</u>
Total		<u>\$ 638,810</u>	<u>\$1,843,349</u>

The Repair and Maintenance Funds required by Kentucky Infrastructure Authority (KIA) loan agreements are fully funded.

The Depreciation Reserve Funds Required by USDA-Rural Development (RD) loan requirements are fully funded.

The USDA-Rural Development (RD) loan agreements also include a requirement for an Operation and Maintenance Fund. The funding of this reserve is secondary to the Depreciation Reserve Funds. Mountain Water's management stated during the field work that there is verbal agreement to transfer \$6,000 monthly O & M reserve to Rural Development Reserves until equal to 6 months revenue. These payments were transferred during 2024.

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

14. CONSTRUCTION IN PROGRESS

Mountain Water District has overseen several construction projects. As of December 31, 2024 and 2023, the following projects were in progress.

	<u>2024</u>	<u>2023</u>
<u>Water Projects</u>		
ENG	\$ 105,429	\$ 68,199
ARPA Local	82,853	82,853
Brushy	2,444,960	1,864,732
Kimper	3,240	-0-
Dot 194	1,800	-0-
Fema	101,411	-0-
Dot Eng	-0-	33,016
Kelloggd Contractor	-0-	61,896
Various In House Projects	894,433	604,602
<u>Sewer Projects</u>		
Phelps	-0-	135,540
Belfry	47,528	
Coal Severance	43,000	43,000
Henry Clay	95,032	95,032
Various In House Projects	-0-	-0-
<u>Total Construction in Progress</u>	<u>\$ 3,819,686</u>	<u>\$ 2,988,870</u>

15. BONDS PAYABLE

	<u>2024</u>	<u>2023</u>
Fedscreek Project		
The 3.5% revenue bonds issued July 2002 in the original amount of \$800,000 are payable to USDA-Rural Development to the year 2035. The bonds are secured by a secondary statutory mortgage lien on the utility plant in service and a pledge of all water revenues from the system.	\$ 498,000	\$518,000

Radio Read Project		
The 1.5% interest payments in January and July revenue bonds issued 2020 in the original amount of \$3,150,000 are payable to USDA-Rural Development to the year 2061. The bonds are secured by a secondary statutory mortgage lien on the Radio read Equipment and a pledge of all water revenues from the system.	2,912,500	2,973,200

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

16. BONDS PAYABLE (Continued)

Belfry

The 1.73% revenue bonds issued 2020 in the original amount of \$3,653,000 are payable to USDA-Rural Development to the year 2060. The bonds are secured by a secondary statutory mortgage lien on the Belfry project

	3,444,000	3,515,000
--	-----------	-----------

Kentucky Rural Water Fund

The 5.2 revenue bonds issued January 2022 in original amount of \$5,580,000 are payable to Kentucky Rural Water Finance Corporation to the year 2045. The Bonds are secured by a secondary statutory mortgage Lien on the utility plant in service and pledge for all Water Revenue from System

	<u>\$ 5,025,000</u>	<u>\$ 5,315,000</u>
Total bonds	\$11,879,500	\$ 12,321,200
Less current portion	<u>(459,600)</u>	<u>(431,200)</u>
Long Term Bonds Payable	<u>\$11,419,900</u>	<u>\$11,890,000</u>

Maturities of these long-term bonds are as follows:

	<u>Principal</u>	<u>Interest</u>
December 31		
2025	459,600	259,319
2026	477,000	241,074
2027	490,000	222,337
2028	498,400	203,068
2029	506,900	182,497
2030-2034	2,354,600	631,246
2035-2039	2,110,500	458,402
2040-2044	1,643,000	280,370
2045-2049	1,015,500	167,008
2050-2054	1,065,100	108,667
2055-2069	1,028,100	47,025
2060-2064	<u>230,800</u>	<u>1,546</u>
Total	<u>\$11,879,500</u>	<u>\$2,802,559</u>

