

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 29 2007

PUBLIC SERVICE  
COMMISSION

In the Matter of:

APPLICATION OF NORTHERN )  
KENTUCKY WATER DISTRICT (A) FOR ) Case No. 2007-00135  
AN ADJUSTMENT OF RATES; )  
AND (B) ISSUANCE OF BONDS )

PETITION

Northern Kentucky Water District (NKWD), by counsel, petitions the Commission for an order authorizing an increase in rates effective July 1, 2007, construction of water facilities, and issuance of bonds. The following information is filed in accordance with the Commission's regulations:

1. NKWD's office address is 2835 Crescent Spring Road, Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report on page 6, which is filed with the Commission as are its prior years Reports;

2. NKWD is a non-profit water district organized under Chapter 74 and has no separate articles of incorporation. It has no affiliates and no accounts charged to or allocated to an affiliate;

3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its Annual Report, attached as Exhibit C.

4. It serves retail customers in Kenton and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Pendleton County.

5. It proposes to increase rates: (1) to fund improvements to existing facilities and related capital improvements and repair aging infrastructure, which are necessary to accommodate the current and future increased demand for service and to meet increasingly stringent state and federal water quality standards; (2) to reflect pro forma adjustments to operating expenses; and (3) to issue bonds to finance the proposed

construction.

6. The construction is in the public interest and is required to allow NKWD to continue to provide adequate service to its customers. These projects have already been issued certificates of convenience and necessity, have certificate applications pending before the commission or are considered ordinary extensions. The cost, need and other details of the projects are contained in Exhibit O.

7. The total financing requested to be included in rates is approximately \$30,075,125, see Exhibits A and O. The actual cost of the issuance cannot be determined until the sale of the bonds at which time the cost of issuance, interest rate and actual amount of bonds will be known.

8. Easements and rights of way have been obtained for the facilities;

9. This service will not compete with any other utility in the area;

10. The proposed construction projects, identified in Exhibit O, are scheduled to be constructed in 2007 and 2008. All projects have been previously issued a certificate of convenience and necessity or have applications pending for a certificate, except for those that the District has determined to be in the ordinary course of business. Northern believes that these projects fall within the scope of ordinary extensions as the Commission has determined in prior cases and as such no certificate of convenience and necessity is required. No certificate is being requested for the projects listed as ordinary extensions. All of the projects listed are believed to be ordinary extensions as defined in 807 KAR 5:001(9)(3). Based on the Commission's orders in Case 2002-00105 and Case 2003-00224, these projects fall within the parameters of projects previously approved as ordinary extensions. If a certificate is needed for such projects, the District specifically requests a certificate for each of the projects so determined.

11. Rates to be effective July 1, 2007, are being proposed to (1) to fund improvements to existing facilities and related capital improvements and repair aging infrastructure, which are necessary to accommodate the current and future increased

demand for service and to meet increasingly stringent state and federal water quality standards; (2) to reflect pro forma adjustments of operating expenses and revenues; and (3) fund the issuance of bonds to finance the proposed construction. The cost of service study filed in Case 2005-00148 is included with Exhibit N. Updated schedules reflecting current adjustments are provided with that exhibit.

12. The following information is supplied pursuant to 807 KAR 5:001(9):

a. The rate increase is needed to provide the District with sufficient operating funds to maintain its current level of service to its customers and to continue to improve and extend its service. Funding for approximately \$25,700,000 of new projects as reflected on Exhibit O will allow the District to repair and replace deteriorated or inadequate infrastructure and to make needed improvements to the distribution and treatment system. This construction is part of an ongoing five year plan of improvements, which will necessitate a series of rate adjustments over the next several years. The extent of the construction program is contained in the Five Year Plan, Exhibit R.

Rates are also being adjusted to reflect adjustments for pro forma changes in operating expenses and revenues and fund the debt associated with the capital projects as reflected in Exhibit N.

b. No new franchises are required. Copies of DOW permits that have been received are included in Exhibit O;

c. Construction descriptions are in Exhibit O. These projects are part of the Water Distribution Master Plan filed and approved in Case No. 98-078, which is incorporated by reference. The facts relied on to justify the public need are included in the project descriptions in Exhibit O;

d. Maps of the area showing location of the proposed facilities are in Exhibit O.

e. The construction costs will be funded by the issuance of approximately \$30,075,125 parity revenue bonds as shown in Exhibit A.

f. Additional operating costs for operation and maintenance, depreciation and debt service are shown in Exhibit O;

g. Description the facilities and operation of the system are in Exhibits O;

h. A full description of the route, location of the projects, description of construction and related information is in Exhibit O;

i. The projects will not compete with any other utility;

j. The start date for construction, proposed in-service date, total estimated cost of construction at completion are included in Exhibit O;

k. CWIP at end of test year is listed in Exhibits K and N.

l. Plant retirements are listed in the PSC Annual Report of 2006. No salvage values are included as booked.

m. There is no reconciliation of capital budget and pro forma capital, because there are no differences.

n. Monthly budget reports are included in Exhibit I. These reports are the only monthly reports prepared by the District;

o. Number of customers added to test period is included in Exhibits O and N.

13. The following information is provided as required by 807 KAR 5:001 (11):

a. A general description of the property is contained in the Annual Report, Exhibit C;

b. No stock is to be issued. Bonds to be issued and terms are described in Exhibit A;

c. All funds are to be used for the construction of the proposed facilities and issuance of debt as described in Exhibits A and O;

d. The property to be constructed is described in Exhibit O;

e. The refunding of prior bonds or refinancing of BANS is shown in Exhibit A;

14. The following exhibits are provided pursuant to 807 KAR 5:001 (11)(2):

a. A current financial analysis of rates and revenue requirements is attached as Exhibit N;

b. There are no trust deeds. All notes, indebtedness and mortgages are included in Exhibits D and K;

c. No property is to be acquired;

15. The following information is provided pursuant to 807 KAR 5:001(6):

a. No stock is authorized. There are no annual reports to shareholders;

b. No stock is issued;

c. There are no stock preferences;

d. Mortgages are listed in Exhibits C, D and E;

e. Bonds are listed in Exhibits C, D and E;

f. Notes are listed in Exhibits C, D, and E;

g. Other indebtedness is listed in Exhibits C, D, and E;

h. No dividends have been paid;

i. A current balance sheet and income statement is included in Exhibits E and K.

16. The following information is filed pursuant to 807 KAR 5:001(10):

a. Reasons the adjustment is required are discussed in Exhibit P and in the testimony contained in Exhibit Q;

b. The annual reports are on file with the Commission;

c. There are no articles of incorporation;

d. and e. The District is not a limited partnership;

f. There is no assumed name;

g. The current and proposed tariffs are attached as Exhibit M;

h. Comparative tariffs and changes are attached as Exhibit M;

i. The customer notice has been published and a copy is attached as Exhibit

L;

10. A notice of intent was filed on March 30, 2007 and was mailed to the Attorney General.

11. A description of the proposed pro forma adjustments is attached as Exhibits M and N;

12. Testimony of the District's witnesses is attached as Exhibit Q;

13. An estimate of the impact of the rate adjustment is attached as Exhibit N;

14. The effect on the average customer bill is contained in Exhibits M and N;

15. A bills analysis is included in Exhibit N;

16. A summary of the revenue requirement determination is included in Exhibits J and N;

17. A reconciliation of rate base is included in Exhibits J and N;

18. A current chart of accounts is attached as Exhibit F;

19. The independent auditor's report is attached as Exhibit E;

20. A summary of the latest depreciation schedule is attached as Exhibit G;

21. A list of software used by the District is attached as Exhibit H;

22. Monthly managerial reports are attached as Exhibit I;

23. A cost of service study is attached as Exhibit N;

24. A detailed income statement and balance sheet is attached as Exhibits E, and K;

25. The most recent capital construction budget is attached as Exhibit R;

26. Pro forma adjustments are reflected in Exhibits K and N;

27. There are no affiliated transactions or allocated revenues or expenses among affiliates;

17. NKWD requests that it be granted a deviation under 807 KAR 5:004(14), if necessary to accommodate any situation where inflexible compliance with a regulation would be impracticable, onerous or which would hinder the District's daily operations

and to allow the use of December 31, 2006 financial data, which is sufficiently current to accurately reflect the financial condition of the District. Because the test year is December 31, 2006, that information is adequate for use in the determination of the appropriateness of the related financing being proposed under KRS 278.300. There have been no extraordinary events that would distort the year end statements. Using the same period for both the test period and financing allows for comparable analysis of the data and avoids unnecessary revision of certain schedules and inconsistent data for essentially the same purpose.

The District also requests an extension of time to file the depreciation study referenced in the Commission's Order of April 30, 2003, Case No. 2002-00105. The District has begun such a study but is attempting to revise the study to accommodate the issues raised by the staff and the Attorney General and to reflect the most accurate information available to the District. Depreciation is an essential element in the calculation of the revenue requirement. Without an allowance to use information available to the District, which has been updated to the extent possible with current data, the District cannot file a rate application.

For these reasons, NKWD requests that it be granted an order authorizing construction, issuance of parity revenue bonds in the approximate amount of \$30,075,125 and adjustment of rates.

KRS 278.180	30 days' notice of rates to Commission (no effective date means no notice given and this is acceptable)	Effective 7/01/07
807 KAR 5:001:		
Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	Provided
Section 10(1)(b)(1)	A statement of the reason the adjustment is required.	Exhibits P and Q

Section 10(1)(b)(2)	A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the commission in accordance with 807 KAR 5:006, Section 3(1)	Statement included in Application
Section 10(1) (b)(3) and (5)	If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or out of state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the Commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	Not Incorporated
Section 10(1)(b)(4) and (5)	If applicant is a limited partnership, a certified copy of the limited partnership agreement <u>or</u> if the agreement was filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding <u>and</u> a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.	Not a partnership
Section 10(1)(b)(6)	A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.	No assumed name
Section 10(1)(b)(7)	The proposed tariff in form complying with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.	Exhibit M
Section 10(1)(b)(8)	Proposed tariff changes shown either by providing present and proposed tariffs in comparative form or indicating additions by italicized inserts or underscoring and striking over deletions in a copy of the current tariff.	Exhibit M
Section 10(1)(b)(9)	Statement that notice given, see subsections (3) and (4) of 807 KAR 5:001, Section 10 with copy.	Exhibit L
Section 10(2)	If gross annual revenues exceed \$1,000,000 written notice of intent filed at least four (4) weeks prior to application. Notice shall state whether the application will be supported by historical or a fully forecasted test period.	Filed March 30, 2007
Section 10(6)(a)	Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment.	Exhibit N
Section 10(6)(b) & (c)	If gross annual revenues exceed \$1,000,000, prepared testimony of each witness who will support the application. If less than \$1,000,000, prepared testimony of each witness who will support application or statement that utility does not plan to submit prepared testimony.	Exhibit Q
Section 10(6)(d)	Estimate of effect that new rate(s) will have on revenues	Exhibit N

	including, at minimum, total revenues resulting from increase or decrease and percentage of increase or decrease.	
Section 10(6)(e)	If electric, gas, water or sewer utility effect upon the average bill for each customer classification to which change will apply.	Exhibits L, M, N
Section 10(6)(f)	If local exchange company, effect upon the average bill for each customer class for change in basic local service.	Not a local Exchange Co
Section 10(6) (g)	Analysis of customers' bills in such detail that revenues from present and proposed rates can be readily determined for each customer class.	Exhibit N
Section 10(6)(h)	Summary of determination of revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.	Exhibit N
Section 10(6)(i)	Reconciliation of rate base and capital used to determine revenue requirements.	Exhibit N, Sch. 1
Section 10(6)(j)	Current chart of accounts if more detailed than the Uniform System of Accounts.	Exhibit F
Section 10(6)(k)	Independent auditor's annual opinion report, with any written communication from auditor which indicates existence of material weakness in internal controls.	Exhibit E
Section 10(6)(l)	The most recent FERC or FCC audit reports.	Not regulated by FERC
Section 10(6)(m)	The most recent FERC Form 1 (electric), FERC Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and PSC Form T (telephone).	
Section 10(6)(n)	Summary of latest depreciation study with schedules by major plant accounts, except that telecommunications utilities adopting PSC's average depreciation rates shall provide schedule identifying current and test period depreciation rates used by major plant accounts. If filed in another PSC case refer to that case's number and style.	Deviation requested
Section 10(6)(o)	List of all commercial or in-house computer software, programs, and models used to develop schedules and work papers associated with the filing. Include each software, program, or model; what each was used for; its supplier; brief description and specifications for the computer hardware and the operating system required to run the program.	Exhibit H
Section 10(6)(p)	Prospectuses of most recent stock or bond offerings.	None
Section 10(6)(q)	Annual report to shareholders, or members, and statistical supplements covering 2 years prior to application filing date.	None
Section 10(6)(r)	Monthly managerial reports providing financial results for 12 months in test period.	Exhibit I

Section 10(6)(s)	SEC's annual report for most recent 2 years, Form 10-Ks and any Form 8-Ks issued within past 2 years, and Form 10-Qs issued during the past 6 quarters updated as current information becomes available.	Not applicable to non-Stock company
Section 10(6)(t)	<p>If utility had any amounts charged or allocated to it by affiliate or general or home office, or paid any monies to affiliate or general or home office during test period or during previous 3 calendar years, file:</p> <ol style="list-style-type: none"> <li>1. Detailed description of method of calculation and amounts allocated or charged to utility by affiliate or general or home office for each charge allocation or payment;</li> <li>2. Explanation of how allocator for the test period was determined; and</li> <li>3. All facts relied upon, including other regulatory approval, to demonstrate that each amount charged, allocated or paid during test period was reasonable;</li> </ol>	None
Section 10(6)(u)	If gas, electric or water utility, whose annual gross revenues exceed \$5,000,000, cost of service study based on methodology generally accepted in industry and based on current and reliable data from a single time period.	Exhibit N
Section 10(6)(v)	<p>Local exchange carriers with fewer than 50,000 access lines need not file cost of service studies, except as specifically directed by PSC. Local exchange carriers with more than 50,000 access lines shall file</p> <ol style="list-style-type: none"> <li>1. Jurisdictional separations study consistent with Part 36 of the FCC's rules and regulations; and</li> <li>2. Service specific cost studies supporting pricing of all services that generate annual revenue greater than \$1,000,000 except local exchange access: <ol style="list-style-type: none"> <li>a. Based on current and reliable data from a single time period; and</li> <li>b. Using generally recognized fully allocated, embedded, or incremental cost principles.</li> </ol> </li> </ol>	Not A LEC
Section 10(7)(a)	Detailed income statement and balance sheet reflecting impact of all proposed adjustments.	Exhibits E and K
Section 10(7)(b)	Most recent capital construction budget containing at	Exhibit R
Section 10(7)(c)	<p>For each proposed pro forma adjustment reflecting plant additions the following information:</p> <ol style="list-style-type: none"> <li>1. Starting date of the construction of each major component</li> </ol>	Exhibit O

	of plant;	
	2. Proposed in-service date;	Exhibit O
	3. Total estimated cost of construction at completion;	Exhibits O, R
	4. Amount contained in construction work in progress at end of test period;	Exhibit C
	5. Complete description of actual plant retirements and anticipated plant retirements related to the pro forma plant additions including the actual or anticipated date of retirement;	Exhibit N
	6. Original cost, cost of removal and salvage for each component of plant to be retired during the period of the proposed pro forma adjustment for plant additions;	Exhibit N
	7. Explanation of any differences in amounts contained in the capital construction budget and amounts of capital construction cost contained in the pro forma adjustment period; and	Exhibit N
	8. Impact on depreciation expense of all proposed pro forma adjustments for plant additions and retirements;	Exhibit N
Section 10(7)(d)	Operating budget for each month of the period encompassing the pro forma adjustments;	Exhibit I
Section 10(7)(e)	Number of customers to be added to the test period - end level of customers and the related revenue requirements impact for all pro forma adjustments with complete details and supporting work papers.	Exhibit N
Section 10(3)(a)	Amount of change requested in dollar amounts and percentage for each customer classification to which change will apply.	Exhibit N
Section 10(3)(b)	Present and proposed rates for each customer class to which change would apply.	Exhibit N
Section 10(3)(c)	Electric, gas, water and sewer utilities - effect upon average bill for each customer class to which change will apply.	Exhibit N
Section 10(3)(d)	Local exchange companies include effect upon average bill for each customer class for change in basic local service.	Not A LEC
Section 10(4)	If copy of public notice included, did it meet requirements?*	Exhibit L

807 KAR

5:001:

Section 8(1)	Full name and post office address of applicant and a reference to the particular provision of law requiring Commission approval.	Application
Section 8(2)	The original and 10 copies of the application with an additional copy for any party named therein as an interested party.	Filed
Section 8(3)	If applicant is a corporation, a certified copy of the Articles of Incorporation and all amendments thereto <u>or</u> if the articles were filed with the PSC in a prior proceeding, a reference to the style and case number of the prior proceeding.	Not a corporation
KRS 278.300(2)	Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.	Affidavit provided
807 KAR 5:001: Section 11(1)(a)	Description of applicant's property.	Exhibit C
	Statement of original cost of applicant's property and the cost to the applicant, if different.	Exhibit C
Section 11(1)(b)	If stock is to be issued: and kinds to be issued.	None
	--Description of amount and kinds to be issued.	
	--If preferred stock, a description of the preferences.	None
	If Bonds or Notes or Other Indebtedness is proposed:	Exhibit A
	--Description of the amount(s)	
	--Full description of all terms	Exhibit A
	--Interest rates(s)	Exhibit A
	--Whether the debt is to be secured and if so a description of how it's secured.	Exhibit B
Section 11(1)(c)	Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)	Application Exhibit O, N
807 KAR 5:001: Section 11(1)(d)	If proceeds are for property acquisition, give a full description thereof. Supply any contracts.	Application
Section 11(1)(e)	If proceeds are to refund outstanding obligations, give:  --Par value	Exhibit A

	--Amount for which actually sold	
	--Expenses and application of proceeds	
	--Date of obligations	
	--Total amount	
	--Time held	
	--Interest rate	
	--Payee	
Section 11(2)(a)	Financial Exhibit (see below)	
Section 11(2)(b)	Copies of all trust deeds or mortgages. If previously filed, state case number.	Exhibit C
Section 11(2)(c)	If Property to be acquired:	Exhibit O
	--Maps and plans of property.	
Section 11(2)(c)	--Detailed estimates by USOA account number.	Not applicable
807 KAR 5:001		
Section 6(1)	Amount and types of stock authorized.	None
Section 6(2)	Amount and types of stock issued and outstanding.	None
Section 6(3)	Detail of preference terms of preferred stock.	None
Section 6(4)	<u>Mortgages:</u>	<u>Ex C, D, E</u>
	--Date of Execution	
	--Name of Mortgagor	
	--Name of Mortgagee or Trustee	
	--Amount of Indebtedness Secured	
	--Sinking Fund Provisions	
Section 6(5)	<u>Bonds</u>	<u>Ex A, C, D, E</u>
	--Amount Authorized	
	--Amount Issued	
	--Name of Utility Who Issued	

--Description of Each Class Issued

--Date of Issue

--Date of Maturity

--How Secured

--Interest Paid in Last Fiscal Year

Section 6(6) Notes Outstanding: Ex C, D, E

--Date of Issue

--Amount

--Maturity Date

--Rate of Interest

--In Whose Favor

--Interest Paid in Last Fiscal Year

Section 6(7) Other Indebtedness: Ex C, D, E

--Description of Each Class

--How Secured

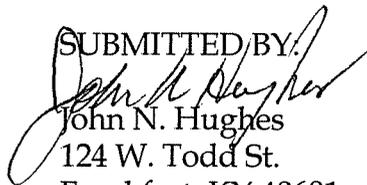
--Description of Any Assumption of Indebtedness by Outside Party  
(i.e., any transfer)

--Interest Paid in Last Fiscal Yr.

Section 6(8) Rate and amount of dividends paid during the five (5) previous fiscal years and the amount of capital stock on which dividends were paid each year. None

Section 6(9) Detailed income statement and balance sheet. Exhibit E

I certify that a copy of this Petition was delivered to the Attorney General, 1024 Capital Center Dr. on the     day of May, 2007.

SUBMITTED BY:  
  
John N. Hughes  
124 W. Todd St.  
Frankfort, KY 40601  
Attorney for Northern  
Kentucky Water District

NKWD  
Case No. 2005-00148  
Exhibit S  
Witness: Lovan

AFFIDAVIT OF C. RONALD LOVAN

County of Campbell                    )  
Commonwealth of Kentucky        )

C. Ronald Lovan, after being sworn, states that he is the President/CEO of the Northern Kentucky Water District and that the statements contained in the Petition are true and correct to the best of his information and knowledge.

Sworn and acknowledged before me by C. Ronald Lovan on 21<sup>st</sup> day of May, 2007.

  
C. Ronald Lovan, P.E.  
  
Notary Public

My Commission Expires on: 1-3-2010



Northern Kentucky Water District  
Projected Revenue Bonds  
(PSC Case # 2007-00135)

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Estimated Series 2008 Revenue Bonds

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Cumulative Debt Structure

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**Northern Kentucky Water Service District**  
Revenue Bonds, Series 2008-EST  
(Projected Following Rate Case # 2007 - 00135)

**Sources & Uses**

Dated 01/01/2008 | Delivered 01/01/2008

**Sources Of Funds**

Par Amount of Bonds	\$29,580,000.00
Transfers from Prior Issue CIF Funds	495,125.61

**Total Sources** **\$30,075,125.61**

**Uses Of Funds**

Total Underwriter's Discount (2.000%)	591,600.00
Financial Advisor	60,000.00
Bond Counsel	30,000.00
Trustee & Counsel Fees	5,000.00
Rating Agency Fee	15,000.00
Deposit to Debt Service Reserve Fund (DSRF)	2,007,744.00
Deposit to Current Refunding Fund	27,364,109.96
Rounding Amount	1,671.65

**Total Uses** **\$30,075,125.61**

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinclair & Associates, LLC**  
Public Finance - RBarrow

**Northern Kentucky Water Service District**

Revenue Bonds, Series 2008-EST

(Projected Following Rate Case # 2007 - 00135)

**Debt Service Schedule**

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I
02/01/2008	-	-	-	-
08/01/2008	-	-	754,236.29	754,236.29
02/01/2009	685,000.00	3.700%	646,488.25	1,331,488.25
08/01/2009	-	-	633,815.75	633,815.75
02/01/2010	710,000.00	3.750%	633,815.75	1,343,815.75
08/01/2010	-	-	620,503.25	620,503.25
02/01/2011	735,000.00	3.860%	620,503.25	1,355,503.25
08/01/2011	-	-	606,317.75	606,317.75
02/01/2012	765,000.00	3.920%	606,317.75	1,371,317.75
08/01/2012	-	-	591,323.75	591,323.75
02/01/2013	795,000.00	3.990%	591,323.75	1,386,323.75
08/01/2013	-	-	575,463.50	575,463.50
02/01/2014	830,000.00	4.060%	575,463.50	1,405,463.50
08/01/2014	-	-	558,614.50	558,614.50
02/01/2015	865,000.00	4.110%	558,614.50	1,423,614.50
08/01/2015	-	-	540,838.75	540,838.75
02/01/2016	900,000.00	4.150%	540,838.75	1,440,838.75
08/01/2016	-	-	522,163.75	522,163.75
02/01/2017	940,000.00	4.200%	522,163.75	1,462,163.75
08/01/2017	-	-	502,423.75	502,423.75
02/01/2018	980,000.00	4.250%	502,423.75	1,482,423.75
08/01/2018	-	-	481,598.75	481,598.75
02/01/2019	1,025,000.00	4.300%	481,598.75	1,506,598.75
08/01/2019	-	-	459,561.25	459,561.25
02/01/2020	1,070,000.00	4.330%	459,561.25	1,529,561.25
08/01/2020	-	-	436,395.75	436,395.75
02/01/2021	1,115,000.00	4.410%	436,395.75	1,551,395.75
08/01/2021	-	-	411,810.00	411,810.00
02/01/2022	1,165,000.00	4.440%	411,810.00	1,576,810.00

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinclaire & Associates, LLC**  
Public Finance - RBarrow

**Northern Kentucky Water Service District**  
 Revenue Bonds, Series 2008-EST  
 (Projected Following Rate Case # 2007 - 00135)

**Debt Service Schedule**

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I
08/01/2022	-	-	385,947.00	385,947.00
02/01/2023	1,220,000.00	4.470%	385,947.00	1,605,947.00
08/01/2023	-	-	358,680.00	358,680.00
02/01/2024	1,275,000.00	4.490%	358,680.00	1,633,680.00
08/01/2024	-	-	330,056.25	330,056.25
02/01/2025	1,335,000.00	4.510%	330,056.25	1,665,056.25
08/01/2025	-	-	299,952.00	299,952.00
02/01/2026	1,395,000.00	4.530%	299,952.00	1,694,952.00
08/01/2026	-	-	268,355.25	268,355.25
02/01/2027	1,460,000.00	4.540%	268,355.25	1,728,355.25
08/01/2027	-	-	235,213.25	235,213.25
02/01/2028	1,530,000.00	4.550%	235,213.25	1,765,213.25
08/01/2028	-	-	200,405.75	200,405.75
02/01/2029	1,600,000.00	4.550%	200,405.75	1,800,405.75
08/01/2029	-	-	164,005.75	164,005.75
02/01/2030	1,675,000.00	4.560%	164,005.75	1,839,005.75
08/01/2030	-	-	125,815.75	125,815.75
02/01/2031	1,755,000.00	4.560%	125,815.75	1,880,815.75
08/01/2031	-	-	85,801.75	85,801.75
02/01/2032	1,835,000.00	4.570%	85,801.75	1,920,801.75
08/01/2032	-	-	43,872.00	43,872.00
02/01/2033	1,920,000.00	4.570%	43,872.00	1,963,872.00
<b>Total</b>	<b>\$29,580,000.00</b>	<b>-</b>	<b>\$20,278,595.04</b>	<b>\$49,858,595.04</b>

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinlaire & Associates, LLC**  
 Public Finance - RBarrow

**Northern Kentucky Water Service District**  
Revenue Bonds, Series 2008-EST  
(Projected Following Rate Case # 2007 - 00135)

**Debt Service Schedule**

Part 3 of 3

**Yield Statistics**

Bond Year Dollars	\$452,925.00
Average Life	15.312 Years
Average Coupon	4.4772523%
Net Interest Cost (NIC)	4.6078700%
True Interest Cost (TIC)	4.6547693%
Bond Yield for Arbitrage Purposes	4.4608078%
All Inclusive Cost (AIC)	4.6914835%

**IRS Form 8038**

Net Interest Cost	4.4772523%
Weighted Average Maturity	15.312 Years

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinclaire & Associates, LLC**  
Public Finance - RBarrow

**Northern Kentucky Water Service District**  
 Revenue Bonds, Series 2008-EST  
 (Projected Following Rate Case # 2007 - 00135)

**Debt Service Schedule**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
12/31/2008	-	-	754,236.29	754,236.29
12/31/2009	685,000.00	3.700%	1,280,304.00	1,965,304.00
12/31/2010	710,000.00	3.750%	1,254,319.00	1,964,319.00
12/31/2011	735,000.00	3.860%	1,226,821.00	1,961,821.00
12/31/2012	765,000.00	3.920%	1,197,641.50	1,962,641.50
12/31/2013	795,000.00	3.990%	1,166,787.25	1,961,787.25
12/31/2014	830,000.00	4.060%	1,134,078.00	1,964,078.00
12/31/2015	865,000.00	4.110%	1,099,453.25	1,964,453.25
12/31/2016	900,000.00	4.150%	1,063,002.50	1,963,002.50
12/31/2017	940,000.00	4.200%	1,024,587.50	1,964,587.50
12/31/2018	980,000.00	4.250%	984,022.50	1,964,022.50
12/31/2019	1,025,000.00	4.300%	941,160.00	1,966,160.00
12/31/2020	1,070,000.00	4.330%	895,957.00	1,965,957.00
12/31/2021	1,115,000.00	4.410%	848,205.75	1,963,205.75
12/31/2022	1,165,000.00	4.440%	797,757.00	1,962,757.00
12/31/2023	1,220,000.00	4.470%	744,627.00	1,964,627.00
12/31/2024	1,275,000.00	4.490%	688,736.25	1,963,736.25
12/31/2025	1,335,000.00	4.510%	630,008.25	1,965,008.25
12/31/2026	1,395,000.00	4.530%	568,307.25	1,963,307.25
12/31/2027	1,460,000.00	4.540%	503,568.50	1,963,568.50
12/31/2028	1,530,000.00	4.550%	435,619.00	1,965,619.00
12/31/2029	1,600,000.00	4.550%	364,411.50	1,964,411.50
12/31/2030	1,675,000.00	4.560%	289,821.50	1,964,821.50
12/31/2031	1,755,000.00	4.560%	211,617.50	1,966,617.50
12/31/2032	1,835,000.00	4.570%	129,673.75	1,964,673.75
12/31/2033	1,920,000.00	4.570%	43,872.00	1,963,872.00
<b>Total</b>	<b>\$29,580,000.00</b>	-	<b>\$20,278,595.04</b>	<b>\$49,858,595.04</b>

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinclaire & Associates, LLC**  
 Public Finance - RBarrow

**Northern Kentucky Water Service District**  
Revenue Bonds, Series 2008-EST  
(Projected Following Rate Case # 2007 - 00135)

**Debt Service Schedule**

Part 2 of 2

**Yield Statistics**

Bond Year Dollars \$452,925.00  
Average Life 15.312 Years  
Average Coupon 4.4772523%

Net Interest Cost (NIC) 4.6078700%  
True Interest Cost (TIC) 4.6547693%  
Bond Yield for Arbitrage Purposes 4.4608078%  
All Inclusive Cost (AIC) 4.6914835%

**IRS Form 8038**

Net Interest Cost 4.4772523%  
Weighted Average Maturity 15.312 Years

2008-EST | Deposit to Construction F | 5/8/2007 | 2:58 PM

**Ross, Sinclaire & Associates, LLC**  
Public Finance - RBarrow

Northern Kentucky Water District  
 Summary of Outstanding Debt Obligations  
 (Debt Capsule Report)

Bond Series	Original Par Amount	Amount Outstanding	Interest Rate Range	Final Maturity	Call Information
<u>Outstanding Debt</u>					
1997-REF	\$11,225,000	\$4,650,000	4.700 - 4.750%	2/1/2022	Feb 2007 @ 102%
1998	\$11,355,000	\$9,285,000	4.750 - 4.875%	2/1/2028	Feb 2008 @ 102%
2000 USDA	\$2,287,000	\$2,143,000	5.000%	5/1/2039	N/A
2001	\$16,325,000	\$14,920,000	4.000 - 5.000%	2/1/2026	Feb 2012 @ 100%
2002A-REF	\$45,485,000	\$43,680,000	4.500 - 5.000%	2/1/2027	Feb 2012 @ 100%
2002B-REF	\$10,575,000	\$7,985,000	3.500 - 4.250%	2/1/2017	Feb 2013 @ 100%
2003A-REF	\$1,615,000	\$1,475,000	2.600 - 4.600%	2/1/2032	Feb 2013 @ 100%
2003B	\$30,270,000	\$26,860,000	2.000 - 4.125%	2/1/2028	Aug 2013 @ 100%
2003C-REF	\$23,790,000	\$18,805,000	2.500 - 4.250%	2/1/2020	Feb 2014 @ 100%
2004	\$10,455,000	\$9,625,000	2.375 - 4.500%	2/1/2029	Aug 2014 @ 100%
2006	\$29,000,000	\$28,700,000	4.000 - 4.375%	2/1/2031	Aug 2016 @ 100%
<u>Proposed Debt</u>					
2008 *	\$29,580,000	N/A	N/A	2/1/2034	Feb 2019 @ 100%
Totals:	\$221,962,000	\$168,128,000	---	---	---

\* Assumes a January 1, 2008 Issuance (Series 2008 will discharge Series 2007-BANs)

Northern Kentucky Water District  
 (Projected Following Rate Case # 2007 - 00135, Series 2008 Revenue Bonds)  
 (Gross Debt Service Structure Report)

Proposed

Calendar Year	Series 1997-REF		Series 2000-USDA		Series 2001		Series 2002A-REF		Series 2002B-REF		Series 2003A-REF		Series 2003B		Series 2003C-REF		Series 2004		Series 2006		Series 2008-EST		Total		
	Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Bonds		Debt	Service	
2007	\$1,090,850	\$721,730	\$134,825	\$917,675	\$2,523,240	\$903,306	\$98,840	\$1,884,700	\$1,914,075	\$679,103	\$1,393,897	\$12,262,241	\$12,262,241									\$767,251	\$13,514,346	\$12,262,241	
2008	\$1,089,738	\$723,786	\$134,450	\$880,400	\$2,535,465	\$927,219	\$98,000	\$1,881,950	\$1,904,969	\$677,631	\$1,893,468	\$12,747,095	\$12,747,095									\$1,997,430	\$13,514,346	\$12,747,095	
2009	\$1,086,513	\$710,486	\$135,000	\$858,745	\$2,473,028	\$1,023,244	\$101,945	\$1,882,706	\$1,907,069	\$675,316	\$1,894,088	\$12,748,138	\$12,748,138									\$1,996,073	\$14,743,423	\$12,748,138	
2010	\$1,086,269	\$711,830	\$134,475	\$773,878	\$2,554,353	\$1,025,675	\$100,685	\$1,884,488	\$1,905,031	\$676,869	\$1,886,588	\$12,742,139	\$12,742,139									\$1,998,098	\$14,743,423	\$12,742,139	
2011	\$1,088,769	\$712,461	\$134,875	\$775,545	\$2,552,978	\$1,025,044	\$99,315	\$1,882,088	\$1,908,519	\$677,569	\$1,886,988	\$12,744,149	\$12,744,149									\$1,998,335	\$14,743,423	\$12,744,149	
2012	\$98,000	\$712,380	\$134,200	\$772,105	\$3,552,640	\$1,022,244	\$97,865	\$1,882,066	\$1,907,169	\$677,563	\$1,884,188	\$12,740,418	\$12,740,418									\$1,996,887	\$14,743,423	\$12,740,418	
2013	\$95,150	\$711,501	\$134,450	\$1,409,583	\$2,916,840	\$1,023,144	\$101,259	\$1,885,425	\$1,907,469	\$676,628	\$1,885,088	\$12,746,536	\$12,746,536									\$1,998,574	\$14,743,423	\$12,746,536	
2014	\$97,181	\$714,611	\$134,600	\$1,411,840	\$2,913,190	\$1,017,744	\$99,504	\$1,882,769	\$1,912,081	\$674,938	\$1,879,688	\$12,738,145	\$12,738,145									\$1,998,337	\$14,743,423	\$12,738,145	
2015	\$98,975	\$711,741	\$134,650	\$1,416,675	\$2,911,851	\$1,011,144	\$97,704	\$1,883,413	\$1,910,681	\$676,700	\$1,882,888	\$12,736,421	\$12,736,421									\$1,996,266	\$14,743,423	\$12,736,421	
2016	\$95,650	\$712,972	\$134,600	\$1,414,438	\$2,926,663	\$1,007,641	\$100,755	\$1,885,756	\$1,906,881	\$677,000	\$1,884,488	\$12,746,843	\$12,746,843									\$1,997,225	\$14,743,423	\$12,746,843	
2017	\$97,206	\$713,228	\$134,450	\$1,419,288	\$3,386,944	\$546,369	\$98,655	\$1,882,394	\$1,905,581	\$676,700	\$1,884,488	\$12,745,302	\$12,745,302									\$1,996,026	\$14,743,423	\$12,745,302	
2018	\$98,525	\$712,509	\$134,200	\$1,416,063	\$4,183,500		\$101,355	\$1,884,394	\$1,744,881	\$675,800	\$1,794,688	\$12,745,914	\$12,745,914									\$1,997,523	\$14,743,423	\$12,745,914	
2019	\$94,725	\$710,816	\$134,825	\$1,420,700	\$4,180,950		\$98,880	\$1,884,394	\$1,748,641	\$679,200	\$1,795,088	\$12,748,218	\$12,748,218									\$1,996,672	\$14,743,423	\$12,748,218	
2020	\$95,806	\$713,025	\$134,325	\$1,422,963	\$4,481,250		\$101,293	\$1,881,566	\$1,184,650	\$675,800	\$2,057,663	\$12,748,339	\$12,748,339									\$1,998,155	\$13,393,773	\$12,748,339	
2021	\$96,650	\$714,016	\$134,700	\$1,421,500	\$4,483,250		\$98,593	\$1,880,775		\$675,550	\$1,890,584	\$11,395,618	\$11,395,618									\$1,996,822	\$13,393,773	\$11,395,618	
2022	\$97,256	\$713,788	\$133,950	\$1,421,125	\$4,482,125		\$100,780	\$1,882,613		\$679,288	\$1,889,847	\$11,400,771	\$11,400,771									\$2,000,902	\$13,393,773	\$11,400,771	
2023		\$712,341	\$134,075	\$1,418,000	\$4,482,500		\$97,839	\$1,881,975		\$677,013	\$1,999,675	\$11,403,417	\$11,403,417									\$2,000,902	\$13,393,773	\$11,403,417	
2024		\$714,553	\$134,050	\$1,421,875	\$4,483,875		\$99,768	\$1,883,759		\$678,725	\$1,897,028	\$11,313,633	\$11,313,633									\$2,000,902	\$13,393,773	\$11,313,633	
2025		\$710,425	\$133,875	\$1,422,500	\$4,485,750		\$101,469	\$1,882,863		\$679,313	\$1,903,969	\$11,320,163	\$11,320,163									\$2,000,902	\$13,393,773	\$11,320,163	
2026		\$714,834	\$133,550	\$1,424,750	\$4,482,750		\$98,056	\$1,884,181		\$678,775	\$1,907,288	\$11,324,184	\$11,324,184									\$1,998,218	\$13,393,773	\$11,324,184	
2027		\$712,659	\$134,050	\$1,424,750	\$4,484,375		\$99,530	\$1,882,613		\$677,113	\$1,906,944	\$9,897,283	\$9,897,283									\$1,997,345	\$11,894,628	\$9,897,283	
2028		\$445,603	\$133,375				\$100,755	\$1,883,053		\$679,213	\$1,908,731	\$5,150,730	\$5,150,730									\$1,998,259	\$7,148,989	\$5,150,730	
2029			\$133,525	\$96,845			\$98,845			\$679,863	\$1,917,331	\$2,827,664	\$2,827,664									\$2,000,801	\$4,828,464	\$2,827,664	
2030			\$133,475	\$97,820			\$97,820				\$1,916,516	\$2,147,811	\$2,147,811									\$1,999,844	\$4,147,655	\$2,147,811	
2031			\$133,225	\$98,565			\$98,565				\$1,921,125	\$2,152,915	\$2,152,915									\$2,000,272	\$4,153,187	\$2,152,915	
2032			\$133,750	\$30,690			\$30,690					\$164,440	\$164,440									\$1,996,959	\$2,161,399	\$164,440	
2033			\$133,050									\$133,050	\$133,050									\$1,999,672	\$2,132,722	\$133,050	
2034			\$134,100									\$134,100	\$134,100										\$134,100	\$134,100	\$134,100
2035			\$133,875									\$133,875	\$133,875										\$133,875	\$133,875	\$133,875
2036			\$133,400									\$133,400	\$133,400										\$133,400	\$133,400	\$133,400
2037			\$133,650									\$133,650	\$133,650										\$133,650	\$133,650	\$133,650
2038			\$133,600									\$133,600	\$133,600										\$133,600	\$133,600	\$133,600
2039			\$133,250									\$133,250	\$133,250										\$133,250	\$133,250	\$133,250
2040												\$0	\$0										\$0	\$0	\$0
Totals:	\$6,507,263	\$15,431,296	\$4,424,450	\$24,839,645	\$75,477,515	\$10,532,772	\$2,516,763	\$41,429,938	\$25,667,697	\$15,581,766	\$46,964,347	\$268,373,450	\$268,373,450									\$50,720,791	\$320,094,241	\$268,373,450	



Northern Kentucky Water District  
 (Projected following Rate Case # 2007 - 00135, Series 2008 Revenue Bonds)

Master Distribution of Funds  
 (Series 2007-BAN & Projected Series 2008)

Series 2007 (Issued April 26th, 2007)

Sources of Funds:

Par Amount of Bonds \$27,165,000.00  
 Net Bid Premium (Discount) (\$2,444.85)  
**Total Sources: \$27,162,555.15**

Uses of Funds:

Bond Funds \$27,101,575.15  
 Deposit to Construction Fund \$25,703,921.82  
 Deposit to Capitalized Interest Fund (4/26/07 - 4/01/09) \$1,397,653.33  
 Cost of Issuance \$60,980.00  
**Total Uses: \$27,162,555.15**

Series 2008 (Proposed January 1st, 2008)

Sources of Funds:

Par Amount of Bonds \$29,580,000.00  
 Transfer from Prior Capitalized Interest Fund (From 4/26/07-1/1/08) \$495,125.61  
**Total Sources: \$30,075,125.61**

Uses of Funds:

Net Bid Premium (Discount) \$591,600.00  
 Bond Funds \$29,373,525.61  
 Deposit to Pay off Principal of Series 2007-BANs \$27,165,000.00  
 Deposit to Pay off Accrued Interest of Series 2007-BANs \$199,109.96  
 Deposit to Debt Service Reserve Fund \$2,007,744.00  
 Rounding Amount \$1,671.65  
 Cost of Issuance \$110,000.00  
**Total Uses: \$30,075,125.61**



**SERIES 2007 BOND RESOLUTION NO. \_\_\_\_\_**

SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF APPROXIMATELY \$30,000,000 PRINCIPAL AMOUNT OF WATER DISTRICT REVENUE BONDS, SERIES 2009, OF NORTHERN KENTUCKY WATER DISTRICT; DESIGNATING THE PAYING AGENT AND REGISTRAR IN RESPECT THEREOF, AUTHORIZING AND MAKING CERTAIN IMPROVEMENTS TO THE WATER SYSTEM; APPROVING THE PREPARATION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS IN RESPECT THEREOF; AND AUTHORIZING A CONTINUING DISCLOSURE AGREEMENT.

