

**Martin County Water District**

Statements of Net Position

Years Ended December 31, 2023 and 2022

	2023	2022
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 225,166	\$ 276,298
Accounts receivable (net)	318,357	314,701
Unbilled revenue	46,933	80,438
Prepaid expenses	5,611	12,665
Inventory	4,249	2,948
<b>Total Current Assets</b>	<b>\$ 600,316</b>	<b>\$ 687,050</b>
<b>Restricted Assets</b>		
Cash - Debt retirement	\$ 157,522	\$ 196,119
Cash - Grants	63	63
Accrued interest receivable	567	461
<b>Total Restricted Assets</b>	<b>\$ 158,152</b>	<b>\$ 196,643</b>
<b>Capital Assets</b>		
Water supply & distribution system	\$ 28,443,640	\$ 28,399,263
Buildings	500,264	500,264
Equipment & furniture	6,176,820	6,340,341
Vehicles & trailers	47,635	138,773
Land	214,714	214,714
Construction in progress	289,779	-
ROU leased asset	33,935	33,935
	<b>\$ 35,706,787</b>	<b>\$ 35,627,290</b>
Less: Accumulated depreciation	(18,937,987)	(18,476,670)
Less: Accumulated amortization ROU leased asset	(18,940)	(9,470)
<b>Total Capital Assets</b>	<b>\$ 16,749,860</b>	<b>\$ 17,141,150</b>
<b>Total Assets</b>	<b>\$ 17,508,328</b>	<b>\$ 18,024,843</b>

The accompanying notes to financial statements are an integral part of this statement.



**Martin County Water District**  
**Statements of Net Position (Concluded)**  
**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 338,306	\$ 289,615
Accrued interest	45,848	46,026
Accrued interest - leases	43	68
Sales tax payable	8,963	8,252
Customer deposits	99,127	90,858
Current portion of lease liability	9,870	9,269
Current portion of long-term debt	1,413,827	134,757
<b>Total Current Liabilities</b>	<u>\$ 1,915,984</u>	<u>\$ 578,845</u>
<b>Long-Term Liabilities</b>		
Long-term portion of debt (net)	\$ 1,547,403	\$ 2,965,937
Long-term portion of lease liability	6,102	15,971
<b>Total Long-Term Liabilities</b>	<u>\$ 1,553,505</u>	<u>\$ 2,981,908</u>
<b>Total Liabilities</b>	<u>\$ 3,469,489</u>	<u>\$ 3,560,753</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	\$ 22,451	\$ 372,879
<b>Total Deferred Inflows of Resources</b>	<u>\$ 22,451</u>	<u>\$ 372,879</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 13,788,630	\$ 14,040,456
Restricted for debt retirement	196,053	199,705
Restricted for management infrastructure	1,000	9,865
Restricted for capital projects	63	63
Unrestricted	30,642	(158,878)
<b>Total Net Position</b>	<u>\$ 14,016,388</u>	<u>\$ 14,091,211</u>

*The accompanying notes to financial statements are an integral part of this statement.*

**Martin County Water District**  
**Statements of Revenues and Expenses and Changes in Net Position**  
**Years Ended December 31, 2023 and 2022**