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

17. NOTES PAYABLE AND CAPITAL LEASES (Continued)

	<u>2024</u>	<u>2023</u>
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$19,099 at 8.624% interest, secured by trailer; payments are \$472 for 48 months, maturing April, 2028.	16,355	-0-
 Kentucky Infrastructure Authority-F01-07		
The 1.8% note issued January 2002 in the original amount of \$1,197,072 payable in semi-annual of \$35,769, with payments through the year 2024 secured by water revenues from the system.	-0-	35,450
 Kentucky Infrastructure Authority A03-06		
The 1% note issued June 2004 in the original Amount of \$226,776, payable in semi-annual Installments of \$6,846 with payments through the year 2023, secured by water revenues from the system.	-0-	10,136
 Kentucky Infrastructure Authority A209-32		
The 1% note issued January 2010 in the original amount of \$750,000 with \$390,750 in principle forgiveness, payable in semi-annual installments of \$5,212, with payments through the year 2031, secured by water revenues from the system.	127,455	146,341
 Kentucky Infrastructure Authority-Multi-Area		
The .75% note issued June 2019 in the original Amount of \$3,419,563, payable in semi-annual Installments of \$92,262, with payments through the year 2038, secured by water revenues from the system.	2,483,923	2,656,921
 Kentucky Infrastructure Authority-A16-079		
The .75% note issued June 2018 in the original Amount of \$300,000, payable in semi-annual Installments of \$7,408, with payments through the year 2037, secured by water revenues from the system.	199,668	214,237

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2024 AND 2023

17 NOTES PAYABLE AND CAPITAL LEASES (Continued)

	<u>2024</u>	<u>2023</u>
<u>Community Trust Bank</u> A lease purchase agreement, original balance \$29,711; at 3.043% interest; secured by vehicles; payment are \$658 for 48 months maturing Oct. 2025.	7,688	14,608
<u>Community Trust Bank</u> A purchase agreement, original balance \$39,001 at 3% interest, secured by vehicle; payments are \$1,106 for 48 months, maturing Jan. 2025.	16,251	26,750
<u>Community Trust Bank</u> A lease purchase agreement, original balance \$58,892; at 3.041% interest; secured by a vehicle; payments are \$1,304 for 48 months maturing Nov. 2025.	15,800	41,057
<u>Community Trust Bank</u> A purchase agreement, original balance \$21,219 at 3% interest, secured by vehicle; payments are \$602 for 48 months, maturing Jan. 2026.	8,842	14,454
<u>Community Trust Bank</u> A lease purchase agreement, original balance \$51,500; at 3% interest; secured by a vehicle; payments are \$1,141 for 48 months maturing in Nov, 2025.	13,466	26,529
<u>Community Trust Bank</u> A purchase agreement, original balance \$53,433 at 3.25% interest, secured by vehicle; payments are \$1,189 for 48 months, maturing Nov, 2025.	-0-	15,892
<u>Community Trust Bank</u> A purchase agreement, original balance \$30,021 at 3.043% interest, secured by vehicle; payments are \$665 for 48 months, maturing Oct. 2024.	7,101	14,739

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

17. NOTES PAYABLE AND CAPITAL LEASES (Continued)

	<u>2024</u>	<u>2023</u>
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$23,799 at 3.043% interest, secured by vehicle; payments are \$598 for 48 months, maturing Oct. 2025.	7,793	14,784
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$76,250 at 3.04% interest, secured by vehicle; payments are \$1,689 for 48 months, maturing Nov, 2025.	19,937	39,279
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$27,155 at 3.04% interest, secured by vehicle; payments are \$601 for 48 months, maturing Jan 2026.	7,566	14,554
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$21,219 at 3.04% interest, secured by vehicle; payments are \$1,601 for 48 months, maturing Jan 2026.	8,223	13,951
<u>Community Trust Bank</u>		
A lease purchase agreement, original balance \$33,234; at 3.25% interest; secured by a vehicle; payments are \$739 for 48 months maturing in Oct 2024.	-0-	8,695
<u>Community Trust Bank</u>		
A lease purchase agreement, original balance \$33,285; at 3.25% interest; secured by a vehicle; payments are \$650 for 48 months maturing in Oct 2024.	-0-	7,980
<u>Community Trust Bank</u>		
A lease purchase agreement, original balance \$33,234; at 3.25% interest; secured by a vehicle; payments are \$739 for 48 months maturing in Oct 2024.	-0-	7,914