WHEREAS, the Board of Commissioners of Northern Kentucky Water District (hereinafter sometimes referred to as the "District"), a water district duly organized pursuant to Chapter 74 of the Kentucky Revised Statutes, and a public body corporate and politic, has, under date of November 19, 1985, authorized and adopted its "1985 General Bond Resolution Authorizing the Issuance of and Securing Water District Revenue Bonds" (the "1985 General Bond Resolution" or the "General Bond Resolution") pursuant to which the District is authorized to issue its Water District Revenue Bonds from time to time, the proceeds of which, in whole or in part, are to be used for the purposes described with particularity in said General Bond Resolution; and

WHEREAS, said General Bond Resolution authorizes the issuance of such Water District Revenue Bonds in one or more Series pursuant to one or more Series Resolutions and authorizes the issuance and sale of such Series; and

WHEREAS, the District intends to issue its Water District Revenue Bond Anticipation Notes, Series 2007 (the "Notes"); and

WHEREAS, the Board of Commissioners of the District has determined that it is necessary and desirable that the District issue a Series of Water District Revenue Bonds, to be designated "Water District Revenue Bonds, Series 2009," to provide moneys to carry out the purposes of the District as hereinafter particularly set forth, including, but not limited to retiring the Notes.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF NORTHERN KENTUCKY WATER DISTRICT, THAT PURSUANT TO THE GENERAL BOND RESOLUTION AUTHORIZING THE ISSUANCE OF AND SECURING WATER DISTRICT REVENUE BONDS ADOPTED ON NOVEMBER 19, 1985, THIS SERIES 2009 BOND RESOLUTION IS ADOPTED, AS FOLLOWS:

**ARTICLE I  
AUTHORITY AND DEFINITIONS**

101. Short Title. This resolution may hereafter be cited by the District and is hereinafter sometimes referred to as the "Series 2009 Bond Resolution."

102. Defined Words and Terms.

(1) All words and terms which are defined in the General Bond Resolution, which General Bond Resolution is incorporated herein by reference, shall have the same and identical meanings respectively in this Series 2009 Bond Resolution as such terms are given in Article I of the General Bond Resolution.

(2) "Agent Member" shall mean a member of, or participant in, the Securities Depository.

(3) "Book-Entry Form" shall mean, with respect to any Series 2009 Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Series 2009 Bonds and Series 2009 Bond service charges may be transferred only through a book entry, and (ii) physical Series 2009 Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as owner, with the physical Series 2009 Bond certificates in the custody of a Securities Depository.

(4) "Notes" shall mean the District's Water District Revenue Bond Anticipation Notes, Series 2007 and like obligations issued on a parity therewith, including any renewal Notes issued to retire outstanding Notes.

(5) "Securities Depository" shall mean any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

(6) "Securities Depository Nominee" shall mean any nominee of a Securities Depository and initially means Cede & Co., New York, New York, as nominee of The Depository Trust Company.

(7) The "Series 2009 Bonds" shall mean the Water District Revenue Bonds which are authorized by Article II of this Series 2009 Bond Resolution.

103. Authority. This Series 2009 Bond Resolution is adopted pursuant to authority of Article II, Section 204 of the 1985 General Bond Resolution, and pursuant to authority contained in the Act.

104. Determination in Respect of Making Improvements to the Water System Payable from the Revenues of the Water System of the District. It is hereby determined and declared by the District that, pursuant to the requirements of the General Bond Resolution the District shall carry out the making of certain improvements from time to time to the Water System.

105. Determination by District that Series 2009 Bonds Be Issued. It is hereby determined by the District that it is necessary and desirable that approximately \$30,000,000 principal amount of Water District Revenue Bonds, Series 2009, be authorized and issued by the District for the purpose of making certain improvements to the Water System determined from time to time by the order of

the Board of Commissioners, pursuant to the General Bond Resolution and the Act, as more specifically set forth in this Series 2009 Bond Resolution, and to retire the Notes.

**ARTICLE II**  
**AUTHORIZATION AND TERMS OF SERIES 2009 BONDS**

201. Authorization of Bonds; Principal Amount; Designation and Series. In order to provide sufficient funds necessary for retiring the Notes that may be outstanding and paying part of the cost of making certain improvements to the Water System as set forth specifically from time to time in a separate Bond Anticipation Note Resolution in accordance with and subject to the terms, conditions and limitations established in the Act, the General Bond Resolution, and this Series 2009 Bond Resolution, a series of Water District Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of approximately \$30,000,000. As stated aforesaid, the District is of the opinion and hereby determines that the issuance of said Series 2009 Bonds in the principal amount of approximately \$30,000,000 is necessary to provide sufficient funds to be used and expended for the Water System. As provided by Article II, Section 204 of the General Bond Resolution, in addition to the designation "Water District Revenue Bonds," such Series of Bonds hereby authorized shall bear the additional designation "Series 2009" or such other series designation as may be appropriate for the year and date that the Series 2009 Bonds are issued, and each Bond as so designated shall be a "Water District Revenue Bond, Series 2009." The Series 2009 Bonds shall consist of approximately \$30,000,000 principal amount of Serial Bonds and/or Term Bonds as described in Section 204 hereof and shall be issued in fully registered form.

202. Purpose for Issue of Series 2009 Bonds. The purpose for which the Series 2009 Bonds are to be issued is to provide funds for retiring the Notes that may be outstanding on the date of issuance of the Series 2009 Bonds, to pay part of the cost of certain improvements to the Water System determined from time to time by order of this Board of Commissioners and specifically set

forth from time to time in any bond anticipation note resolution hereafter adopted by this Board of Commissioners, to provide funds, if necessary, for deposit in the Debt Service Reserve and to provide funds for deposit in the Series 2009 Cost of Issuance Account and all to the extent and in the amounts or subject to the determinations provided in Article III of this Series 2009 Bond Resolution.

203. Issue Date. The Series 2009 Bonds shall be dated no later than April 1, 2009 or the final maturity date of any renewal Notes issued to retire outstanding Notes.

204. Maturities. The Series 2009 Bonds shall mature on February 1 of the years, and in the principal amounts, and shall bear interest from the date thereof, payable semiannually on each August 1 and February 1 on dates and in amounts to be set forth in a supplemental Series 2009 Bond Resolution adopted subsequent hereto by the Board of Commissioners of the District or as set forth in a certificate of award signed by an Authorized Officer, as provided in Section 401 hereof.

205. Denominations, Numbers and Letters. The Series 2009 Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, not exceeding, however, the aggregate principal amount of Series 2009 Bonds maturing in the year of maturity of the Series 2009 Bond for which the denomination is to be specified. The Series 2009 Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

206. Place of Payment and Designation of Paying Agent and Registrar. The principal and Redemption Price on the Series 2009 Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent and Registrar, as may be designated in the certificate of award described in Section 401. Interest on Series 2009 Bonds will be paid by check or draft mailed to the registered owner at such address as shall be shown by the registration records of the Registrar in accordance with the provisions of Article III of the General Bond Resolution.

207. Book-Entry Form. The Series 2009 Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members of the Securities Depository. Initially, the Series 2009 Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (c) below, the Series 2009 Bonds shall be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Board or to a nominee of such successor Securities Depository. As to any Series 2009 Bond, the person in whose name such Series 2009 Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Series 2009 Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

For any Series 2009 Bonds issued in Book-Entry Form, neither the Board, the Registrar or the Paying Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Series 2009 Bonds; (ii) the delivery to any Agent Member, any beneficial owner of the Series 2009 Bonds or any other person, other than the Securities Depository, of any notice with respect to the Series 2009 Bonds or the Series 2009 Bond Resolution; or (iii) the payment to any Agent Member, any beneficial owner of the Series 2009 Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal of, premium, if any, or interest on the Series 2009 Bonds.

For any Series 2009 Bonds registered in Book-Entry Form, the Board, the Registrar and the Paying Agent shall treat the Securities Depository as, and deem the Securities Depository to

be, the absolute owner of such Series 2009 Bonds for all purposes whatsoever, including without limitation:

- (1) the payment of principal of, premium, if any, and interest on the Series 2009 Bonds;
- (2) giving notices of redemption and other matters with respect to the Series 2009 Bonds;
- (3) registering transfers with respect to the Series 2009 Bonds;
- (4) the selection of Series 2009 Bonds for redemption;
- (5) for purposes of obtaining consents under the Series 2009 Bond Resolution; and
- (6) notwithstanding the definition of the terms "bondholder" or "holder" or "owner"

in the General Bond Resolution as referencing the registered owners of the Series 2009 Bonds, the Registrar and Paying Agent shall be entitled to rely upon written instructions from a majority of the beneficial owners of the Series 2009 Bonds with reference to consent, if any, required from the owners of the Series 2009 Bonds pursuant to the terms of this Series 2009 Bond Resolution.

If at any time the Securities Depository notifies the Board that it is unwilling or unable to continue as Securities Depository with respect to any Series 2009 Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Board within 90 days after the Board receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable, and the Board shall execute and the Trustee shall authenticate and deliver certificates representing the affected Series 2009 Bonds to the owners of such Series 2009 Bonds as otherwise provided in this Article

II.

Payment of the principal of, premium, if any, and interest on any Series 2009 Bonds not registered in Book-Entry Form shall be made as provided in Section 208 hereof.

The principal of, premium, if any, and interest on the Series 2009 Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Trustee to the Securities Depository or the Securities Depository Nominee, as the case may be.

208. Redemption of Series 2009 Bonds; Redemption Terms and Prices. The Series 2009 Bonds shall be subject to redemption on dates and under terms set forth in a certificate of award described in Section 401 hereof, in whole or in part, and if in part, in inverse order of maturity, less than all of a single maturity to be selected in such manner as the Bond Registrar may determine, at redemption prices (expressed as percentages of the principal amount of the Series 2009 Bonds to be redeemed) plus accrued interest to the redemption date upon notice and pursuant to other conditions as prescribed by the General Bond Resolution or certificate of award not inconsistent therewith.

### **ARTICLE III DISPOSITION OF PROCEEDS OF SERIES 2009 BONDS**

301. Creation of Note Redemption Account for Retirement of Bond Anticipation Notes. There is hereby created a special fund or account identified as the "Northern Kentucky Water District Water District Revenue Bond Anticipation Note Redemption Account" (the "Note Redemption Fund"). Such Note Redemption Fund shall be held in the custody of The Bank of New York Trust Company, N.A., Cincinnati, Ohio, for the purpose of paying the Notes.

302. Series 2009 Cost of Issuance Account. Pursuant to Article V, Section 502 of the General Bond Resolution, there shall be established with a Fiduciary to be appointed by the District prior to the issuance of the Series 2009 Bonds (the "Bond Proceeds Depository"), the Bond Proceeds Fund. All of the moneys in the Bond Proceeds Fund shall, after required deposits to the

Note Redemption Account, payment of the Costs of Issuance of the Series 2009 Bonds by deposit in a costs of issuance account, to be created and known as the Series 2009 Cost of Issuance Account, and deposit of amounts required to be deposited in the Debt Service Reserve, be deposited in the Improvement, Repair and Replacement Fund created by the General Resolution. After making provision for the payment of all costs of issuance payable from the Series 2009 Cost of Issuance Account, any balance in said account not required to be deposited in the Improvement, Repair and Replacement Fund shall be transferred to the Debt Service Fund.

303. Debt Service Fund. There shall be deposited in the Interest Account of the Debt Service Fund, identified in Article V, Section 502 of the General Bond Resolution, all sums received from the purchasers of the Series 2009 Bonds as representing accrued interest. Such funds held from time to time in the Debt Service Fund shall be treated, invested, transferred and applied in accordance with the provisions of Article V, Section 505 of the General Bond Resolution.

304. Debt Service Reserve. There shall be deposited in the Debt Service Reserve proceeds of the Series 2009 Bonds such that the amount on deposit in the Debt Service Reserve will equal the Aggregate Debt Service Reserve Requirement.

**ARTICLE IV  
ISSUANCE AND SALE OF THE SERIES 2009 BONDS**

401. Award of Series 2009 Bonds to Lowest and Best Bidder. The Series 2009 Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as an Authorized Officer, upon advice of Ross, Sinclaire & Associates, Inc., as financial advisor, shall designate.

The Authorized Officers of the Board are hereby authorized and directed to cause an appropriate form or forms of a Notice of Sale of Bonds to be published. Such notice shall be

published at least once not less than seven nor more than twenty-one days prior to the scheduled date of sale of the Series 2009 Bonds.

Upon the date and at the respective hour set for the opening and consideration of purchase bids, as provided in the instruments hereinafter approved, the sealed bids theretofore received by an Authorized Officer shall be opened. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared, and such Authorized Officer, upon the advice of the financial advisor, is authorized to accept the best of such bids, as measured in terms of the lowest interest cost, as calculated in the manner prescribed in the Official Terms and Conditions of Bond Sale. Calculations shall be performed as are necessary to determine the exact amount of Series 2009 Bonds that are required to be issued in order to provide sufficient funds for the purposes described herein and the final principal amount and maturities of the Series 2009 Bonds shall thereupon be established, as prescribed in the Official Terms and Conditions of Bond Sale.

A certificate of award shall (i) be executed on the date of the public sale of the Series 2009 Bonds; (ii) accept the bid which the Authorized Officer determines to be the best bid in accordance with the official terms and conditions of sale; and (iii) in accepting the successful bid, determine the exact principal amount and maturities of Series 2009 Bonds to be issued, the rates of interest which said Series 2009 Bonds shall bear and the optional and mandatory redemption terms for the Series 2009 Bonds.

402. Approval of Preliminary Official Statement and Official Statement. The District hereby approves the use of a Preliminary Official Statement and the public distribution of such Preliminary Official Statement and an Official Bid Form and Official Terms and Conditions of Bond Sale, to be prepared by the District and its financial advisor in the usual and customary form and approved by Peck, Shaffer & Williams LLP, as bond counsel. The Preliminary Official

Statement shall, upon the sale of the Series 2009 Bonds, be completed to reflect the interest rates to be borne by the Series 2009 Bonds and other relevant facts to serve as the District's Official Statement regarding the Series 2009 Bonds. The President/CEO or other Authorized Officer is further authorized to declare the Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule").

In order to comply with the Rule, a Continuing Disclosure Agreement, to be dated the first day of the month in which the Bonds are sold, between the District and the disclosure agent identified therein, is hereby authorized and approved, in the usual and customary form, with such modifications and additions as may be approved by the Authorized Officer executing the same.

403. General Authorization. The Chairman, Secretary, Treasurer and President/CEO (the "Authorized Officers") are hereby authorized to do and perform any act or sign any and all documents required by the General Bond Resolution, and perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, delivery and issuance of the Series 2009 Bonds. Said Series 2009 Bonds shall be executed, authenticated and sealed pursuant to the General Bond Resolution and supplemental resolutions not inconsistent therewith, provided that the attestation shall be by an Authorized Officer.

404. Delivery of Series 2009 Bonds. The Authorized Officers, and all Authorized Officers of the District as defined in the General Bond Resolution, are hereby severally authorized, after execution of the Series 2009 Bonds to deliver said Series 2009 Bonds to or upon the order of the Purchaser thereof, to receive the proceeds of sale of the Series 2009 Bonds and give a written receipt thereof on behalf of the District, to apply said proceeds and any other moneys in accordance with the terms of the General Bond Resolution, and the Series 2009 Bond Resolution, and in such manner as is required to cause the conditions to the issuance of the Series 2009 Bonds as stipulated in the General Bond Resolution to be complied with and to do and

perform, or cause to be done and performed, for and on behalf of the District, all acts and things that constitute conditions to the authentication and delivery of the Series 2009 Bonds, or that are otherwise required to be done and performed by or on behalf of the District prior to, or simultaneously with, the delivery of the Series 2009 Bonds.

**ARTICLE V  
EFFECTIVE DATE**

501. Effective upon Adoption. This Series 2009 Resolution and any supplement thereto shall be in full force and effect from and after its adoption.

Adopted on the 15th day of March, 2007.

APPROVED:

  
\_\_\_\_\_  
Chairman

ATTEST

  
\_\_\_\_\_  
Secretary

CERTIFICATION

I, the undersigned, the duly appointed and qualified Secretary of Northern Kentucky Water District, do hereby certify that the foregoing Resolution is a true, accurate and complete copy of a certain Resolution duly adopted by the Board of Commissioners of said District at a duly and properly convened or recessed meeting of said Board of Commissioners held on March 15, 2007, on the same occasion signed in open session by the Chairman attested under seal by me as Secretary, and declared to be in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said District this 26th day of April, 2007.



---

Secretary  
Northern Kentucky Water District

36186\2.DOC



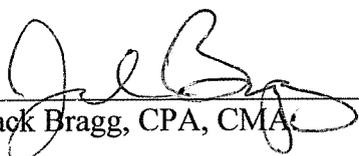
NKWD  
Case No. 2007-00135  
Exhibit C  
Witness: Bragg

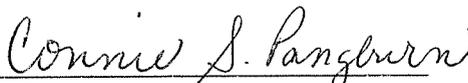
AFFIDAVIT OF Jack Bragg

County of Campbell )  
Commonwealth of Kentucky )

Jack Bragg, after being sworn, states that he is the Vice-President/CFO of the Northern Kentucky Water District and that the District Annual PSC report has been filed with the Commission.

Sworn and acknowledged before me by Jack Bragg 19th day of April, 2007.

  
\_\_\_\_\_  
Jack Bragg, CPA, CMA

  
\_\_\_\_\_  
Notary Public

My Commission Expires on: 5/26/2009

**CLASS "A & B"**  
**WATER DISTRICTS & ASSOCIATIONS**

**ANNUAL REPORT**

**OF**

**Northern Kentucky Water District**  
*Exact Legal Name of Respondent*

**2835 Crescent Springs Road, P.O. Box 18640  
Erlanger, KY 41076**

**To the  
PUBLIC SERVICE COMMISSION  
of the  
Commonwealth of Kentucky**

**For the calendar Year Ended: December 31, 2006**



Checklist for the Annual Report for C Ware Companies  
 To be completed and returned with the annual report

Page No.	Account No.	Page No.	Yes	No	If no, explain why
4 to 6	The identification pages have been completed.				
7	101-106 agrees with 13 Total 101-106		X		
7	108-110 agrees with 15 Total 301-348 Cols c & h		X		
7	114-115 agrees with 16 Net Balance 114-115		X		
7	123 agrees with 17 Total 123		X		
7	124-125 agrees with 17 Total 124 & Total 125		X		
7	126 agrees with 17 Total 126		X		
7	127 agrees with 17 Total 127		X		
7	141-144 agrees with 18 Net Balance 141-144		X		
7	151-153 agrees with 19 Total 151-153		X		
7	162 agrees with 19 Total 162		X		
8	181 agrees with 20 Total 181		X		
8	182 agrees with 21 Total 182		X		
8	186 agrees with 20 Total 186		X		
9	214 agrees with 12 Total 214		X		
9	215.1 agrees with 12 Total 215.1		X		
9	215.2 agrees with 12 Total 215.2		X		
9	221 agrees with 23 Total Col 4		X		
9	221 agrees with 23 Total Col 12		X		
9	224 agrees with 22 Total Col f		X		
9	232 agrees with 24 Total 232		X		
9	223 agrees with 24 Total 233		X		
9	234 agrees with 24 Total 234		X		
9	236 agrees with 25 Beginning & Ending Balance 236		X		
9	237 agrees with 25 Total 237 Cols b & e		X		
9	242 agrees with 26 Total 242		X		
9	251 agrees with 20 Total 251		X		
9	252 agrees with 21 Beginning & Ending Balance 252		X		

Checklist for the Annual Report for C Ware Companies  
 To be completed and returned with the annual report

Page No.	Account No.	Page No.	Yes	No	If no, explain why
10	400 agrees with	27 Total Water Operating Revenue Col e	X		
10	401 agrees with	28 Total 601-675, Col c	X		
10	408.1&408.2 agrees with	25 Total Taxes Accrued 408-10-408.20	X		
11	427 agrees with	25 Total Interest Accrued Col c	X		
11	Net Income Before Contribution agrees with	12 Balance Trans Inc Col c	X		
13	101 agrees with	14 Total Water Plant Col f	X		
14	The analysis of water utility plant accounts cols c through k has been Completed		X		
27	The analysis of accumulated depreciation & amortization by primary accounts has been completed		X		
20	186.1 agrees with	26 Total 186.1 Col c	X		
22	Schedule of Long-Term Debt has been completed		X		
23	Schedule of Bond Maturities has been completed		X		
27	Taxes collected (example: school tax, sales tax, franchise tax) have been excluded from Revenue and Expenses		X		
27	The analysis of water operating revenue Cols c,d, and e has been completed		X		
28	The analysis of water utility expense Cols c through k has been complete		X		
29	Schedule of Pumping and Purchased Water Statistics has been completed		X		
29	Total Col (d) agrees with	30 Line 4, Total Production & Purchased	X		
29	Total Col (e) agrees with	30 Line 13, Total Water Sales	X		
30	466 Total Gals agrees with	30 Line 11, Sales for Resale (466)	X		
	Oath page has been completed		X		

**PUBLIC SERVICE COMMISSION OF KENTUCKY**  
**PRINCIPAL PAYMENT AND INTEREST INFORMATION**  
**FOR THE YEAR ENDING DECEMBER 31, 2006**

1. Amount of Principle Payment during calender year      \$      4,806,000.00
2. Is Principal Current?      Yes   X        No      \_\_\_\_\_
3. Is Interest Current ?      Yes   X        No      \_\_\_\_\_
4. Has all long-term debt been approved by the Public Service Commission?  
Yes   X        No      \_\_\_\_\_ PSC Case No \_\_\_\_\_

**SERVICES PERFORMED BY**

**INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT ("CPA")**

Are your financial statement examined by a Certified Public Accountant?

Yes   X        No      \_\_\_\_\_

If yes, which service is performed?

Audit        X  

Compilation \_\_\_\_\_

Review      \_\_\_\_\_

**Please enclose a copy of the accountant's report with the annual report**

**ADDITIONAL REQUESTED INFORMATION**

Utility Name Norther Kentucky Water District

Contact Person Jack Bragg, Jr, CPA

Contact Person'ss E-Mail Address jbragg@nkywater.org

Utility's Web Address www.nkywater.org

**PLEASE COMPLETE THE ABOVE INFORMATION, IF IT IS AVAILABLE.**

**IF THERE ARE MULTIPLE STAFF WHO MAY BE CONTRACTS PLEASE INCLUDE THEIR NAMES AND E-MAIL ADDRESS ASLO.**

**Additional Information Required by Commission Orders**

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts, collected, refunds issued, and unusual debt requirements.

Case #	Date of Order	Item/Explanation	
96-234	8/26/1996	Merger of Campbell Co. Ky. Water District and Kenton Co. Water District No.1. Effective date of Merger 1/1/1997	
97-3	9/21/1997	Defeasance of the former Campbell Co. Ky. Water District Bonds Principal of the issue	\$9,630,000
92-482	3/14/1992	SubDistrict A a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	528 \$63,638 \$1,075,131 \$737,294
94-409	1/26/1995	SubDistrict B a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	276 \$63,836 \$588,114 \$1,565,396
95-582	2/8/1996	SubDistrict R a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	235 \$52,645 \$547,029 \$913,737
95-582	2/8/1996	SubDistrict RL a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	87 \$39,154 \$430,200 \$634,970
97-468	9/4/1998	Per Item 7 on the order. See attached exhibit ML 1	
2000-329	7/21/2000	SubDistrict C a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	924 \$218,847 \$915,746 \$6,072,156
2000-171	5/5/2000	SubDistrict D a. Nmber of Customers as of 12-31-2006 b. Total Surcharge billed during 2006 c. Accumulated srucharge billed. d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	147 \$51,805 \$172,671 \$1,274,358
2001-198	6/27/2001	Defeasance of the former Kenton County Water District No.1 Bonds - Principle Issue	\$45,448,000
2002-00363	10/1/2002	Defeasance of the former Klenton County Water District No.1 Bonds	\$10,575,000
2002-00468	3/1/2003	Defeasance of 1995C Bonds with Issuance of 2003A Bonds	\$1,615,000
2002-00105	4/30/2003	Water Rate Increase	

Additional Information Required by Commission Orders - Continued			
2002-00105	6/1/2003	Issue of 2003 B Bonds	\$30,270,000
2003-00167	7/18/2003	SubDistrict E	
		a. Nmber of Customers as of 12-31-2006	172
		b. Total Surcharge billed during 2006	\$58,680.00
		c. Accumulated srucharge billed.	\$88,032.62
		d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	\$1,696,289.78
2003-00191	7/18/2003	SubDistrict RF	
		a. Nmber of Customers as of 12-31-2006	28
		b. Total Surcharge billed during 2006	\$10,080
		c. Accumulated srucharge billed.	\$23,437
		d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	\$205,004
2003-00224	6/14/2004	Issue of 2004A Bonds	\$10,455,000
2003-00224	6/14/2004	SubDistrict K	
		a. Nmber of Customers as of 12-31-2006	24
		b. Total Surcharge billed during 2006	\$5,648
		c. Accumulated srucharge billed.	\$5,648
		d. Remaining Debt Service on debt which NKWD Issued to Finance Facilities	\$200,124
2003-00404	12/2/2003	Defeasance of 1993, 1195A and 1995B Bonds with Issuance of 2003C Bonds	\$23,790,000
2005-00148	4/28/2006	Water Rate Increase & Bond Issuance	\$29,000,000

## MAJOR WATER PROJECTS

Instructions: Provide details about each major water project which is planned but has not yet been submitted for approval to the Public Service Commission. For the limited purposed of this report a "Major Project" is defined as one which is not in the ordinary course of business, and which will increase your current utility plant by at least 20%

Brief Project Description (improvement, replacement, building construction, expansion.  
If expansion, provide the estimated number of new customers):

N/A

Projected Costs and Funding Sources/Amounts:

Approval Status: (Application for financial assistance filed, but not approved; or application approved, but have not advertised for construction bids)

Location: (counmunity, area or nearby roads)

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## HISTORY

1. Exact name of utility making this report. (Use the words: "The, Company, Incorporated or Incorporated" only when a part of the corporate name.)

**Northern Kentucky Water District**

---

2. Give location including city, street and number, of the executive office:  
**2835 Crescent Springs Road  
P.O. Box 18640  
Erlanger, Kentucky 41018-0640**
- 

3. Give the location, including street, street number, and telephone number of the principle office in Kentucky:

**Same as #2**

---

4. Name and address of principle officer within Kentucky:

**C. Ronald Lovan, PE, President/CEO**

---

5. Give name, title, address, and telephone number of the officer to whom correspondence concerning this report should be addressed:

**Jack Bragg, CPA, CMA – Vice-President of Finance  
2835 Crescent Springs Road - P.O. Box 18640 – Erlanger, Kentucky 41018-0640**

---

6. Date of organization: **January 1, 1997**
- 

7. Under the laws of what Government, State or Territory organized? (If more than one, name all. Give reference to each statute and amendments there of.

**Chapter 74 - KRS**

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*History – Continued*

8. If a consolidated or merger company, name all contingent and all merged companies. Give reference to charters or general laws governing each and all amendments of same:

N/A

---

9. Date and authority for each consolidation and each merger:

N/A

---

10. State whether respondent is a corporation, a joint stock association, a firm or partnership or an individual:

**Non-profit water utility  
Special District – State of Kentucky**

---

11. If a reorganized company, give name of original cooperation, refer to laws under which it was organized and the occasion for the reorganization:

N/A

---

12. Name all other operating departments:

N/A

---

13. Name of counties in which you furnish water service:

**Campbell County, Kenton County, Boone County  
Wholesale: Pendleton County, Boone County, Grant County**

---



**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS**

Account No. (a)	2006 Account Name (b)	Ref. Page ©	Previous Year (d)	Current Year (e)
<b>UTILITY PLANT</b>				
101-106	Utility Plant	13	\$ 268,102,484	\$ 284,190,587
108-110	Less: Accumulated Depreciation and Amortization	13,15-16	(53,201,141)	(56,796,806)
	Net Plant		\$ 214,901,343	\$ 227,393,781
114-115	Utility Plant Acquisition Adjustments (Net)	16	4,268,591	4,067,471
116	Other Utility Plant Adjustments			
	Total Net Utility Plant		\$ 219,169,934	\$ 231,461,252
<b>OTHER PROPERTY &amp; INVESTMENTS</b>				
121	Nonutility Property		\$	\$
122	Less: Accumulated Depreciation and Amortization			
	Net Nonutility Property		\$	\$
123	Investment in Asso. Companies	17		
124	Utility Investments	17	21,911,383	22,803,162
125	Other Investments	17	3,783,211	3,023,965
126-127	Special Funds	17		
	Total Other Property & Investments		\$ 25,694,594	\$ 25,827,127
<b>CURRENT AND ACCRUED ASSETS</b>				
131	Cash		\$ 3,909,589	\$ 5,326,214
132	Special Deposits		17,997,953	
133	Other Special Deposits			13,149,342
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts Receivable, Less Accumulated Provision for Uncollectible Accounts	18	3,732,614	4,170,658
145	Accounts Receivable from Associated Companies			
146	Notes Receivable from Associated Companies			
151-153	Materials & Supplies	19	1,150,975	1,245,380
161	Stores Expense			
162	Prepayments	19	2,340,939	464,883
171	Accrued Interest & Dividends Receivable			
172	Rents Receivable			
173	Accrued Utility Revenues		4,900,000	4,200,000
174	Misc. Current & Accrued Assets			138,527.00
	Total Current & Accrued Assets		\$ 34,032,070	\$ 28,695,004

**COMPARATIVE BALANCE SHEET - ASSETS AND OTHER DEBITS (CONT'D)**

Account No. (a)	2006 Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
	<b>DEFERRED DEBITS</b>			
181	Unamortized Debt Discount & Expense	20	\$ 2,956,387	\$ 3,135,929
182	Extraordinary Property losses	21		
183	Preliminary Survey & Investagation Charges			
184	Clearing Accounts			
185	Temporary Facilities			
186	Misc. Deferred Debits	20	6,924,182	7,203,743
187	Research & Development Expenditures			
	Total Deferred Debits		\$ 9,880,569	\$ 10,339,672
	<b>TOTAL ASSETS AND OTHER DEBITS</b>		\$ 288,777,167	\$ 296,323,054

**COMPARATIVE BALANCE SHEET - EQUITY CAPITAL AND LIABILITIES**

Account No. (a)	2006 Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
<b>Equity Capital</b>				
214	Appropriated Retained Earnings	12	\$ 39,336,654	\$ 28,239,310
215.1	Retained Earnings from Income Before Contributions	12	\$ 25,534,918	\$ 38,975,466
215.2	Donated Capital	12	\$ 43,095,791	\$ 46,968,934
	<b>Total Equity Capital</b>		<b>\$ 107,967,363</b>	<b>\$ 114,183,710</b>
<b>LONG-TERM DEBT</b>				
221	Bonds	23	\$ 148,701,000	\$ 173,145,000
222	Reacquired Bonds			
223	Advances from Asso. Companies			
224	Other Long-Term Debt	22	2,375,000	2,125,000
	<b>Total Long-Term Debt</b>		<b>\$ 151,076,000</b>	<b>\$ 175,270,000</b>
<b>CURRENT &amp; ACCRUED LIABILITIES</b>				
231	Accounts Payable		\$ 3,620,486	\$ 1,977,170
232	Notes Payable	24	21,685,000	100,000
233	Acts. Payable to Asso. Co.	24		
234	Notes Payable to Asso. Co.	24		
235	Customer Deposits		2,949	4,051
236	Accrued Taxes	25		
237	Accrued Interest	25	2,737,097	2,944,301
239	Matured Long-Term Debt			
240	Matured Interest			
241	Tax Collections Payable			
242	Misc. Current & Accrued Liabilities	26	1,629,323	1,789,801
	<b>Total Current &amp; Accrued Liabilities</b>		<b>\$ 29,674,855</b>	<b>\$ 6,815,323</b>
<b>DEFERRED CREDITS</b>				
251	Unamortized Premium on Debt	20	\$ 58,949	\$ 54,021
252	Advances for Construction	21		
253	Other Deferred Credits			
	<b>Total Deferred Credits</b>		<b>58,949</b>	<b>54,021</b>
<b>OPERATING RESERVES</b>				
Accumulated Provision for:				
261	Property Insurance		\$	\$
262	Injuries & Damages			
263	Pensions & Benefits			
265	Miscellaneous Operating Reserves			
	<b>Total Operating Reserves</b>		<b>\$</b>	<b>\$</b>
<b>TOTAL EQUITY CAPITAL &amp; LIABILITIES</b>			<b>\$ 288,777,167</b>	<b>\$ 296,323,054</b>

**COMPARATIVE OPERATING STATEMENT**

Acct. No. (a)	Account Name (b)	Ref. Page c	Previous Year (d)	Current Year (e)
	<b>Utility Operating Income</b>			
400	Operating Revenues	27	\$ 34,846,622	\$ 34,120,264
401	Operating Expenses	28	\$ 20,479,276	\$ 20,284,389
403	Depreciation Expenses		5,361,019	5,613,452
406	Amortization of Utility Plant			
	Acquisition Adjustment		201,120	201,120
407	Amortization Expense		378,960	378,962
408.1	Taxes Other Than Income	25	544,011	547,525
	Utility Operating Expenses		\$ 26,964,386	\$ 27,025,449
	Utility Operating Income		\$ 7,882,236	7,094,815
413	Income From Utility Plant Leased to Others			
414	Gains (Losses) From Disposition of Utility Property		(7,249)	(528,022)
	Total Utility Operating Income		\$ 7,874,987	\$ 6,566,794
	<b>Other Income and Deductions</b>			
415	Revenues From Merchandising, Jobbing and Contract Deductions		\$	\$
416	Costs and Expenses of Merchandising, Jobbing and Contract Work			
419	Interest & Dividend Income		1,862,615	2,227,971
420	Allowance for Funds Used During Construction			
421	Nonutility Income		12,681	159,198
426	Miscellaneous Nonutility Expense			
	Total Other Income & Deductions		\$ 1,875,296	2,387,169
	<b>TAXES APPLICABLE TO OTHER INCOME</b>			
408.2	Taxes Other Than Income		\$	\$
	Total Taxes Applic. To Other Income		\$	\$

**COMPARATIVE OPERATING STATEMENT - Continued**

Account No. (a)	Account Name (b)	Ref. Page ©	Previous Year (d)	Current Year (e)
	<b>INTEREST EXPENSE</b>			
427	Interest Expense		\$ 6,126,890	\$ 6,404,374
428	Amortization of Debt Discount & Exp.		202,582	211,312
429	Amortization of Premium on Debt		4,928	4,928
	Total Interest Expense		\$ 6,324,544	\$ 6,610,758
	<b>EXTRAORDINARY ITEMS</b>			
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
	Total Extraordinary Items		\$ -	\$ -
	<b>NET INCOME</b>		\$ 3,425,739	\$ 2,343,209



**NET UTILITY PLANT (ACCTS. 101 - 106)**

<b>Account No.</b>	<b>Plant Accounts</b>	<b>Total</b>
101	Utility Plant in Service	\$ 272,282,771
102	Utility Plant Leased to Others	
103	Property Held for Future Use	
104	Utility Plant Purchased of Sold	
105	Construction Work in Progress	11,907,816
106	Completed Construction Not Classified	
	<b>Total Utility Plant</b>	\$ 284,190,587

**ACCUMULATED DEPRECIATION (ACCT. 108)**

<b>Description</b>	<b>Total</b>
Balance first of year	\$ 53,201,141
Credit during year:	
Accruals Charged to Account 108.1	5,613,451
Accruals Charged to Account 108.2	
Accruals Charged to Account 108.3	
Accruals Charged to Other Accounts (specify)	
Salvage	
Other Credits (specify)	
<b>Total Credits</b>	\$ 5,613,451
Debits during year:	
Book Cost of Plant Retired	\$ 2,017,787
Cost of Removal	
Other Debits (specify)	
<b>Total Debits</b>	\$ 2,017,787
Balance end of year	\$ 56,796,805

WATER UTILITY PLANT ACCOUNTS

Acct No. (a)	Account Name (b)	End of Previous Year (c)	Additions (d)	Retirement (e)	End of Current Year (f)	.1 Intangible Plant Intan- (g)	.2 SOS & Pumping Plant (h)	.3 Water Treatment Plant (i)	.4 Trans & Distrib Plant (j)	.5 General Plant (k)
301	Organization									
302	Franchises									
303	Land & Land Rights	\$605,416	\$2,303,000		\$2,908,416	0	29,200			
304	Structures & Improvements	\$65,718,542	\$7,986,393	\$721,423	\$72,983,511	\$XXXXXXXX	16,869,144	72,496	205,403	2,601,317
305	Collecting & Impounding Reservoirs					\$XXXXXXXX				
306	Lake, River & Other Intakes	\$1,524,592		\$61,421	\$1,463,171	\$XXXXXXXX	1,463,171			
307	Wells and Springs					\$XXXXXXXX				
308	Infiltration Galleries & Tunnels					\$XXXXXXXX				
309	Supply Mains	\$2,307,853	\$255,781		\$2,563,634	\$XXXXXXXX	2,563,634			
310	Power Generation Equipment					\$XXXXXXXX				
311	Pumping Equipment	\$8,676,971	\$852,013	\$14,028	\$9,514,956	\$XXXXXXXX	3,261,818			
320	Water Treatment Equipment	\$9,466,127	\$741,544	\$2,176	\$10,205,494	\$XXXXXXXX		6,253,138		
330	Distribution Reservoirs & Standpipes	\$7,500,741			\$7,500,741	\$XXXXXXXX			7,500,741	
331	Transmission & Distribution Mains	\$110,126,222	\$13,097,488	\$2,390,449	\$120,833,262	\$XXXXXXXX			120,833,262	
333	Services	\$19,655,733	\$1,697,958	\$288,336	\$21,065,354	\$XXXXXXXX			21,065,354	
334	Metes & Meter Installations	\$7,080,269	\$1,158,365	\$726,179	\$7,512,455	\$XXXXXXXX			7,512,455	
335	Hydrants	\$5,008,988	\$543,043	\$240,455	\$5,311,576	\$XXXXXXXX			5,311,576	
336	Backflow Prevention Devices					\$XXXXXXXX				
339	Other Plant & Misc. Equipment	\$3,385,101	\$11,209	\$1,422	\$3,394,887	\$XXXXXXXX		3,394,887		
340	Office Furniture & Equipment	\$2,521,128	\$716,610	\$1,005,664	\$2,232,074	\$XXXXXXXX				2,232,074
341	Transportation Equipment	\$2,603,845	\$237,342	\$159,614	\$2,681,573	\$XXXXXXXX				2,681,573
342	Stores Equipment	\$284,376			\$284,376	\$XXXXXXXX				284,376
343	Took, Shop, & Garage Equipment	\$87,909	\$23,385	\$1,210	\$110,084	\$XXXXXXXX				110,084
344	Laboratory Equipment	\$60,600	\$5,486		\$66,086	\$XXXXXXXX				66,086
345	Power Operated Equipment	\$612,700	\$154,376	\$6,350	\$760,726	\$XXXXXXXX				760,726
346	Communication Equipment	\$297,715	\$1,163	\$1,845	\$297,033	\$XXXXXXXX				297,033
347	Miscellaneous Equipment	\$593,361			\$593,361	\$XXXXXXXX				593,361
348	Other Tangible Plant					\$XXXXXXXX				
	Total Water Plant	\$248,118,189	\$29,785,155	\$5,620,572	\$272,282,771	0	24,186,967	50,540,618	170,090,034	27,465,152

Analysis of Accumulated Depreciation and Amortization by Primary Account

Acct. No. (a)	2006 Account (b)	Balance Beginning of Year (c)	Credits During the Year		Charges During The Year		Balance End of Year (h)
			Charges to Dep. Exp. (d)	Other Credits (e)	Plant Retirements (f)	Other Charges (g)	
		\$	\$	\$	\$	\$	\$
301	Organization						
302	Franchises						
303	Limited Term Interest in Land and Land Rights						
304	Structures & Improvements	12,986,973	1,750,618				14,737,590
305	Collecting & Impounding Reservoirs						
306	Lake River & Other Intakes	679,150	77,049			18,055	738,144
307	Wells & Springs						
309	Supply Mains	362,725	23,312				386,037
310	Power Generating Equip.						
311	Pumping Equipment	3,785,404	379,886				4,165,290
320	Water Treatment Equip.	3,118,032	386,442			57	3,504,417
330	Distribution Reservoirs & Standpipes	2,676,163	133,754				2,809,917
331	Transmissions & Distribution						
	Mains	13,464,586	1,238,335	1,153		764,546	13,938,375
333	Services	6,235,009	431,065				6,666,074
334	Meters & Meter Installations	1,653,708	173,089				1,826,796
335	Hydrants	1,288,847	104,437			156,000	1,237,283
339	Other Plant & Misc. Equip.	1,469,321	303,807			1,225	1,771,903
340	Office Furniture & Equip.	1,983,886	264,327			930,104	1,318,109
341	Transportation Equipment	1,903,896	241,720			145,956	1,999,660
342	Service Equipment						
343	Tools, Shop & Garage Equip.	286,604	20,270				306,874
344	Shop Equipment	5,918	17,394				23,313
345	Power Operated Equip.	433,146	54,539				487,685
346	Telecommunications Equipment	276,136	12,158			1,845	286,450
347	SCADA						
348	Other Tangible Plant	591,638	96				591,734
	Totals	\$ 53,201,141	\$ 5,612,298	\$ 1,153	\$ 2,017,787	\$ -	\$ 56,796,806

**ACCUMULATED AMORTIZATION (ACCT. 110)**

Description	Total
Balance first of year.....	\$ <b>N/A</b>
Credit during year:	
Accruals Charged to Account 110.1....	\$
Accruals Charged to Account 110.2....	\$
Other Accruals (specify)	\$
<b>Total Credits.....</b>	<b>\$</b>
Debits during year:	
Book Cost of Plant Retired.....	\$
Other Debits (specify)	\$
<b>Total Debits.....</b>	<b>\$</b>
Balance end of year.....	\$

**UTILITY PLANT ACQUISITION ADJUSTMENT (ACCTS. 114 - 115)**

Report each acquisition adjustment and related accumulated amortization separately.  
For any acquisition adjustment approved by the Commission, include the Order Number.