	<u>2023</u>	<u>2022</u>
<b>Operating Revenues</b>		
Water sales	\$ 2,608,831	\$ 2,542,610
Connection fees	26,543	28,372
Late charge fees	72,576	70,236
Debt service surcharge	104,847	105,780
MIS Water surcharge	188,176	189,817
Other fees	22,468	29,560
Miscellaneous income	2,700	395
<b>Total Operating Revenues</b>	<u>\$ 3,026,141</u>	<u>\$ 2,966,770</u>
<b>Operating Expenses</b>		
Management & operations contract	\$ 2,071,629	\$ 2,132,734
Water purchased	30,180	74,988
Pension expense	(350,428)	(527,446)
Utilities	228,442	375,997
Insurance	21,603	34,932
Repairs and maintenance	456,205	63,171
Outside services	663	630
Legal	7,950	10,000
Accounting	7,985	7,950
Bad debt	17,669	30,948
Dues & subscriptions	4,734	3,149
Office Expense	4,233	2,676
Rental	25	25
Regulatory assessment fees	3,863	4,214
KY 811 Services	2,036	1,273
Depreciation	780,626	787,143
Amortization - ROU lease assets	9,470	9,470
Miscellaneous	1,883	734
<b>Total Operating Expenses</b>	<u>\$ 3,298,768</u>	<u>\$ 3,012,588</u>
<b>Operating Income (Expense)</b>	<u>\$ (272,627)</u>	<u>\$ (45,818)</u>
<b>Non-operating Income (Expense)</b>		
Interest expense	\$ (103,266)	\$ (102,107)
Customer deposit interest expense	(88)	(46)
Bond trustee fees	(900)	(450)
Bond issuance costs	-	(47,422)
Gain (loss) on disposal of assets	(14,728)	(10,432)
Interest income	5,026	2,060
<b>Total Non-operating Income (Expense)</b>	<u>\$ (113,956)</u>	<u>\$ (158,397)</u>
<b>Change in Net Position before Contributions</b>	<u>\$ (386,583)</u>	<u>\$ (204,215)</u>
Capital grants and contributions	311,760	261,659
<b>Change in Net Position</b>	<u>\$ (74,823)</u>	<u>\$ 57,444</u>
<b>Net Position - Beginning of Year</b>	14,091,211	13,507,653
<b>Prior Period Adjustment</b>	-	526,114
<b>Net Position - Ending of Year</b>	<u>\$ 14,016,388</u>	<u>\$ 14,091,211</u>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**  
Statements of Cash Flows  
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 3,064,259	\$ 2,986,678
Cash payments for goods and services	(2,803,945)	(3,847,197)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 260,314</u>	<u>\$ (860,519)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for capital assets	\$ (417,144)	\$ (199,126)
Principal repayments	(134,757)	(132,993)
Principal payments on lease liability	(9,269)	(8,695)
Proceeds from long term debt	-	1,110,000
Interest and other charges paid	(109,164)	(81,134)
Proceeds from sale of assets	4,000	-
Expenses from sale of assets	(389)	-
Debt issuance costs paid	-	(47,422)
Capital grants	311,760	261,659
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>\$ (354,963)</u>	<u>\$ 902,289</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	\$ 4,920	\$ 1,601
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>\$ 4,920</u>	<u>\$ 1,601</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	\$ (89,729)	\$ 43,371
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>472,480</u>	<u>429,109</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 382,751</u></u>	<u><u>\$ 472,480</u></u>
<b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 225,166	\$ 276,298
Restricted cash and cash equivalents		
Cash - Debt retirement	157,522	196,119
Cash - Grants	63	63
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 382,751</u></u>	<u><u>\$ 472,480</u></u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ (272,627)	\$ (45,818)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	790,096	796,613
Change in assets and liabilities:		
Accounts receivable	(3,656)	(965)
Unbilled receivables	33,505	12,124
Inventory	(1,301)	2,609
Prepaid expenses	7,054	(7,761)
Accounts payable	48,691	(1,099,925)
Customer deposits	8,269	8,749
Sales tax payable	711	1,301
Net pension obligation	(350,428)	(527,446)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 260,314</u></u>	<u><u>\$ (860,519)</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**

## Statements of Net Position

Years Ended December 31, 2024 and 2023

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 318,081	\$ 225,166
Accounts receivable (net)	306,142	318,357
Unbilled revenue	118,140	46,933
Prepaid expenses	7,710	5,611
Inventory	18,490	4,249
<b>Total Current Assets</b>	<b>\$ 768,563</b>	<b>\$ 600,316</b>
<b>Restricted Assets</b>		
Cash - Debt retirement	\$ 138,732	\$ 157,522
Cash - Grants	163	63
Accrued interest receivable	431	567
<b>Total Restricted Assets</b>	<b>\$ 139,326</b>	<b>\$ 158,152</b>
<b>Capital Assets</b>		
Water supply & distribution system	\$ 29,510,109	\$ 28,443,640
Buildings	575,264	500,264
Equipment & furniture	6,193,030	6,176,820
Vehicles & trailers	47,635	47,635
Land	214,714	214,714
Construction in progress	333,134	289,779
ROU leased asset	33,935	33,935
	<b>\$ 36,907,821</b>	<b>\$ 35,706,787</b>
Less: Accumulated depreciation	(19,682,688)	(18,937,987)
Less: Accumulated amortization ROU leased asset	(28,410)	(18,940)
<b>Total Capital Assets</b>	<b>\$ 17,196,723</b>	<b>\$ 16,749,860</b>
<b>Total Assets</b>	<b>\$ 18,104,612</b>	<b>\$ 17,508,328</b>

*The accompanying notes to financial statements are an integral part of this statement.*