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

17. NOTES PAYABLE AND CAPITAL LEASES (Continued)

	<u>2024</u>	<u>2023</u>
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$39,347 at 3.020% interest, secured by vehicle; payments are \$872 for 48 months, Balloon Pmt. on May 2025.	4,247	14,411
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$29,020 at 3.041% interest, secured by vehicle; payments are \$643 for 48 months, maturing Jan, 2026.	8,829	15,552
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$28,721 at 3.04% interest, secured by vehicle; payments are \$637 for 48 months, maturing Jan 2026.	8,690	15,398
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$52,235 at 7.6% interest, secured by vehicle; payments are \$1,689 for 48 months, maturing Apr, 2027.	32,412	44,649
<u>CTB LOC Fema</u>		
Commitment	192,677	193,683
<u>Mule</u>		
A purchase agreement, original balance \$18,842 at 7.7% interest, secured by vehicle; payments are \$850 for 48 months, maturing Mar., 2025.	3,343	11,352
<u>EKSAFE</u>		
Note Payable EKSAFE State Funding for Emergencies. \$247,896 has been received as of Dec. 31, 2023.	-0-	247,896
<u>CTB AEP Term Note</u>		
A purchase agreement, original balance \$160,548 at 5.5% interest, secured by equipment payments are \$2,375 for 24 months, maturing December, 2025.		46,932

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

17. NOTES PAYABLE AND CAPITAL LEASES (Continued)

	<u>2024</u>	<u>2023</u>
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$34,116 at 3% interest, secured by vehicle; payments are \$835 for 48 months, maturing Nov, 2025.	-0-	33,516
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$34,744 at 3% interest, secured by vehicle; payments are \$1,565 for 24 months, maturing Apr, 2025.	6,131	23,720
<u>DUMP TRUCK</u>		
<u>Community Trust Bank</u>		
Boost Station Relocation	115,944	147,463
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$41,121 at 7.88% interest, secured by vehicle; payments are \$996 for 48 months, maturing Nov, 2029.	35,087	-0-
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$49,936 at 7.88% interest, secured by vehicle; payments are \$1,210 for 48 months, maturing Nov, 2025.	42,613	-0-
<u>Community Trust Bank</u>		
A purchase agreement, original balance \$54,596 at 7.88% interest, secured by vehicle; payments are \$1,323 for 48 months, maturing April, 2028.	46,592	-0-
Total Notes Payable and Capital Leases	3,475,977	4,244,522
Less current portion	<u>(620,513)</u>	<u>(743,562)</u>
Total Long-term Portion	<u>\$ 2,855,464</u>	<u>\$3,500,960</u>

MOUNTAIN WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2024 AND 2023

17. NOTES PAYABLE AND CAPITAL LEASES (Continued)

Maturity of the notes payable and capital leases are as follows:

	<u>Principal</u>	<u>Interest</u>
2025	620,513	51,869
2026	388,509	25,358
2027	259,362	18,856
2028	206,828	16,470
2029	206,243	14,680
2030-2034	984,977	44,418
2035-2039	<u>809,545</u>	<u>13,136</u>
	<u>\$ 3,475,977</u>	<u>\$ 184,517</u>