ACCOUNT NAME	TOTAL
<b>Acquisition Adjustments (114)</b>	
Original District 9-14-55	\$ 263,366
District # 2 & 3 12-31-73	18,712
Mentor District 9-1-76	10,741
City of Cold Spring	228,253
City of Silver Grove	24,853
Newport Water Works	4,970,211
<b>Total Plant Acquisition Adjustments.....</b>	<b>\$ 5,516,136</b>
<b>Accumulated Amortization (115)</b>	
Original District 9-14-55	\$ 263,366
District # 2 & 3 12-31-73	18,712
Mentor District 9-1-76	10,741
City of Cold Spring	228,253
City of Silver Grove	24,853
Newport Water Works	902,740
<b>Total Accumulated Amortization.....</b>	<b>\$ 1,448,665</b>
<b>Net Acquisition Adjustments.....</b>	<b>\$ 4,067,471</b>

**Investments and Special Funds (Acct. 123-127)**

Report hereunder all investments and special funds carried in Account 123-127.

Description of Security or Special Fund (a)	Face or Par Value (b)	Year-End Book Cost c
<b>Investment In Associated Companies (Acct. 123):</b> <hr/> <hr/> <hr/> <hr/> <p align="center"><b>Total Investment in Asso. Companies</b></p>	\$ _____ _____ _____ _____	\$ _____ _____ _____ \$ _____
<b>Utility Investments (Acct. 124):</b>		
IRR Account	\$ _____	\$ 1,932,787
Debt Service Account		7,713,194
Debt Service Reserve Account		13,157,181
<b>Total Utility Investments</b>		\$ 22,803,162
<b>Other Investments (Acct. 125):</b>		
Boone County/Florence KY Settlement	\$ _____	\$ 3,023,965
_____	_____	_____
_____	_____	_____
<b>Total Other Investments:</b>	\$ _____	\$ 3,023,965
<b>Special Funds (Acct. 126. &amp; 127):</b>		
Prepayment Reserve	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total Special Funds</b>		\$ _____ -

**ACCOUNTS AND NOTES RECEIVABLE - NET (ACCOUNTS 141 - 144)**

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in Accounts 142 and 144 should be listed individually.

Description		Total
<b>ACCOUNTS &amp; NOTES RECEIVABLE:</b>		
Customer Accounts Receivable (Acct. 141) .....		\$ 4,170,658
Other Accounts Receivable (Acct. 142)		
Assessments	\$ 73,008	
Other	65,519	
		138,527
Notes Receivable (Acct. 144)		
	\$	
<b>Total Accounts and Notes Receivable.....</b>		<b>\$ 4,309,185</b>
<b>Accumulated Provision for Uncollectable Accounts (Acct. 143)</b>		
Balance first of year	\$ -	
Add: Provision for uncollectables for		
current year.....	\$	
Collections fo accounts previously		
written off.....		
Utility accounts.....		
Others.....		
<b>Total Additions.....</b>	<b>\$</b>	
<b>Deduct accounts written off during year:</b>		
Utility Accounts.....	\$	
Other.....		
<b>Total accounts written off.....</b>	<b>\$</b>	
Balance end of year.....		\$ -
<b>Total Accounts and Notes Receivable</b>		<b>\$ 4,309,185</b>

**Materials and Supplies (151 - 153)**

Account Name	Total
Plant Materials and Supplies (Account 151)	\$ 1,245,380
Merchandise (Account 152)	
Other Materials and Supplies (Account 153)	
<b>Total Materials &amp; Supplies</b>	<b>\$ 1,245,380</b>

**Prepayments (Acct. 162)**

Description	Total
Prepaid Insurance	\$ 394,542
Prepaid Rents	
Prepaid Interest	
Prepaid Taxes	
Other Prepayments (Specify) Prepaid Antena Rent Sprint	(13,800)
Expenses/Services	\$ 84,141
	-
<b>Total Prepayments</b>	<b>\$ 464,883</b>

**Miscellaneous Deferred Debits (Acct. 186)**

2006 Description	Total
Miscellaneous Deferred Debits (Acct. 186):	
Deferred Rate Case Expense 2003-2004	41,374
Deferred Rate Case Expense 2004-2006	257,111
Other Deferred Debits	6,905,257
<b>Total Miscellaneous Deferred Debits</b>	<b>\$ 7,203,743</b>

**Unamortized Debt Discount & Expense & Premium on Debt (Accts. 181 & 251)**

Report the net discount & expense or premium separately for each security issue.

Description	Amount Written Off During Year	Year-End Balance
<b>Unamortized Debt Discount &amp; Expense (Acct. 181)</b>		
Bond Issue Cost 1997	\$ 4,916	\$ 77,833
Bond Discount 1997	6,735	106,638
Bond Discount 1998	7,570	165,909
Bond Issue Costs 1998	3,147	68,989
Cost of Issue 2001 Bond	3,699	73,384
Discount 2001 Bond	13,038	258,597
Cost of Issue 2002 A	13,731	275,764
Bond Discount 2002 A	27,209	546,448
Cost of Issue 2002 B	9,300	101,914
Cost of Issue 2003 A	1,620	39,170
Bond Discount 2003 A	1,087	27,278
Cost of Issue 2003 B	11,760	250,910
Bond Discount 2003 B	8,520	182,473
Cost of Issue 2003 C	14,940	202,893
Discount 2003 C	7,404	96,893
Cost of issue 2004A BAN	2,743	-
Discount 2004A BAN	1,954	-
Cost of issue 2004A Bonds	3,252	74,204
Discount 2004A Bond	7,920	180,742
Cost of issue 2005A BAN	21,972	7,322
Discount 2005 BAN	34,884	11,622
Bond Discount 2006	1,749	173,107
Cost of Issue Bond 2006	2,160	213,840
<b>Total Unamortized Debt Discount &amp; Expense</b>	<b>\$ 211,309</b>	<b>\$ 3,135,929</b>
<b>Unamortized Premium on Debt (Acct. 251):</b>		
Premium on 2002 B Bond	\$ 4,928	\$ 54,021
<b>Total Unamortized Premium on Debt</b>	<b>\$ 4,928</b>	<b>\$ 54,021</b>

**EXTRAORDINARY PROPERTY LOSSES (ACCT. 182)**

Report each item separately.

Description	Total
Extraordinary Property Losses (Acct. 182) :	
N/A	\$
_____	\$
_____	\$
_____	\$
Total Extraordinary Property Losses .....	\$

**ADVANCES FOR CONSTRUCTION (ACCT. 252)**

DESCRIPTION	TOTAL
N/A	
Balance first of year.....	\$
Add credits during year.....	\$
Deduct charges during year.....	\$
Balance end of year.....	\$



Account 221, BONDS

Line No.	Par Value of Actual Issue 1	Cash Realized on Actual Issue 2	Par Value of Amount Held by or for Respondent 3	Actually Outstanding at Close of year 4	Interest During Year	
					Accrued 5	Actually Paid 6
1	11,225,000	11,131,694		5,500,000	263,998	279,860
2	11,355,000	11,141,619		9,550,000	464,033	469,080
3	2,287,000	2,287,000		2,170,000	108,883	109,100
4	16,325,000	15,835,250		15,120,000	722,177	725,313
5	48,485,000	44,121,624		44,060,000	2,153,178	2,160,115
6	10,575,000	10,525,204		8,565,000	334,781	341,406
7	1,615,000	1,583,553		1,510,000	64,276	64,531
8	30,270,000	30,068,115		27,740,000	1,014,934	1,022,100
9	23,790,000	23,532,357		20,020,000	714,711	724,544
10	10,455,000	10,195,116		9,910,000	397,936	399,881
11	29,000,000	28,736,444		29,000,000	376,949	-
<b>Total</b>	<b>195,382,000</b>	<b>189,157,976</b>	<b>-</b>	<b>173,145,000</b>	<b>6,615,856</b>	<b>6,295,930</b>

Schedule of Bond Maturities

Line No.	Bond Numbers 7	Maturity Date 8	Interest Rate 9	Principal Amount 10	Amount Paid 11	Remaining Bonds Outstanding 12
1						
2	<b>See Attachments 23.1 Through 23.11</b>					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

Northern Kentucky Water Service District					Attachment 23.1
Bond Issue: 11,225,000 , Dated September 1, 1997					
Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	1998	4.700%	210,000.00	210,000.00	
Registered	1999	4.700%	580,000.00	580,000.00	
Registered	2000	4.700%	610,000.00	610,000.00	
Registered	2001	4.700%	640,000.00	640,000.00	
Registered	2002	4.700%	670,000.00	670,000.00	
Registered	2003	4.700%	700,000.00	700,000.00	
Registered	2004	4.700%	735,000.00	735,000.00	
Registered	2005	4.700%	770,000.00	770,000.00	
Registered	2006	4.700%	810,000.00	810,000.00	
Registered	2007	4.700%	850,000.00		850,000.00
Registered	2008	4.750%	890,000.00		890,000.00
Registered	2009	4.750%	930,000.00		930,000.00
Registered	2010	4.750%	975,000.00		975,000.00
Registered	2011	4.750%	1,025,000.00		1,025,000.00
Registered	2012	4.750%	60,000.00		60,000.00
Registered	2013	4.750%	60,000.00		60,000.00
Registered	2014	4.750%	65,000.00		65,000.00
Registered	2015	4.750%	70,000.00		70,000.00
Registered	2016	4.750%	70,000.00		70,000.00
Registered	2017	4.750%	75,000.00		75,000.00
Registered	2018	4.750%	80,000.00		80,000.00
Registered	2019	4.750%	80,000.00		80,000.00
Registered	2020	4.750%	85,000.00		85,000.00
Registered	2021	4.750%	90,000.00		90,000.00
Registered	2022	4.750%	95,000.00		95,000.00
<b>TOTALS</b>			<b>11,225,000.00</b>	<b>5,725,000.00</b>	<b>5,500,000.00</b>

**Northern Kentucky Water Service District**  
**Bond Issue: 11,355,000 , Dated December 1, 1998**

**Attachment 23.2**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	02/01/1999	4.700%	250,000.00	250,000.00	
Registered	02/01/2000	4.700%	200,000.00	200,000.00	
Registered	02/01/2001	4.700%	200,000.00	200,000.00	
Registered	02/01/2002	4.700%	210,000.00	210,000.00	
Registered	02/01/2003	4.700%	220,000.00	220,000.00	
Registered	02/01/2004	4.700%	230,000.00	230,000.00	
Registered	02/01/2005	4.700%	240,000.00	240,000.00	
Registered	02/01/2006	4.700%	255,000.00	255,000.00	
Registered	02/01/2007	4.700%	265,000.00		265,000.00
Registered	02/01/2008	4.750%	280,000.00		280,000.00
Registered	02/01/2009	4.750%	280,000.00		280,000.00
Registered	02/01/2010	4.750%	295,000.00		295,000.00
Registered	02/01/2011	4.750%	310,000.00		310,000.00
Registered	02/01/2012	4.750%	325,000.00		325,000.00
Registered	02/01/2013	4.800%	340,000.00		340,000.00
Registered	02/01/2014	4.850%	360,000.00		360,000.00
Registered	02/01/2015	4.875%	375,000.00		375,000.00
Registered	02/01/2016	4.875%	395,000.00		395,000.00
Registered	02/01/2017	4.875%	415,000.00		415,000.00
Registered	02/01/2018	4.875%	435,000.00		435,000.00
Registered	02/01/2019	4.875%	455,000.00		455,000.00
Registered	02/01/2020	4.875%	480,000.00		480,000.00
Registered	02/01/2021	4.875%	505,000.00		505,000.00
Registered	02/01/2022	4.875%	530,000.00		530,000.00
Registered	02/01/2023	4.875%	555,000.00		555,000.00
Registered	02/01/2024	4.875%	585,000.00		585,000.00
Registered	02/01/2025	4.875%	610,000.00		610,000.00
Registered	02/01/2026	4.875%	645,000.00		645,000.00
Registered	02/01/2027	4.875%	675,000.00		675,000.00
Registered	02/01/2028	4.875%	435,000.00		435,000.00
<b>TOTALS</b>			<b>11,355,000.00</b>	<b>1,805,000.00</b>	<b>9,550,000.00</b>

**Northern Kentucky Water Service District**  
**FmHA Load \$2,287,000 - 2000**

**Attachment 23.3**

<b>Year</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
2000			0.00	0.00	0.00
2001			0.00	0.00	0.00
2002			21,000.00	21,000.00	0.00
2003			22,000.00	22,000.00	0.00
2004			24,000.00	24,000.00	0.00
2005			24,000.00	24,000.00	0.00
2006			26,000.00	26,000.00	0.00
2007			27,000.00		27,000.00
2008			28,000.00		28,000.00
2009			30,000.00		30,000.00
2010			31,000.00		31,000.00
2011			33,000.00		33,000.00
2012			34,000.00		34,000.00
2013			36,000.00		36,000.00
2014			38,000.00		38,000.00
2015			40,000.00		40,000.00
2016			42,000.00		42,000.00
2017			44,000.00		44,000.00
2018			46,000.00		46,000.00
2019			49,000.00		49,000.00
2020			51,000.00		51,000.00
2021			54,000.00		54,000.00
2022			56,000.00		56,000.00
2023			59,000.00		59,000.00
2024			62,000.00		62,000.00
2025			65,000.00		65,000.00
2026			68,000.00		68,000.00
2027			72,000.00		72,000.00
2028			75,000.00		75,000.00
2029			79,000.00		79,000.00
2030			83,000.00		83,000.00
2031			87,000.00		87,000.00
2032			92,000.00		92,000.00
2033			96,000.00		96,000.00
2034			102,000.00		102,000.00
2035			107,000.00		107,000.00
2036			112,000.00		112,000.00
2037			118,000.00		118,000.00
2038			124,000.00		124,000.00
2039			130,000.00		130,000.00
<b>Totals</b>			<b>2,287,000.00</b>	<b>117,000.00</b>	<b>2,170,000.00</b>

**Northern Kentucky Water Service District**  
**Bond Issue \$16,325,000.00 Dated 10-23-2001**

**Attachment 23.4**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	2/1/2002	2.700%	285,000.00	285,000.00	
Registered	2/1/2003	3.000%	235,000.00	235,000.00	
Registered	2/1/2004	3.250%	240,000.00	240,000.00	
Registered	2/1/2005	3.450%	230,000.00	230,000.00	
Registered	2/1/2006	3.600%	215,000.00	215,000.00	
Registered	2/1/2007	3.750%	195,000.00		195,000.00
Registered	2/1/2008	3.900%	170,000.00		170,000.00
Registered	2/1/2009	4.000%	155,000.00		155,000.00
Registered	2/1/2010	4.100%	75,000.00		75,000.00
Registered	2/1/2011	4.200%	80,000.00		80,000.00
Registered	2/1/2012	4.350%	80,000.00		80,000.00
Registered	2/1/2013	4.450%	735,000.00		735,000.00
Registered	2/1/2014	4.550%	770,000.00		770,000.00
Registered	2/1/2015	4.670%	810,000.00		810,000.00
Registered	2/1/2016	4.750%	845,000.00		845,000.00
Registered	2/1/2017	4.820%	890,000.00		890,000.00
Registered	2/1/2018	4.850%	930,000.00		930,000.00
Registered	2/1/2019	4.900%	980,000.00		980,000.00
Registered	2/1/2020	4.950%	1,030,000.00		1,030,000.00
Registered	2/1/2021	5.000%	1,080,000.00		1,080,000.00
Registered	2/1/2022	5.000%	1,135,000.00		1,135,000.00
Registered	2/1/2023	5.000%	1,195,000.00		1,195,000.00
Registered	2/1/2024	5.100%	1,255,000.00		1,255,000.00
Registered	2/1/2025	5.100%	1,320,000.00		1,320,000.00
Registered	2/1/2026	5.100%	1,390,000.00		1,390,000.00
<b>TOTALS</b>			<b>16,325,000.00</b>	<b>1,205,000.00</b>	<b>15,120,000.00</b>

**Northern Kentucky Water Service District** **Attachment 23.5**  
**Bond Issue \$45,485,000.00 Dated 2/1/2002**

Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2003				
Registered	2/1/2003	4.50%	350,000.00	350,000.00	0.00
Registered	2/1/2004	4.50%	345,000.00	345,000.00	0.00
Registered	2/1/2005	4.50%	360,000.00	360,000.00	0.00
Registered	2/1/2006	4.50%	370,000.00	370,000.00	0.00
Registered	2/1/2007	4.50%	380,000.00		380,000.00
Registered	2/1/2008	4.50%	410,000.00		410,000.00
Registered	2/1/2009	4.50%	365,000.00		365,000.00
Registered	2/1/2010	4.50%	465,000.00		465,000.00
Registered	2/1/2111	4.50%	485,000.00		485,000.00
Registered	2/1/2012	4.50%	1,530,000.00		1,530,000.00
Registered	2/1/2013	4.50%	950,000.00		950,000.00
Registered	2/1/2114	4.50%	990,000.00		990,000.00
Registered	2/1/2115	4.65%	1,035,000.00		1,035,000.00
Registered	2/1/2116	4.75%	1,100,000.00		1,100,000.00
Registered	2/1/2117	4.75%	1,625,000.00		1,625,000.00
Registered	2/1/2118	4.75%	2,520,000.00		2,520,000.00
Registered	2/1/2119	4.75%	2,640,000.00		2,640,000.00
Registered	2/1/2020	5.00%	3,080,000.00		3,080,000.00
Registered	2/1/2021	5.00%	3,240,000.00		3,240,000.00
Registered	2/1/2022	5.00%	3,405,000.00		3,405,000.00
Registered	2/1/2023	5.00%	3,580,000.00		3,580,000.00
Registered	2/1/2024	5.00%	3,765,000.00		3,765,000.00
Registered	2/1/2025	5.00%	3,960,000.00		3,960,000.00
Registered	2/1/2026	5.00%	4,160,000.00		4,160,000.00
Registered	2/1/2027	5.00%	4,375,000.00		4,375,000.00
<b>TOTALS</b>			<b>45,485,000.00</b>	<b>1,425,000.00</b>	<b>44,060,000.00</b>

**Northern Kentucky Water Service District  
 Bond Issue \$10,575,000.00 Dated 12/5/2002**

**Attachment 23.6**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	12/5/2002				
Registered	2/1/2003	3.00%	535,000.00	535,000.00	0.00
Registered	2/1/2004	3.00%	455,000.00	455,000.00	0.00
Registered	2/1/2005	3.00%	490,000.00	490,000.00	0.00
Registered	2/1/2006	3.00%	530,000.00	530,000.00	0.00
Registered	2/1/2007	3.50%	580,000.00		580,000.00
Registered	2/1/2008	3.50%	625,000.00		625,000.00
Registered	2/1/2009	3.50%	745,000.00		745,000.00
Registered	2/1/2010	3.75%	775,000.00		775,000.00
Registered	2/1/2111	4.00%	805,000.00		805,000.00
Registered	2/1/2012	4.00%	835,000.00		835,000.00
Registered	2/1/2013	4.00%	870,000.00		870,000.00
Registered	2/1/2114	4.00%	900,000.00		900,000.00
Registered	2/1/2115	4.00%	930,000.00		930,000.00
Registered	2/1/2116	4.00%	965,000.00		965,000.00
Registered	2/1/2117	4.00%	535,000.00		535,000.00
<b>TOTALS</b>			<b>10,575,000.00</b>	<b>2,010,000.00</b>	<b>8,565,000.00</b>

**Northern Kentucky Water Service District** **Attachment 23.7**  
**Bond Issue : \$1,615,000.00 Dated 3/13/2003**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	2/1/2004	1.20%	35,000.00	35,000.00	0.00
Registered	2/1/2005	1.38%	35,000.00	35,000.00	0.00
Registered	2/1/2006	1.75%	35,000.00	35,000.00	0.00
Registered	2/1/2007	2.20%	35,000.00		35,000.00
Registered	2/1/2008	2.60%	35,000.00		35,000.00
Registered	2/1/2009	3.00%	40,000.00		40,000.00
Registered	2/1/2010	3.30%	40,000.00		40,000.00
Registered	2/1/2111	3.55%	40,000.00		40,000.00
Registered	2/1/2012	3.37%	40,000.00		40,000.00
Registered	2/1/2013	3.85%	45,000.00		45,000.00
Registered	2/1/2114	3.95%	45,000.00		45,000.00
Registered	2/1/2115	4.05%	45,000.00		45,000.00
Registered	2/1/2116	4.15%	50,000.00		50,000.00
Registered	2/1/2117	4.25%	50,000.00		50,000.00
Registered	2/1/2118	4.50%	55,000.00		55,000.00
Registered	2/1/2119	4.50%	55,000.00		55,000.00
Registered	2/1/2020	4.50%	60,000.00		60,000.00
Registered	2/1/2121	4.50%	60,000.00		60,000.00
Registered	2/1/2022	4.50%	65,000.00		65,000.00
Registered	2/1/2023	4.55%	65,000.00		65,000.00
Registered	2/1/2024	4.55%	70,000.00		70,000.00
Registered	2/1/2025	4.55%	75,000.00		75,000.00
Registered	2/1/2026	4.55%	75,000.00		75,000.00
Registered	2/1/2027	4.55%	80,000.00		80,000.00
Registered	2/1/2028	4.60%	85,000.00		85,000.00
Registered	2/1/2029	4.60%	85,000.00		85,000.00
Registered	2/1/2030	4.60%	90,000.00		90,000.00
Registered	2/1/2031	4.60%	95,000.00		95,000.00
Registered	2/1/2032	4.60%	30,000.00		30,000.00
<b>TOTALS</b>			<b>1,615,000.00</b>	<b>105,000.00</b>	<b>1,510,000.00</b>

**Northern Kentucky Water Service District**  
**Bond Issue : \$30,270,000.00 Dated 8/1/2003**

**Attachment 23.8**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	2/1/2004	2.00%	825,000.00	825,000.00	0.00
Registered	2/1/2005	2.00%	845,000.00	845,000.00	0.00
Registered	2/1/2006	2.00%	860,000.00	860,000.00	0.00
Registered	2/1/2007	2.00%	880,000.00		880,000.00
Registered	2/1/2008	2.25%	895,000.00		895,000.00
Registered	2/1/2009	2.75%	915,000.00		915,000.00
Registered	2/1/2010	3.00%	940,000.00		940,000.00
Registered	2/1/2111	3.13%	965,000.00		965,000.00
Registered	2/1/2012	3.13%	995,000.00		995,000.00
Registered	2/1/2013	3.13%	1,030,000.00		1,030,000.00
Registered	2/1/2114	3.25%	1,060,000.00		1,060,000.00
Registered	2/1/2115	3.50%	1,095,000.00		1,095,000.00
Registered	2/1/2116	4.00%	1,135,000.00		1,135,000.00
Registered	2/1/2117	4.00%	1,175,000.00		1,175,000.00
Registered	2/1/2118	4.00%	1,225,000.00		1,225,000.00
Registered	2/1/2119	4.13%	1,275,000.00		1,275,000.00
Registered	2/1/2020	4.13%	1,325,000.00		1,325,000.00
Registered	2/1/2121	4.13%	1,380,000.00		1,380,000.00
Registered	2/1/2022	4.13%	1,440,000.00		1,440,000.00
Registered	2/1/2023	4.13%	1,500,000.00		1,500,000.00
Registered	2/1/2024	4.13%	1,565,000.00		1,565,000.00
Registered	2/1/2025	4.13%	1,630,000.00		1,630,000.00
Registered	2/1/2026	4.13%	1,700,000.00		1,700,000.00
Registered	2/1/2027	4.13%	1,770,000.00		1,770,000.00
Registered	2/1/2028	4.13%	1,845,000.00		1,845,000.00
<b>TOTALS</b>			<b>30,270,000.00</b>	<b>2,530,000.00</b>	<b>27,740,000.00</b>

**Northern Kentucky Water Service District**  
**Bond Issue : \$23,790,000.00 Dated 12/18/2003**

**Attachment 23.9**

<b>Bond Number</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Principle Amount</b>	<b>Amounts Paid</b>	<b>Outstanding</b>
Registered	2/1/2004	2.00%	1,430,000.00	1,430,000.00	0.00
Registered	2/1/2005	2.00%	1,160,000.00	1,160,000.00	0.00
Registered	2/1/2006	2.00%	1,180,000.00	1,180,000.00	0.00
Registered	2/1/2007	2.25%	1,215,000.00		1,215,000.00
Registered	2/1/2008	2.50%	1,235,000.00		1,235,000.00
Registered	2/1/2009	2.75%	1,270,000.00		1,270,000.00
Registered	2/1/2010	3.00%	1,305,000.00		1,305,000.00
Registered	2/1/2111	3.25%	1,350,000.00		1,350,000.00
Registered	2/1/2012	3.50%	1,395,000.00		1,395,000.00
Registered	2/1/2013	3.50%	1,445,000.00		1,445,000.00
Registered	2/1/2114	4.00%	1,505,000.00		1,505,000.00
Registered	2/1/2115	4.00%	1,565,000.00		1,565,000.00
Registered	2/1/2116	4.00%	1,625,000.00		1,625,000.00
Registered	2/1/2117	4.00%	1,690,000.00		1,690,000.00
Registered	2/1/2118	4.00%	1,595,000.00		1,595,000.00
Registered	2/1/2119	4.13%	1,665,000.00		1,665,000.00
Registered	2/1/2020	4.25%	1,160,000.00		1,160,000.00
<b>TOTALS</b>			<b>23,790,000.00</b>	<b>3,770,000.00</b>	<b>20,020,000.00</b>

Northern Kentucky Water Service District				Attachment 23.10	
Bond Issue	\$10,455,000.00	11/18/2024			
Bond	Maturity	Interest	Principle	Amounts	Outstanding
Number	Date	Rate	Amount	Paid	
Registered	2/1/2005	2.000%	270,000.00	270,000.00	0.00
Registered	2/1/2006	2.000%	275,000.00	275,000.00	0.00
Registered	2/1/2007	2.125%	285,000.00		285,000.00
Registered	2/1/2008	2.375%	290,000.00		290,000.00
Registered	2/1/2009	2.625%	295,000.00		295,000.00
Registered	2/1/2010	3.000%	305,000.00		305,000.00
Registered	2/1/2111	3.000%	315,000.00		315,000.00
Registered	2/1/2012	3.250%	325,000.00		325,000.00
Registered	2/1/2013	3.375%	335,000.00		335,000.00
Registered	2/1/2014	3.500%	345,000.00		345,000.00
Registered	2/1/2015	4.000%	360,000.00		360,000.00
Registered	2/1/2016	4.000%	375,000.00		375,000.00
Registered	2/1/2017	4.000%	390,000.00		390,000.00
Registered	2/1/2018	4.000%	405,000.00		405,000.00
Registered	2/1/2019	4.000%	425,000.00		425,000.00
Registered	2/1/2022	4.500%	1,385,000.00		1,385,000.00
Registered	2/1/2024	4.500%	1,035,000.00		1,035,000.00
Registered	2/1/2026	4.000%	1,135,000.00		1,135,000.00
Registered	2/1/2029	4.500%	1,905,000.00		1,905,000.00
<b>TOTALS</b>			<b>10,455,000.00</b>	<b>545,000.00</b>	<b>9,910,000.00</b>

Northern Kentucky Water Service District				Attachment 23.11	
Bond Issue		9/1/2006			
Bond Number	Maturity Date	Interest Rate	Principle Amount	Amounts Paid	Outstanding
Registered	2/1/2007	4.000%	300,000.00		300,000.00
Registered	2/1/2008	4.000%	720,000.00		720,000.00
Registered	2/1/2009	4.000%	750,000.00		750,000.00
Registered	2/1/2010	4.000%	775,000.00		775,000.00
Registered	2/1/2111	4.000%	805,000.00		805,000.00
Registered	2/1/2012	4.000%	835,000.00		835,000.00
Registered	2/1/2013	4.000%	870,000.00		870,000.00
Registered	2/1/2114	4.000%	900,000.00		900,000.00
Registered	2/1/2115	4.000%	940,000.00		940,000.00
Registered	2/1/2116	4.000%	980,000.00		980,000.00
Registered	2/1/2117	4.000%	1,020,000.00		1,020,000.00
Registered	2/1/2118	4.000%	970,000.00		970,000.00
Registered	2/1/2119	4.000%	1,010,000.00		1,010,000.00
Registered	2/1/2020	4.125%	1,320,000.00		1,320,000.00
Registered	2/1/2021	4.125%	1,205,000.00		1,205,000.00
Registered	2/1/2022	4.125%	1,255,000.00		1,255,000.00
Registered	2/1/2023	4.125%	1,420,000.00		1,420,000.00
Registered	2/1/2024	4.125%	1,375,000.00		1,375,000.00
Registered	2/1/2025	4.125%	1,440,000.00		1,440,000.00
Registered	2/1/2027	4.250%	3,075,000.00		3,075,000.00
Registered	2/1/2029	4.250%	3,360,000.00		3,360,000.00
Registered	2/1/2031	4.273%	3,675,000.00		3,675,000.00
<b>TOTALS</b>			<b>29,000,000.00</b>	<b>0.00</b>	<b>29,000,000.00</b>

**Notes Payable (Acct. 232 & 234)**

2006  a	Nominal Date of Issue  b	Date of Maturity  c	INTEREST		Principal Amount per Balance Sheet  f
			Rate  d	Amount of payment  e	
<b>Account 232 - Note Payable</b>					
Campbell Co. Fiscal Court			0.00%	\$ _____	\$ 100,000
<b>Total Account 232</b>				\$ _____	\$ 100,000
<b>Account 234 - Notes Payable To Associated Companies</b>					
		N/A		\$ _____	\$ _____
<b>Total Account 234</b>				\$ _____	\$ _____

**Accounts Payable to Associated Companies (Acct. 233)**

Show Payable to Each Associated Company Separately	Amount
	\$ _____
N/A	
<b>Total</b>	\$ _____

**TAXES ACCRUED (ACCOUNT 236)**

ACCT. NO. (a)	2006 DESCRIPTION (b)	TOTAL ©
	Balance first of year.....	\$ -
	Accruals Charged:	
408.1	Utility regulatory assessment fees.....	
408.11	Property taxes.....	
408.12	Payroll taxes.....	547,525
408.13	Other taxes and licenses.....	
408.2	Taxes other than income, other income and deductions	
	Total taxes accrued.....	\$ 547,525
	Taxes paid during year:	
408.1	Utility regulatory assessment fees.....	
408.11	Property taxes.....	
408.12	Payroll taxes.....	547,525
408.13	Other taxes and licenses.....	
408.2	Taxes other than income, other income and deductions	
	Total taxes paid.....	\$ 547,525
	Balance end of year.....	\$ -

**ACCRUED INTEREST (ACCOUNT 237)**

DESC. DEBT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR (c)	INTEREST PAID DURING YEAR (d)	BALANCE END OF YEAR (e)
Acct. No. 237.1 - Accrued Interest on Long-term Debt				
Series 1997	124,540	263,998	279,860	108,677
Series 1998	197,973	464,033	469,080	192,927
2000 RUS Loan	18,300	108,883	109,100	18,083
Series 2001	303,781	722,177	725,313	300,646
Series 2002 A	903,517	2,153,178	2,160,115	896,579
Series 2002 B	145,565	334,781	341,406	138,940
Series 2003 A	27,016	64,276	64,531	26,760
Series 2003 B	429,458	1,014,934	1,022,100	422,292
Series 2003 C	306,810	714,711	724,544	296,977
Series 2004 A	167,417	397,936	399,881	165,471
Series 2006	-	376,949	-	376,949
Total Acct No. 237.1	\$ 2,624,377	\$ 6,615,856	\$ 6,295,930	\$ 2,944,301
Acct. No. 237.2 - Accrued Interest on Other Liabilities:				
2004 BAN # 1	\$ 15,321	\$ 45,963	\$ 61,284	\$ -
2005 BAN # 2	97,399	486,951	584,350	-
Total Acct No. 237.2	\$ 112,720	\$ 532,914	\$ 645,634	\$ -
Total Acct No 237	\$ 2,737,097	\$ 7,148,770	\$ 6,941,564	\$ 2,944,301

	7,134,223.55
Surcharge	(274,596)
	(165,789)
	(135,150)
Cap Int	(154,314)
Int Exp	6,404,374
	25

**Miscellaneous Current & Accrued Liabilities (Account 242)**

2006 Description (a)	Balance End of Year (b)
Accrued Payroll Taxes	\$ 5,808
Accrued Payroll	176,232
Accrued Sales Taxes	85,508
Accrued Pension	157,737
Accrued Vacation/Sick	803,856
Subdistrict Surcharges Payable	560,660
Total Miscellaneous Current & Accrued Liabilities.....	\$ 1,789,801

241-0007-000

**Regulatory Commission Expense (Accounts 666 and 667)**

2006 DESCRIPTION OF CASE (DOCKET #) (a)	TOTAL INCURRED DURING YEAR (b)	AMOUNT TRANSFERRED TO ACCOUNT # 186.1 (c)	EXPENSED DURING YEAR	
			ACCT. (d)	AMOUNT (e)
Rate Case 2005-0148 (Case still pending as of 12/31/05)	46,351	45,529	667	\$ 822
Rate Case 2002-0105			667	\$ 72,543
Rate Case 2003-0234			667	\$ 62,076

**WATER OPERATING REVENUE**

Acct No. (a)	2006 Description (b)	Beginning Year No. Customer (c)	Year End Number Customers (d)	Amounts (e)
	Operating Revenues:			
460	Unmeter Water Revenue.....			\$
461	Meter Water Revenue:			\$
461.1	Sales to Residential Customers .....	72,563	73,012	\$ 19,257,247
461.2	Sales to Commercial Customers .....	4,509	4,394	\$ 5,411,685
461.3	Sales to Industrial Customers .....	116	113	\$ 2,617,798
461.4	Sales to Public Authorities .....	491	479	\$ 1,672,443
461.5	Sales to Multiple Family Dwellings .....	1,551	1,575	\$ 2,569,332
461.6	Sales through Bulk Loading Stations .....			\$ 6,954
	Total Metered Sales .....	79,230	79,573	\$ 31,535,459
462	Fire Protection Revenue:			\$
461.1	Public Fire Protection			\$
461.2	Private Fire Protection	450	450	\$ 42,637
	Total Fire Protection Revenue .....	450	450	\$ 42,637
464	Other Sales to Public Authorities			\$
465	Sales to Irrigation Customers .....			\$
466	Sales for Resale .....	3	2	\$ 921,897
467	Interdepartmental Sale .....	2	2	\$
	Total Sales of Water .....	79,685	80,027	\$ 32,499,993
	Other Water Revenues:			
469	Guaranteed Revenues .....			\$
470	Forfeited Discounts .....			\$ 713,273
471	Miscellaneous Service Revenues .....			\$
472	Rents from Water Property .....			\$ 493,796
473	Interdepartmental Rents .....			\$
474	Other Water Revenues .....			\$ 413,202
	Total Other Water Revenues .....			\$ 1,620,271
	Total Water Operating Revenues .....			\$ 34,120,264

WATER UTILITY EXPENSE ACCOUNTS

Acct No (a)	2006 Account Name (b)	Current Year (c)	WATER EXPENSE ACCOUNT MATRIX							
			1 Source of Supply & Pumping Expense- Operation (d)	2 Source of Supply & Pumping Expense- Maintenance. (e)	3 Water Treatment Expense- Operation (f)	4 Water Treatment Expense- Maintenance. (g)	5 Trans & Distribution. Expense- Operation (h)	6 Trans & Distribution. Expense- Maintenance. (i)	7 Customer Accounts Expense (j)	8 Adminis- Trative & General Expenses (k)
601	Salaries & Wage - Employees	\$7,749,012.10		\$213.00	\$1,572,056.19	\$508,827.20	\$831,423.00	\$2,080,452.37	\$1,645,418.34	\$1,110,622.00
603	Salaries & Wage - Officers	\$0.00								
604	Employee Pensions & Benefits	\$2,893,029.86			\$614,561.17	\$106,998.95	\$552,991.52	\$585,900.02	\$602,482.21	\$430,095.99
610	Purchased Water	\$1,701,550.74	\$553,559.24		\$28,934.91		\$956,507.52			\$162,449.07
615	Purchased Power	\$153,860.74			\$143,775.20		\$10,085.54			
616	Fuel for Power Production	\$1,137,421.78			\$1,137,421.78					
618	Chemicals	\$1,805,737.63		\$11,462.11	\$210,418.12	\$172,719.36	\$124,445.66	\$850,022.79	\$229,041.48	\$207,628.11
620	Materials & Supplies	\$27,307.87			\$5,692.50		\$7,982.87			\$19,325.00
631	Contractual Services - Accounting	\$130,738.34					\$40,909.79		\$2,402.50	\$81,733.55
633	Contractual Services - Engineering	\$17,615.50								\$17,615.50
634	Contractual Services - Mgt. Fees	\$2,837,177.82	\$2,094.02	\$109,245.39	\$427,155.30	\$197,803.09	\$165,465.73	\$877,393.13	\$234,775.21	\$923,245.95
635	Contractual Services - Water Testing	\$0.00								
636	Contractual Services - Other	\$0.00								
641	Rental of Bldg./Real Property	\$0.00								
642	Rental of Equipment	\$2,505.93								\$2,505.93
650	Transportation Expenses	\$446,230.07			\$38,207.93	\$131.69	\$40,444.94	\$274,720.65	\$88,297.78	\$4,427.08
656	Insurance - Vehicles	\$57,729.12			\$10,904.40		\$28,864.68		\$15,394.32	\$2,565.72
657	Insurance - General Liability	\$228,448.94				\$72,811.32	\$119,908.44		\$23,471.41	\$12,257.77
658	Insurance - Workers Compensation	\$172,396.96			\$46,473.61		\$62,342.84		\$46,473.61	\$17,106.90
659	Insurance - Other	\$131,470.80			\$30,494.56					\$100,976.24
660	Advertising Expenses	\$14,243.46								\$14,243.46
666	Regulatory Commission Expense - Amortization of Rate Case Expenses	\$0.00								
667	Regulatory Commission Expense - Other	\$190,942.37								\$190,942.37
668	Water Resource Conservation	\$0.00								
670	Bad Debt Expense	\$509,699.81							\$509,699.81	
675	Miscellaneous Expenses	\$77,269.15			\$4,967.67		\$6,830.34	\$10,428.03		\$45,334.29
699	Taxes	\$0.00								
	Total Water Utility Expenses	\$20,284,388.99	\$555,653.26	\$120,920.50	\$4,271,063.34	\$1,059,291.61	\$2,948,302.87	\$4,678,916.99	\$3,407,165.49	\$3,243,074.93

**Pumping and Purchased Water Statistics**

2006  a	Water Purchased for Resale (Omit 000's)  b	Water Pumped From Plants (Omit 000's)  c	Total Water Pumped and Purchased (Omit 000's)  d	Water Sold to Customers (Omit 000's)  e
<b>January</b>		796,244.4	796,244.4	581,092.0
<b>February</b>		713,598.1	713,598.1	517,357.2
<b>March</b>		779,993.6	779,993.6	807,784.7
<b>April</b>		777,653.8	777,653.8	542,655.3
<b>May</b>		862,923.9	862,923.9	498,352.8
<b>June</b>		900,232.2	900,232.2	873,021.5
<b>July</b>		976,497.6	976,497.6	634,206.0
<b>August</b>		1,052,370.7	1,052,370.7	594,739.3
<b>September</b>		839,532.0	839,532.0	1,101,887.0
<b>October</b>		839,507.4	839,507.4	681,128.8
<b>November</b>		772,966.1	772,966.1	576,485.1
<b>December</b>		801,770.8	801,770.8	956,113.0
<b>Total for year</b>		10,113,290.6	10,113,290.6	8,364,822.7
Maximum gallons pumped by all methods in any one day: 8/23/2006				40,300.0
Minimum gallons pumped by all methods in any one day (Omit 000's): 1/7/2006				22,300.0
If water is purchased for resale, indicate the following: Vendor: _____ Point of delivery: _____				
If water is sold to other water utilities for redistribution, list names of such utilities below:				
Pendleton County Water District				
City of Walton				
Bullock Pen Water District				

**Sales for Resale (466)**

2006

Line	Company	Gallons(000's)	Avg. Rate (Cents)	Amount
1	Pendleton County Water Dist.	90,447.5		\$229,085.60
2	City of Walton	177,989.7		\$437,622.57
3	Bullock Pen Water District	99,329.0		\$246,617.92
4				
5				
6				
7				
8				
<b>Total</b>		<b>367,766.2</b>		<b>\$913,326.09</b>

**WATER STATISTICS**

Line	Item	Gallons (000's)
1	<b>WATER PRODUCED, PURCHASED, &amp; DISTRIBUTED</b>	
2	Water Produced	10,113,291
3	Water Purchased	
4	<b>TOTAL PRODUCED AND PURCHASED</b>	<b>10,113,291</b>
5		
6	<b>WATER SALES:</b>	
7	Residential	5,531,331.3
8	Commercial	1,650,620.6
9	Industrial	803,149.3
10	Irrigation	-
11	Resale	367,766.2
12	Other Sales	11,955
13	<b>TOTAL WATER SALES</b>	<b>8,364,822.7</b>
14		
15	<b>OTHER WATER USED (estimate portions not metered)</b>	
16	Utility/water treatment plant	164,907.5
17	Wastewater plant	
18	System flushing	153,788.7
19	Water main breaks/leaks	218,982.1
20	Storage tank overflow	0.0
21	Fire Department	6,066.7
22	Other (construction, flushing, disinfection, ect.)	9,544.1
23	<b>TOTAL OTHER WATER USED</b>	<b>553,289.1</b>
24		
25	<b>UNACCOUNTED-FOR WATER LOSS:</b>	
26	Line 4 - (Line 13 + Line 23)	<b>1,195,178.8</b>
27		
28	<b>UNACCOUNTED-FOR WATER LOSS PERCENTAGE</b>	
29	Line 26 divided by Line 4	11.82%

## PLANT STATISTICS

Give the following information:

- 1 Number of fire hydrants, by size.
- 2 Number of private fire hydrants, by size.
- 3 Whether water supply is river, impounded streams, well, springs, artificial lake or collector type well.
- 4 Whether supply is by gravity, pumping, or a combination .
- 5 Type, capacity, and elevation of reservoirs at overflow and ground level.
- 6 Miles of main by size and kind.
- 7 Types of filters: gravity or pressure, number of units, and total rated capacity in gallons per minute.
- 8 Type of chlorinators, number of units and capacity in pounds per 24 hours.
- 9 Station equipment. List each pump separately, giving type and capacity and H.P. of driving unit and character of driving unit (steam, electric, or internal combustion). State whether pump is high or low duty.
- 10 Quantity of fuel used: coal in pounds, gas in cu. ft., oil in gallons, and electric in K
- 11 Give a description and total cost of any sizable additions or retirements to plant in service outside the normal system growth for the period covered by this report.
- 12 Capacity of clear well.
- 13 Peak month, in gallons of water sold.
- 14 Peak day, in gallons of water sold.