**Martin County Water District**  
**Statements of Net Position (Concluded)**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 714,192	\$ 338,306
Accrued interest	28,904	45,848
Accrued interest - leases	17	43
Sales tax payable	8,507	8,963
Customer deposits	103,394	99,127
Current portion of lease liability	6,010	9,870
Current portion of long-term debt	143,811	1,413,827
<b>Total Current Liabilities</b>	<u>\$ 1,004,835</u>	<u>\$ 1,915,984</u>
<b>Long-Term Liabilities</b>		
Long-term portion of debt (net)	\$ 2,669,807	\$ 1,547,403
Long-term portion of lease liability	92	6,102
<b>Total Long-Term Liabilities</b>	<u>\$ 2,669,899</u>	<u>\$ 1,553,505</u>
<b>Total Liabilities</b>	<u>\$ 3,674,734</u>	<u>\$ 3,469,489</u>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	\$ -	\$ 22,451
<b>Total Deferred Inflows of Resources</b>	<u>\$ -</u>	<u>\$ 22,451</u>
<b>Net Position</b>		
Net investment in capital assets	\$ 14,383,105	\$ 13,788,630
Restricted for debt retirement	116,216	196,053
Restricted for management infrastructure	9,898	1,000
Restricted for capital projects	163	63
Unrestricted	(79,504)	30,642
<b>Total Net Position</b>	<u>\$ 14,429,878</u>	<u>\$ 14,016,388</u>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**  
**Statements of Revenues and Expenses and Changes in Net Position**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>Operating Revenues</b>		
Water sales	\$ 2,738,592	\$ 2,608,831
Connection fees	18,076	26,543
Late charge fees	77,982	72,576
Debt service surcharge	104,009	104,847
MIS Water surcharge	186,662	188,176
Other fees	32,794	22,468
Miscellaneous income	-	2,700
<b>Total Operating Revenues</b>	<u>\$ 3,158,115</u>	<u>\$ 3,026,141</u>
<b>Operating Expenses</b>		
Management & operations contract	\$ 2,188,684	\$ 2,071,629
Water purchased	46,616	30,180
Pension expense	(22,451)	(350,428)
Utilities	278,114	228,442
Insurance	29,183	21,603
Repairs and maintenance	484,173	456,205
Outside services	407	663
Legal	13,195	7,950
Accounting	8,125	7,985
Bad debt	43,275	17,669
Dues & subscriptions	5,148	4,734
Office Expense	6,402	4,233
Rental	25	25
Regulatory assessment fees	4,703	3,863
KY 811 Services	1,917	2,036
Depreciation	744,701	780,626
Amortization - ROU lease assets	9,470	9,470
Miscellaneous	60	1,883
<b>Total Operating Expenses</b>	<u>\$ 3,841,747</u>	<u>\$ 3,298,768</u>
<b>Operating Income (Expense)</b>	<u>\$ (683,632)</u>	<u>\$ (272,627)</u>
<b>Non-operating Income (Expense)</b>		
Interest expense	\$ (61,811)	\$ (103,266)
Customer deposit interest expense	(7,687)	(88)
Bond trustee fees	(900)	(900)
Bond issuance costs	(4,500)	-
Gain (loss) on disposal of assets	-	(14,728)
Interest income	3,745	5,026
<b>Total Non-operating Income (Expense)</b>	<u>\$ (71,153)</u>	<u>\$ (113,956)</u>
<b>Change in Net Position before Contributions</b>	<u>\$ (754,785)</u>	<u>\$ (386,583)</u>
Capital grants and contributions	1,168,275	311,760
<b>Change in Net Position</b>	<u>\$ 413,490</u>	<u>\$ (74,823)</u>
<b>Net Position - Beginning of Year</b>	<u>14,016,388</u>	<u>14,091,211</u>
<b>Net Position - Ending of Year</b>	<u><u>\$ 14,429,878</u></u>	<u><u>\$ 14,016,388</u></u>

The accompanying notes to financial statements are an integral part of this statement.

**Martin County Water District**  
Statements of Cash Flows  
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 3,103,390	\$ 3,064,259
Cash payments for goods and services	(2,750,937)	(2,803,945)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 352,453</u>	<u>\$ 260,314</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Payments for capital assets	\$ (1,201,034)	\$ (417,144)
Principal repayments	(1,470,151)	(134,757)
Principal payments on lease liability	(9,870)	(9,269)
Proceeds from long term debt	1,323,623	-
Interest and other charges paid	(88,452)	(109,164)
Proceeds from sale of assets	-	4,000
Expenses from sale of assets	-	(389)
Debt issuance costs paid	(4,500)	-
Capital grants	1,168,275	311,760
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>\$ (282,109)</u>	<u>\$ (354,963)</u>
<b>Cash Flows from Investing Activities</b>		
Interest received	\$ 3,881	\$ 4,920
<b>Net Cash Provided (Used) by Investing Activities</b>	<u>\$ 3,881</u>	<u>\$ 4,920</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<u>\$ 74,225</u>	<u>\$ (89,729)</u>
<b>Cash and Cash Equivalents - Beginning of Year</b>	<u>382,751</u>	<u>472,480</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u><u>\$ 456,976</u></u>	<u><u>\$ 382,751</u></u>
 <b>Reconciliation of Cash and Cash Equivalents</b>		
Cash and cash equivalents	\$ 318,081	\$ 225,166
Restricted cash and cash equivalents		
Cash - Debt retirement	138,732	157,522
Cash - Grants	163	63
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 456,976</u></u>	<u><u>\$ 382,751</u></u>
 <b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income (loss)	\$ (683,632)	\$ (272,627)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization expense	754,171	790,096
Change in assets and liabilities:		
Accounts receivable	12,215	(3,656)
Unbilled receivables	(71,207)	33,505
Inventory	(14,241)	(1,301)
Prepaid expenses	(2,099)	7,054
Accounts payable	375,886	48,691
Customer deposits	4,267	8,269
Sales tax payable	(456)	711
Net pension obligation	(22,451)	(350,428)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u><u>\$ 352,453</u></u>	<u><u>\$ 260,314</u></u>

The accompanying notes to financial statements are an integral part of this statement.