18. ADVANCES FOR CONSTRUCTION

	<u>2024</u>	<u>2023</u>
<u>Water Projects</u>		
ARPA	\$ 969,448	\$ 642,379
Load Services	50,012	-0-
Brushy	2,495,426	1,864,735
Dot Kimper	3,240	-0-
Dot 194	1,800	-0-
KDOT KELLOGS	-0-	50,852
SEE PHI	-0-	60,489
<u>Sewer Projects</u>		
Phelps Waste Water		
Kentucky Infrastructure Authority	-0-	134,864
Henry Clay Sewer Projects:	138,032	138,032
<u>Total Advances for Construction</u>	<u>\$3,657,958</u>	<u>\$ 2,891,348</u>

**RICHARD F. PAULMANN, CPA, LLC
301 MOUNT MERCY DRIVE
PEWEE VALLEY, KY 40056
PH: (502) 550-1568
EMAIL: RPAULMANN@TWC.COM**

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

To the Board of Commissioners
Mountain Water District
Pikeville, 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 governmental activities, the business-type activities, of Mountain Water District as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise Mountain Water District's basic financial statements, and have issued our report thereon dated August 19, 2025

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mountain Water District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Mountain Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of Mountain 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.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mountain 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 financial statements. 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.



Richard F. Paulmann, CPA, LLC

Pewee Valley, KY
August 19, 2025

REQUIRED SUPPLEMENTARY INFORMATION

MOUNTAIN WATER DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE PROPORTIONATE SHARE OF NET PENSION LIABILITY

PENSION	06/30/23	06/30/2022	06/30/2021	06/30/2020	06/30/2019	06/30/2018
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
	NH	NH	NH	NH	NH	NH
Prop NPL	0.082758	0.078859%	0.083070%	0.085027%	0.08444%	0.08172%for the 6/30 valuation
Prop Share of NPL	5,310,431	5,700,728	5,296,364	6,521,501	5,938,492	4,976,000for the 6/30 valuation
Payroll	1,690,312	2,296,964	2,264,929	2,116,759	2,286,000	2,081,000for the 6/30 valuation
Share of NPL as % of Payroll	314.17%	248.19%	233.94%	308.09%	259.78%	239.12% for the 6/30 valuation
Plan Fiduciary net Position as % of TPL	44.00%	52.42%	57.81%	50.45%	53.54%	53.54% for the 6/30 valuation
Contractually required Contribution	310,126	530,908	409,513	420,346	502,000	524,000 calendar year end
Actual Contribution	(310,126)	(530,908)	(409,513)	(420,346)	(502,000)	(524,000) calendar year end
Contribution Deficiency (excess)	-	-	-	-	-	- calendar year end
Payroll	1,690,312	2,296,964	2,264,929	2,116,759	2,286,000	2,081,000 calendar year end
Contributions as % Of payroll	18%	23%	18%	20%	22%	25% calendar year end

MOUNTAIN WATER DISTRICT
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF OPEB CONTRIBUTIONS

OPEB	06/30/23	06/30/2022	06/30/2021	06/30/2020	PLAN VALUATION DATE
	12/31/23	12/31/2022	12/31/2021	12/31/2020	CALENDAR YEAR
	N/H	NH	NH	NH	
Prop Net OPEB Liability	0.082758	0.078646%	0.083051%	0.085020%	for the PY valuation date
Prop share of net OPEB liability	114,261	1,556,037	1,589,970	2,052,540	for the PY valuation date
Payroll	1,690,312	2,296,964	2,264,929	2,116,759	for the PY valuation date
Share of NOPL as % Of payroll	.07%	67.74%	70.20%	96.96%	for the PY valuation date
Plan fiduciary net Position as % of TOL	.06%	60.95%	62.90%	51.67%	for the PY valuation date
Contractually required Contribution	118,688	155,501	148,010	146,388	for calendar year end
Actual contribution	(118,688)	(155,501)	(148,010)	(146,388)	for calendar year end
Contribution deficiency (excess)	-	-	-	-	for calendar year end
Payroll	1,690,312	2,296,964	2,264,929	2,116,759	for calendar year end
Contributions as % Of payroll	7.0%	6.77%	6.53%	6.92%	for calendar year end