1) Kenton County 5,709 ; Campbell County 2,521.

---

2) 48.

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3) Rivers: Ohio River and the Licking River.

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4) Plants are pumped; Distribution is combination of pumped and gravity.

---

5) See attached 31A.

---

6) See attached 31B.

---

7) Fort Thomas Treatment Plant  
12 - Gravity, each 560 sq. ft.

---

Taylor Mill Treatment Plant  
8 - Gravity, each 560 sq. ft. @ 5 gallons per sq. ft. per minute

---

8) See attached 31C

---

9) See attached 31D

---

10) N/A

---

11) None

---



# OATH

Common wealth of Kentucky );  
County of Campbell ); SS:

Jack Bragg, CPA makes oath and says  
that he is Vice President of Finance of  
Northern Kentucky Water District ;

that it is his duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he has carefully examined the said report and to the best of his knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

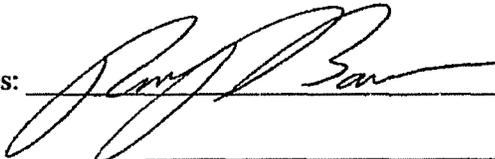
January 1, 2006, to and including December 31, 2006

  
\_\_\_\_\_  
Signature of official

Subscribed and sworn to before me, a NOTARY PUBLIC in and for the  
State and County above named, this 16 day of April, 2007.

(Apply Seal Here)

My commission expires:

 4-17-07  
\_\_\_\_\_  
(Signature of officer authorized to administer oath)

Water Storage Facilities  
Northern Kentucky Water District  
Updated: 4/26/2006

Attachment 31A

Storage Location	Address	City Location	Type Of Storage	Year In Service	Structure Height (Feet)	Base Elevation (Feet)	Top Elevation (Feet)	Overflow Elevation (Feet)	Normal Elevation (Feet)	Normal Elevation (Feet)	Diameter (Feet)	Capacity (Gallons)
Aqua Drive	100 Aqua Drive	Cold Spring	Hydropillar		184			1017				2,000,000
Barrington Road	2 Barrington Road	Ft. Wright	Hydropillar	1969	141	916.5	1057.5	1046.7	1045.0	1040.0	74	1,000,000
Bromley	1674 Highway Road	Bromley	Ground Storage	1966	103	670.0	773.0	764.0	763.0	750.0	75	3,000,000
Dayton Avenue	2816 Dayton St.	Dayton	Ground Storage		50			829.0				500,000
Devon	US 25	Florence	Hydropillar	1991	156	939.5		1082.0		1042.0	100	2,000,000
Dudley Pike	796 Dudley Pike	Edgewood	Ground Storage	1964	59	831.0	889.5	876.0	874.0	866.0	140	5,000,000
Dudley Pike	796 Dudley Pike	Edgewood	Ground Storage	1990	59	831.0	889.5	876.0	874.0	866.0	140	5,000,000
Ft. Thomas Plant	700 Alexandria Pike	Ft. Thomas	Clearwell	1936	31	734.0	765.3	764.5	762.0	760.0		3,000,000
Ft. Thomas Plant	700 Alexandria Pike	Ft. Thomas	Clearwell	1990	35	730.0	778.5	764.5	763.5	757.5	130	3,500,000
Harrison Ave.	2361 Harrison Ave.	Bellevue	Ground Storage		60			829.0				600,000
Ida Spence	Tower Place	Covington	Elevated Tank	1952	175	840.0	1015.0	1005.0	1003.0	1000.0	57	500,000
Independence	5685 Madison Pike	Independence	Hydropillar	1981	137	943.5		1090.0		1039.5	74	1,000,000
Industrial Park	Industrial Rd. & US 25	Florence	Hydropillar	1961	146	945.5	1091.5	1083.5	1081.0	1062.0	50	500,000
John's Hill Road	Knollwood Dr.	Highland Hts.	Elevated Tank		113			1017.0				500,000
Kenton Lands Rd.	25 Kenton Lands Road	Erlanger	Elevated Tank	1953	158	896.0	1054.0	1045.0	1043.0	1033.0	50	500,000
Lumley Tank	R47 Lumley Ave.	Fort Thomas	Elevated Tank	1937	187			1017.0				275,000
Main St. Tank	Main St. & US 27	Alexandria	Elevated Tank	1962	152			1017.0				300,000
Memorial Pkwy. Plant	2055 Memorial Pkwy.	Fort Thomas	Clearwell					741.0				3,000,000
Old St. 4 Tank	Old St. Road #4	Claryville	Elevated Tank	1976	143			1017.0				1,000,000
Rosford Tank	Marion Dr.	Fort Thomas	Elevated Tank	1962	191			1017.0				300,000
South Newport Tank	Kentucky Drive	Newport	Elevated Tank		155			965.0				1,000,000
Taylor Mill Plant	608 Grand Ave.	Taylor Mill	Clearwell		15	509.5	524.5	522.0	520.0	518.0		1,000,000
Taylor Mill Standpipe	5907 Taylor Mill Rd.	Taylor Mill	Standpipe		143			1010.0	130.0	110.0		329,000
Total storage owned by NKWSD:											35,804,000	

Size	Type	Prior Years	2005 Additions	2005 Retirements	2005 YTD TOTALS	2005 Miles	2005 Percent	2006 Additions	2006 Retirements	2006 YTD TOTALS	2006 Miles	2006 Percent
2"	Cast Iron	45.00			45.00	0.01	0.001%			45.00	0.009	0.001%
3"	Cast Iron						0.000%				0.000	0.000%
4"	Cast Iron	379,493.68	2,084.00	3,100.00	378,487.68	71.68	6.548%	2,546.00	6,185.00	374,848.68	70.994	6.374%
6"	Cast Iron	1,939,580.74	737.00	6,765.00	1,933,552.74	366.20	33.453%	2,374.00	21,893.00	1,914,033.74	362.506	32.547%
8"	Cast Iron	1,108,425.17	16,786.00	12,978.00	1,110,233.17	210.27	19.208%	43,258.00	4,444.00	1,149,045.17	217.822	19.539%
10"	Cast Iron	135,851.54	350.00	350.00	135,501.54	25.66	2.344%			135,501.54	25.663	2.304%
12"	Cast Iron	591,245.48	21,555.00	1,440.00	611,360.48	115.79	10.577%	43,874.00	15,636.00	639,398.48	121.096	10.872%
16"	Cast Iron	288,516.08	1,500.00		290,016.08	54.93	5.018%	4,421.00	2,012.00	292,425.08	55.384	4.972%
18"	Cast Iron	3,345.00	104.00	1,500.00	1,949.00	0.37	0.034%			1,949.00	0.369	0.033%
20"	Cast Iron	129,548.79			129,548.79	24.54	2.241%			129,548.79	24.536	2.203%
24"	Cast Iron	97,522.00			97,522.00	18.47	1.887%			97,522.00	18.470	1.858%
30"	Cast Iron	28,563.00			28,563.00	5.41	0.484%			28,563.00	5.410	0.486%
36"	Cast Iron	22,261.21			22,261.21	4.22	0.385%	1,808.00	519.00	23,548.21	4.460	0.400%
42"	Cast Iron	17,845.00			17,845.00	3.38	0.309%	678.00		18,523.00	3.508	0.315%
20"	Concrete	6,050.00			6,050.00	1.15	0.105%			6,050.00	1.145	0.103%
24"	Concrete	21,530.00			21,530.00	4.08	0.372%			21,530.00	4.077	0.386%
36"	Concrete	35,000.00			35,000.00	6.63	0.606%			35,000.00	6.629	0.595%
2"	Galvanized	375.00			375.00	0.07	0.006%			375.00	0.071	0.006%
4"	Transite	50,335.00			50,335.00	9.53	0.871%		94.00	50,241.00	9.515	0.854%
6"	Transite	96,478.00			96,478.00	18.27	1.669%		1,650.00	94,828.00	17.860	1.612%
1 1/2"	Steel	226.00			226.00	0.04	0.004%			226.00	0.043	0.004%
2"	Steel	677.00			677.00	0.13	0.012%			677.00	0.128	0.012%
4"	Steel	83.00			83.00	0.02	0.001%			83.00	0.016	0.001%
6"	Steel	11.00			11.00	0.00	0.000%			11.00	0.002	0.000%
8"	Steel	31.00			31.00	0.01	0.001%			31.00	0.006	0.001%
10"	Steel	15.00			15.00	0.00	0.000%			15.00	0.003	0.000%
12"	Steel	1,681.00			1,681.00	0.32	0.029%			1,681.00	0.318	0.028%
16"	Steel	582.00			582.00	0.11	0.010%			582.00	0.110	0.010%
24"	Steel	5,227.00		1,500.00	5,227.00	0.88	0.080%			5,227.00	0.988	0.080%
3/4"	Copper	52.00			52.00	0.01	0.001%			52.00	0.010	0.001%
1"	Copper	3,787.00			3,787.00	0.72	0.066%			3,787.00	0.717	0.064%
1 1/2"	Copper	4,150.00			4,150.00	0.79	0.072%			4,150.00	0.786	0.071%
2"	Copper	12,648.30			12,648.30	2.40	0.219%			12,648.30	2.386	0.215%
1"	Plastic	2,973.00			2,973.00	0.56	0.051%			2,973.00	0.583	0.051%
1 1/2"	Plastic	2,292.00			2,292.00	0.43	0.040%			2,292.00	0.434	0.039%
2"	Plastic	68,288.00	2,120.00		70,408.00	13.33	1.218%	3,268.00		73,676.00	13.954	1.253%
3"	Plastic	114,886.00			114,886.00	21.78	1.989%			114,886.00	21.778	1.955%
4"	Plastic	29,539.00			29,539.00	5.59	0.511%			29,539.00	5.585	0.502%
6"	Plastic	130,686.60	7,320.00		137,986.60	26.13	2.887%	8,941.00	3,050.00	143,877.60	27.250	2.447%
8"	Plastic	384,024.00	35,101.00		420,125.00	78.57	7.269%	44,126.00		464,251.00	87.828	7.894%
12"	Plastic	5,839.00			5,839.00	1.11	0.101%	1,306.00		7,145.00	1.353	0.121%
<b>TOTAL</b>		<b>6,717,788.69</b>	<b>86,312.00</b>	<b>25,628.00</b>	<b>5,777,867.69</b>	<b>(910.31)</b>	<b>-200400.0%</b>	<b>164,390.00</b>	<b>53,477.00</b>	<b>6,876,874.69</b>	<b>(892.19)</b>	<b>100.0%</b>

**Northern Kentucky Water District  
Chlorinators and Sodium Hypochlorite Feeders In System  
Updated 4/26/2006**

**Attachment 31C**

Location	# of Units	Form of Chlorine	Type	Capacity (ea.)
Bromley Pump Station	1	Sodium Hypochlorite	Jesco Pump	1.3 GPH
West Covington Pump Station	1	Sodium Hypochlorite	Jesco Pump	2.8 GPH
Bristow Road Pump Station	1	Sodium Hypochlorite	Jesco Pump	5 GPH
Dudley Pump Station	2	Sodium Hypochlorite	Jesco Pump	12 GPH
Fort Thomas Treatment Plant	1	Sodium Hypochlorite	Watson Marlow	
	7	Sodium Hypochlorite	US Filter Wallace & Tiernan Encore 700	77 GPH
Taylor Mill Treatment Plant	2	Sodium Hypochlorite	US Filter Wallace & Tiernan Encore 700	5 GPH
	3	Sodium Hypochlorite	US Filter Wallace & Tiernan Encore 700	22.5 GPH
Ohio River Pump Station	4	Sodium Hypochlorite	Milton Roy Max Roy B	195 GPH
Memorial Pky Treatment Plant	1	Sodium Hypochlorite	Watson Marlow	9.1 GPH
	2	Sodium Hypochlorite	Seepex	8 GPH

**Booster Pumping Station Facilities**  
**Northern Kentucky Water District**  
**Updated 4/26/2006**

**Pump Stations**

**Attachment 31D**

PUMP STATION LOCATION	CITY LOCATED	NO. OF UNITS	PUMP TYPE	YEAR INSTALLED	HORSE POWER	VOLTS REQUIRED	PUMP CONTROL	RATING PER PUMP (GPM)	TDH (FEET)	SERVICE TYPE
Ohio River Raw Water Pumping Station #1 <i>(Feeds FTTP)</i>	Brent	1	VT	2005	1250	4160	AUTO	8,400	430	HIGH
		2	VT	2005	1250	4160	AUTO	8,400	430	HIGH
		3	VT	1997	1250	4160	AUTO	8,400	430	HIGH
		4	VT	Out Of Service					430	HIGH
		5	VT	1999	1250	4160	AUTO	8,400	430	HIGH
		6	VT	2005	1250	4160	AUTO	9,000	430	HIGH
Latonia Ave. and 35th St.	Covington (Const. 1953)	1	HC	2002	75	440	AUTO	500	400	HIGH
		2	HC	2002	75	440	AUTO	500	400	HIGH
Bromley	Bromley	1	VT	1968	60	440	AUTO	500	340	HIGH
		2	VT	1986	75	440	AUTO	700	315	HIGH
		3	VT	1986	75	440	AUTO	700	340	HIGH
Licking River Raw Water Pumping Station	Taylor Mill	1	VT	1990	350	440	AUTO	8333	126	LOW
		2	VT	1971	250	440	AUTO	6250	126	LOW
		3	VT	1993	150	440	AUTO	4900	94	LOW
Taylor Mill Treatment Plant	Taylor Mill	1	VT	2001	600	2300	AUTO	6945	250	HIGH
		2	VT	1954	450	2300	AUTO	3472	385	HIGH
		3	VT	1954	700	2300	AUTO	3472	385	HIGH
		4	VT	1974	1250	2300	AUTO	6945	490	HIGH
		5	VT	1974	1250	2300	AUTO	6945	490	HIGH
		6	VT	1982	600	2300	AUTO	6945	250	HIGH
Dudley Pike 1040 System	Edgewood	1	VT	1965	250	440	AUTO	2825	270	HIGH
		2	VT	1965	250	440	AUTO	2825	270	HIGH
		3	VT	1965	250	440	AUTO	2825	270	HIGH
		4	VT	1979	250	440	AUTO	2222	375	HIGH
Dudley Pike 1080 System	Edgewood	5	VT	1990	600	460	AUTO	6000	282	HIGH
		6	VT	2007	600	460	AUTO	6000	282	HIGH
		7	VT	1990	600	460	AUTO	6000	282	HIGH
		8	VT	2006	600	460	AUTO	5000	282	HIGH
Richardson Rd.	Independence	1	VT	1981	400	440	AUTO	2100	515	HIGH
		2	VT	2001	400	440	AUTO	2100	515	HIGH
		3	VT	1998	400	440	AUTO	2100	515	HIGH
Hands Pike	Covington	1	VT	1983	75	440	AUTO	500	426	HIGH
		2	VT	1983	75	440	AUTO	500	426	HIGH
West Covington	Covington	1	VC	1987	40	440	AUTO	1600	60	LOW
		2	VC	1987	40	440	AUTO	1600	60	LOW
Bristow Rd. <i>(Peerless Pumps)</i>	Independence	1	VT	2002	75	480	AUTO	2900	65	LOW
		2	VT	2002	75	480	AUTO	2900	65	LOW
		3	VT	2002	75	480	AUTO	2900	65	LOW
Newport PS Variable Speed	Fort Thomas	1	VT	2000	500	440	AUTO	4200	372	HIGH
		2	VT	2000	500	440	AUTO	4200	372	HIGH
		3	VT	2000	500	440	AUTO	4200	372	HIGH
US 27 10 MGD	670 Alex. Pk. Fort Thomas	1	VT	1990	350	440	AUTO	3500	300	HIGH
		2	VT	1990	350	440	AUTO	3500	300	HIGH
		3	VT	1990	350	440	AUTO	3500	300	HIGH
		4	VT	2006	350	440	AUTO	3500	300	HIGH
		5	VT	2006	350	440	AUTO	3500	300	HIGH
		6	VT	2006	350	440	AUTO	3500	300	HIGH
Ripple Creek	Cold Spring	1	VC	1991	75	440	AUTO	2050	100	LOW
		2	VC	1991	75	440	AUTO	2050	100	LOW
Ohio River Raw Water Pumping Station #2 <i>(Feeds MPTP)</i>	Fort Thomas	1	VT	1987	800	2400	AUTO	5500	365	HIGH
		2	VT	1999	800	2400	AUTO	5000	365	HIGH
		3	VT	2002	800	2400	AUTO	4000	365	HIGH
Memorial Parkway Treatment Plant Raw Water Pumps	Fort Thomas	1	VC	1961	125	460	AUTO	5300	64	LOW
		2	VC	1961	75	440	AUTO	3675	64	LOW
		3	VC	1961	75	440	AUTO	3675	64	LOW
Carothers Rd. Pump Stn.	Newport	1	VT	1996	150	460	AUTO	1800	263	HIGH
		2	VT	1996	150	460	AUTO	1800	263	HIGH



Northern Kentucky Water District Schedule of Outstanding Debt As of March 31, 2007	
Description	Outstanding Amount
1997	\$4,650,000.00
1998	\$9,285,000.00
2000	\$2,143,000.00
2001	\$14,925,000.00
2002A	\$43,680,000.00
2002B	\$7,985,000.00
2003A	\$1,475,000.00
2003B	\$26,860,000.00
2003C	\$18,805,000.00
2004	\$9,625,000.00
2006	\$28,700,000.00
<b>Total Bonds</b>	<b>\$168,133,000.00</b>
<b>Notes</b>	
Taylor Mill purchase note	\$2,125,000.00
Deferred Note Payable	\$100,000.00
<b>Total Notes Payable</b>	<b>\$2,225,000.00</b>
<b>Total Debt</b>	<b>\$170,358,000.00</b>



## Current Monthly Reports as of April 30, 2007

Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2007

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$6,699,422	\$6,625,269
Accrued Interest Receivable		
Accounts Receivable		
Customers	3,328,938	2,695,755
Unbilled Customers	4,200,000	4,900,000
Other	57,468	2,971
Assessments Receivable	73,008	37,767
Inventory Supplies for New Installation and Maintenance, at Cost	1,231,778	1,047,132
Prepaid Items	502,079	229,108
<b>TOTAL CURRENT ASSETS</b>	<b>16,092,693</b>	<b>15,538,002</b>
<b>RESTRICTED ASSETS</b>		
Boone/Florence Settlement Account	3,100,243	3,346,119
Bond Proceeds Fund	38,305,473	13,104,313
Debt Service Reserve Account	13,031,645	12,350,687
Debt Service Account	3,392,827	2,043,161
Improvement, Repair & Replacement	795,758	3,670,469
<b>TOTAL RESTRICTED ASSETS</b>	<b>58,625,946</b>	<b>34,514,749</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	9,997,230	9,399,571
Capital assets:		
Land, System, Buildings and Equipment	278,225,178	254,139,696
Construction in Progress	14,739,500	24,115,026
Total capital assets before accumulated depreciation	292,964,678	278,254,722
Less Accumulated Depreciation	(60,192,512)	(56,315,727)
Total capital assets before accumulated depreciation	232,772,166	221,938,995
<b>TOTAL NONCURRENT ASSETS</b>	<b>242,769,396</b>	<b>231,338,566</b>
<b>TOTAL ASSETS</b>	<b>317,488,035</b>	<b>281,391,317</b>

Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2007

	2007	2006
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$5,828,000	\$4,967,000
Accounts Payable	1,362,319	1,626,686
Accrued Payroll & Liabilities	163,936	258,198
Other Accrued Liabilities	81,363	82,903
<b>TOTAL CURRENT LIABILITIES</b>	<b>7,435,618</b>	<b>6,934,787</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	636,798	1,242,278
Accrued Interest Payable	1,745,845	1,495,825
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>2,382,643</b>	<b>2,738,103</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	162,550,000	139,428,000
Bond Anticipation Notes Payable	27,165,000	21,585,000
Note Payable - Taylor Mill	1,875,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>191,690,000</b>	<b>163,238,000</b>
<b>TOTAL LIABILITIES</b>	<b>201,508,261</b>	<b>172,910,890</b>
Unrestricted Retained Earnings	87,128,784	79,629,437
<b>TOTAL NET ASSETS</b>	<b>115,979,776</b>	<b>108,480,429</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>317,488,037</b>	<b>281,391,319</b>

Northern Kentucky Water District  
 Revenue Actual to Actual  
 For the Four Months Ending April 30, 2007

Acct	Description	April 2007	April 2006	Variance	YTD Dec 2007	YTD Dec 2006	Variance
	Revenue						
(461 TO 4...	Water Sales	\$2,400,093	\$2,185,094	9.84%	\$10,423,549	\$9,651,045	8.00%
(470 TO 470)	Forfeited Discounts	\$62,040	\$49,794	24.59%	\$248,921	\$203,214	22.49%
(47200010...	Rents from Water Property	\$36,702	\$35,688	2.84%	\$188,813	\$147,881	27.68%
(471 TO 4...	Other Water Revenues	\$49,405	\$32,720	50.99%	\$125,225	\$136,832	(8.48%)
	Total Operating Revenues	\$2,548,240	\$2,303,296	10.63%	\$10,986,508	\$10,138,972	8.36%
	Non-Operating Income						
419000100...	Interest Income	\$167,693	\$155,422	7.90%	\$721,907	\$701,286	2.94%
(474 TO 4...	Miscellaneous	\$19,017	\$4,453	327.06%	\$572,392	\$48,876	1,071.11%
	Total Non-Operating Income	\$186,710	\$159,875	16.78%	\$1,294,299	\$750,162	72.54%
	Total Revenues	\$2,734,950	\$2,463,171	11.03%	\$12,280,807	\$10,889,134	12.78%

## **Independent Audit Report as of December 31, 2006**

Exhibit E  
Rate Case 2007-000135  
Witness: Fritz

**NORTHERN KENTUCKY WATER DISTRICT**

**December 31, 2006**

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT*

**NORTHERN KENTUCKY WATER DISTRICT  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Northern Kentucky Water District  
Erlanger, Kentucky 41018

We have audited the accompanying statement of net assets of Northern Kentucky Water District as of December 31, 2006 and the related statements of revenues, expenses and changes in net assets and cash flows for the year then ended, which collectively comprise the District's basic financial statements. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Northern Kentucky Water District as of December 31, 2005 were audited by other auditors whose report dated March 10, 2006, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Northern Kentucky Water District as of December 31, 2006, and the respective changes in financial position and cash flows, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2007, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages 1 through 5 and budgetary comparison information on page 25 are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedules included as listed on the table of contents are presented for

## **NORTHERN KENTUCKY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

Our discussion and analysis of Northern Kentucky Water District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2006. This information is presented in conjunction with the audited financial statements that follow this section.

### **Financial Highlights**

- The assets of the District exceeded its liabilities at the close of the most recent year by \$114,183,710 (net assets). This was an increase of \$6,216,349 in comparison to the prior year.
- Operating revenues decreased \$726,358 or 2% from 2005.
- The debt coverage ratio decreased from 1.56 in 2005 to 1.34 in 2006.

### **Overview of the Financial Statements**

The financial statements presented herein include all of the activities of the District as prescribed by GASB No. 34. The District's basic financial statements include the statements of net assets, statements of revenues, expenses and changes in net assets and statements of cash flows and the notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

### **Basis of Accounting**

The District's financial statements are prepared using the accrual basis of accounting.

### **The Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets**

In the Statement of Net Assets and the Statement of Revenues, Expenses and Changes in Net Assets, we report the District's activities:

- The District charges rates on water consumption to customers to help it cover all or most of the cost of certain services it provides.

**NORTHERN KENTUCKY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
(Continued)**

Table 2 shows the changes in net assets for 2006, as well as revenue and expense comparisons to 2005.

**Table 2  
Changes in Net Assets**

	2006	2005
Operating Revenues		
Water Sales	\$ 32,499,994	\$ 33,229,278
Forfeited Discounts	713,273	752,736
Rents from Property	493,795	506,326
Other Water Revenue	413,202	358,282
Total Operating Revenues	<u>34,120,264</u>	<u>34,846,622</u>
Operating Expenses		
Operations, Maintenance and Administration Expenses	20,831,914	21,023,286
Depreciation	5,814,572	5,562,139
Total Operating Expenses	<u>26,646,486</u>	<u>26,585,425</u>
Net Operating Income	<u>7,473,778</u>	<u>8,261,197</u>
Non-Operating Income (Expenses)		
Investment Income	2,227,971	1,862,615
Miscellaneous Non-Operating Income	(368,821)	5,432
Interest on Long-Term Debt	(6,404,374)	(6,126,890)
Amortization of Bond Discount and Expense	(585,345)	(576,617)
Net Non-Operating Expenses	<u>(5,130,569)</u>	<u>(4,835,456)</u>
Income Before Capital Contributions	2,343,209	3,425,741
Capital Contributions	<u>3,873,140</u>	<u>2,900,277</u>
Change in Net Assets	6,216,349	6,326,018
Net Assets – January 1	<u>107,967,361</u>	<u>101,641,343</u>
Net Assets -- December 31	<u>\$ 114,183,710</u>	<u>\$ 107,967,361</u>

The basic financial statements of the District are included in this report. Operations are accounted for in such a manner as to show change in net assets and the District is intended to be entirely or predominantly self supported from water user charges.

In reviewing income before capital contributions, the financial statements showed net income for the year of \$2,343,209. Operating revenues decreased 2% due to the weather conditions that provided for a more mild summer. Operating expenses increased by 0.2%. Capital contributions increased by \$972,863 (25%) primarily due to the increase in subdivision contributions.

**NORTHERN KENTUCKY WATER DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
(Continued)**

**Economic Factors and Next Year's Budget**

The Water District's budget for 2007 calls for a reduction in the estimated water revenues based on consumption in the last two years and more conservative projections for revenues. The operating expenses reflect a general increase in items such as chemicals, electricity, fuel, and wages.

**Contacting the District's Financial Management**

This report is designed to provide our customers and creditors 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 Administrative Office at 2835 Crescent Springs Road, Erlanger, KY, 41018

## LIABILITIES

	December 31,	
	2006	2005
<b>Current Liabilities</b>		
Bonded Indebtedness	\$ 5,017,000	\$ 4,556,000
Notes Payable	250,000	3,855,000
Accounts Payable	2,535,094	2,027,832
Accrued Payroll and Taxes	339,778	273,867
Other Accrued Liabilities	187,673	161,957
	8,329,545	10,874,656
 <b>Liabilities Payable-Restricted Assets</b>		
Accounts Payable	762,498	2,848,054
Accrued Interest Payable	2,944,301	2,737,097
	3,706,799	5,585,151
 <b>Long-Term Liabilities</b>		
Bond Indebtedness	168,128,000	144,145,000
Notes Payable	1,975,000	20,205,000
	170,103,000	164,350,000
	182,139,344	180,809,807
 <b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	56,091,252	46,163,597
Restricted, Net of Related Debt	35,269,670	37,096,125
Unrestricted	22,822,788	24,707,639
	114,183,710	107,967,361
 <b>Total Liabilities and Net Assets</b>	\$ 296,323,054	\$ 288,777,168

**NORTHERN KENTUCKY WATER DISTRICT  
STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>Cash Flows From Operating Activities</b>		
Received from Customers	\$ 34,489,029	\$ 35,585,679
Paid to Suppliers for Goods and Services	(9,986,135)	(10,988,967)
Paid to or on Behalf of Employees for Services	(10,576,129)	(9,857,698)
Net Cash Provided by Operating Activities	13,926,765	14,739,014
<b>Cash Flows From Investing Activities</b>		
Investment Income	2,227,971	1,862,615
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal Paid on Capital Debt	(4,806,000)	(4,674,000)
Debt Proceeds	7,415,000	17,980,000
Interest Paid on Bonds and Notes, Net of Capitalized Interest	(6,197,170)	(5,982,325)
Change in Deferred Assets, Other Than Amortization	(712,543)	56,037
Bond Discount	(174,856)	-
Bond Issuance Costs	(216,000)	-
Acquisition and Construction of Fixed Assets	(15,006,109)	(14,083,302)
Decrease (Increase) in Restricted Funds		
Boone Florence Settlement	320,657	336,016
Bond Proceeds Fund	4,092,705	(7,633,774)
Debt Service Reserve and Debt Service Account	(1,849,870)	(673,182)
Improvement, Repair and Replacement Fund	1,141,315	113,834
Payment of Restricted Liabilities	(2,085,556)	2,004,423
Miscellaneous Non-Operating Income	159,201	159,273
Net Cash Used by Capital Financing Activities	(17,919,226)	(12,397,000)
Net Change in Cash	(1,764,490)	4,204,629
<b>Cash and Cash Equivalents Beginning of Year</b>	7,090,704	2,886,075
<b>Cash and Cash Equivalents End of Year</b>	\$ 5,326,214	\$ 7,090,704
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Net Operating Income	\$ 7,473,778	\$ 8,261,197
<b>Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities</b>		
Depreciation	5,814,572	5,562,139
Change in Assets and Liabilities		
Accounts Receivable	404,006	739,573
Assessments Receivable	(35,241)	(516)
Inventory Supplies	(94,405)	90,362
Prepaid Expenses	(234,834)	390,670
Accounts Payable	507,262	(258,189)
Accrued Payroll	65,911	23,723
Other Liabilities	25,716	(69,945)
<b>Net Cash Provided by Operating Activities</b>	\$ 13,926,765	\$ 14,739,014

See Accountant's Report

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fund Structure**

The activities of the accounts included in the accompanying financial statements are summarized below.

1. General Revenue Account
2. Operation and Maintenance Account
3. Boone Florence Settlement
4. Bond Proceeds Fund
5. Debt Service Reserve Account
6. Debt Service Account
7. Improvement, Repair and Replacement Account
8. Plant Account

**General Revenue Fund**

All monies received by the District as Pledged Receipts and income from the Debt Service Reserve Account are deposited in the General Revenue Account. Transfers from the General Revenue Account to other designated accounts follow the requirements of the General Bond Resolution.

**Operation and Maintenance Account**

The Operation and Maintenance Account is used to pay operating and maintenance costs of the District in accordance with the annual budget.

**Boone Florence Settlement**

This fund contains the settlement funds related to the early termination of water contracts with the City of Florence, Kentucky and the Boone County Water District. By direction of the Public Service Commission of the Commonwealth of Kentucky, the District holds these funds in a restricted account and moves \$438,589 to an unrestricted account each year. The fund assets are:

	<u>2006</u>	<u>2005</u>
Cash and Cash Equivalents	\$ 667,611	\$ 1,380,552
FNMA and FHLMC	<u>2,356,354</u>	<u>1,964,070</u>
Total	<u>\$ 3,023,965</u>	<u>\$ 3,344,622</u>

**Bond Proceeds Fund**

This fund contains the bond proceeds plus investment interest earned that are available for paying the cost of construction and acquisition contracts relating to the water system as provided in the various bond ordinances.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Investment Policy**

General Policy

It is the policy of the District to invest public funds in a manner that will provide the highest investment return with the maximum security of principal while meeting the daily cash flow demands of the District and conforming to all state statutes and District regulations governing the investments of public funds.

Authorized Investment Instruments

1. Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, provided that delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian.
2. Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency.
3. Obligations of any corporation of the United States government.
4. Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations permitted by Section 41.240(4) of the Kentucky Revised Statutes.

Limitations of Investment Transactions

With regard to the investments authorized, the following limitations shall apply:

No investment shall be purchased for the District on a margin basis or through the use of any similar leveraging technique.

**Deposits and Investments**

*Custodial Credit Risk – Deposits.* For deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned. The District maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As allowed by law, the depository bank should pledge securities along with FDIC insurance at least equal to the amount on deposit at all times. As of December 31, 2006, the District's deposits are entirely insured and/or collateralized with securities held by the financial institutions on the District's behalf and the FDIC insurance.

*Custodial Credit Risk – Investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District had custodial credit risk at December 31, 2006 of \$9,206,711. The related securities totaling this amount are uninsured, unregistered and held by bank trust departments.

*Credit Risk – Investments.* The District's investments are subject to minimal credit risk because they are invested in Federal Agency securities which are generally considered free of default risk due to the perceived stability of the U.S. Government.

**Supplemental Disclosure of Cash Flow Information**

<u>Cash Paid For Interest During the Year</u>	<u>2006</u>	<u>2005</u>
Expensed	\$ 6,404,374	\$ 6,126,890
Capitalized	<u>308,259</u>	<u>126,955</u>
Total	<u>\$ 6,712,633</u>	<u>\$ 6,253,845</u>

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The changes in utility plant in service are as follows:

	December 31 2005	Additions	Retirements	December 31 2006
Land and Land Rights	\$ 605,416	\$ 2,303,000	\$ -	\$ 2,908,416
Structures and Improvements	65,718,542	7,264,969	-	72,983,511
Lake River and Other Intakes	1,524,592	-	61,421	1,463,171
Supply Mains	2,307,853	255,781	-	2,563,634
Pumping Equipment	8,676,971	837,985	-	9,514,956
Water Treatment Equipment	9,466,127	739,424	56	10,205,495
Distribution Reservoirs and Standpipes	7,500,741	-	-	7,500,741
Transmissions and Distribution Mains	110,126,222	11,883,264	1,176,225	120,833,261
Services	19,655,733	1,409,621	-	21,065,354
Meters and Meter Installations	7,080,269	432,186	-	7,512,455
Hydrants	5,008,988	542,587	240,000	5,311,575
Other Plant and Miscellaneous Equipment	3,385,101	11,168	1,382	3,394,887
Office Furniture and Equipment	2,521,128	700,213	989,266	2,232,075
Transportation Equipment	2,603,845	237,342	159,614	2,681,573
Tools, Shop and Garage Equipment	372,285	22,175	-	394,460
Laboratory Equipment	60,600	5,486	-	66,086
Power Operated Equipment	612,700	148,025	-	760,725
Other Tangible Plant	891,077	1,163	1,844	890,396
Construction in Progress	19,738,958	13,007,320	20,838,462	11,907,816
Cost of Utility Plant Excess of Book Value-Newport	4,970,211	-	-	4,970,211
Cost of Utility Plant Excess of Book Value	<u>545,925</u>	<u>-</u>	<u>-</u>	<u>545,925</u>
Total	273,373,284	<u>\$ 39,801,709</u>	<u>\$ 23,468,270</u>	289,706,723
Less Accumulated Depreciation	<u>(54,448,698)</u>			<u>(58,245,471)</u>
Net Utility Plant in Service	<u>\$ 218,924,597</u>			<u>\$ 231,461,252</u>

**Construction in Progress**

Capitalizable costs incurred on projects which are not in use or ready for use are held in construction in progress. When the asset is ready for use, related costs are transferred to utility plant.

**Capital Contributions**

These contributions represent assessments/reimbursements to recover the costs of new services and extensions of the distribution system. The District does not include the amount of costs incurred and contributed by outside contractors for installation of distribution systems which the District absorbs and provides for their operations and maintenance.

**NOTE 4 – BONDED INDEBTEDNESS (Continued)**

**Water District Refunding Revenue Bonds, Series 1997**

On October 22, 1997, Water Refunding Revenue Bonds were issued by the Northern Kentucky Water District with a face value of \$11,225,000 pursuant to the 1985 General Bond Resolution as amended by a First Supplemental General Bond Resolution adopted November 17, 1987.

The purpose of the bond issue was to redeem all the \$1,600,000 Northern Kentucky Water District Water District Revenue Bond Anticipation Note, dated April 1, 1997 and to discharge and defease all of the currently outstanding) Campbell County Kentucky Water District Revenue Refunding Bonds, 1989 Series A dated May 1, 1989; ii) Campbell County Kentucky Water District Revenue Bonds, Series 1991 dated December 1, 1991; and, iii) Campbell County Kentucky Water District Revenue Bonds, Series 1992 dated August 1, 1992.

The Water District Revenue Bonds, Series 1997, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	4.70%	\$ 850,000	\$ 240,850	\$ 1,090,850
2008	4.75%	890,000	199,737	1,089,737
2009	4.75%	930,000	156,512	1,086,512
2010	4.75%	975,000	111,269	1,086,269
2011	4.75%	1,025,000	63,769	1,088,769
2012-2016	4.75%	325,000	159,956	484,956
2017-2022	4.75%	<u>505,000</u>	<u>75,169</u>	<u>580,169</u>
Totals		<u>\$ 5,500,000</u>	<u>\$ 1,007,262</u>	<u>\$ 6,507,262</u>

**Water District Revenue Bonds, Series 1998**

In December 1998, the Northern Kentucky Water District sold \$11,355,000 of its Revenue Bonds for the purpose of paying costs of acquiring and construction of various water district projects.

The Water District Revenue Bonds, Series 1998, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	4.75%	\$ 265,000	\$ 456,730	\$ 721,730
2008	4.75%	280,000	443,786	723,786
2009	4.75%	280,000	430,486	710,486
2010	4.75%	295,000	416,830	711,830
2011	4.75%	310,000	402,461	712,461
2012-2016	4.75-4.875%	1,795,000	1,768,205	3,563,205
2017-2021	4.875%	2,290,000	1,273,594	3,563,594
2022-2026	4.875%	2,925,000	640,941	3,565,941
2027-2028	4.875%	<u>1,110,000</u>	<u>48,263</u>	<u>1,158,263</u>
Totals		<u>\$ 9,550,000</u>	<u>\$ 5,881,296</u>	<u>\$ 15,431,296</u>

**NOTE 4 – BONDED INDEBTEDNESS (Continued)**

**Water District Refunding and Revenue Bonds, Series 2002 A**

In February 2002, the Northern Kentucky Water District sold \$45,485,000 of its Refunding and Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Refunding and Revenue Bonds dated March 1, 1992 in the principal amount of \$26,565,000. Additional proceeds were used to purchase the City of Newport Waterworks system.

The Water District Revenue Bonds, Series 2002 A, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	4.50	\$ 380,000	\$ 2,143,240	\$ 2,523,240
2008	4.50%	410,000	2,125,465	2,535,465
2009	4.50%	365,000	2,108,028	2,473,028
2010	4.50%	465,000	2,089,353	2,554,353
2011	4.50-4.65%	485,000	2,067,978	2,552,978
2012-2016	4.75-5.00%	5,605,000	9,616,188	15,221,188
2017-2021	5.00%	13,105,000	7,610,894	20,715,894
2022-2026	5.00%	18,870,000	3,547,000	22,417,000
2027	5.00%	<u>4,375,000</u>	<u>109,375</u>	<u>4,484,375</u>
Totals		\$ <u>44,060,000</u>	\$ <u>31,417,521</u>	\$ <u>75,477,521</u>

**Water District Revenue Bonds, Series 2002 B**

In December 2002, the Northern Kentucky Water District sold \$10,575,000 of its Refunding Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Refunding and Revenue Bonds dated December 1, 1992 in the principal amount of \$9,945,000.

The Water District Revenue Bonds, Series 2002B, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	3.00%	\$ 580,000	\$ 323,306	\$ 903,306
2008	3.00%	625,000	302,219	927,219
2009	3.50%	745,000	278,244	1,023,244
2010	3.75%	775,000	250,675	1,025,675
2011	4.00%	805,000	220,044	1,025,044
2012-2016	4.00-4.25%	4,500,000	581,917	5,081,917
2017	4.25%	<u>535,000</u>	<u>11,369</u>	<u>546,369</u>
Totals		\$ <u>8,565,000</u>	\$ <u>1,967,774</u>	\$ <u>10,532,774</u>

**NOTE 4 – BONDED INDEBTEDNESS (Continued)**

**Water District Refunding Revenue Bonds, Series 2003C**

In December 2003, the Northern Kentucky Water District issued \$23,790,000 of its Refunding Revenue Bonds for the purpose of refunding in advance of maturity the Water District's outstanding Revenue Bonds Series 1993A, Series 1995A, and Series 1995B in the principal amount of \$21,290,000. The bonds maturing on or after February 1, 2015 are subject to redemption, in whole or in part, on any date, on or after February 1, 2014 at a redemption price of 100%.

The Water District Revenue Bonds, Series 2003C, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	2.25%	\$ 1,215,000	\$ 699,075	\$ 1,914,075
2008	2.50%	1,235,000	669,969	1,904,969
2009	2.75%	1,270,000	637,069	1,907,069
2010	3.00%	1,305,000	600,031	1,905,031
2011	3.25%	1,350,000	558,519	1,908,519
2012-2016	3.50-4.00%	7,535,000	2,009,281	9,544,281
2017-2020	4.00-4.25%	<u>6,110,000</u>	<u>473,753</u>	<u>6,583,753</u>
Totals		<u>\$ 20,020,000</u>	<u>\$ 5,647,697</u>	<u>\$ 25,667,697</u>

**Water District Bond Anticipation Notes, Series 2004**

In April 2004, The Northern Kentucky Water District sold \$3,605,000 of Bond Anticipation Notes for the purpose of purchasing a central facility for the District. The Bond Anticipation Notes were paid in full with the proceeds from the Water District Revenue Bond, Series 2006.

**Water District Revenue Bonds, Series 2004**

In November 2004, the Northern Kentucky Water District sold \$10,455,000 of its Revenue Bonds in order to fund various construction projects. The bonds maturing on or after February 1, 2015 are subject to redemption, in whole or in part beginning August 1, 2014 at a redemption price of 100%.

The Water District Refunding Revenue Bonds, Series 2004, are scheduled to mature as follows:

<u>Year</u>	<u>Interest Rates</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total Debt Service</u>
2007	2.125%	\$ 285,000	\$ 394,103	\$ 679,103
2008	2.375%	290,000	387,631	677,631
2009	3.625%	295,000	380,316	675,316
2010	3.00%	305,000	371,869	676,869
2011	3.00%	315,000	362,569	677,569
2012-2016	3.25-4.00%	1,740,000	1,642,828	3,382,828
2017-2021	4.00%	2,120,000	1,263,050	3,383,050
2022-2026	4.00%	2,655,000	738,113	3,393,113
2027-2029	4.00%	<u>1,905,000</u>	<u>131,288</u>	<u>2,036,288</u>
Totals		<u>\$ 9,910,000</u>	<u>\$ 5,671,767</u>	<u>\$ 15,581,767</u>

**NOTE 4 – BONDED INDEBTEDNESS (Continued)**

The District is in compliance with Section 726-subsection (iii) of the 1985 General Bond Resolution (as amended November 17, 1987) which requires that the net annual income and revenues, as adjusted, be equal to at least one and twenty hundredths (1.20) times the maximum annual debt service requirement coming due in any future twelve (12) month period beginning February 1, and ending January 31, on all Bonds outstanding payable from pledged receipts.

		Year Ended December 31, <u>2006</u>
Net Annual Income and Revenues as Defined by Resolution Including Service Applications		\$ 16,753,033
Maximum Annual Debt Service	\$ 12,512,241	
Factor	<u>x 1.2</u>	
Minimum Net Annual Income and Revenues		<u>15,014,689</u>
 Surplus of Net Annual Income and Revenues Over Maximum Annual Debt Service		 <u>\$ 1,738,344</u>
 Actual Debt Service Coverage		 <u>1.34</u>

Changes in long-term debt are as follows:

	<u>December 31, 2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2006</u>
Bond Indebtedness				
Series 1997	\$ 6,310,000	\$ -	\$ 810,000	\$ 5,500,000
Series 1998	9,805,000	-	255,000	9,550,000
Series 2001	15,335,000	-	215,000	15,120,000
Series 2002A	44,430,000	-	370,000	44,060,000
Series 2002B	9,095,000	-	530,000	8,565,000
Series 2003A	1,545,000	-	35,000	1,510,000
Series 2003B	28,600,000	-	860,000	27,740,000
Series 2003C	21,200,000	-	1,180,000	20,020,000
Series 2004	10,185,000	-	275,000	9,910,000
Series 2006	<u>-</u>	<u>29,000,000</u>	<u>-</u>	<u>29,000,000</u>
Total Bond Indebtedness	<u>146,505,000</u>	<u>29,000,000</u>	<u>4,530,000</u>	<u>170,975,000</u>
Taylor Mill Purchase Note	2,375,000	-	250,000	2,125,000
Bond Anticipation Notes	3,605,000	-	3,605,000	-
Bond Anticipation Notes	17,980,000	-	17,980,000	-
Rural Development Loan	2,196,000	-	26,000	2,170,000
Deferred Note Payable	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total Long-Term Debt	172,761,000	<u>\$ 29,000,000</u>	<u>\$ 26,391,000</u>	175,370,000
Less Current Portion	<u>(8,411,000)</u>			<u>(5,267,000)</u>
Total Long-Term Debt Less Current Portion	<u>\$ 164,350,000</u>			<u>\$ 170,103,000</u>

**NOTE 8 – SUBSEQUENT EVENTS**

In an agreement dated January 1, 2007, between the District and the Kentucky Infrastructure Authority, the District will obtain a construction loan in the amount of \$4,000,000. The proceeds will be obtained as construction expenses are incurred. Full principal and interest payments will commence within one year of initiation of operation which is estimated at December, 2008. Interest will be paid at an annual rate of 3.0% for a period of 20 years with payments on June 1<sup>st</sup> and December 1<sup>st</sup>.

**SUPPLEMENTAL INFORMATION**

**NORTHERN KENTUCKY WATER DISTRICT  
STATEMENTS OF WATER OPERATING REVENUE**

	<b>Years Ended December 31,</b>	
	<b>2006</b>	<b>2005</b>
<b>Operating Revenues</b>		
Metered Sales		
Sales to Residential Customers	\$ 19,257,248	\$ 20,045,989
Sales to Commerical Customers	5,411,685	5,445,797
Sales to Industrial Customers	2,617,798	2,472,461
Sales to Public Authorities	1,672,443	1,937,221
Sales to Multiple Family Dwellings	2,569,332	2,404,094
Sales Through Bulk Loading Stations	<u>6,954</u>	<u>4,538</u>
Total Metered Sales	31,535,460	32,310,100
Fire Protection Revenue	42,637	73,995
Sales For Resale	<u>921,897</u>	<u>845,183</u>
Total Sales of Water	32,499,994	33,229,278
Other Water Revenue	<u>1,620,270</u>	<u>1,617,344</u>
<b>Total Operating Revenues</b>	<b><u>\$ 34,120,264</u></b>	<b><u>\$ 34,846,622</u></b>

**NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE OF INSURANCE COVERAGES  
December 31, 2006**

<u>Company</u>	<u>Policy Number</u>	<u>Description of Coverage</u>	<u>Amount of Coverage</u>	<u>Effective Period</u>	
				<u>From</u>	<u>To</u>
St. Paul Mercury Insurance Company	GP09313655	General Liability	\$ 20,000,000	1/1/2007	12/31/2007
	GP09313655	Public Officials	20,000,000		
	GP09313655	Automobile Liability	20,000,000		
	GP09313655	Property	128,556,890		
	GP09313655	Boiler Machinery	128,556,890		
	GP09313655	Bonds	Per Application		
Kentucky Employers Mutual Insurance	338786	Worker's Compensation	1,000,000	7/1/2006	6/30/2007
Cincinnati Insurance		Fidelity Bond	Per Application		
Westchester Surplus Lines Insurance Company	GU002828700	Pollution	10,000,000	12/18/2006	1/1/2010

**NORTHERN KENTUCKY WATER DISTRICT  
SCHEDULE OF RATES, RULES AND REGULATIONS  
December 31, 2006**

**RETAIL WATER RATES**

1. Monthly Service Rate

First	1,500 Cubic Feet	\$2.81 per 100 Cubic Feet
Next	163,500 Cubic Feet	\$2.43 per 100 Cubic Feet
Over	165,000 Cubic Feet	\$2.16 per 100 Cubic Feet

Sub District A shall be assessed a monthly surcharge in the amount of \$9.84  
 Sub District B shall be assessed a monthly surcharge in the amount of \$19.46  
 Sub District C shall be assessed a monthly surcharge in the amount of \$20.33  
 Sub District D shall be assessed a monthly surcharge in the amount of \$30.00  
 Sub District R shall be assessed a monthly surcharge in the amount of \$18.89  
 Sub District RL shall be assessed a monthly surcharge in the amount of \$37.50  
 Sub District E shall be assessed a monthly surcharge in the amount of \$30.00  
 Bromley Crescent Springs/St. Johns, Whitaker/McDonald, Fiskburg Road (KY 17 to 1.2 mi),  
 Oliver Road – McCullum to Harris. Phase 2; KY 177, Bethel Grove, Brandy Lane,  
 Vise's Train, Licking Sta. Road. Phase 3; KY 177, Kenton Station (Rector to KY 177),  
 and Ishmael Road (KY 177 to 1,000 ft.)  
 Sub District RF shall be assessed a monthly surcharge in the amount of \$25.47  
 KY 177 to DeCoursey, Porter Road, Tecumseh Lane, and Short Marshall  
 Sub District F shall be assessed a monthly surcharge in the amount of \$30.00  
 Sub District K shall be assessed a monthly surcharge in the amount of \$30.00

2. Quarterly Rates

First	4,500 Cubic Feet	\$2.81 per 100 Cubic Feet
Next	490,500 Cubic Feet	\$2.43 per 100 Cubic Feet
Next	495,000 Cubic Feet	\$2.16 per 100 Cubic Feet

3. Fixed Service Charge

<u>Meter Size</u>	<u>Monthly</u>	<u>Quarterly</u>
5/8"	\$ 10.63	\$ 16.09
3/5"	10.99	16.95
1"	12.00	19.49
1½"	13.51	22.96
2"	17.07	32.28
3"	41.22	100.44
4"	51.63	126.09
6"	76.45	186.08
8"	103.24	254.22
10" and Larger	137.30	331.96

**NORTHERN KENTUCKY WATER DISTRICT  
MEMBERS OF THE COMMISSION AND ADMINISTRATIVE STAFF  
December 31, 2006**

<b><u>COMMISSIONERS</u></b>	<b><u>TERM EXPIRES</u></b>
Douglas Wagner, Treasurer	August 26, 2009
Andrew Collins, Secretary	August 28, 2007
Joseph Koester, Chair	July 26, 2008
Patricia Sommerkamp	August 21, 2009
Fred A. Macke, Jr.	August 26, 2008
Frank Jackson	August 28, 2007

**ADMINISTRATIVE STAFF**

C. Ronald Lovan, PE, President/CEO  
Jack Bragg, CPA, MBA, Vice President of Finance  
Bari L. Joslyn, MS, Vice President of Water Quality and Production  
Richard B. Harrison, PE, Vice President of Engineering and Distribution  
Mark Lofland, Vice President of Customer Service

**LEGAL COUNSEL**

Hemmer, Pangburn and DeFrank, PLLC



**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 GOVERNMENT AUDITING STANDARDS**

Board of Commissioners  
Northern Kentucky Water District  
Erlanger, Kentucky 41018

We have audited the financial statements of Northern Kentucky Water District as of and for the year ended December 31, 2006, and have issued our report thereon dated March 20, 2007. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northern Kentucky Water District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider being material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern Kentucky Water District's financial statements are free of 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 that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*VonLehman & Company Inc.*

Fort Mitchell, Kentucky  
March 20, 2007



Chart of Accounts - NKWD			
Account	Description	Typical Balance	Alias
101-0000-000	Utility Plant and Equipment	Balance Sheet	Debit
107-0000-000	Construction in Progress	Balance Sheet	Debit
108-0000-000	Accumulated Depreciation	Balance Sheet	Debit
114-0000-000	Utility Plant Acq. Adj.	Balance Sheet	Debit
114-0001-000	Acquisition Adjustement - Newport	Balance Sheet	Debit
116-0000-000	AMORT. Utility Plant Acq. Adj.	Balance Sheet	Debit
116-0001-000	Amot Acq Adj - Newport	Balance Sheet	Credit
127-0000-000	Prepayment Reserve	Balance Sheet	Debit
131-0001-000	Cash - O & M Reserve	Balance Sheet	Debit
131-0002-000	Cash - General Revenue	Balance Sheet	Debit
131-0003-000	Cash - O & M Checking	Balance Sheet	Debit
131-0004-000	Cash - I R & R Checking	Balance Sheet	Debit
131-0005-000	Cash - Dental Benefit Checking	Balance Sheet	Debit
131-0006-000	Cash - Flex Spending	Balance Sheet	Debit
131-0007-000	Cash - Payroll	Balance Sheet	Debit
131-0008-000	Cash - Sub District A	Balance Sheet	Debit
131-0009-000	Cash - Sub District B	Balance Sheet	Debit
131-0010-000	Cash - Sub District R	Balance Sheet	Debit
131-0011-000	Cash - Sub District RL	Balance Sheet	Debit
131-0012-000	Cash - Sub District C	Balance Sheet	Debit
131-0013-000	Cash on Hand	Balance Sheet	Debit
131-0014-000	Cash Over & Short	Balance Sheet	Debit
131-0015-000	Cash - Sub-District F	Balance Sheet	Debit
131-0016-000	Cash - Sub-District G	Balance Sheet	Debit
131-0019-000	Cash - Sub-District K	Balance Sheet	Debit
131-0020-000	Cash	Balance Sheet	Debit
131-0025-000	Payroll Account 5/3rd Bank	Balance Sheet	Debit
131-0030-000	I R & R Checking 5/3rd Bank	Balance Sheet	Debit
131-0500-000	O & M Bank Rec Suspense	Balance Sheet	Debit
132-0001-000	Cash - Bond Prin & Int.	Balance Sheet	Debit
132-0002-000	Cash - 95C Prin & Int.	Balance Sheet	Debit
132-0003-000	Cash - 96R Const. Cking	Balance Sheet	Debit
132-0004-000	Cash - 95A Const. Cking	Balance Sheet	Debit
132-0005-000	Cash - 95B Const. Cking	Balance Sheet	Debit
132-0006-000	95A Investments	Balance Sheet	Debit
132-0007-000	Cash-98 Construction Checking	Balance Sheet	Debit
132-0008-000	Sub - C Tap Fees Account	Balance Sheet	Debit
132-0009-000	1998 Bond Investment	Balance Sheet	Debit
132-0010-000	Sub District B Project Cash	Balance Sheet	Debit
132-0011-000	Cash - Sub District C Checking	Balance Sheet	Debit
132-0013-000	2000 BAN Checking	Balance Sheet	Debit
132-0014-000	2000 BAN Investments	Balance Sheet	Debit
132-0015-000	Sud District C - Depreciaton Acct.	Balance Sheet	Debit
132-0016-000	1999 BAN Trust	Balance Sheet	Debit
132-0017-000	2001 BAN Checking Account	Balance Sheet	Debit
132-0018-000	2001 BAN INVESTMENTS	Balance Sheet	Debit
132-0019-000	Debt Svc. fund - Capitalized Interest	Balance Sheet	Credit
132-0020-000	2001 Bond Series A Checking Account	Balance Sheet	Debit
132-0021-000	2001 Bond Investment Trust Account	Balance Sheet	Debit
132-0022-000	Investments - Newport Purchase	Balance Sheet	Debit

142-0015-000	A/R Ohio River Spill	Balance Sheet	Debit
142-0016-000	A/R Labor Ohio Rvr. Spill WQ	Balance Sheet	Debit
142-0017-000	A/R Labor O.R. Spill Distribution	Balance Sheet	Debit
142-0018-000	A/R Labor O.R. Spill Cust. Svc.	Balance Sheet	Debit
142-0020-000	A/R - Worker Compensation	Balance Sheet	Debit
142-0025-000	Accounts Receivable - Lease	Balance Sheet	Debit
142-0500-000	A/R Water District Clearing	Balance Sheet	Debit
151-0000-000	Materials & Supplies Inventory	Balance Sheet	Debit
151-0002-000	Inventory - meters	Balance Sheet	Debit
151-0015-000	Inventory Meters	Balance Sheet	Debit
162-0001-000	Prepaid Insurance	Balance Sheet	Debit
162-0002-000	Prepaid Expenses/ Services	Balance Sheet	Debit
162-0003-000	Prepaid Water Tower Painting	Balance Sheet	Debit
162-0004-000	20 Year Master Plan	Balance Sheet	Debit
162-0005-000	Prepaid Payroll	Balance Sheet	Debit
162-0006-000	Prepaid Reservoir Cleaning	Balance Sheet	Debit
171-0001-000	Accrued Int. Rec. -O&M Reserve	Balance Sheet	Debit
171-0002-000	Accrued Int. Rec. - BOND Reserve	Balance Sheet	Debit
171-0003-000	Accrued Interest Receivable - Plant	Balance Sheet	Debit
171-0004-000	Accrued Int Rec. - Debt Service	Balance Sheet	Debit
173-0001-000	A/R Unbilled Water KC	Balance Sheet	Debit
173-0002-000	A/R Unbilled Water CC	Balance Sheet	Debit
181-0001-000	Bond Issue Costs - 1997	Balance Sheet	Debit
181-0002-000	Bond Discount - 1997	Balance Sheet	Debit
181-0003-000	Bond Discount - KC Bonds	Balance Sheet	Debit
181-0004-000	Bond Issue Costs - KC Bonds	Balance Sheet	Debit
181-0005-000	Bond Discount - 1998 Bond Issue	Balance Sheet	Debit
181-0006-000	Cost of Issue 1998 Bonds	Balance Sheet	Debit
181-0007-000	Cost of Issue - 1999 BANote	Balance Sheet	Debit
181-0009-000	Bond Discount - 2000 BAN	Balance Sheet	Debit
181-0010-000	Bond Issue Costs - 2000 BAN	Balance Sheet	Debit
181-0011-000	Cost of Issue 2001 BAN	Balance Sheet	Debit
181-0012-000	Underwriters Premium - 2001 BAN	Balance Sheet	Debit
181-0013-000	Cost of Issue - 2001 BAN (NEW)	Balance Sheet	Debit
181-0014-000	Cost of Issue - 2001 Bond	Balance Sheet	Debit
181-0015-000	2001 Bond Discount	Balance Sheet	Debit
181-0016-000	2001 BAN Rollover Discount	Balance Sheet	Debit
181-0017-000	Cost of Issue 2002 A Refinancing & Newport	Balance Sheet	Credit
181-0018-000	Bond Discount 2002 A Refinancing & Newport	Balance Sheet	Credit
181-0019-000	Cost of Issue - 2002 B Refunding	Balance Sheet	Debit
181-0020-000	Premium on 2002 B Refunding	Balance Sheet	Credit
181-0021-000	COI 2003 BAN	Balance Sheet	Debit
181-0022-000	2003 Refunding COI	Balance Sheet	Credit
181-0023-000	2003 Refunding Discount	Balance Sheet	Credit
181-0024-000	2003 BAN Refunding Premium	Balance Sheet	Debit
181-0025-000	Bond Issue Costs - 2003 B	Balance Sheet	Debit
181-0026-000	Bond Discount - 2003 B	Balance Sheet	Debit
181-0027-000	COI - 2003 C Refinancing	Balance Sheet	Debit
181-0028-000	Discount - 2003 C Refunding	Balance Sheet	Debit
181-0029-000	2004 A BAN Cost of Issue	Balance Sheet	Debit
181-0030-000	2004 A BAN Discount	Balance Sheet	Debit
181-0031-000	Cost of Issue - Series 2004 A bonds	Balance Sheet	Debit
181-0032-000	Bond Discount - Series 2004 A Bonds	Balance Sheet	Debit
181-0033-000	2005 A BAN COI	Balance Sheet	Debit
181-0034-000	2005 A BAN Discount	Balance Sheet	Debit

184-0113-000	4 & 12 Mile (Nelson to Hwy 1566)	Balance Sheet	Debit
184-0115-000	KY 9 Moock Rd Water Main Replacement	Balance Sheet	Debit
184-0118-000	Arcadia Ave.	Balance Sheet	Debit
184-0119-000	Four Mile Rd water main extension	Balance Sheet	Debit
184-0121-000	Upper Tug Fork 6" ( Lower Tug Fork )	Balance Sheet	Debit
184-0122-000	Ryland Heights Watermain	Balance Sheet	Debit
184-0123-000	24" redundancy Glenn ave covington	Balance Sheet	Debit
184-0125-000	Bramble Ave. Watermain	Balance Sheet	Debit
184-0126-000	Fairview Watermain Replacement	Balance Sheet	Debit
184-0127-000	Sanford St. Watermain Replacement	Balance Sheet	Debit
184-0128-000	Droege Ave. Project	Balance Sheet	Debit
184-0129-000	West 28th Covington Main Replacement	Balance Sheet	Debit
184-0130-000	Sub Dist D Extension - Steffen Rd/Licking Pk./Rt10	Balance Sheet	Debit
184-0131-000	Carlisle Ave Extension	Balance Sheet	Debit
184-0133-000	24" main from Ripple Creek BPS to E Alex PK	Balance Sheet	Debit
184-0134-000	24" main US 27 from E Alex PK to Main	Balance Sheet	Debit
184-0138-000	Hands Pike from Ky 16 to Edwin Dr	Balance Sheet	Debit
184-0139-000	Ky 16 from Hands Pike to Klette Rd	Balance Sheet	Debit
184-0143-000	Chesapeake Rd watermain Newport LS/HS	Balance Sheet	Debit
184-0147-000	Four Mile Pike (Poplar Rdge to 9 Mile)	Balance Sheet	Debit
184-0150-000	Watermian Replacement Ann Street	Balance Sheet	Debit
184-0151-000	Water Works Rd Water Main Replacement	Balance Sheet	Debit
184-0157-000	Jefferson, Euclid , Highland Watermain Replacement	Balance Sheet	Debit
184-0158-000	Thomas Street Watermain Replacement	Balance Sheet	Debit
184-0160-000	3rd Street watermain design	Balance Sheet	Debit
184-0162-000	Devou Park water main replacement	Balance Sheet	Debit
184-0163-000	Highland Avenue Water Main Replacement	Balance Sheet	Debit
184-0165-000	Lorup Ave Water Main Replacement	Balance Sheet	Debit
184-0168-000	New Richmond Rd & Four Mile Circle	Balance Sheet	Debit
184-0169-000	Airport / BCWD emergency interconnection meter pi	Balance Sheet	Debit
184-0188-000	Sub Dist F water main Campbell County	Balance Sheet	Debit
184-0190-000	E Alexandria Pike watermain replacement	Balance Sheet	Debit
184-0191-001	Project	Balance Sheet	Debit
184-0192-000	Holiday Lane water main	Balance Sheet	Debit
184-0193-000	Sub Dist G - Kenton County	Balance Sheet	Debit
184-0194-000	Carlisle Ave water main replacement ( steel )	Balance Sheet	Debit
184-0195-000	Lake St. Ludlow 3" WM Replacement	Balance Sheet	Debit
184-0196-000	Moore St. Switch Service to 20" WM Bromley	Balance Sheet	Debit
184-0197-000	Henry Clay / Kyles Ln water main	Balance Sheet	Debit
184-0199-000	Huntington Ave water main replacement	Balance Sheet	Debit
184-0202-000	CIP - DOT Water Facilities Relocation Dixie-Tky Ft	Balance Sheet	Debit
184-0203-000	CIP - DOT Johns Hill Rd to KY 9 Relocation	Balance Sheet	Debit
184-0206-000	CIP - Madison Pike(Ky 17) Pelly to Hands Pk.	Balance Sheet	Debit
184-0207-000	Dixie Hwy Drainage Improvements	Balance Sheet	Debit
184-0208-000	Buttermilk Post Office to Dixie Hwy	Balance Sheet	Debit
184-0209-000	Four Mile Pike Bridge Repair	Balance Sheet	Debit
184-0210-000	Bristow Rd KY 536 -Banklick CK & CSR RR	Balance Sheet	Debit
184-0211-000	Madison Pk / Pelley	Balance Sheet	Debit
184-0212-000	Walton Nicholson Pk - Curve straightning	Balance Sheet	Debit
184-0213-000	Dolwick Dr connecter to Erlanger	Balance Sheet	Debit
184-0214-000	Turkeyfoot Road Reconstruction	Balance Sheet	Debit
184-0215-000	Turkeyfoot Relocation	Balance Sheet	Debit
184-0218-000	10th Street Crossing	Balance Sheet	Debit
184-0221-000	Ky 8 Ridge replacement KDOT project	Balance Sheet	Debit
184-0223-000	Water facilities relocation-Kahns- Ky 10	Balance Sheet	Debit

186-0003-000	Prepaid PSC Case Expenses	Balance Sheet	Debit
186-0004-000	Prepaid Rate Case 2003-2004	Balance Sheet	Debit
186-0005-000	Rate Case 2004-2005	Balance Sheet	Debit
214-0000-000	Appropriated Fund Balance	Balance Sheet	Credit
215-0000-000	UnAppropriated Fund Balance	Balance Sheet	Credit
220-0001-000	Current Portion LTD 1992A	Balance Sheet	Credit
220-0002-000	Current Portion LTD 1992B	Balance Sheet	Credit
220-0003-000	Current Portion LTD 1993	Balance Sheet	Credit
220-0004-000	Current Portion LTD 1995A	Balance Sheet	Credit
220-0005-000	Current Portion LTD 1995B	Balance Sheet	Credit
220-0006-000	Current Portion LTD 1995C	Balance Sheet	Credit
220-0007-000	Current Portion LTD 1997	Balance Sheet	Credit
220-0008-000	Current Portion LTD 1998	Balance Sheet	Credit
220-0009-000	Current Portion Rural Dev. Loan	Balance Sheet	Credit
220-0010-000	Current Portion of LTD 2001 Bonds	Balance Sheet	Debit
220-0011-000	Current Portion LTD 2002 A Bonds	Balance Sheet	Credit
220-0012-000	Current Portion of LTD - 2002 B Refunding	Balance Sheet	Credit
220-0013-000	Current portion of LTD 2003 A Refunding	Balance Sheet	Credit
220-0014-000	Current Portion LTD - Series 2003 B	Balance Sheet	Credit
220-0015-000	Current Portion LTD 2003C Refunding	Balance Sheet	Credit
220-0016-000	Current Portion of LTD - Series 2004 A Bonds	Balance Sheet	Credit
220-0017-000	Current Portion LTD-Bonds 2006	Balance Sheet	Debit
221-0001-000	Bonds Payable 1992A	Balance Sheet	Credit
221-0002-000	Bonds Payable 1992B	Balance Sheet	Credit
221-0003-000	Bonds Payable 1993	Balance Sheet	Credit
221-0004-000	Bonds Payable 1995A	Balance Sheet	Credit
221-0005-000	Bonds Payable 1995B	Balance Sheet	Credit
221-0006-000	FmHA Payable 1995C	Balance Sheet	Credit
221-0007-000	Bonds Payable 1997	Balance Sheet	Credit
221-0008-000	Bonds Payable 1998	Balance Sheet	Credit
221-0009-000	Rural Development Loan Payable	Balance Sheet	Credit
221-0010-000	2001 Bond Payable	Balance Sheet	Credit
221-0011-000	Bonds Payable 2002 A Refinancing & Newport	Balance Sheet	Credit
221-0012-000	Long Term Debt - 2002 B Refunding	Balance Sheet	Credit
221-0013-000	2003 A Refunding	Balance Sheet	Credit
221-0014-000	Bonds Payable - Series 2003 B	Balance Sheet	Credit
221-0015-000	Bonds Payable 2003 C Refunding	Balance Sheet	Credit
221-0016-000	Bonds Payable - Serices 2004 A Bonds	Balance Sheet	Credit
221-0017-000	Bonds Payable, Series 2006	Balance Sheet	Debit
231-0001-000	Accounts Payable Vendors	Balance Sheet	Credit
231-0002-000	Accounts Payable - I.R. & R.	Balance Sheet	Credit
231-0003-000	Accounts Payable - Plant	Balance Sheet	Credit
231-0004-000	Water Tower Retainage	Balance Sheet	Credit
231-0005-000	Project Retainage	Balance Sheet	Credit
231-0006-000	Water Tower Painting Retainage	Balance Sheet	Debit
231-0007-000	Retainage - Main Cleaning & Lining	Balance Sheet	Credit
231-0008-000	Retainage - O & M expenses	Balance Sheet	Credit
231-0009-000	Accured accounts payable - AJE's	Balance Sheet	Credit
231-0010-000	Accounts Payable 2001 BAN	Balance Sheet	Credit
231-0020-000	Accounts Payable 2001 Bond Proceeds Acct	Balance Sheet	Credit
231-0030-000	Accounts payable 2003 Bond A Checking	Balance Sheet	Credit
231-0040-000	Accounts payable BOND 2004	Balance Sheet	Credit
231-0050-000	Accounts payable BAN 2005	Balance Sheet	Credit
231-0051-000	A/P Bond 2006 Construction Fund	Balance Sheet	Debit

242-0031-000	Accrued Pension WITHHELD	Balance Sheet	Credit
242-0032-000	Accrued Pension EXPENSE	Balance Sheet	Credit
242-0033-000	Kenton Co. TAX Withheld	Balance Sheet	Credit
242-0034-000	C & O Credit Union Withheld	Balance Sheet	Credit
242-0035-000	Bank One Savings Accounts	Balance Sheet	Credit
242-0036-000	United Appeal Withheld	Balance Sheet	Credit
242-0037-000	Indiana Income Tax Withheld	Balance Sheet	Credit
242-0038-000	Dearborn Co. Tax Withheld	Balance Sheet	Credit
242-0039-000	Ohio Income Tax Withheld	Balance Sheet	Credit
242-0040-000	Campbell Co. Tax Withheld	Balance Sheet	Credit
242-0041-000	Covington PR Tax Withheld	Balance Sheet	Credit
242-0042-000	Crescent Spring PR Tax Withheld	Balance Sheet	Credit
242-0043-000	Edgewood PR Tax Withheld	Balance Sheet	Credit
242-0044-000	Erlanger PR Tax Withheld	Balance Sheet	Credit
242-0045-000	FT. Mitchell PR Tax Withheld	Balance Sheet	Credit
242-0046-000	FT. Thomas PR Tax Withheld	Balance Sheet	Credit
242-0047-000	FT. Wright PR Tax Withheld	Balance Sheet	Credit
242-0048-000	Independence PR Tax Withheld	Balance Sheet	Credit
242-0049-000	Lakeside Park PR Tax Withheld	Balance Sheet	Credit
242-0050-000	Park Hills PR Tax Withheld	Balance Sheet	Credit
242-0051-000	Taylor Mill PR Tax Withheld	Balance Sheet	Credit
242-0052-000	Villa Hills PR Tax Withheld	Balance Sheet	Credit
242-0053-000	Bellevue PR Tax Withheld	Balance Sheet	Credit
242-0054-000	Cold Spring PR Tax Withheld	Balance Sheet	Credit
242-0055-000	Dayton PR Tax Withheld	Balance Sheet	Credit
242-0056-000	Alexandria PR Tax Withheld	Balance Sheet	Credit
242-0057-000	Crestview Hills Tax Withheld	Balance Sheet	Credit
242-0058-000	Highland Heights PR Tax Withheld	Balance Sheet	Credit
242-0059-000	Ohio Local School District Tax (3118)	Balance Sheet	Credit
242-0060-000	Health Insurance Withheld	Balance Sheet	Credit
242-0061-000	Sur Charges Collected - Sub District C	Balance Sheet	Credit
242-0062-000	City of Ludlow Taxes	Balance Sheet	Credit
242-0063-000	Sur Charges Collected - Sub District D	Balance Sheet	Credit
242-0064-000	Newport tax withheld	Balance Sheet	Credit
242-0065-000	Special deduction	Balance Sheet	Credit
242-0066-000	City of Southgate Taxes payable	Balance Sheet	Credit
242-0067-000	Sub District E Surcharges	Balance Sheet	Credit
242-0068-000	Sub District RF Surcharges	Balance Sheet	Credit
242-0070-000	Disability Insurance	Balance Sheet	Credit
242-0071-000	Payroll Suspense	Balance Sheet	Credit
242-0072-000	Sub-District F	Balance Sheet	Credit
242-0073-000	Sub-District G	Balance Sheet	Credit
242-0077-000	Sub-District K	Balance Sheet	Credit
253-0001-000	Def'd GAIN - Refinancing	Balance Sheet	Credit
253-0002-000	Def'd LOSS on Refunding - 1997	Balance Sheet	Credit
253-0003-000	Loss on Defeasance of 1992 A Bonds	Balance Sheet	Credit
253-0004-000	Prepaid Rent - Sprint antenna rental	Balance Sheet	Credit
253-0005-000	Loss on Defeasance - 2002 B	Balance Sheet	Credit
253-0006-000	Loss on Refinance - 2003 C Refunding	Balance Sheet	Debit
271-0005-000	Assessments - 100 Ft. Rule	Balance Sheet	Credit
303-0001-000	Land & Land Rights - SUPPLY	Balance Sheet	Debit
303-0002-000	Land & Land Rights - TREATMENT	Balance Sheet	Debit
303-0003-000	Land & Land Rights - TRANS./DIST.	Balance Sheet	Debit
303-0004-000	Land & Land Rights - GENERAL	Balance Sheet	Debit
304-0001-000	Structure & Impr. - SUPPLY	Balance Sheet	Debit

461-0103-000	Income - Public Authority Water Sales	Profit and Loss	Credit
461-0104-000	Income - Multi Family Water Sales	Profit and Loss	Credit
461-0150-000	Income - Residential Water Sales-TAYLOR MILL	Profit and Loss	Credit
461-0151-000	Income - Commercial Water Sales-TAYLOR MILL	Profit and Loss	Credit
461-0152-000	Income - Industrial Water Sales-TAYLOR MILL	Profit and Loss	Credit
461-0153-000	Income - Public Authority Water Sales- TAYLOR MILL	Profit and Loss	Credit
461-0154-000	Income - Multi Family Water Sales -TAYLOR MILL	Profit and Loss	Credit
462-0001-000	Water Sales - Fire Lines	Profit and Loss	Credit
462-0002-000	Income - Fire Line Water Sales - NEWPORT	Profit and Loss	Credit
462-0003-000	Water Sales - MUNI Hydrants	Profit and Loss	Credit
462-0105-000	Income - Fire Line Water Sales	Profit and Loss	Credit
462-0155-000	Income - Fire Line Water Sales -TAYLOR MILL	Profit and Loss	Credit
466-0001-000	Income - Resale Water Sales	Profit and Loss	Credit
466-0002-000	Water Sales - Resale - Newport	Profit and Loss	Credit
470-0001-000	Income - Penalties	Profit and Loss	Credit
470-0002-000	Income- Penalties - NEWPORT	Profit and Loss	Credit
470-0003-000	Income - Penalties -TAYLOR MILL	Profit and Loss	Credit
471-0001-000	Meter Tests	Profit and Loss	Credit
471-0002-000	Income - Turn on Fees	Profit and Loss	Credit
471-0003-000	Meter Tests - Newport	Profit and Loss	Credit
471-0004-000	Income - Turn on Fees -NEWPORT	Profit and Loss	Credit
471-0005-000	Income - Turn on Fees -TAYLOR MILL	Profit and Loss	Credit
472-0001-000	Rent From Water Property	Profit and Loss	Credit
472-0002-000	Rent from Water Property - Newport	Profit and Loss	Credit
474-0001-000	Water Sales - MISC/Hydrants Mtrs.	Profit and Loss	Credit
474-0002-000	Income - Returned Check Charges	Profit and Loss	Credit
474-0003-000	Sale Of Fixed Assets	Profit and Loss	Credit
474-0004-000	Income - Miscellaneous	Profit and Loss	Credit
474-0005-000	Income - Returned Check Charges - TAYLOR MILL	Profit and Loss	Debit
474-0007-000	Damages	Profit and Loss	Credit
474-0008-000	LAB Test Fees	Profit and Loss	Credit
474-0009-000	Commission On Sales Tax	Profit and Loss	Credit
474-0010-000	Material Sold	Profit and Loss	Credit
474-0011-000	Cash Over and Short	Profit and Loss	Credit
474-0012-000	Miscellaneous - Newport	Profit and Loss	Debit
474-0013-000	Accrued Interest Income	Profit and Loss	Credit
474-0015-000	Miscellaneous Income	Profit and Loss	Credit
475-0001-000	Extraordinary Income	Profit and Loss	Credit
479-0001-000	Contributed Capital - Grants	Profit and Loss	Credit
479-0002-000	Contributed Capital - Water Service Applications	Profit and Loss	Credit
479-0003-000	Contributed Capital - Deferred Assessments	Profit and Loss	Credit
479-0004-000	Contributed Capital - Subdivision systems	Profit and Loss	Credit
503-0000-000	Depreciation Expense	Profit and Loss	Debit
506-0001-000	Amort of Acq. Adj.	Profit and Loss	Debit
514-0001-000	Gain/Loss on Disposition of Assets	Profit and Loss	Debit
527-0001-000	Interest Expense	Profit and Loss	Debit
528-0001-000	Amort. of Bond Discount/Premium	Profit and Loss	Debit
528-0002-000	Amort. of Bond Issue Costs	Profit and Loss	Debit
529-0003-000	Gain/Loss on Early Ext.of Debt	Profit and Loss	Credit
530-0001-000	Loss on Abandonment of Mains	Profit and Loss	Debit
550-0001-000	Loss on market adjustment	Profit and Loss	Debit
601-2100-015	Pumping Labor - Licking Station	Profit and Loss	Debit
601-2100-025	Pumping Labor - General	Profit and Loss	Debit
601-2100-026	Pumping Labor - Ohio River Station	Profit and Loss	Debit
601-2100-101	Labor Source of Supply-Newport	Profit and Loss	Debit

601-5104-030	Labor- Cleaning & Lining	Profit and Loss	Debit
601-5105-031	Labor - PTO, Sick, Holiday, Funeral	Profit and Loss	Debit
601-5105-032	Labor - PTO, Sick, Holiday TMI	Profit and Loss	Debit
601-5105-033	Labor - Leak Detection	Profit and Loss	Debit
601-5300-030	PTO - Engineering	Profit and Loss	Debit
601-5301-030	PTO ENG - NEWPORT	Profit and Loss	Debit
601-5400-030	Sick Leave - Engineering	Profit and Loss	Debit
601-5400-031	Sick Leave - Distribution	Profit and Loss	Debit
601-5401-030	SICK LEAVE ENG-NEWPORT	Profit and Loss	Debit
601-5401-031	SICK LEAVE DIST -NEWPORT	Profit and Loss	Debit
601-5500-030	Holiday - Engineering	Profit and Loss	Debit
601-5500-031	Holiday - Distribution	Profit and Loss	Debit
601-5501-030	HOLIDAY ENG-NEWPORT	Profit and Loss	Debit
601-5501-031	HOLIDAY-DIST -NEWPORT	Profit and Loss	Debit
601-6100-004	Labor - Bellevue/Dayton Station,CC	Profit and Loss	Debit
601-6100-005	Labor - Bristow Rd Station	Profit and Loss	Debit
601-6100-006	Labor - Bromley Station	Profit and Loss	Debit
601-6100-008	Labor - Dudley Pike Station	Profit and Loss	Debit
601-6100-009	Labor - Hands Pike Station	Profit and Loss	Debit
601-6100-010	Labor-Carothers Road-Newport	Profit and Loss	Debit
601-6100-011	Labor - Latonia Station	Profit and Loss	Debit
601-6100-012	Labor - W. Covington Station	Profit and Loss	Debit
601-6100-014	Labor - TMTP Station	Profit and Loss	Debit
601-6100-016	Labor-WaterWorks PS	Profit and Loss	Debit
601-6100-017	Labor - Richardson Road Station	Profit and Loss	Debit
601-6100-018	Labor - Ripple Creek Station	Profit and Loss	Debit
601-6100-024	Labor - US27 Station	Profit and Loss	Debit
601-6100-025	Labor - General	Profit and Loss	Debit
601-6100-027	Labor - Water Towers & Storage	Profit and Loss	Debit
601-6100-029	Pumping Labor - MPTP	Profit and Loss	Debit
601-6101-030	Eng. Labor - Vehicle Maint.	Profit and Loss	Debit
601-6101-031	Dist. Labor - Vehicle Maint.	Profit and Loss	Debit
601-6101-033	Labor Flusing	Profit and Loss	Debit
601-6102-030	Eng. Labor - Maint. Supervision	Profit and Loss	Debit
601-6102-031	Dist. Labor - Tractor/Compressor	Profit and Loss	Debit
601-6103-030	Eng. Labor - Structure & Improvement	Profit and Loss	Debit
601-6103-031	Dist. Labor - Grounds Maint.	Profit and Loss	Debit
601-6104-030	Eng. Labor - Maint. Of Mains	Profit and Loss	Debit
601-6104-031	Dist. Labor - Maint. Supervision	Profit and Loss	Debit
601-6105-030	Eng. Labor - Newport	Profit and Loss	Debit
601-6105-031	Dist. Labor - Structure & Improvements	Profit and Loss	Debit
601-6105-033	Sick/PTO -Flushing	Profit and Loss	Debit
601-6106-031	Dist. Labor - Maint. Of Mains	Profit and Loss	Debit
601-6106-032	Labor - Maint of Mains TMI	Profit and Loss	Debit
601-6107-031	Dist. Labor - Maint. Of Services	Profit and Loss	Debit
601-6107-032	Labor - Maint of Services TM	Profit and Loss	Debit
601-6108-031	Dist. Labor - Maint. Of Meters	Profit and Loss	Debit
601-6109-031	Dist. Labor - Maint. Of Hydrants	Profit and Loss	Debit
601-6109-032	Labor - Maint of Hydrants TM	Profit and Loss	Debit
601-6110-031	Dist. Labor - Maint. Of Misc. Plant	Profit and Loss	Debit
601-6111-031	Labor Dist. Newport	Profit and Loss	Debit
601-6112-031	Labor - Mainline Cleaning & Lining	Profit and Loss	Debit
601-6300-025	PTO - Pumping Stations	Profit and Loss	Debit
601-6300-031	PTO- Labor - Distribution	Profit and Loss	Debit
601-6301-031	PTO DIST-NEWPORT	Profit and Loss	Debit

601-8101-078	Labor - Supervision Detainee's	Profit and Loss	Debit
601-8300-072	PTO- Executive Mgt	Profit and Loss	Debit
601-8300-074	PTO-BK/Accting	Profit and Loss	Debit
601-8300-078	PTO- HR/Info Systems	Profit and Loss	Debit
601-8400-072	Sick Leave - Executive Mgt.	Profit and Loss	Debit
601-8400-074	Sick Leave - BK/Accting	Profit and Loss	Debit
601-8400-078	Sick Leave - HR/Info Systems	Profit and Loss	Debit
601-8500-072	Holiday - Executive Mgt.	Profit and Loss	Debit
601-8500-074	Holiday - BK/Accting	Profit and Loss	Debit
601-8500-078	Holiday - HR/Info Systems	Profit and Loss	Debit
604-3300-001	Pension - FTTP	Profit and Loss	Debit
604-3300-002	Pension - TMTP	Profit and Loss	Debit
604-3300-003	Pension - Laboratory	Profit and Loss	Debit
604-3300-022	Pension - Sludge	Profit and Loss	Debit
604-3300-029	Pension - Ops MPTP	Profit and Loss	Debit
604-3301-001	401 & 457 Mathcing	Profit and Loss	Debit
604-3301-002	401 & 457 Matching	Profit and Loss	Debit
604-3301-003	401 & 457 Matching Program	Profit and Loss	Debit
604-3301-022	Pension - MPTP Sludge	Profit and Loss	Debit
604-3301-029	401 & 457 Matching	Profit and Loss	Debit
604-3301-031	401 & 457 Matching	Profit and Loss	Debit
604-3400-001	Health Insurance - FTTP	Profit and Loss	Debit
604-3400-002	Health Insurance - TMTP	Profit and Loss	Debit
604-3400-003	Health Insurance - Laboratory	Profit and Loss	Debit
604-3400-022	Health Insurance - Sludge	Profit and Loss	Debit
604-3400-029	Health Ins. - Ops MPTP	Profit and Loss	Debit
604-3401-003	Health Insurance- Newport	Profit and Loss	Debit
604-3500-001	Education/Rec. - FTTP	Profit and Loss	Debit
604-3500-002	Education/Rec. - TMTP	Profit and Loss	Debit
604-3500-003	Education/Rec. - Laboratory	Profit and Loss	Debit
604-3500-022	Education/Rec. - Sludge	Profit and Loss	Debit
604-3500-029	Education/Rec - Ops MPTP	Profit and Loss	Debit
604-3501-003	Education/Recreation - Newport	Profit and Loss	Debit
604-3700-001	Misc. Benefits - FTTP	Profit and Loss	Debit
604-3700-002	Misc. Benefits - TMTP	Profit and Loss	Debit
604-3700-003	Misc. Benefits - Laboratory	Profit and Loss	Debit
604-3700-022	Misc. Benefits - Sludge	Profit and Loss	Debit
604-3701-003	Misc. Benefits - Newport	Profit and Loss	Debit
604-3702-001	401 & 457 Matching Program	Profit and Loss	Debit
604-4300-001	Pension - FTTP	Profit and Loss	Debit
604-4300-002	Pension - TMTP	Profit and Loss	Debit
604-4300-020	Pension - Instrumentation	Profit and Loss	Debit
604-4300-029	Pension - Maint. MPTP	Profit and Loss	Debit
604-4301-020	401 & 457 Matching Program	Profit and Loss	Debit
604-4400-020	Health Ins - Instrumentation	Profit and Loss	Debit
604-4500-001	Education/Rec. - FTTP	Profit and Loss	Debit
604-4500-020	Education/Rec. - Instrumentation	Profit and Loss	Debit
604-4700-001	Misc. Benefits - FTTP	Profit and Loss	Debit
604-4700-002	Misc. Benefits - TMTP	Profit and Loss	Debit
604-4700-020	Misc. Benefits - Instrumentation	Profit and Loss	Debit
604-5300-030	Pension Cost - Engineering	Profit and Loss	Debit
604-5300-031	Pension Cost - Distribution	Profit and Loss	Debit
604-5300-033	Pension-Flushing	Profit and Loss	Debit
604-5301-030	401 & 457 Maching Program	Profit and Loss	Debit
604-5301-031	Pension Distribution Newport	Profit and Loss	Debit

604-7501-053	Education/Recreation Flushing Newport	Profit and Loss	Debit
604-7505-057	Education/Rec - Field Svc. TM	Profit and Loss	Debit
604-7700-050	Misc. Benefits - Meter Reading	Profit and Loss	Debit
604-7700-051	Misc. Benefits - Field Service	Profit and Loss	Debit
604-7700-052	Misc. Benefits - Account Service	Profit and Loss	Debit
604-7700-053	Misc. Benefits - Flushing & Leak Det.	Profit and Loss	Debit
604-7701-050	Miscellaneous Benefits Meter Reading Newport	Profit and Loss	Debit
604-7701-051	Miscellaneous Benefits Field Serv. Newport	Profit and Loss	Debit
604-7701-052	Miscellaneous Benefits Acct. Serv. Newport	Profit and Loss	Debit
604-7701-053	Miscellaneous Benefits Flushing Newport	Profit and Loss	Debit
604-7701-057	Misc Benefits - Account Svc. TM	Profit and Loss	Debit
604-8000-079	Dental Benefits Clearing Account	Profit and Loss	Debit
604-8300-072	Pension - Executive Mgt.	Profit and Loss	Debit
604-8300-074	Pension - BK/Accting	Profit and Loss	Debit
604-8300-078	Pension - HR/Info Systems	Profit and Loss	Debit
604-8301-072	401 & 457 Matching Program	Profit and Loss	Debit
604-8301-074	401 & 457 Matching Program	Profit and Loss	Debit
604-8301-078	401 & 457 Matching Program	Profit and Loss	Debit
604-8400-072	Health Ins. - Executive Mgt.	Profit and Loss	Debit
604-8400-074	Health Ins. - BK/Acct.	Profit and Loss	Debit
604-8400-076	Health Ins. - Board of Comm.	Profit and Loss	Debit
604-8400-078	Health Ins - HR/Info Systems	Profit and Loss	Debit
604-8500-072	Education/Rec. - Executive Mgt.	Profit and Loss	Debit
604-8500-074	Education/Rec- Accounting	Profit and Loss	Debit
604-8500-076	Education/Rec. - Board of Comm.	Profit and Loss	Debit
604-8500-078	Education/Rec HR-Info Systems	Profit and Loss	Debit
604-8700-072	Misc. Benefits - Executive Mgt.	Profit and Loss	Debit
604-8700-074	Misc. Benefits - BK/Acct.	Profit and Loss	Debit
604-8700-076	Misc. Benefits - Board of Comm.	Profit and Loss	Debit
604-8700-078	Miscellaneous Benefits - HR/Info Systems	Profit and Loss	Debit
604-8700-079	Misc. Benefits - District	Profit and Loss	Debit
610-1000-025	Water Purchased - City of Newport	Profit and Loss	Debit
610-1000-026	Water Purchased - City of Newport	Profit and Loss	Debit
610-1000-26	Water Purchased - Newport, Ky	Profit and Loss	Debit
615-1000-015	Electric Cost - Licking Station	Profit and Loss	Debit
615-1000-025	Electric Cost- Newport Pump Station	Profit and Loss	Debit
615-1000-026	Electric Cost - Ohio River Station	Profit and Loss	Debit
615-1000-101	Electric Cost Source of Supply - Newport	Profit and Loss	Debit
615-3000-001	Electric Cost - FTTP	Profit and Loss	Debit
615-3000-002	Electric Cost - TMTP	Profit and Loss	Debit
615-3000-022	Electric Cost - Sludge	Profit and Loss	Debit
615-3000-029	Electric Service- MPTP	Profit and Loss	Debit
615-3000-29	Electric Cost MPTP	Profit and Loss	Debit
615-5000-004	Electric Cost - Bellevue/Dayton	Profit and Loss	Debit
615-5000-005	Electric Cost - Bristow Rd Station	Profit and Loss	Debit
615-5000-006	Electric Cost- Bromley Station	Profit and Loss	Debit
615-5000-008	Electric Cost - Dudley Pike Station	Profit and Loss	Debit
615-5000-009	Electric Cost - Hands Pike Station	Profit and Loss	Debit
615-5000-010	Electric Cost Carothers Rd Station	Profit and Loss	Debit
615-5000-011	Electric Cost - Latonia Station	Profit and Loss	Debit
615-5000-012	Electric Cost-W.Covington Station	Profit and Loss	Debit
615-5000-014	Electric Cost-TMTP Station	Profit and Loss	Debit
615-5000-016	Electric Cost - WaterWorks PS	Profit and Loss	Debit
615-5000-017	Electric Cost - Richardson Road Station	Profit and Loss	Debit
615-5000-018	Electric Cost - Ripple Creek Station	Profit and Loss	Debit

620-4001-029	Materials & Supplies - Building MPTP	Profit and Loss	Debit
620-4002-001	Housekeeping Supplies-FTTP	Profit and Loss	Debit
620-4002-002	Housekeeping supplies-TMTP	Profit and Loss	Debit
620-4002-029	Housekeeping supplies- MPTP	Profit and Loss	Debit
620-4003-001	Safety Supplies- Maint-FTTP	Profit and Loss	Debit
620-4003-029	Safety Supplies-Maint- MPTP	Profit and Loss	Debit
620-5000-025	Materials & Supplies - Pumping General	Profit and Loss	Debit
620-5001-025	Safety Supplies- Pumping	Profit and Loss	Debit
620-5001-030	Materials & Supplies - Engineering	Profit and Loss	Debit
620-5001-031	Office Supplies-Distribution	Profit and Loss	Debit
620-5002-027	Uniforms- Pumping	Profit and Loss	Debit
620-5002-030	Materials & Supplies - Shop & Tools, Eng.	Profit and Loss	Debit
620-5002-031	Materials & Supplies - Shop & Tools, Dist.	Profit and Loss	Debit
620-5002-032	Mat & Sup - Shop & Tools TM	Profit and Loss	Debit
620-5003-030	Materials & Supplies - Safety, Engineering	Profit and Loss	Debit
620-5003-031	Safety Supplies- Distribution	Profit and Loss	Debit
620-5004-030	Materials & Supplies - Computer Exp, Eng.	Profit and Loss	Debit
620-5004-031	Materials & Supplies - Computer Exp, Dist.	Profit and Loss	Debit
620-5005-030	Material & Supplies Eng. Newport	Profit and Loss	Debit
620-6000-004	Materials/Supplies - Belvue/Day Station,CC	Profit and Loss	Debit
620-6000-005	Materials/Supplies - Bristow Rd Station	Profit and Loss	Debit
620-6000-006	Materials & Supplies-Bromley Station	Profit and Loss	Debit
620-6000-008	Materials/Supplies - Dudley Pike Station,KC	Profit and Loss	Debit
620-6000-009	Materials & Supplies - Hands Pike Station	Profit and Loss	Debit
620-6000-010	Materials & Supplies Carothers Road Station	Profit and Loss	Debit
620-6000-011	Materials & Supplies - Latonia Station	Profit and Loss	Debit
620-6000-012	Materials & Supplies -W Covington Station	Profit and Loss	Debit
620-6000-013	Materials/Supplies - W. Street Station,KC	Profit and Loss	Debit
620-6000-014	Materials & Supplies - TMTP Station	Profit and Loss	Debit
620-6000-016	Materials & Supplies -WaterWorks PS	Profit and Loss	Debit
620-6000-017	Materials & Supplies - Richardson Road Station	Profit and Loss	Debit
620-6000-018	Materials & Supplies - Ripple Creek Station	Profit and Loss	Debit
620-6000-024	Materials & Supplies - US27 Station	Profit and Loss	Debit
620-6000-025	Materials & Supplies Pumping - Maint.	Profit and Loss	Debit
620-6000-027	Materials & Supplies - Water Storage Facilities	Profit and Loss	Debit
620-6000-029	Materials & supplies MPTP Pumping	Profit and Loss	Debit
620-6001-025	Materials & Supplies Oil & Lubrication	Profit and Loss	Debit
620-6001-030	Materials & Supplies - Eng. Structure & Imprv.	Profit and Loss	Debit
620-6001-031	Materials & Supplies - Dist.,Structure & Imprv.	Profit and Loss	Debit
620-6002-025	Materials & supplies- Regulators	Profit and Loss	Debit
620-6002-031	Materials & Supplies - Dist. Maint of Mains	Profit and Loss	Debit
620-6002-032	Mat. & Supp. - Maint of Mains TM	Profit and Loss	Debit
620-6003-025	Generator maintenance and fuel	Profit and Loss	Debit
620-6003-031	Materials & Supplies - Dist. Services	Profit and Loss	Debit
620-6003-032	Mat & Supp. - Maint of Serv. TM	Profit and Loss	Debit
620-6004-031	Materials & Supplies - Dist. Meters	Profit and Loss	Debit
620-6005-031	Materials & Supplies - Dist. Hydrants	Profit and Loss	Debit
620-6005-032	Mat & Sup - Maint of Hyd TM	Profit and Loss	Debit
620-6006-031	Materials & Supplies - Dist. Misc. Plant	Profit and Loss	Debit
620-6007-031	Materials & Supplies- Cleaning & Lining	Profit and Loss	Debit
620-6008-031	Materials & Supplies Valve Replacement Pgrm	Profit and Loss	Debit
620-6009-031	Inventory Adjustment	Profit and Loss	Debit
620-6010-031	Materials & Supplies - Fire Hydrant Meters	Profit and Loss	Debit
620-6011-031	Material & Supplies Distribution Newport	Profit and Loss	Debit
620-6502-033	Materials & Supplies-Flusing	Profit and Loss	Debit

631-5000-005	Contractual Eng. - Bristow Rd.	Profit and Loss	Debit
631-5000-006	Contractual Engineering-Bromley Station,KC	Profit and Loss	Debit
631-5000-008	Contractual Eng. - Dudley Pike Station	Profit and Loss	Debit
631-5000-009	Contractual Eng. - Hands Pike Station,KC	Profit and Loss	Debit
631-5000-011	Contractual Eng. - Latonia Station,KC	Profit and Loss	Debit
631-5000-012	Contractual Engineering -W>Covington Station, KC	Profit and Loss	Debit
631-5000-013	Contractual Engineering-W.Street Station,KC	Profit and Loss	Debit
631-5000-014	Contractual Engineering-TMTP Station	Profit and Loss	Debit
631-5000-016	Contractual Eng. - Newport Station,CC	Profit and Loss	Debit
631-5000-017	Contractual Eng. - Richsn Road Station,KC	Profit and Loss	Debit
631-5000-018	Contractual Eng. - Ripple Creek Station,CC	Profit and Loss	Debit
631-5000-024	Contractual Eng. - US27 Station,CC	Profit and Loss	Debit
631-5000-027	Contractual Eng. - Water Towers	Profit and Loss	Debit
631-5000-030	Contractual Eng. - Engineering	Profit and Loss	Debit
631-6000-030	Contractual Eng. - Engineering	Profit and Loss	Debit
631-6000-031	Contractual Eng. - Distribution	Profit and Loss	Debit
631-7000-050	Contractual Eng. - Meter Reading	Profit and Loss	Debit
631-7000-051	Contractual Eng. - Field Service	Profit and Loss	Debit
631-7000-052	Contractual Eng. - Account Service	Profit and Loss	Debit
631-7000-053	Contractual Eng. - Flushing/Leak Det.	Profit and Loss	Debit
631-7000-054	Contractual Eng. - Customer Service Other	Profit and Loss	Debit
631-8000-072	Contractual Serv's - Engineering	Profit and Loss	Debit
631-8000-078	Contract Engineering - Safety	Profit and Loss	Debit
631-8000-079	Engineering Services Other	Profit and Loss	Debit
632-8000-074	Contract Service Accounting/Audit - Accting/BK	Profit and Loss	Debit
633-1000-015	Legal Cost - Licking Station	Profit and Loss	Debit
633-1000-026	Legal Cost - Ohio River Station	Profit and Loss	Debit
633-1001-01	Professional Fees - Legal SOS Newport	Profit and Loss	Debit
633-3000-001	Legal Contractual Services - FTTP	Profit and Loss	Debit
633-3000-002	Legal Contractual Services - TMTP	Profit and Loss	Debit
633-3000-003	Legal Contractual Services - Laboratory	Profit and Loss	Debit
633-3000-022	Legal Contractual Services - Sludge	Profit and Loss	Debit
633-3001-001	Legal fees - Antenna Rental	Profit and Loss	Debit
633-4000-001	Legal Contractual Services - FTTP	Profit and Loss	Debit
633-4000-002	Legal Contractual Services - TMTP	Profit and Loss	Debit
633-5000-025	Contractual Legal-Pumping	Profit and Loss	Debit
633-5000-030	Contractual Legal - Engineering	Profit and Loss	Debit
633-5000-031	Contractual Legal - Distribution	Profit and Loss	Debit
633-6000-025	Contractual Legal - Pumping General	Profit and Loss	Debit
633-6000-031	Contractual Legal - Distribution	Profit and Loss	Debit
633-7000-050	Contractual Legal - Customer Service	Profit and Loss	Debit
633-7000-051	Contractual Legal - Field Service	Profit and Loss	Debit
633-7000-052	Contractual Legal - Account Service	Profit and Loss	Debit
633-7000-053	Contractual Legal - Flushing/Leak Detection	Profit and Loss	Debit
633-7000-054	Legal Fees- Ops	Profit and Loss	Debit
633-8000-072	Contractual Serv's - Legal	Profit and Loss	Debit
633-8000-078	Legal Fees- Ops	Profit and Loss	Debit
633-8000-079	Contractual Services - Legal	Profit and Loss	Debit
634-1000-025	Contractual Mgt fees - Pumping SOS	Profit and Loss	Debit
634-2000-025	Contractual Mgt fees - Pumping SOS	Profit and Loss	Debit
634-3000-001	Mgt. Serv's Contractual Services - FTTP	Profit and Loss	Debit
634-3000-002	Mgt. Serv's Contractual Services - TMTP	Profit and Loss	Debit
634-3000-003	Mgt. Serv's Contractual Services - Lab	Profit and Loss	Debit
634-3000-022	Mgt. Serv's Contractual Services - Sludge	Profit and Loss	Debit
634-5000-025	Contractual Mgt. Fees - Pumping	Profit and Loss	Debit

635-5001-025	Cinergy Maint Contract	Profit and Loss	Debit
635-5001-030	Contractual Other - Eng. Operations	Profit and Loss	Debit
635-5001-031	Contractual Other - Dist. Operations	Profit and Loss	Debit
635-5001-033	Contractual Services-Flushing	Profit and Loss	Debit
635-5002-025	Grounds Keeping-Pumping	Profit and Loss	Debit
635-5002-030	Contractual Other - Eng. Communications	Profit and Loss	Debit
635-5002-031	Contractual Other - Dist. Communications	Profit and Loss	Debit
635-5003-025	Grounds Keeping- Pumping	Profit and Loss	Debit
635-5003-030	Contractual Expense - Utilities	Profit and Loss	Debit
635-5003-031	Contractual Other - Dist. Utilities	Profit and Loss	Debit
635-5004-025	Contract Serv. - Pumping - Safety Training	Profit and Loss	Debit
635-5004-030	Contract Computer Svc.	Profit and Loss	Debit
635-5004-031	Contract Computer Service - Dist.	Profit and Loss	Debit
635-5005-030	Contract Computer Serv. Eng. Newport	Profit and Loss	Debit
635-6000-004	Contractual Other - Belvue/Day Station,CC	Profit and Loss	Debit
635-6000-005	Contractual Other - Boone Cty Station,BC	Profit and Loss	Debit
635-6000-006	Contractual Other - Bromlely Station	Profit and Loss	Debit
635-6000-008	Contractual Other - Dudley Pike Station	Profit and Loss	Debit
635-6000-009	Contractual Other - Hands Pike Station	Profit and Loss	Debit
635-6000-010	Contractual Service Other Carothers Road Station	Profit and Loss	Debit
635-6000-011	Contractual Other - Latonia Station	Profit and Loss	Debit
635-6000-012	Contractual Other - W. Covington Station	Profit and Loss	Debit
635-6000-013	Contractual Other - West Street Station	Profit and Loss	Debit
635-6000-014	Contractual Other - TMTF Station	Profit and Loss	Debit
635-6000-016	Contractual Other - WaterWorks PS	Profit and Loss	Debit
635-6000-017	Contractual Other - Richardson Road Station	Profit and Loss	Debit
635-6000-018	Contractual Other- Ripple Creek Station	Profit and Loss	Debit
635-6000-024	Contractual Other - US27 Station	Profit and Loss	Debit
635-6000-025	Contractual Other - Pumping Other	Profit and Loss	Debit
635-6000-027	Contractual Other - Water Towers	Profit and Loss	Debit
635-6001-025	Contract Serv. - Painting	Profit and Loss	Debit
635-6001-027	Water Tower Painting Write Off	Profit and Loss	Debit
635-6001-030	Contractual Other - Eng., Maintenance	Profit and Loss	Debit
635-6001-031	Contractual Other - Distr., Maint. Of Misc. Plant	Profit and Loss	Debit
635-6001-033	Contractual services-Flusing	Profit and Loss	Debit
635-6002-030	Contractual Other - Eng., Structure & Impr.	Profit and Loss	Debit
635-6002-031	Contractual Other - Distr., Ground Maint.	Profit and Loss	Debit
635-6003-030	Contractual Other - Eng., Maint. Of Mains	Profit and Loss	Debit
635-6003-031	Contractual Other - Distr., Structure & Imprv.	Profit and Loss	Debit
635-6004-030	Contractual Other - Eng., Maint. Of Misc. Plant	Profit and Loss	Debit
635-6004-031	Contractual Other - Distr., Maint of Mains	Profit and Loss	Debit
635-6004-032	Contract Other - Maint of Mains TM	Profit and Loss	Debit
635-6005-031	Contractual Other - Maint. of Services	Profit and Loss	Debit
635-6005-032	Contract Other - Maint of Svc TM	Profit and Loss	Debit
635-6006-031	Contractual Other - Distr., Maint. Of Meters	Profit and Loss	Debit
635-6007-031	Contractual Other - Distr., Hydrants	Profit and Loss	Debit
635-6008-031	Contractual Other - Distr., Maint. Of Misc. Plant	Profit and Loss	Debit
635-6009-031	Contractual Other - Blow-Off Charges	Profit and Loss	Debit
635-6010-031	Contract Svc. Winston Park	Profit and Loss	Debit
635-6011-031	Contract Serv. Valve Replacement Program	Profit and Loss	Debit
635-6012-031	Contract Serv. Mainline Cleaning & Lining	Profit and Loss	Debit
635-6013-031	Contract Serv. Distribution Newport	Profit and Loss	Debit
635-7001-050	Contract Service Other - Meter Reading	Profit and Loss	Debit
635-7001-051	Contractual Other - Communication Field Serv	Profit and Loss	Debit
635-7001-052	Contract Serv- Bill Printing/Mailing	Profit and Loss	Debit

642-6000-025	Rental Expense - Pumping General	Profit and Loss	Debit
642-6000-031	Rental Exp., Distribution	Profit and Loss	Debit
642-7000-050	Rental Exp. - Meter Reading	Profit and Loss	Debit
642-7000-051	Rental Exp. - Field Service	Profit and Loss	Debit
642-7000-052	Rental Exp. - Account Service	Profit and Loss	Debit
642-7000-053	Rental Exp. - Flushing & Leak Detection	Profit and Loss	Debit
642-7000-054	Rental Exp. - Customer Service Other	Profit and Loss	Debit
642-8000-072	Rental Exp - Administration	Profit and Loss	Debit
642-8000-074	Rental Expense-Accounting	Profit and Loss	Debit
642-8000-078	Rental Expense - Safety	Profit and Loss	Debit
650-1000-025	Transportation Cost - SOS	Profit and Loss	Debit
650-2000-025	Transportation Cost - SOS	Profit and Loss	Debit
650-3000-001	Transportation Exp - FTTP	Profit and Loss	Debit
650-3000-002	Transportation Exp - TMTP	Profit and Loss	Debit
650-3000-003	Transportation Exp - Laboratory	Profit and Loss	Debit
650-3000-020	Transportation Exp - Instrumentation	Profit and Loss	Debit
650-3000-022	Transportation Exp - Sludge	Profit and Loss	Debit
650-3000-029	Transportation Expense - Ops MPTP	Profit and Loss	Debit
650-4000-001	Transportation Exp - FTTP	Profit and Loss	Debit
650-4000-002	Transportation Exp - TMTP	Profit and Loss	Debit
650-4000-020	Transportation Exp - Instrumentation	Profit and Loss	Debit
650-4000-029	Transportation Expense - Maint MPTP	Profit and Loss	Debit
650-5000-025	Transportation Exp. - Pumping	Profit and Loss	Debit
650-5001-030	Trans. Exp. - Eng. Auto Gas & Oil	Profit and Loss	Debit
650-5002-030	Trans Exp. - Eng. Vehicle Maint. Contractors	Profit and Loss	Debit
650-5003-030	Trans Exp. - Eng. Vehicle Maint. Supplies	Profit and Loss	Debit
650-6000-025	Trans Exp. - Pumping	Profit and Loss	Debit
650-6001-031	Trans Exp. - Distr., Auto Gas & Oil	Profit and Loss	Debit
650-6002-031	Trans Exp. - Distr., Vehicle Maint. Contractors	Profit and Loss	Debit
650-6003-031	Trans Exp. - Distr., Vehicle Maint. Supplies	Profit and Loss	Debit
650-6004-031	Trans Exp. - Distr., Gas & Oil Ttr/Comprsor	Profit and Loss	Debit
650-6005-031	Trans Exp. - Distr., Tractor/Compressor Maint.	Profit and Loss	Debit
650-6006-031	Trans Exp. - Distr., Ttr/Comprsor Maint. Supplies	Profit and Loss	Debit
650-7000-052	Auto Gas & Oil	Profit and Loss	Debit
650-7001-050	Trans Exp - Gas & Oil Meter Readers	Profit and Loss	Debit
650-7001-051	Auto Gas & Oil Field Serv. Newport	Profit and Loss	Debit
650-7001-053	Trans Exp - Gas & Oil Flushing	Profit and Loss	Debit
650-7001-055	Auto Gas and Oil- Courier	Profit and Loss	Debit
650-7001-056	Auto Gas & Oil - Meter Shop	Profit and Loss	Debit
650-7001-057	Auto Gas & Oil - Field Svc. TM	Profit and Loss	Debit
650-7002-050	Trans Exp - Contract Maint. Meter Readers	Profit and Loss	Debit
650-7002-051	Trans Exp - Contract Maint. Field Service	Profit and Loss	Debit
650-7002-053	Trans Exp - Contract Maint. Flushing	Profit and Loss	Debit
650-7003-050	Trans Exp - Meter Readers, Supplies	Profit and Loss	Debit
650-7003-051	Trans Exp - Field Service, Supplies	Profit and Loss	Debit
650-7003-053	Trans Exp - Flushing, Supplies	Profit and Loss	Debit
650-7004-050	Auto Gas & Oil Meter Reader Newport	Profit and Loss	Debit
650-7004-053	Auto Gas & Oil Flushing Newport	Profit and Loss	Debit
650-7005-050	Vehicle Maint. Contract Meter Reader -Newport	Profit and Loss	Debit
650-7005-051	Vehicle Maint. Contract Newport Field Serv.	Profit and Loss	Debit
650-7005-053	Vehicle Maint. Contract Flushing Newport	Profit and Loss	Debit
650-7006-050	Vehicle Maint. Supplies Meter Reader Newport	Profit and Loss	Debit
650-7006-051	Vhicle Maint. - Supplies Field Serv. Newport	Profit and Loss	Debit
650-7006-053	Vehicle Maint.- Supplies Flushing Newport	Profit and Loss	Debit
650-8000-072	Transportation Exp - Executive Mgt.	Profit and Loss	Debit

658-5002-030	Insurance Other - Engineering, Property	Profit and Loss	Debit
658-5002-031	Insurance Other - Distribution, Property	Profit and Loss	Debit
658-7000-050	Workers Comp Insurance-Meter Reading	Profit and Loss	Debit
658-7000-051	Workers Comp Insurance-Field Service	Profit and Loss	Debit
658-7000-052	Workers Comp Insurance-Acct Serv	Profit and Loss	Debit
658-7000-053	Workers Comp Insurance-Flushing	Profit and Loss	Debit
658-7000-054	Insurance Other - Customer Service	Profit and Loss	Debit
658-7000-055	Workers Comp Insurance - Courier	Profit and Loss	Debit
658-7000-056	Insurance - Workers Comp.	Profit and Loss	Debit
658-8000-001	Pollution FTTP	Profit and Loss	Debit
658-8000-072	Workers Comp Insurance- Executive Mgt	Profit and Loss	Debit
658-8000-074	Workers Comp Insurance-Accting	Profit and Loss	Debit
658-8000-076	Workers Comp Insurance-Public Officials	Profit and Loss	Debit
658-8000-078	Workers Comp Insurance- HR/Info/Safety	Profit and Loss	Debit
658-8000-079	Workers Comp Insurance-Admin	Profit and Loss	Debit
658-8001-079	Insurance Expense -W.C. Admin Newport	Profit and Loss	Debit
659-3000-001	Pollution Insurance-FTTP	Profit and Loss	Debit
659-8000-076	Insurance Expense - Public Officials	Profit and Loss	Debit
659-8000-079	Insurance- Officials	Profit and Loss	Debit
660-8000-079	Advertising Expense	Profit and Loss	Debit
667-8000-080	PSC Expense Rate Case	Profit and Loss	Debit
667-8000-081	PSC Annual Assessment Fee	Profit and Loss	Debit
667-8000-082	PSC Expense - Administrative	Profit and Loss	Debit
670-7000-054	Bad Debt Expense	Profit and Loss	Debit
670-7001-054	Bad Debt Expense Newport	Profit and Loss	Debit
675-1000-015	Misc. Exp - Licking Station	Profit and Loss	Debit
675-1000-026	Misc. Exp - Ohio River Station	Profit and Loss	Debit
675-1000-101	Mosc. Expense - Ops. SOS Newport	Profit and Loss	Debit
675-2000-015	Misc. Exp - Licking Station	Profit and Loss	Debit
675-2000-026	Misc. Exp - Ohio River Station	Profit and Loss	Debit
675-2000-101	Misc. Expense - Maint. SOS Newport	Profit and Loss	Debit
675-3000-001	Miscellaneous Exp - FTTP	Profit and Loss	Debit
675-3000-002	Miscellaneous Exp - TMTP	Profit and Loss	Debit
675-3000-003	Miscellaneous Exp - Laboratory	Profit and Loss	Debit
675-3000-022	Misc Exp - Sludge	Profit and Loss	Debit
675-3000-029	Misc Expense - Ops MPTP	Profit and Loss	Debit
675-3002-001	Uniforms-FTTP	Profit and Loss	Debit
675-3002-002	Uniforms- TMTP	Profit and Loss	Debit
675-3002-003	Uniforms-Laboratory	Profit and Loss	Debit
675-3002-020	Uniforms-Instrumentation	Profit and Loss	Debit
675-3002-029	Uniforms MPTP	Profit and Loss	Debit
675-3003-003	Uniforms - Newport	Profit and Loss	Debit
675-4000-001	Miscellaneous Exp - FTTP	Profit and Loss	Debit
675-4000-002	Miscellaneous Exp - TMTP	Profit and Loss	Debit
675-4000-020	Misc Exp - Instrumentation	Profit and Loss	Debit
675-5000-025	Miscellaneous Exp. Pumping	Profit and Loss	Debit
675-5000-030	Miscellaneous Exp. - Engineering	Profit and Loss	Debit
675-5001-030	Uniforms- Engineering	Profit and Loss	Debit
675-5002-027	Uniforms - Pumping	Profit and Loss	Debit
675-6000-031	Miscellaneous Exp. - Distribution	Profit and Loss	Debit
675-6001-031	Uniforms - Distribution	Profit and Loss	Debit
675-6001-032	Uniforms - TM	Profit and Loss	Debit
675-6002-031	Misc. Expenses Distribution Newport	Profit and Loss	Debit
675-7001-050	Misc. Exp - Meter Reading	Profit and Loss	Debit
675-7001-051	Misc. Exp - Field Service	Profit and Loss	Debit

699-7001-051	FICA Taxes Field Serv. Newport	Profit and Loss	Debit
699-7001-052	FICA Taxes Acct. Serv. Newport	Profit and Loss	Debit
699-7001-053	FICA Taxes Flushing Newport	Profit and Loss	Debit
699-7001-057	Fica Taxes - Account Svc. TM	Profit and Loss	Debit
699-7005-057	FICA - Field Svc. TM	Profit and Loss	Debit
699-8000-072	Taxes Other Than Income Taxes(FICA) - Exc Mgt.	Profit and Loss	Debit
699-8000-074	Taxes Other Than Income Taxes(FICA) - Accting	Profit and Loss	Debit
699-8000-076	Taxes Other Than Income Taxes(FICA) - BOC	Profit and Loss	Debit
699-8000-078	FICA Taxes - HR/Info Systems	Profit and Loss	Debit
699-8000-079	Taxes Other than Income Taxes - Bottlers	Profit and Loss	Debit



**Tax Asset Detail 1/01/06 - 12/31/06**

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 303-0001-000</b>											
3	LAND & LAND LICKING RIVER	1/01/59	5,200.00	0.00	0.00	0.00	0.00	0.00	5,200.00	S/L	99.0
4	LAND & LAND RIGHTS OHIO R	1/01/59	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	S/L	99.0
33	PUMP STATION LAND LICKING	1/01/59	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	S/L	99.0
41	PUMP STATION LAND OHIO IN	1/01/59	9,000.00	0.00	0.00	0.00	0.00	0.00	9,000.00	S/L	99.0
	<b>303-0001-000</b>		<b>29,200.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>29,200.00</b>		
<b>Group: 303-0002-000</b>											
265	Land - TMTP	1/01/59	45,000.00	0.00	0.00	0.00	0.00	0.00	45,000.00	S/L	99.0
266	LAND -TAYLOR MILL TMT	1/01/82	12,500.00	0.00	0.00	0.00	0.00	0.00	12,500.00	S/L	99.0
267	LAND - FT. THOMAS TMT	1/01/59	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	S/L	99.0
2994	Historical Land - Nat. Spring	12/03/99	4,995.50	0.00	0.00	0.00	0.00	0.00	4,995.50	S/L	99.0
	<b>303-0002-000</b>		<b>72,495.50</b>	<b>0.00c</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>72,495.50</b>		
<b>Group: 303-0003-000</b>											
34	PUMP STATION LAND TAYLOR	1/01/59	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	S/L	99.0
35	PUMP STATION LAND DIXIE HI	1/01/59	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	S/L	99.0
36	PUMP STATION LAND DUDLEY	1/01/59	10,000.00	0.00	0.00	0.00	0.00	0.00	10,000.00	S/L	99.0
37	PUMP STATION LAND TURKEY	1/01/59	375.00	0.00	0.00	0.00	0.00	0.00	375.00	S/L	99.0
38	PUMP STATION LAND LAFAYE	1/01/59	3,750.00	0.00	0.00	0.00	0.00	0.00	3,750.00	S/L	99.0
39	PUMP STATION LAND RICHA	1/01/59	3,750.00	0.00	0.00	0.00	0.00	0.00	3,750.00	S/L	99.0
40	PUMP STATION LAND RICHA	6/30/96	17,595.69	0.00	0.00	0.00	0.00	0.00	17,595.69	S/L	99.0
42	PUMP STATION LAND IDA SPE	1/01/59	500.00	0.00	0.00	0.00	0.00	0.00	500.00	S/L	99.0
43	PUMP STATION LAND DEVOU	1/01/59	500.00	0.00	0.00	0.00	0.00	0.00	500.00	S/L	99.0
44	PUMP STATION LAND BOONE	1/01/59	2,500.00	0.00	0.00	0.00	0.00	0.00	2,500.00	S/L	99.0
45	BROMLEY TANK ROAD	11/21/95	15,200.16	0.00	0.00	0.00	0.00	0.00	15,200.16	S/L	99.0
46	PUMP STATION LAND HANDS	1/01/59	5,050.00	0.00	0.00	0.00	0.00	0.00	5,050.00	S/L	99.0
47	C.C. Land & Land Rights-Pumping	1/01/97	62,870.17	0.00	0.00	0.00	0.00	0.00	62,870.17	S/L	99.0
410	LAND & LAND RIGHTS WARE	1/01/82	59,012.30	0.00	0.00	0.00	0.00	0.00	59,012.30	S/L	99.0
411	TRANSMISSION LAND & RIGH	1/01/59	14,300.00	0.00	0.00	0.00	0.00	0.00	14,300.00	S/L	99.0
	<b>303-0003-000</b>		<b>205,403.32</b>	<b>0.00c</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>205,403.32</b>		
<b>Group: 303-0004-000</b>											
2	CC Organization Cost	1/01/97	3,323.34	0.00	0.00	0.00	0.00	0.00	3,323.34	S/L	99.0
412	CC Land & Land Rights	1/01/97	103,975.16	0.00	0.00	0.00	0.00	0.00	103,975.16	S/L	99.0
952	LAND & LAND RIGHTS GENER	1/01/59	122,829.00	0.00	0.00	0.00	0.00	0.00	122,829.00	S/L	99.0
953	Land & Land Rights CC	1/01/97	68,189.72	0.00	0.00	0.00	0.00	0.00	68,189.72	S/L	99.0
31380	Land CF	4/15/06	2,303,000.00	0.00c	0.00	0.00	0.00	0.00	2,303,000.00	Land	0.0
	<b>303-0004-000</b>		<b>2,601,317.22</b>	<b>0.00c</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,601,317.22</b>		
<b>Group: 304-0001-000</b>											
12	Compressed Air Equipment	1/01/98	6,026.00	0.00	0.00	2,410.40	301.30	2,711.70	3,314.30	S/L	20.0
13	Chemical Feed System	1/01/98	63,506.00	0.00	0.00	50,804.80	6,350.60	57,155.40	6,350.60	S/L	10.0

**Tax Asset Detail**

1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304-0002-000 (continued)</b>											
289	WATER PLANT TAYLOR MILL	7/01/87	6,191.00	0.00	0.00	1,908.83	103.18	2,012.01	4,178.99	S/L	60.0
290	WATER PLANT TAYLOR MILL	7/01/88	191.00	0.00	0.00	55.65	3.18	58.83	132.17	S/L	60.0
294	WATER PLANT TAYLOR MILL	1/15/90	325.07	0.00	0.00	86.72	5.42	92.14	232.93	S/L	60.0
295	WATER PLANT TAYLOR MILL	10/15/90	3,200.00	0.00	0.00	813.28	53.33	866.61	2,333.39	S/L	60.0
297	MAC DONALD DEFENSE	7/23/91	7,122.00	0.00	0.00	1,711.26	118.70	1,829.96	5,292.04	S/L	60.0
298	Clearwell - TMTP	11/01/91	1,419,851.95	0.00	0.00	335,242.83	23,664.20	358,907.03	1,060,944.92	S/L	60.0
299	CAPITALIZED INTEREST	11/01/91	87,718.24	0.00	0.00	20,711.24	1,461.97	22,173.21	65,545.03	S/L	60.0
300	WATER PLANT TAYLOR MILL	10/22/92	1,100.00	0.00	0.00	241.79	18.33	260.12	839.88	S/L	60.0
301	WATER PLANT TAYLOR MILL	9/30/93	306.02	0.00	0.00	62.48	5.10	67.58	238.44	S/L	60.0
302	LICKING R PERMANGANATE	12/19/95	168,501.03	0.00	0.00	17,080.92	1,702.03	18,782.95	149,718.08	S/L	99.0
303	Water Treatment Plant TM	6/30/97	36,410.00	0.00	0.00	5,162.21	606.83	5,769.04	30,640.96	S/L	60.0
304	Water Treat. Plant T.M	6/25/98	7,890.00	0.00	0.00	988.95	131.50	1,120.45	6,769.55	S/L	60.0
305	WATER PLANT FT. THOMAS	1/01/59	2,021,508.75	0.00	0.00	1,070,897.82	33,691.81	1,104,589.63	916,919.12	S/L	60.0
306	WATER PLANT FT. THOMAS	7/01/84	1,020.00	0.00	0.00	365.50	17.00	382.50	637.50	S/L	60.0
307	WATER PLANT FT. THOMAS	7/01/85	3,073.00	0.00	0.00	1,050.01	51.22	1,101.23	1,971.77	S/L	60.0
308	WATER PLANT FT. THOMAS	7/01/86	3,819.00	0.00	0.00	1,241.18	63.65	1,304.83	2,514.17	S/L	60.0
309	FTTP DRAINAGE PROJECT	7/01/86	6,980.00	0.00	0.00	2,268.44	116.33	2,384.77	4,595.23	S/L	60.0
310	WATER PLANT FT. THOMAS	7/01/87	4,892.40	0.00	0.00	1,508.49	81.54	1,590.03	3,302.37	S/L	60.0
311	WATER PLANT FT. THOMAS	7/01/87	22,710.60	0.00	0.00	7,002.44	378.51	7,380.95	15,329.65	S/L	60.0
312	WATER PLANT FT. THOMAS	7/01/88	19,224.00	0.00	0.00	5,607.00	320.40	5,927.40	13,296.60	S/L	60.0
313	FTTP Remodeling	2/21/89	2,365.00	0.00	0.00	663.57	39.42	702.99	1,662.01	S/L	60.0
314	FTTP Remodeling	3/27/89	2,030.00	0.00	0.00	566.65	33.83	600.48	1,429.52	S/L	60.0
315	FTTP Remodeling	5/16/89	10,241.00	0.00	0.00	2,830.45	170.68	3,001.13	7,239.87	S/L	60.0
316	FTTP Remodeling	7/18/89	2,538.00	0.00	0.00	694.43	42.30	736.73	1,801.27	S/L	60.0
317	FTTP Remodeling	10/16/89	6,064.00	0.00	0.00	1,633.96	101.07	1,735.03	4,328.97	S/L	60.0
318	FTTP Remodeling	10/16/89	8,234.00	0.00	0.00	2,218.55	137.23	2,355.78	5,878.22	S/L	60.0
319	FTTP Remodeling	11/21/89	8,489.00	0.00	0.00	2,275.47	141.48	2,416.95	6,072.05	S/L	60.0
320	FTTP Remodeling	12/19/89	4,950.00	0.00	0.00	1,320.00	82.50	1,402.50	3,547.50	S/L	60.0
321	FTTP Remodeling	12/19/89	6,650.00	0.00	0.00	1,773.28	110.83	1,884.11	4,765.89	S/L	60.0
322	WATER PLANT FT. THOMAS	1/15/90	2,000.07	0.00	0.00	533.28	33.33	566.61	1,433.46	S/L	60.0
323	WATER PLANT FT. THOMAS	4/15/90	4,819.00	0.00	0.00	1,265.04	80.32	1,345.36	3,473.64	S/L	60.0
324	WATER PLANT FT. THOMAS	5/15/90	2,325.00	0.00	0.00	607.08	38.75	645.83	1,679.17	S/L	60.0
325	WATER PLANT FT. THOMAS	11/15/90	2,050.00	0.00	0.00	518.24	34.17	552.41	1,497.59	S/L	60.0
326	FTTP Remodeling	8/28/91	2,960.00	0.00	0.00	707.06	49.33	756.39	2,203.61	S/L	60.0
327	STEWART IRON WORKS	10/15/91	30,636.97	0.00	0.00	7,276.33	510.62	7,786.95	22,850.02	S/L	60.0
328	DISIBIO CONST.	11/19/91	6,500.00	0.00	0.00	1,525.65	108.33	1,633.98	4,866.02	S/L	60.0
329	GALE CARDDOCK CONST.	11/19/91	3,500.00	0.00	0.00	821.48	58.33	879.81	2,620.19	S/L	60.0
330	Clearwell - FTTP	7/01/91	3,850,258.09	0.00	0.00	930,479.06	64,170.97	994,650.03	2,855,608.06	S/L	60.0
331	CAPITALIZED INTEREST	7/01/91	234,379.58	0.00	0.00	56,641.78	3,906.33	60,548.11	173,831.47	S/L	60.0
332	WATER PLANT FT. THOMAS	1/02/92	27,115.00	0.00	0.00	6,324.45	451.92	6,776.37	20,338.63	S/L	60.0
333	WATER PLANT FT. THOMAS	2/12/92	1,599.95	0.00	0.00	370.32	26.67	396.99	1,202.96	S/L	60.0
334	WATER PLANT FT. THOMAS	7/01/92	870.00	0.00	0.00	195.79	14.50	210.29	659.71	S/L	60.0
335	WATER PLANT FT. THOMAS	10/09/92	9,975.00	0.00	0.00	2,199.41	166.25	2,365.66	7,609.34	S/L	60.0
336	WATER PLANT FT. THOMAS	11/19/92	6,724.00	0.00	0.00	1,470.08	112.07	1,582.15	5,141.85	S/L	60.0
337	WATER PLANT FT. THOMAS	6/30/92	1,068.12	0.00	0.00	21,207.37	17.80	258.10	810.02	S/L	60.0
338	WATER PLANT FT. THOMAS	6/30/92	101,795.36	0.00	0.00	1,696.59	1,696.59	22,903.96	78,891.40	S/L	60.0
339	WATER PLANT FT. THOMAS	3/31/93	31,470.52	0.00	0.00	6,686.19	524.51	7,210.70	24,259.82	S/L	60.0
340	WATER PLANT FT. THOMAS	5/31/93	51,870.00	0.00	0.00	10,876.13	864.50	11,740.63	40,129.37	S/L	60.0
341	B&B HAETING	7/01/94	1,525.00	0.00	0.00	292.43	25.42	317.85	1,207.15	S/L	60.0

**Tax Asset Detail 1/01/06 - 12/31/06**

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304-0002-000 (continued)</b>											
5496	Painting Filtering Plant	4/11/03	30,000.00	0.00	0.00	8,250.00	3,000.00	11,250.00	18,750.00	S/L	10.0
5525	TM Structural Review	1/06/03	147.34	0.00	0.00	147.34	0.00	147.34	0.00	S/L	3.0
5527	Materials for filter Gallery	4/28/03	61.87	0.00	0.00	54.99	6.88	61.87	0.00	S/L	3.0
5561	Edger Tool	6/12/03	3.69	0.00	0.00	3.69	0.00	3.69	0.00	S/L	3.0
5563	8 Yds Concrete	6/12/03	480.00	0.00	0.00	413.33	66.67	480.00	0.00	S/L	3.0
5564	Broom, Rake & supplies	6/11/03	130.62	0.00	0.00	112.48	18.14	130.62	0.00	S/L	3.0
5574	Storage Tank	6/16/03	1,973.00	0.00	0.00	986.50	394.60	1,381.10	591.90	S/L	5.0
5575	Storage Tank	6/16/03	1,973.00	0.00	0.00	986.50	394.60	1,381.10	591.90	S/L	5.0
5576	Storage Tank	6/16/03	1,973.00	0.00	0.00	986.50	394.60	1,381.10	591.90	S/L	5.0
5577	Storage Tank	6/16/03	1,973.00	0.00	0.00	986.50	394.60	1,381.10	591.90	S/L	5.0
5578	Storage Tank	6/16/03	1,973.00	0.00	0.00	986.50	394.60	1,381.10	591.90	S/L	5.0
5580	Supplies Sodium Hypo MPTP	6/20/03	195.47	0.00	0.00	162.90	32.57	195.47	0.00	S/L	3.0
5618	Acid Feed Evaluation(110A)	8/01/03	1,186.00	0.00	0.00	955.38	230.62	1,186.00	0.00	S/L	3.0
5619	Polymer Feed Evaluation	8/01/03	1,764.00	0.00	0.00	1,421.00	343.00	1,764.00	0.00	S/L	3.0
5653	Aluminium 2-Bar Pipe Rail	5/09/03	6,073.50	0.00	0.00	2,313.71	867.64	3,181.35	2,892.15	S/L	7.0
5750	Filter to waste structure	6/30/03	1,668,992.26	0.00	0.00	69,541.35	27,816.54	97,357.89	1,571,634.37	S/L	60.0
5756	Composite flow sampler	6/30/03	6,200.00	0.00	0.00	1,550.00	620.00	2,170.00	4,030.00	S/L	10.0
5757	Chemical Feed System	6/30/03	14,700.00	0.00	0.00	3,675.00	1,470.00	5,145.00	9,555.00	S/L	10.0
5758	Instrumentation	6/30/03	16,500.00	0.00	0.00	4,125.00	1,650.00	5,775.00	10,725.00	S/L	10.0
5759	Electrical - Filter to Waste	6/30/03	170,500.00	0.00	0.00	10,656.25	4,262.50	14,918.75	155,581.25	S/L	40.0
5760	Piping for Filter to waste	6/30/03	216,200.00	0.00	0.00	5,459.60	2,183.84	7,643.44	208,556.56	S/L	99.0
5762	Fencing MPTP	6/30/03	116,022.88	0.00	0.00	14,502.85	5,801.14	20,303.99	95,718.89	S/L	20.0
5778	Additional 184-411-500	6/30/03	187,804.49	0.00	0.00	7,825.18	3,130.07	10,955.25	176,849.24	S/L	60.0
31160	HVAC	5/30/99	135,000.00	0.00	0.00	59,250.00	9,000.00	68,250.00	66,750.00	S/L	15.0
31161	TMP Automation Structure	5/30/99	3,585,276.53	0.00	0.00	393,384.52	59,754.61	453,139.13	3,132,137.40	S/L	60.0
31162	Baffle Clearwell FTTP	5/30/99	294,896.67	0.00	0.00	32,356.69	4,914.94	37,271.63	257,625.04	S/L	60.0
31359	Roof Improvement	12/01/06	38,700.00	0.00	0.00	0.00	161.25	161.25	38,538.75	S/L	20.0
			<b>304-0002-000</b>	<b>0.00</b>	<b>0.00</b>	<b>5,394,298.82</b>	<b>591,019.09</b>	<b>5,985,317.91</b>	<b>24,629,284.90</b>		
<b>Group: 304-0003-000</b>											
25	Four IDP Pumps	1/01/98	833,043.00	0.00	0.00	333,217.20	41,652.15	374,869.35	458,173.65	S/L	20.0
51	PLANT PUMP STRUCTURE TAY	1/01/59	76,355.00	0.00	0.00	64,480.76	2,181.57	66,662.33	9,692.67	S/L	35.0
52	TAYLOR MILL TREATMENT PL	6/20/95	5,358.00	0.00	0.00	1,612.69	153.09	1,765.78	3,592.22	S/L	35.0
53	DIXIE HWY PMP STRUCT PUMI	1/01/59	15,406.00	0.00	0.00	15,406.00	0.00	15,406.00	0.00	S/L	35.0
54	DIXIE P.S. FANS	7/19/94	5,200.00	0.00	0.00	1,701.84	148.57	1,850.41	3,349.59	S/L	35.0
55	DIXIE PUMP STA	8/16/94	7,620.00	0.00	0.00	2,477.12	217.71	2,694.83	4,925.17	S/L	35.0
60	DUDLEY PK PMP STRUCT PUM	10/10/65	238,292.00	0.00	0.00	188,250.12	6,808.34	195,058.46	43,233.54	S/L	35.0
61	DUDLEY PK PUMP STRUCT PUI	1/01/91	361,297.26	0.00	0.00	154,841.70	10,322.78	165,164.48	196,132.78	S/L	35.0
62	CAPITAIZED INTEREST	1/01/91	22,719.85	0.00	0.00	9,737.10	649.14	10,386.24	12,333.61	S/L	35.0
63	DUDLEY PUMP STATION	9/19/95	285,581.37	0.00	0.00	83,919.59	8,159.47	92,079.06	193,502.31	S/L	35.0
74	LAFAYETTE PMP STRUCT PUM	1/01/59	10,837.00	0.00	0.00	10,837.00	0.00	10,837.00	0.00	S/L	35.0
75	LAFAYETTE PMP STRUCT PUM	1/01/62	115.00	0.00	0.00	115.00	0.00	115.00	0.00	S/L	35.0
76	LAFAYETTE PMP STRUCT PUM	1/01/63	256.00	0.00	0.00	256.00	0.00	256.00	0.00	S/L	35.0
77	LAFAYETTE PMP STRUCT PUM	1/01/64	194.00	0.00	0.00	194.00	0.00	194.00	0.00	S/L	35.0
78	LAFAYETTE PMP STRUCT PUM	1/01/65	536.00	0.00	0.00	536.00	0.00	536.00	0.00	S/L	35.0
79	LAFAYETTE PMP STRUCT PUM	1/01/67	148.00	0.00	0.00	148.00	0.00	148.00	0.00	S/L	35.0
80	LAFAYETTE PMP STRUCT PUM	1/01/71	351.00	0.00	0.00	345.66	5.34	351.00	0.00	S/L	35.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304-0003-000 (continued)</b>											
4715	Bristow Rd Valves	6/30/02	63,000.00	0.00	0.00	11,025.00	3,150.00	14,175.00	48,825.00	S/L	20.0
4716	Bristow Rd HVAC	6/30/02	42,000.00	0.00	0.00	14,700.00	4,200.00	18,900.00	23,100.00	S/L	10.0
4717	Fencing	6/30/02	12,500.00	0.00	0.00	2,916.66	833.33	3,749.99	8,750.01	S/L	15.0
4718	Bristow Rd Pumpstation	6/30/02	1,639,188.37	0.00	0.00	95,619.33	27,319.81	122,939.14	1,516,249.23	S/L	60.0
4901	Misc Fencing	6/30/04	3,714.22	0.00	0.00	557.13	371.42	928.55	2,785.67	S/L	10.0
4930	Coating for pump Bromley PS	8/24/04	3,760.00	0.00	0.00	501.33	376.00	877.33	2,882.67	S/L	10.0
5016	Gate Opener	8/03/01	6,047.50	0.00	0.00	3,815.69	863.93	4,679.62	1,367.88	S/L	7.0
5021	Remove Old Pit	8/03/01	5,000.00	0.00	0.00	2,208.33	500.00	2,708.33	2,291.67	S/L	10.0
5054	Meter Pit	9/27/01	10,750.00	0.00	0.00	4,568.75	1,075.00	5,643.75	5,106.25	S/L	10.0
5057	Repair Lid	9/25/01	1,200.00	0.00	0.00	728.58	171.43	900.01	299.99	S/L	7.0
5144	Security Windows	1/21/02	2,778.56	0.00	0.00	1,088.28	277.86	1,366.14	1,412.42	S/L	10.0
5145	Lightening Protection	1/24/02	3,825.00	0.00	0.00	2,140.18	546.43	2,686.61	1,138.39	S/L	7.0
5278	BK Boiler	7/05/02	23.73	0.00	0.00	23.73	0.00	23.73	0.00	S/L	1.0
5280	Repairs Regulator Pit	4/18/02	3,800.00	0.00	0.00	3,800.00	0.00	3,800.00	0.00	S/L	3.0
5283	60" Wash Machine	7/05/02	58.47	0.00	0.00	58.47	0.00	58.47	0.00	S/L	1.0
5284	8" Pressure Recorder	7/03/02	1,066.19	0.00	0.00	1,066.19	0.00	1,066.19	0.00	S/L	3.0
5285	Guage Shock Absorber	7/02/02	552.47	0.00	0.00	552.47	0.00	552.47	0.00	S/L	3.0
5313	Replace Relay & Module	8/12/02	3,915.00	0.00	0.00	2,675.25	783.00	3,458.25	456.75	S/L	5.0
5495	Water Detection System	3/04/03	7,437.89	0.00	0.00	4,214.81	1,487.58	5,702.39	1,735.50	S/L	5.0
5497	Painting Services	4/01/03	4,484.53	0.00	0.00	1,233.24	448.45	1,681.69	2,802.84	S/L	10.0
5500	2" CLA Val Regulator	4/01/03	814.00	0.00	0.00	149.24	54.27	203.51	610.49	S/L	15.0
5501	4 Mile Rd. Regulator Pit	4/15/03	8,800.00	0.00	0.00	1,613.34	586.67	2,200.01	6,599.99	S/L	15.0
5733	Drain line in regulator pit	12/16/03	800.00	0.00	0.00	106.66	53.33	159.99	640.01	S/L	15.0
5763	Fence at Bromley tank	6/30/03	59,708.50	0.00	0.00	7,463.57	2,985.43	10,449.00	49,259.50	S/L	20.0
5764	Fence at Dudley tanks	6/30/03	13,447.12	0.00	0.00	1,680.90	672.36	2,353.26	11,093.86	S/L	20.0
5814	Licking river Pump Station	10/06/04	12,768.94	0.00	0.00	798.06	638.45	1,436.51	11,332.43	S/L	20.0
5819	Structure and improvement Distrib.	12/01/04	907.00	0.00	0.00	98.26	90.70	188.96	718.04	S/L	10.0
5840	VAC VFD for filter to waste pumps	12/28/04	1,188.38	0.00	0.00	237.68	237.68	475.36	713.02	S/L	5.0
5841	VAC VFD for filter to waste pumps	12/28/04	1,188.37	0.00	0.00	237.67	237.67	475.34	713.03	S/L	5.0
5842	TMP ventilation system	12/20/04	19,964.00	0.00	0.00	1,996.40	1,996.40	3,992.80	15,971.20	S/L	10.0
5930	LICKING RIVER CONCRETE ST.	3/09/05	2,557.95	0.00	0.00	213.16	255.80	468.96	2,088.99	S/L	10.0
5931	LICKING RIVER PUMP STATION	2/22/05	18,076.00	0.00	0.00	430.38	516.46	946.84	17,129.16	S/L	35.0
5932	PIT ON ROYAL DRIVE A&K AP	2/01/05	24,075.00	0.00	0.00	630.54	687.86	1,318.40	22,756.60	S/L	35.0
31019	Material for New Meter Shop	1/04/99	217.89	0.00	0.00	76.23	10.89	87.12	130.77	S/L	20.0
31285	Capitalized Interest	6/30/02	90,289.41	0.00	0.00	5,266.87	1,504.82	6,771.69	83,517.72	S/L	60.0
31299	Meter Pit	6/30/04	28,518.47	0.00	0.00	855.55	570.37	1,425.92	27,092.55	S/L	50.0
31304	Latonia Pumpstation upgrade	6/30/04	51,113.61	0.00	0.00	1,916.76	1,277.84	3,194.60	47,919.01	S/L	40.0
			<b>7,661,242.04</b>	<b>0.00c</b>	<b>0.00</b>	<b>2,068,878.66</b>	<b>200,896.77</b>	<b>2,269,775.43</b>	<b>5,391,466.61</b>		
<b>Group: 304-0004-000</b>											
296	WATER PLANT TAYLOR MILL	11/15/90	350.00	0.00	0.00	88.42	5.83	94.25	255.75	S/L	60.0
954	OFFICE BUILDING	1/01/74	276,451.00	0.00	0.00	174,164.44	5,529.02	179,693.46	96,757.54	S/L	50.0
955	OFFICE BUILDING	1/01/74	12,624.00	0.00	0.00	7,444.56	252.48	7,697.04	4,926.96	S/L	50.0
956	OFFICE BUILDING	1/01/77	2,700.00	0.00	0.00	4,104.00	144.00	4,248.00	2,952.00	S/L	50.0
957	OFFICE BUILDING	1/01/78	7,289.00	0.00	0.00	1,535.16	55.78	1,590.94	1,198.06	S/L	50.0
958	OFFICE BUILDING	1/01/80	1,045.86	0.00	0.00	533.24	20.92	554.16	491.70	S/L	50.0
959	OFFICE BUILDING	7/01/84	790.00	0.00	0.00	790.00	0.00	790.00	0.00	S/L	5.0

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304-0004-000 (continued)</b>											
4925	Fencing S Newport Tank	7/07/04	14,915.00	0.00	0.00	1,118.63	745.75	1,864.38	13,050.62	S/L	20.0
4926	Security system TMTP	5/04/04	1,370.00	0.00	0.00	228.33	137.00	365.33	1,004.67	S/L	10.0
4927	Locks for Tanks	8/17/04	1,240.15	0.00	0.00	165.36	124.02	289.38	950.77	S/L	10.0
4928	Operator for Aqua Dr gate	6/28/04	2,800.00	0.00	0.00	420.00	280.00	700.00	2,100.00	S/L	10.0
5017	Remodeling	8/10/01	12,246.10	0.00	0.00	7,726.69	1,749.44	9,476.13	2,769.97	S/L	7.0
5047	Ceramic Tile Floor	9/18/01	2,000.00	0.00	0.00	850.00	200.00	1,050.00	950.00	S/L	10.0
5059	Surveying	8/30/01	5,950.00	0.00	0.00	5,156.67	793.33	5,950.00	0.00	S/L	5.0
5109	Chain Link Fence	11/09/01	8,938.00	0.00	0.00	3,732.50	895.80	4,628.30	4,329.70	S/L	10.0
5110	Safety Loop w/ detector	11/09/01	600.00	0.00	0.00	500.00	100.00	600.00	0.00	S/L	5.0
5111	Safety Loop w/ detector	11/09/01	600.00	0.00	0.00	500.00	100.00	600.00	0.00	S/L	5.0
5112	Exit Loop w/ detector	11/09/01	600.00	0.00	0.00	500.00	100.00	600.00	0.00	S/L	5.0
5113	Chain Link Fence	11/09/01	5,045.00	0.00	0.00	2,102.08	504.50	2,606.58	2,438.42	S/L	10.0
5127	FTTP Roof	11/16/01	17,625.00	0.00	0.00	7,196.88	1,762.50	8,959.38	8,665.62	S/L	10.0
5142	Reroofing Observation	11/30/01	148.50	0.00	0.00	121.28	27.22	148.50	0.00	S/L	5.0
5146	Chain Link Fence	1/22/02	5,990.00	0.00	0.00	1,173.04	299.50	1,472.54	4,517.46	S/L	20.0
5172	Warehouse Remodeling	2/21/02	2,800.00	0.00	0.00	1,933.33	400.00	1,933.33	866.67	S/L	7.0
5175	Motion Detector System	2/22/02	9,850.00	0.00	0.00	7,551.67	1,970.00	9,521.67	328.33	S/L	5.0
5263	Digital Surveillance System	6/13/02	12,895.00	0.00	0.00	9,241.42	2,579.00	11,820.42	1,074.58	S/L	5.0
5292	Razor Ribbon Fencing	7/19/02	888.00	0.00	0.00	606.80	177.60	784.40	103.60	S/L	5.0
5553	Painting Office Aqua Tank	6/03/03	646.00	0.00	0.00	333.77	129.20	462.97	183.03	S/L	5.0
5570	Security Systems	6/27/03	170,404.18	0.00	0.00	28,400.70	11,360.28	39,760.98	130,643.20	S/L	15.0
5570	Carpet Aqua Tower	6/11/03	1,444.95	0.00	0.00	746.56	288.99	1,035.55	409.40	S/L	5.0
5583	Electrical Supplies	6/20/03	25.82	0.00	0.00	21.52	4.30	25.82	0.00	S/L	3.0
5587	Garage Door w/ Opener	7/07/03	2,161.00	0.00	0.00	540.25	216.10	756.35	1,404.65	S/L	10.0
5588	Garage Door w/ Opener	7/07/03	2,161.00	0.00	0.00	540.25	216.10	756.35	1,404.65	S/L	10.0
5602	6 FT Table	8/01/03	239.00	0.00	0.00	82.51	34.14	116.65	122.35	S/L	7.0
5603	Black Side Chair	8/01/03	79.00	0.00	0.00	27.28	11.29	38.57	40.43	S/L	7.0
5604	Black Side Chair	8/01/03	79.00	0.00	0.00	27.28	11.29	38.57	40.43	S/L	7.0
5605	Black Side Chair	8/01/03	79.00	0.00	0.00	27.28	11.29	38.57	40.43	S/L	7.0
5606	Black Side Chair	8/01/03	79.00	0.00	0.00	27.28	11.29	38.57	40.43	S/L	7.0
5607	Warehouse Sign	8/25/03	42.50	0.00	0.00	19.33	8.50	28.33	14.17	S/L	5.0
5608	Aqua Sign	8/25/03	42.50	0.00	0.00	19.33	8.50	28.33	14.17	S/L	5.0
5609	TMTP Sign	8/25/03	42.50	0.00	0.00	19.33	8.50	28.33	14.17	S/L	5.0
5654	Painting services	10/21/03	5,500.00	0.00	0.00	1,191.67	550.00	1,741.67	3,758.33	S/L	10.0
5731	High security locks	12/30/03	1,615.20	0.00	0.00	646.08	323.04	969.12	646.08	S/L	5.0
5812	Barrington tree work	8/10/04	4,550.00	0.00	0.00	644.58	455.00	1,099.58	3,450.42	S/L	10.0
5813	Bromley security project	6/30/04	20,228.42	0.00	0.00	3,034.26	2,022.84	5,057.10	15,171.32	S/L	10.0
5827	Lumley fencing project	6/30/04	5,600.00	0.00	0.00	840.00	560.00	1,400.00	4,200.00	S/L	10.0
5828	FTTP fence project	6/30/04	37,137.08	0.00	0.00	5,570.56	3,713.71	9,284.27	27,852.81	S/L	10.0
5829	LRPS fence project	6/30/04	19,305.00	0.00	0.00	2,895.75	1,930.50	4,826.25	14,478.75	S/L	10.0
5830	MPTP fence project	6/30/04	1,526.05	0.00	0.00	228.90	152.60	381.50	1,144.55	S/L	10.0
5831	TMTP fence at standpipe	6/30/04	7,588.84	0.00	0.00	1,138.32	758.88	1,897.20	5,691.64	S/L	10.0
5832	TMTP security project	6/30/04	2,204.55	0.00	0.00	661.37	440.91	1,102.28	1,102.27	S/L	5.0
5833	Dudley fence security project	6/30/04	14,891.94	0.00	0.00	2,233.79	1,489.19	3,722.98	11,168.96	S/L	10.0
5835	Door entry controllers	12/08/04	989.85	0.00	0.00	214.47	197.97	412.44	577.41	S/L	5.0
5836	Locks for security systems	9/24/04	166.24	0.00	0.00	41.56	33.25	74.81	91.43	S/L	5.0
5837	Camera recorder	10/11/04	383.12	0.00	0.00	159.64	127.71	287.35	95.77	S/L	3.0
5838	Camera recorder	10/11/04	383.11	0.00	0.00	159.63	127.70	287.33	95.78	S/L	3.0
5848	Security cameras and equipment	6/30/04	7,219.80	0.00	0.00	2,165.94	1,443.96	3,609.90	3,609.90	S/L	5.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 304-0004-000 (continued)</b>											
		<b>304-0004-000</b>	<u>12,277,957.39</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,963,685.47</u>	<u>490,719.82</u>	<u>2,454,405.29</u>	<u>9,823,552.10</u>		
<b>Group: 304-0005-000</b>											
4727	Structures & Improvements	6/13/02	2,691.88	0.00	0.00	602.86	168.24	771.10	1,920.78	S/L	16.0
4729	Structure-Other	6/13/02	30,372.76	0.00	0.00	7,255.71	2,024.85	9,280.56	21,092.20	S/L	15.0
4730	Structure-Other	6/13/02	217.80	0.00	0.00	48.77	13.61	62.38	155.42	S/L	16.0
31341	Structures - Other	6/13/02	9,495.01	0.00	0.00	1,479.31	412.83	1,892.14	7,602.87	S/L	23.0
31347	Structure-Other	6/13/02	1,050.56	0.00	0.00	235.28	65.66	300.94	749.62	S/L	16.0
		<b>304-0005-000</b>	<u>43,828.01</u>	<u>0.00c</u>	<u>0.00</u>	<u>9,621.93</u>	<u>2,685.19</u>	<u>12,307.12</u>	<u>31,520.89</u>		
<b>Group: 304-0006-000</b>											
4732	Structure-Watertreatment	6/13/02	31,853.16	0.00	0.00	19,023.42	5,308.86	24,332.28	7,520.88	S/L	6.0
4733	Structure-Watertreatment	6/13/02	2,847.28	0.00	0.00	2,847.28	0.00	2,847.28	0.00	S/L	3.0
4734	Structure-Watertreatment	6/13/02	8,662.00	0.00	0.00	5,173.15	1,443.67	6,616.82	2,045.18	S/L	6.0
4735	Structure-Watertreatment	6/13/02	3,298.32	0.00	0.00	1,969.83	549.72	2,519.55	778.77	S/L	6.0
4736	Structure-Watertreatment	6/13/02	59,526.08	0.00	0.00	35,550.29	9,921.01	45,471.30	14,054.78	S/L	6.0
4737	Structure-Watertreatment	6/13/02	14,174.56	0.00	0.00	8,465.37	2,362.43	10,827.80	3,346.76	S/L	6.0
4738	Structure-Watertreatment	6/13/02	26,385.06	0.00	0.00	5,561.55	1,552.06	7,113.61	19,271.45	S/L	17.0
4739	Structure-Watertreatment	6/13/02	23,503.60	0.00	0.00	14,036.88	3,917.27	17,954.15	5,549.45	S/L	6.0
4740	Structure-Watertreatment	6/13/02	98.60	0.00	0.00	88.33	10.27	98.60	0.00	S/L	4.0
4741	Structure-Watertreatment	6/13/02	700.40	0.00	0.00	627.44	72.96	700.40	0.00	S/L	4.0
4742	Structure-Watertreatment	6/13/02	3,506.84	0.00	0.00	2,094.35	584.47	2,678.82	828.02	S/L	6.0
4743	Structure-Watertreatment	6/13/02	60,995.64	0.00	0.00	36,427.95	10,165.94	46,593.89	14,401.75	S/L	6.0
4744	Structure-Watertreatment	6/13/02	2,325.48	0.00	0.00	1,041.64	290.69	1,332.33	993.15	S/L	8.0
4745	Structure-Watertreatment	6/13/02	19,762.48	0.00	0.00	5,447.35	1,520.19	6,967.54	12,794.94	S/L	13.0
4746	Structure-Watertreatment	6/13/02	89,695.49	0.00	0.00	11,904.05	3,322.06	15,226.11	74,469.38	S/L	27.0
4747	Structure-Watertreatment	6/13/02	2,587.38	0.00	0.00	618.09	172.49	790.58	1,796.80	S/L	15.0
4748	Structure-Watertreatment	6/13/02	1,120.75	0.00	0.00	1,004.01	116.74	1,120.75	0.00	S/L	4.0
4749	Structure-Watertreatment	6/13/02	4,956.10	0.00	0.00	2,537.04	708.01	3,245.05	1,711.05	S/L	7.0
4750	Structure-Watertreatment	6/13/02	31,476.92	0.00	0.00	10,253.85	2,861.54	13,115.39	18,361.53	S/L	11.0
4751	Structure-Watertreatment	6/13/02	3,550.64	0.00	0.00	1,156.66	322.79	1,479.45	2,071.19	S/L	11.0
4752	Structure-Watertreatment	6/13/02	18,194.40	0.00	0.00	5,926.97	1,654.04	7,581.01	10,613.39	S/L	11.0
4753	Structure-Watertreatment	6/13/02	8,272.40	0.00	0.00	2,694.81	752.04	3,446.85	4,825.55	S/L	11.0
4754	Structure-Watertreatment	6/13/02	13,142.04	0.00	0.00	13,142.04	0.00	13,142.04	0.00	S/L	3.0
4755	Structure-Watertreatment	6/13/02	55,855.24	0.00	0.00	18,195.27	5,077.75	23,273.02	32,582.22	S/L	11.0
4756	Structure-Watertreatment	6/13/02	460.32	0.00	0.00	274.91	76.72	351.63	108.69	S/L	6.0
4757	Structure-Watertreatment	6/13/02	3,894.96	0.00	0.00	1,268.82	354.09	1,622.91	2,272.05	S/L	11.0
4758	Structure-Watertreatment	6/13/02	234.48	0.00	0.00	168.06	46.90	214.96	19.52	S/L	5.0
4759	Structure-Watertreatment	6/13/02	1,684,042.97	0.00	0.00	128,393.34	35,830.70	164,224.04	1,519,818.93	S/L	47.0
4760	Structure-Watertreatment	6/13/02	464,176.29	0.00	0.00	35,389.32	9,876.09	45,265.41	418,910.88	S/L	47.0
4761	Structure-Watertreatment	6/13/02	76,184.36	0.00	0.00	2,687.50	750.00	3,437.50	312.50	S/L	5.0
4762	Structure-Watertreatment	6/13/02	4,933.16	0.00	0.00	54,598.79	15,236.87	69,835.66	6,348.70	S/L	5.0
4763	Structure-Watertreatment	6/13/02	6,857.63	0.00	0.00	1,178.49	328.88	1,507.37	3,425.79	S/L	15.0
4764	Structure-Watertreatment	6/13/02	6,857.63	0.00	0.00	1,293.33	360.93	1,654.26	5,203.37	S/L	19.0
4765	Structure-Watertreatment	6/13/02	422.92	0.00	0.00	303.08	84.58	387.66	35.26	S/L	5.0
4766	Structure-Watertreatment	6/13/02	65,896.24	0.00	0.00	26,236.45	7,321.80	33,558.25	32,337.99	S/L	9.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 311-0001-000 (continued)</b>												
10	1 Submersible Sample Pump	1/01/98	2,909.00	0.00	0.00	2,909.00	0.00	2,909.00	0.00	S/L	5.0	
20	6 Butterfly Valves	1/01/98	76,539.00	0.00	0.00	30,615.60	3,826.95	34,442.55	42,096.45	S/L	20.0	
21	4 Ball Valves	1/01/98	168,569.00	0.00	0.00	67,427.60	8,428.45	75,856.05	92,712.95	S/L	20.0	
127	INTAKE PUMP EQUIP PUMPINC	1/01/71	3,108.00	0.00	0.00	3,053.60	54.40	3,108.00	0.00	S/L	35.0	
128	INTAKE PUMP EQUIP PUMPINC	1/01/72	576.00	0.00	0.00	546.12	16.46	562.58	13.42	S/L	35.0	
129	INTAKE PUMP EQUIP PUMPINC	1/01/73	417.00	0.00	0.00	376.02	11.91	387.93	29.07	S/L	35.0	
130	INTAKE PUMP EQUIP PUMPINC	1/01/79	1,952.00	0.00	0.00	1,478.94	55.77	1,534.71	417.29	S/L	35.0	
131	INTAKE PUMP EQUIP PUMPINC	1/01/80	150.00	0.00	0.00	108.38	4.29	112.67	37.33	S/L	35.0	
132	INTAKE PUMP EQUIP PUMPINC	1/01/82	6,873.00	0.00	0.00	4,614.14	196.37	4,810.51	2,062.49	S/L	35.0	
133	INTAKE PUMP EQUIP PUMPINC	1/15/90	80,177.00	0.00	0.00	36,652.32	2,290.77	38,943.09	41,233.91	S/L	35.0	
134	LRPS - New Pump	11/30/93	331,082.68	0.00	0.00	114,302.41	9,459.51	123,761.92	207,320.76	S/L	35.0	
135	INTAKE PUMP STATION	11/16/94	3,848.05	0.00	0.00	1,223.20	109.94	1,333.14	2,514.91	S/L	35.0	
233	# 2 PUMP & TRANS ORPS (N)	9/15/90	382,886.05	0.00	0.00	167,740.53	10,939.60	178,680.13	204,205.92	S/L	35.0	
234	OHIO RIVER INTAKE PUMPING	6/15/93	7,700.00	0.00	0.00	2,759.17	220.00	2,979.17	4,720.83	S/L	35.0	
235	OHIO RIVER INTAKE PUMP EQ	6/30/96	380,776.02	0.00	0.00	103,412.90	10,879.31	114,292.21	266,483.81	S/L	35.0	
236	CAPITAL INTEREST	1/01/96	15,195.50	0.00	0.00	4,341.60	434.16	4,775.76	10,419.74	S/L	35.0	
237	Ohio River Intake Pump Equipment	1/01/97	81,529.00	0.00	0.00	20,964.60	2,329.40	23,294.00	58,235.00	S/L	35.0	
3547	Upperbelt & Fixtures	12/18/01	2,161.03	0.00	0.00	2,161.03	0.00	2,161.03	0.00	S/L	3.0	
3548	Sludge Dredge	7/01/01	238,986.85	0.00	0.00	71,696.07	15,932.46	87,628.53	151,358.32	S/L	15.0	
3575	4" Diaphragm Kit	11/01/01	2,227.08	0.00	0.00	1,855.92	371.16	2,227.08	0.00	S/L	5.0	
3576	PVC Valve Kit	11/01/01	2,174.00	0.00	0.00	1,811.67	362.33	2,174.00	0.00	S/L	5.0	
4280	Hex nuts and bolts	9/22/00	571.62	0.00	0.00	571.62	0.00	571.62	0.00	S/L	3.0	
4361	2-Metering Pumps	1/30/01	3,120.00	0.00	0.00	1,534.00	312.00	1,846.00	1,274.00	S/L	10.0	
4390	Torque Wrench	4/02/01	146.54	0.00	0.00	139.22	7.32	146.54	0.00	S/L	5.0	
4437	Royce Analyzer	5/21/01	1,176.00	0.00	0.00	1,078.00	98.00	1,176.00	0.00	S/L	5.0	
4438	Royce Analyzer	5/21/01	1,176.00	0.00	0.00	1,078.00	98.00	1,176.00	0.00	S/L	5.0	
4439	Royce Analyzer	5/21/01	1,176.00	0.00	0.00	1,078.00	98.00	1,176.00	0.00	S/L	5.0	
4440	Royce Analyzer	5/21/01	1,176.00	0.00	0.00	1,078.00	98.00	1,176.00	0.00	S/L	5.0	
4678	Pump # 6 ORPS	9/30/00	319,499.27	0.00	0.00	47,924.89	9,128.55	57,053.44	262,445.83	S/L	35.0	
4906	Transceiver-FTTP Scada	3/16/04	990.00	0.00	0.00	577.50	330.00	907.50	82.50	S/L	3.0	
4907	Ntu meters MPTP	3/10/04	43.58	0.00	0.00	7.99	4.36	12.35	31.23	S/L	10.0	
4931	Surge suppressor FTTP	6/28/04	884.35	0.00	0.00	265.31	176.87	442.18	442.17	S/L	5.0	
5114	Parts for metering pump	11/02/01	2,218.49	0.00	0.00	1,848.75	369.74	2,218.49	0.00	S/L	5.0	
5122	Voltage Starter	11/16/01	8,900.00	0.00	0.00	5,191.67	1,271.43	6,463.10	2,436.90	S/L	7.0	
5123	Voltage Starter	11/16/01	8,900.00	0.00	0.00	5,191.67	1,271.43	6,463.10	2,436.90	S/L	7.0	
5128	Jesco Metering Pump	11/16/01	1,881.87	0.00	0.00	1,536.84	345.03	1,881.87	0.00	S/L	5.0	
5139	Top Belt	11/30/01	1,727.15	0.00	0.00	1,410.51	316.64	1,727.15	0.00	S/L	5.0	
5140	Bottom Belt	11/30/01	1,193.15	0.00	0.00	974.41	218.74	1,193.15	0.00	S/L	5.0	
5147	New Gear Reducer	1/17/02	7,763.82	0.00	0.00	6,081.65	1,552.76	7,634.41	129.41	S/L	5.0	
5180	ORPS Modification	3/15/02	692.08	0.00	0.00	530.61	138.42	669.03	23.05	S/L	5.0	
5181	4" Flange Valve	3/06/02	225.79	0.00	0.00	173.11	45.16	218.27	7.52	S/L	5.0	
5238	Eng. Licking Rv. PS VFD	4/03/02	350.56	0.00	0.00	262.91	70.11	333.02	17.54	S/L	5.0	
5250	Hex Nuts	5/02/02	158.50	0.00	0.00	116.23	31.70	147.93	10.57	S/L	5.0	
5267	Pump Supplies	6/21/02	969.80	0.00	0.00	969.80	0.00	969.80	0.00	S/L	2.0	
5272	Replacement Switchgear	6/28/02	18,368.00	0.00	0.00	18,368.00	0.00	18,368.00	0.00	S/L	3.0	
5273	Replacement Switchgear	6/28/02	18,368.00	0.00	0.00	18,368.00	0.00	18,368.00	0.00	S/L	3.0	
5277	Repair Clearwell Basin TMTP	6/11/02	6,928.70	0.00	0.00	6,928.70	0.00	6,928.70	0.00	S/L	3.0	
5294	Sharpe Mixer	7/11/02	1,544.60	0.00	0.00	1,081.22	308.92	1,390.14	154.46	S/L	5.0	
5295	Mixer Stand	7/11/02	534.00	0.00	0.00	373.80	106.80	480.60	53.40	S/L	5.0	

**Tax Asset Detail 1/01/06 - 12/31/06**

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 311-0002-000 (continued)</b>											
5594	Polymer Feed	7/01/03	2,876.00	0.00	0.00	479.33	191.73	671.06	2,204.94	S/L	15.0
5631	Polymer Pump	9/26/03	7,423.00	0.00	0.00	1,113.46	494.87	1,608.33	5,814.67	S/L	15.0
5632	Polymer Pump	9/26/03	7,423.00	0.00	0.00	1,113.46	494.87	1,608.33	5,814.67	S/L	15.0
5648	Chlorine Process Analyzer	8/11/03	2,575.80	0.00	0.00	1,244.97	515.16	1,760.13	815.67	S/L	5.0
5649	Chlorine Process Analyzer	8/11/03	2,575.80	0.00	0.00	1,244.97	515.16	1,760.13	815.67	S/L	5.0
5650	Chlorine Process Analyzer	8/11/03	2,575.80	0.00	0.00	1,244.97	515.16	1,760.13	815.67	S/L	5.0
5651	PH Monitor	8/11/03	1,256.00	0.00	0.00	607.07	251.20	858.27	397.73	S/L	5.0
5751	Sub Pump	6/30/03	7,500.00	0.00	0.00	1,875.00	750.00	2,625.00	4,875.00	S/L	10.0
5752	Sub Pump	6/30/03	7,500.00	0.00	0.00	1,875.00	750.00	2,625.00	4,875.00	S/L	10.0
5753	Sub Pump	6/30/03	7,500.00	0.00	0.00	1,875.00	750.00	2,625.00	4,875.00	S/L	10.0
5754	Sub Pump	6/30/03	7,500.00	0.00	0.00	1,875.00	750.00	2,625.00	4,875.00	S/L	10.0
5755	Sub Pump	6/30/03	7,500.00	0.00	0.00	1,875.00	750.00	2,625.00	4,875.00	S/L	10.0
6425	Chlorine Sample Pump	12/22/06	1,500.00	0.00	0.00	375.00	150.00	525.00	975.00	S/L	10.0
6426	Turbidimeter/controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6427	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6428	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6429	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6430	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6431	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6432	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6433	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6434	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6435	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6436	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6437	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6438	Turbidimeter	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6439	Turbidimeter	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6440	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6441	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6442	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6443	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6444	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6445	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6446	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6447	Turbidimeter/Controller	12/22/06	813.19	0.00c	0.00	0.00	0.00	0.00	813.19	S/L	5.0
6448	Turbidimeter/Controller	12/22/06	813.20	0.00c	0.00	0.00	0.00	0.00	813.20	S/L	5.0
6459	Worthington Pump	12/20/06	8,643.98	0.00c	0.00	0.00	0.00	0.00	8,643.98	S/L	5.0
31088	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31089	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31090	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31091	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31092	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31093	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31094	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31095	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31096	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31097	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31098	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0
31099	Chm Met Pmps/Pnls/ACC	5/30/99	21,111.11	0.00	0.00	13,898.14	2,111.11	16,009.25	5,101.86	S/L	10.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 311-0003-000 (continued)</b>											
221	Richardson Rd. Pump Equip.	6/20/95	6,900.00	0.00	0.00	2,076.72	197.14	2,273.86	4,626.14	S/L	35.0
224	Richardson Rd. Pump Equip.	6/30/96	141,283.02	0.00	0.00	38,370.33	4,036.66	42,406.99	98,876.03	S/L	35.0
225	CAPITAL INTEREST	1/01/96	7,914.72	0.00	0.00	2,261.30	226.13	2,487.43	5,427.29	S/L	35.0
239	Latonia Pumping Equipment	1/01/59	26,300.00	0.00	0.00	24,683.05	751.43	25,434.48	865.52	S/L	35.0
240	Latonia Pumping Equipment	7/01/84	185.00	0.00	0.00	113.73	5.29	119.02	65.98	S/L	35.0
241	Latonia Pumping Equipment	6/30/87	1,180.00	0.00	0.00	623.64	33.71	657.35	522.65	S/L	35.0
242	CINCINNATI TECHNICAL	6/21/89	600.00	0.00	0.00	282.81	17.14	299.95	300.05	S/L	35.0
243	SCADA SYSTEMS UNLIMITED	6/27/89	6,350.00	0.00	0.00	2,993.59	181.43	3,175.02	3,174.98	S/L	35.0
244	CINCINNATI TECH SERVICE	7/18/89	4,550.00	0.00	0.00	2,134.17	130.00	2,264.17	2,285.83	S/L	35.0
245	PROCESS PUMP	8/31/93	4,603.62	0.00	0.00	1,621.88	131.53	1,753.41	2,850.21	S/L	35.0
246	PROCESS PUMP & SEAL	5/17/94	1,683.25	0.00	0.00	559.16	48.09	607.25	1,076.00	S/L	35.0
247	CHLORINE ANALYZER	4/18/96	681.71	0.00	0.00	189.05	19.48	208.53	473.18	S/L	35.0
249	West St. Pumping Equipment	1/01/59	25,000.00	0.00	0.00	23,463.13	714.29	24,177.42	822.58	S/L	35.0
251	BROMLEY PUMP STATION	7/01/86	120,236.97	0.00	0.00	66,989.13	3,435.34	70,424.47	49,812.50	S/L	35.0
252	CHLORINE ANALYZER	4/18/96	681.71	0.00	0.00	189.05	19.48	208.53	473.18	S/L	35.0
254	HANDS PIKE PUMPING EQUIP	1/01/83	152,309.00	0.00	0.00	123,616.18	4,351.69	127,967.87	24,341.13	S/L	35.0
255	PUMPING EQUIP HANDS ROAD	7/01/84	303.75	0.00	0.00	186.62	8.68	195.30	108.45	S/L	35.0
256	CHLORINE ANALYZER	4/18/96	681.71	0.00	0.00	189.05	19.48	208.53	473.18	S/L	35.0
259	WEST COVINGTON PUMP STA1	3/23/89	105,100.08	0.00	0.00	50,297.90	3,002.86	53,300.76	51,799.32	S/L	35.0
260	WEST COVINGTON PUMP STA1	6/20/95	6,000.00	0.00	0.00	1,805.89	171.43	1,977.32	4,022.68	S/L	35.0
261	CHLORINE ANALYZER	4/18/96	681.71	0.00	0.00	189.05	19.48	208.53	473.18	S/L	35.0
263	CC Pumping Equipment	1/01/97	875,119.13	0.00	0.00	834,609.64	40,509.49	875,119.13	0.00	S/L	20.0
264	Pumping Equipment	12/30/97	18,804.58	0.00	0.00	4,301.10	537.27	4,838.37	13,966.21	S/L	35.0
408	DUDLEY PK PUMP EQUIPMENT	6/30/96	146,587.59	0.00	0.00	39,810.97	4,188.22	43,999.19	102,588.40	S/L	35.0
409	CAPITAL INTEREST	1/01/96	5,849.82	0.00	0.00	1,671.40	167.14	1,838.54	4,011.28	S/L	35.0
3559	NPS Verticle Turbine Pump	6/30/01	85,755.66	0.00	0.00	11,025.72	2,450.16	13,475.88	72,279.78	S/L	35.0
3560	NPS Verticle Turbine Pump	6/30/01	85,755.66	0.00	0.00	11,025.72	2,450.16	13,475.88	72,279.78	S/L	35.0
3561	NPS Verticle Turbine Pump	6/30/01	85,755.68	0.00	0.00	11,025.72	2,450.16	13,475.88	72,279.80	S/L	35.0
3562	NPS Chem Metering Pump	6/30/01	38,200.00	0.00	0.00	4,911.43	1,091.43	6,002.86	32,197.14	S/L	35.0
3563	NPS Instrumentation Controls	6/30/01	61,436.00	0.00	0.00	7,898.90	1,755.31	9,654.21	51,781.79	S/L	35.0
3564	Flow Tubes	12/15/01	8,068.66	0.00	0.00	4,706.74	1,152.67	5,859.41	2,209.25	S/L	7.0
3591	Pumpstation Sodium Hypo Retrofit	6/30/01	759,970.48	0.00	0.00	97,710.48	21,713.44	119,423.92	640,546.56	S/L	35.0
4082	Valve	4/11/00	325.00	0.00	0.00	186.88	32.50	219.38	105.62	S/L	10.0
4083	Valve	4/11/00	325.00	0.00	0.00	186.88	32.50	219.38	105.62	S/L	10.0
4362	Pump Replacement	2/01/01	19,950.00	0.00	0.00	9,808.75	1,995.00	11,803.75	8,146.25	S/L	10.0
4391	Check Valve & Flanged Pipe	4/02/01	2,034.10	0.00	0.00	1,932.40	101.70	2,034.10	0.00	S/L	5.0
4721	Verticle Pumps - Bristolow Rd	6/30/02	78,000.00	0.00	0.00	7,800.00	2,228.57	10,028.57	67,971.43	S/L	35.0
4908	Ball valve ORPS2 pump control	4/07/04	11,255.00	0.00	0.00	1,969.63	1,125.50	3,095.13	8,159.87	S/L	10.0
4909	8" flange gate valves (6)	4/07/04	4,229.82	0.00	0.00	740.22	422.98	1,163.20	3,066.62	S/L	10.0
4934	8" pump control valve	5/25/04	4,655.00	0.00	0.00	1,474.08	931.00	2,405.08	2,249.92	S/L	5.0
4935	8" pump control valve	5/25/04	4,655.00	0.00	0.00	1,474.08	931.00	2,405.08	2,249.92	S/L	5.0
4936	8" pump control valve	5/25/04	4,655.00	0.00	0.00	1,474.08	931.00	2,405.08	2,249.92	S/L	5.0
4937	Hydroblast Bromley pump parts	8/17/04	400.00	0.00	0.00	106.67	80.00	186.67	213.33	S/L	5.0
4938	Rebuild motor Bromley PS	8/17/04	1,628.41	0.00	0.00	434.24	325.68	759.92	868.49	S/L	5.0
5148	12" Cla-Val Angle Pat. 300 FLG	1/14/02	8,449.04	0.00	0.00	4,828.04	1,207.01	6,035.05	2,413.99	S/L	7.0
5149	Install Pressurized lube System	1/14/02	69.72	0.00	0.00	55.76	13.96	69.72	0.00	S/L	5.0
5173	8" Relief Valve	2/20/02	3,647.00	0.00	0.00	2,796.03	729.40	3,525.43	121.57	S/L	5.0
5212	DYNAPAR 53Z Pickup	5/01/02	577.27	0.00	0.00	423.32	115.45	538.77	38.50	S/L	5.0
5322	CLA-VAL Relief Valve	9/11/02	2,552.76	0.00	0.00	1,701.83	510.55	2,212.38	340.38	S/L	5.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0001-000 (continued)</b>											
362	WATER EQUIP TAYLOR MILL	10/15/90	4,000.00	0.00	0.00	1,016.72	66.67	1,083.39	2,916.61	S/L	60.0
363	TMTP	11/15/91	340,764.46	0.00	0.00	80,458.31	5,679.41	86,137.72	254,626.74	S/L	60.0
364	CAPITALIZED INTEREST	11/15/91	21,052.38	0.00	0.00	4,970.66	350.87	5,321.53	15,730.85	S/L	60.0
365	METERING PUMP AND MIXES	2/07/92	8,676.00	0.00	0.00	2,009.34	144.60	2,153.94	6,522.06	S/L	60.0
366	WATER EQUIP TAYLOR MILL	4/20/93	6,141.66	0.00	0.00	1,299.38	102.36	1,401.74	4,739.92	S/L	60.0
367	LICKING R. PERMANGANATE	12/19/95	200,697.12	0.00	0.00	33,568.64	3,344.95	36,913.59	163,783.53	S/L	60.0
369	WATER TREATMENT EQUIPME	6/30/96	795,999.92	0.00	0.00	126,105.86	13,266.67	139,372.53	656,627.39	S/L	60.0
370	CAPITAL INTEREST	6/30/96	31,765.71	0.00	0.00	5,032.48	529.43	5,561.91	26,203.80	S/L	60.0
371	Water Treatment Equipment TMTP	6/30/97	19,535.82	0.00	0.00	2,769.83	325.60	3,095.43	16,440.39	S/L	60.0
372	Water Treatment Equip TMTP	7/15/98	28,277.56	0.00	0.00	3,518.54	471.29	3,989.83	24,287.73	S/L	60.0
374	WATER EQUIP FT. THOMAS	1/01/81	1,016,834.75	0.00	0.00	415,207.50	16,947.25	432,154.75	584,680.00	S/L	60.0
375	WATER EQUIP FT. THOMAS	1/01/82	2,539.00	0.00	0.00	994.04	42.32	1,036.36	1,502.64	S/L	60.0
376	WATER EQUIP FT. THOMAS	1/01/83	21,838.41	0.00	0.00	8,189.34	363.97	8,553.31	13,285.10	S/L	60.0
377	WATER EQUIP FT. THOMAS	7/01/84	5,217.47	0.00	0.00	1,869.64	86.96	1,956.60	3,260.87	S/L	60.0
378	WATER EQUIP FT. THOMAS	7/01/86	6,608.81	0.00	0.00	2,147.92	110.15	2,258.07	4,350.74	S/L	60.0
379	FTTP CAUSTIC SODA TANK	7/01/86	32,845.70	0.00	0.00	10,674.88	547.43	11,222.31	21,623.39	S/L	60.0
380	WATER EQUIP FT. THOMAS	7/01/87	10,889.98	0.00	0.00	3,357.75	181.50	3,539.25	7,350.73	S/L	60.0
381	WATER EQUIP FT. THOMAS	7/01/87	3,414.00	0.00	0.00	1,052.65	56.90	1,109.55	2,304.45	S/L	60.0
382	WATER EQUIP FT. THOMAS	7/01/88	8,216.00	0.00	0.00	2,396.28	136.93	2,533.21	5,682.79	S/L	60.0
383	VILLAGE SQUARE OFFICE	1/24/89	514.22	0.00	0.00	144.98	8.57	153.55	360.67	S/L	60.0
384	FISHER SCIENTIFIC	1/24/89	331.60	0.00	0.00	93.55	5.53	99.08	232.52	S/L	60.0
385	CURTIN MATHESON SCIENTIFI	1/24/89	597.11	0.00	0.00	168.32	9.95	178.27	418.84	S/L	60.0
386	ABBEON CAL	2/21/89	148.95	0.00	0.00	41.75	2.48	44.23	104.72	S/L	60.0
388	CINCINNATI TECHNICAL	6/21/89	600.00	0.00	0.00	165.00	10.00	175.00	425.00	S/L	60.0
389	WATER TREATMENT EQUIP FT	12/15/90	898.75	0.00	0.00	225.95	14.98	240.93	657.82	S/L	60.0
390	RAWDON MYERS INC.	1/15/91	12,900.00	0.00	0.00	3,225.00	215.00	3,440.00	9,460.00	S/L	60.0
391	JOHN MARTIN BUILDER	2/19/91	6,967.00	0.00	0.00	1,722.44	116.12	1,838.56	5,128.44	S/L	60.0
395	WATER EQUIP FT. THOMAS	7/01/91	2,030,136.08	0.00	0.00	490,616.20	33,835.60	524,451.80	1,505,684.28	S/L	60.0
396	CAPITALIZED INTEREST	7/01/91	123,581.96	0.00	0.00	29,865.65	2,059.70	31,925.35	91,656.61	S/L	60.0
397	WATER Treatment EQUIP	12/01/92	1,859.49	0.00	0.00	405.49	30.99	436.48	1,423.01	S/L	60.0
398	WATER TREATMENT EQUIP FT	6/30/93	18,468.34	0.00	0.00	3,847.62	307.81	4,155.43	14,312.91	S/L	60.0
399	WATER TREATMENT EQUIP	5/31/93	80,348.79	0.00	0.00	16,847.62	1,339.15	18,186.77	62,162.02	S/L	60.0
400	WATER TREATMENT EQUIP	1/01/94	1,125,000.00	0.00	0.00	225,000.00	18,750.00	243,750.00	881,250.00	S/L	60.0
401	WATER TREATMENT EQUIP FT	6/30/96	195,985.21	0.00	0.00	31,048.84	3,266.42	34,315.26	161,669.95	S/L	60.0
402	SOFTWARE - SCADA	10/15/96	17,650.00	0.00	0.00	17,650.00	0.00	17,650.00	0.00	S/L	5.0
403	FISCHER SCIENTIFIC	11/30/96	13,856.74	0.00	0.00	2,098.74	230.95	2,329.69	11,527.05	S/L	60.0
404	2 Analyzers and 1 PH Meter	6/30/97	3,836.88	0.00	0.00	3,263.99	383.69	3,647.68	189.20	S/L	10.0
405	Water Treatment Equipment FTTP	6/30/98	162,807.11	0.00	0.00	20,369.46	2,713.45	23,082.91	139,724.20	S/L	60.0
406	CC Water Treatment Equipment	1/01/97	29,339.93	0.00	0.00	28,613.00	726.93	29,339.93	0.00	S/L	20.0
407	Gas Meter	11/12/97	277.64	0.00	0.00	112.94	13.88	126.82	150.82	S/L	20.0
1667	Turbidity meter network system	4/28/99	1,802.50	0.00	0.00	1,201.67	180.25	1,381.92	420.58	S/L	10.0
1668	Turbidity meter network system	4/28/99	1,802.50	0.00	0.00	1,201.67	180.25	1,381.92	420.58	S/L	10.0
1710	Lan Node 200 Kit	12/09/99	2,471.96	0.00	0.00	2,471.96	0.00	2,471.96	0.00	S/L	5.0
3583	Pump	12/10/01	5,524.00	0.00	0.00	3,222.32	789.14	4,011.46	1,512.54	S/L	7.0
3586	Pulley Drive	12/10/01	7,984.00	0.00	0.00	4,657.33	1,140.57	5,797.90	2,186.10	S/L	7.0
3587	Portable Flowmeter	12/31/01	6,562.65	0.00	0.00	3,750.08	937.52	4,687.60	1,875.05	S/L	7.0
3588	Benchtop PH Meter	12/31/01	3,462.50	0.00	0.00	1,978.56	494.64	2,473.20	989.30	S/L	7.0
3740	Software for Scada	12/30/03	451.00	0.00	0.00	300.66	150.34	451.00	0.00	S/L	3.0
3741	Software for Scada	12/30/03	450.99	0.00	0.00	300.66	150.33	450.99	0.00	S/L	3.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0001-000 (continued)</b>											
4264	PVC S-trap	9/15/00	20.21	0.00	0.00	20.21	0.00	20.21	0.00	S/L	3.0
4297	Turbidimeter	10/19/00	1,791.00	0.00	0.00	925.35	179.10	1,104.45	686.55	S/L	10.0
4299	Pump control valve	10/19/00	8,236.18	0.00	0.00	4,253.37	823.62	5,078.99	3,157.19	S/L	10.0
4300	Flange valve	10/27/00	225.79	0.00	0.00	225.79	0.00	225.79	0.00	S/L	5.0
4304	Inlet upgrade	9/22/00	4,553.02	0.00	0.00	4,553.02	0.00	4,553.02	0.00	S/L	3.0
4306	Aquatrend interface	10/11/00	675.00	0.00	0.00	675.00	0.00	675.00	0.00	S/L	4.0
4308	Radio improvements	10/11/00	1,422.48	0.00	0.00	1,422.48	0.00	1,422.48	0.00	S/L	4.0
4309	Odyssey basic software	10/11/00	12,513.62	0.00	0.00	12,513.62	0.00	12,513.62	0.00	S/L	4.0
4311	Auma actuator	11/03/00	2,312.50	0.00	0.00	2,312.50	0.00	2,312.50	0.00	S/L	5.0
4312	Auma Actuator	11/03/00	2,312.50	0.00	0.00	2,312.50	0.00	2,312.50	0.00	S/L	5.0
4313	Equipment	11/03/00	11,099.00	0.00	0.00	11,099.00	0.00	11,099.00	0.00	S/L	5.0
4314	Auto Sampler Controller	11/03/00	3,005.80	0.00	0.00	3,005.80	0.00	3,005.80	0.00	S/L	5.0
4318	Ratchet & Bushing	11/03/00	51.26	0.00	0.00	51.26	0.00	51.26	0.00	S/L	4.0
4320	Ice Guards	11/17/00	5,117.00	0.00	0.00	5,117.00	0.00	5,117.00	0.00	S/L	5.0
4332	Flow tube insert	12/18/00	2,350.00	0.00	0.00	2,350.00	0.00	2,350.00	0.00	S/L	5.0
4340	Tower assembly	12/18/00	3,706.00	0.00	0.00	3,706.00	0.00	3,706.00	0.00	S/L	5.0
4341	Tray assembly	12/18/00	4,506.00	0.00	0.00	4,506.00	0.00	4,506.00	0.00	S/L	5.0
4351	Phoenix Analyzer	1/16/01	26,355.00	0.00	0.00	8,638.58	1,757.00	10,395.58	15,959.42	S/L	15.0
4371	Dector Assembly	3/23/01	6,389.35	0.00	0.00	6,069.88	319.47	6,389.35	0.00	S/L	5.0
4378	Pressure Transmitter	3/09/01	2,320.00	0.00	0.00	2,242.67	77.33	2,320.00	0.00	S/L	5.0
4379	12" CLA Valve	3/23/01	6,571.69	0.00	0.00	6,243.11	328.58	6,571.69	0.00	S/L	5.0
4380	Transceiver & Interface	4/02/01	2,019.98	0.00	0.00	1,919.00	100.98	2,019.98	0.00	S/L	5.0
4381	Transceiver & Interface	4/02/01	2,019.98	0.00	0.00	1,919.00	100.98	2,019.98	0.00	S/L	5.0
4382	Inverted Microscope	4/02/01	5,023.37	0.00	0.00	4,772.19	251.18	5,023.37	0.00	S/L	5.0
4383	On Site Software Training	3/23/01	2,460.00	0.00	0.00	2,460.00	0.00	2,460.00	0.00	S/L	1.0
4384	PH Meter & Electrode Stand	3/09/01	1,176.00	0.00	0.00	1,136.80	39.20	1,176.00	0.00	S/L	5.0
4385	PH Meter & Electrode Stand	3/09/01	1,176.00	0.00	0.00	1,136.80	39.20	1,176.00	0.00	S/L	5.0
4404	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4405	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4406	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4407	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4408	12" butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4409	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4410	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4411	12" Butterfly Valve	4/23/01	655.00	0.00	0.00	305.67	65.50	371.17	283.83	S/L	10.0
4431	Aquatrol Control Station	6/08/01	1,696.00	0.00	0.00	777.33	169.60	946.93	749.07	S/L	10.0
4432	Aquatrol Control Station	6/08/01	1,696.00	0.00	0.00	777.33	169.60	946.93	749.07	S/L	10.0
4433	Rotork Actuator	6/04/01	3,462.03	0.00	0.00	3,173.54	288.49	3,462.03	0.00	S/L	5.0
4434	Rotork Actuator	6/04/01	3,462.03	0.00	0.00	3,173.54	288.49	3,462.03	0.00	S/L	5.0
4435	Rotork Actuator	6/04/01	3,462.03	0.00	0.00	3,173.54	288.49	3,462.03	0.00	S/L	5.0
4436	Rotork Actuator	6/04/01	3,462.03	0.00	0.00	3,173.54	288.49	3,462.03	0.00	S/L	5.0
4441	BIF Flow Insert	5/21/01	2,350.00	0.00	0.00	1,077.08	235.00	1,312.08	1,037.92	S/L	10.0
4457	Hammer & Battery Pack	5/21/01	596.90	0.00	0.00	596.90	0.00	596.90	0.00	S/L	3.0
4471	Flowmeter & Cables	5/18/01	3,261.69	0.00	0.00	2,989.89	271.80	3,261.69	0.00	S/L	5.0
4476	Royce Analyzer	8/10/01	1,252.91	0.00	0.00	1,106.73	146.18	1,252.91	0.00	S/L	5.0
4477	Royce analyzer	8/10/01	1,252.91	0.00	0.00	1,106.73	146.18	1,252.91	0.00	S/L	5.0
4478	Royce Analyzer	8/10/01	1,272.93	0.00	0.00	1,124.44	148.49	1,272.93	0.00	S/L	5.0
4479	Chlorine Analyzer	7/20/01	2,506.66	0.00	0.00	2,214.21	292.45	2,506.66	0.00	S/L	5.0
4480	Chlorine Analyzer	7/20/01	2,506.68	0.00	0.00	2,214.25	292.43	2,506.68	0.00	S/L	5.0

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FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0001-000 (continued)</b>											
4546	Raw Water Control Panels FTTP	4/16/99	9,529.00	0.00	0.00	9,529.00	0.00	9,529.00	0.00	S/L	5.0
4547	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4548	Tribidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4549	Tribidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4550	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4551	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4552	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4553	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4554	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4555	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4556	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4557	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4558	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4559	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4560	Turbidimeter - 1720D	4/28/99	882.00	0.00	0.00	888.00	88.20	676.20	205.80	S/L	10.0
4561	Turbidimeter	12/29/99	1,022.25	0.00	0.00	1,022.25	0.00	1,022.25	0.00	S/L	5.0
4562	Turbidimeter	12/29/99	1,022.25	0.00	0.00	1,022.25	0.00	1,022.25	0.00	S/L	5.0
4563	Electric Actuator-SAR10.1 13B	4/16/99	2,600.00	0.00	0.00	2,600.00	0.00	2,600.00	0.00	S/L	5.0
4564	Corrator Unit Assy. #2	4/16/99	1,522.00	0.00	0.00	1,522.00	0.00	1,522.00	0.00	S/L	5.0
4565	Chlorine Analyzer	6/04/99	2,304.70	0.00	0.00	2,304.70	0.00	2,304.70	0.00	S/L	5.0
4566	Chlorine Analyzer	6/04/99	2,304.70	0.00	0.00	2,304.70	0.00	2,304.70	0.00	S/L	5.0
4567	Chlorine Analyzer	10/27/99	2,300.00	0.00	0.00	2,300.00	0.00	2,300.00	0.00	S/L	5.0
4568	PH Analyzer	6/04/99	1,385.70	0.00	0.00	1,385.70	0.00	1,385.70	0.00	S/L	5.0
4569	STI Model 341	12/13/99	1,985.00	0.00	0.00	1,985.00	0.00	1,985.00	0.00	S/L	5.0
4570	STI 344	12/13/99	2,070.00	0.00	0.00	2,070.00	0.00	2,070.00	0.00	S/L	5.0
4571	Corrator Unit Assy. #3	4/16/99	1,522.00	0.00	0.00	1,522.00	0.00	1,522.00	0.00	S/L	5.0
4572	Probe Assembly - Corrator	8/26/99	415.00	0.00	0.00	415.00	0.00	415.00	0.00	S/L	5.0
4573	Corrator unit & Electrode	8/26/99	1,541.00	0.00	0.00	1,541.00	0.00	1,541.00	0.00	S/L	5.0
4574	Chlorine Analyzer	12/17/99	2,311.20	0.00	0.00	2,311.20	0.00	2,311.20	0.00	S/L	5.0
4575	Flow Meter - Walton	10/08/99	1,124.94	0.00	0.00	1,004.44	120.50	1,124.94	0.00	S/L	7.0
4576	PH Analyzer	6/04/99	1,385.70	0.00	0.00	1,385.70	0.00	1,385.70	0.00	S/L	5.0
4577	Electric Actuator-SAR07.54B	4/16/99	2,300.00	0.00	0.00	2,300.00	0.00	2,300.00	0.00	S/L	5.0
4578	Polymer Mixer	5/30/99	3,000.00	0.00	0.00	1,975.00	300.00	2,275.00	725.00	S/L	10.0
4579	Carbon Feeder	5/30/99	65,000.00	0.00	0.00	42,791.67	6,500.00	49,291.67	15,708.33	S/L	10.0
4580	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4581	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4582	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4583	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4584	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4585	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4586	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4587	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4588	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4589	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4590	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4591	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4592	FRP Tanks	5/30/99	11,428.57	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.88	S/L	10.0
4593	FRP Tanks	5/30/99	11,428.59	0.00	0.00	7,523.83	1,142.86	8,666.69	2,761.90	S/L	10.0
4594	Instrument Panels	5/30/99	9,000.00	0.00	0.00	5,925.00	900.00	6,825.00	2,175.00	S/L	10.0

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 320-0001-000 (continued)</b>												
4911	MPTP turbimeter project	2/24/04	4,918.28	0.00	0.00	1,803.37	983.66	2,787.03	2,131.25	S/L	5.0	
4912	Flow alarms to polymer units	3/19/04	3,820.00	0.00	0.00	1,337.00	764.00	2,101.00	1,719.00	S/L	5.0	
4913	Compact motor controls	2/17/04	825.00	0.00	0.00	216.07	117.86	333.93	491.07	S/L	7.0	
4914	Compact motor control	2/17/04	825.00	0.00	0.00	216.07	117.86	333.93	491.07	S/L	7.0	
4915	Compact motor controls	2/17/04	825.00	0.00	0.00	216.07	117.86	333.93	491.07	S/L	7.0	
4916	Actuator	2/17/04	2,675.00	0.00	0.00	700.59	382.14	1,082.73	1,592.27	S/L	7.0	
4917	Actuator	2/17/04	1,500.00	0.00	0.00	392.86	214.29	607.15	892.85	S/L	7.0	
4939	Transmitter for filters FTTP	1/20/04	995.00	0.00	0.00	635.70	331.67	967.37	27.63	S/L	3.0	
4940	Transmitter for filters FTTP	1/20/04	995.00	0.00	0.00	635.70	331.67	967.37	27.63	S/L	3.0	
4941	Transmitter for filters FTTP	1/20/04	995.00	0.00	0.00	635.70	331.67	967.37	27.63	S/L	3.0	
4942	12" butterfly valve TMTP	1/27/04	4,100.00	0.00	0.00	785.83	410.00	1,195.83	2,904.17	S/L	10.0	
4943	12" butterfly valve TMTP	1/27/04	4,100.00	0.00	0.00	785.83	410.00	1,195.83	2,904.17	S/L	10.0	
4944	Filter project MPTP	2/10/04	2,955.10	0.00	0.00	566.39	295.51	861.90	2,093.20	S/L	10.0	
5025	Transceiver	8/07/01	2,708.45	0.00	0.00	2,392.46	315.99	2,708.45	0.00	S/L	5.0	
5030	Glass Lab Washer	8/17/01	9,999.00	0.00	0.00	8,665.80	1,333.20	9,999.00	0.00	S/L	5.0	
5031	6" Red Valve	9/14/01	1,029.06	0.00	0.00	445.94	102.91	548.85	480.21	S/L	10.0	
5032	10" Red Valve	9/14/01	2,055.06	0.00	0.00	890.54	205.51	1,096.05	959.01	S/L	10.0	
5033	10" Red Valve	9/14/01	2,055.06	0.00	0.00	890.54	205.51	1,096.05	959.01	S/L	10.0	
5048	Actuator	8/31/01	3,468.67	0.00	0.00	3,006.16	462.51	3,468.67	0.00	S/L	5.0	
5049	Actuator	8/31/01	3,468.67	0.00	0.00	3,006.16	462.51	3,468.67	0.00	S/L	5.0	
5050	Actuator	8/31/01	3,468.67	0.00	0.00	3,006.16	462.51	3,468.67	0.00	S/L	5.0	
5051	Actuator	8/31/01	3,468.67	0.00	0.00	3,006.16	462.51	3,468.67	0.00	S/L	5.0	
5052	Analyzer	9/20/01	2,510.00	0.00	0.00	2,133.50	376.50	2,510.00	0.00	S/L	5.0	
5053	Analyzer	9/20/01	2,510.00	0.00	0.00	2,133.50	376.50	2,510.00	0.00	S/L	5.0	
5072	Flowmeter	10/01/01	3,058.25	0.00	0.00	2,599.51	458.74	3,058.25	0.00	S/L	5.0	
5075	PM Kits	10/12/01	8,020.72	0.00	0.00	6,817.60	1,203.12	8,020.72	0.00	S/L	5.0	
5097	Line Locator	10/26/01	2,395.00	0.00	0.00	1,995.83	399.17	2,395.00	0.00	S/L	5.0	
5098	Line locator	10/26/01	2,395.00	0.00	0.00	1,995.83	399.17	2,395.00	0.00	S/L	5.0	
5099	Turbimeter	11/02/01	3,300.00	0.00	0.00	2,750.00	550.00	3,300.00	0.00	S/L	5.0	
5100	Colorimeter	11/02/01	310.00	0.00	0.00	258.33	51.67	310.00	0.00	S/L	5.0	
5116	Flowmeter	11/16/01	4,000.00	0.00	0.00	2,333.34	571.43	2,904.77	1,095.23	S/L	7.0	
5117	Rotor	11/16/01	4,106.90	0.00	0.00	3,353.97	752.93	4,106.90	0.00	S/L	5.0	
5118	Stator	11/16/01	1,988.95	0.00	0.00	1,624.31	364.64	1,988.95	0.00	S/L	5.0	
5120	Strainer for Pump	11/16/01	4,804.94	0.00	0.00	3,924.04	880.90	4,804.94	0.00	S/L	5.0	
5121	Strainer for Pump	11/16/01	4,804.93	0.00	0.00	3,924.04	880.89	4,804.93	0.00	S/L	5.0	
5125	ABS AFP1049-4 PUMP	11/16/01	4,619.00	0.00	0.00	2,694.43	659.86	3,354.29	1,264.71	S/L	7.0	
5126	ABS AFP1049-4 PUMP	11/16/01	4,619.00	0.00	0.00	2,694.43	659.86	3,354.29	1,264.71	S/L	7.0	
5130	Transceiver	11/21/01	1,198.94	0.00	0.00	979.14	219.80	1,198.94	0.00	S/L	5.0	
5131	Spread Spectrum Radio	11/21/01	1,156.93	0.00	0.00	944.84	212.09	1,156.93	0.00	S/L	5.0	
5132	Spread Spectrum Radio	11/21/01	1,156.93	0.00	0.00	944.84	212.09	1,156.93	0.00	S/L	5.0	
5143	Rotor	11/30/01	2,564.58	0.00	0.00	1,496.01	366.37	1,862.38	702.20	S/L	7.0	
5150	Lab Info Mgmt System	1/08/02	426.15	0.00	0.00	340.92	85.23	426.15	0.00	S/L	5.0	
5151	PH Analyzer & Network Card	1/30/02	1,255.00	0.00	0.00	702.22	179.29	881.51	373.49	S/L	7.0	
5152	PH Analyzer & Network Card	1/30/02	1,255.00	0.00	0.00	702.22	179.29	881.51	373.49	S/L	7.0	
5153	PH Analyzer & Network Card	1/30/02	1,255.00	0.00	0.00	702.22	179.29	881.51	373.49	S/L	7.0	
5154	PH Analyzer & Network Card	1/30/02	1,255.00	0.00	0.00	702.22	179.29	881.51	373.49	S/L	7.0	
5155	Installation Basket Strainers	1/31/02	7,695.00	0.00	0.00	4,305.55	1,099.29	5,404.84	2,290.16	S/L	7.0	
5164	Electrical Supplies	2/18/02	606.34	0.00	0.00	464.87	121.27	586.14	20.20	S/L	5.0	
5184	24" Butterfly Valve	3/26/02	6,000.00	0.00	0.00	4,500.00	1,200.00	5,700.00	300.00	S/L	5.0	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0001-900 (continued)</b>											
5548	Flocculator Assemblies	5/22/03	6,350.91	0.00	0.00	3,281.30	1,270.18	4,551.48	1,799.43	S/L	5.0
5549	Flocculator Assemblies	5/22/03	6,350.91	0.00	0.00	3,281.30	1,270.18	4,551.48	1,799.43	S/L	5.0
5550	Flocculator Assemblies	5/22/03	6,350.91	0.00	0.00	3,281.30	1,270.18	4,551.48	1,799.43	S/L	5.0
5568	Foxboro IGP10 Transmitter	6/05/03	960.00	0.00	0.00	826.67	133.33	960.00	0.00	S/L	3.0
5569	Foxboro IGP10 Transmitter	6/05/03	960.00	0.00	0.00	826.67	133.33	960.00	0.00	S/L	3.0
5571	1 hp Flocc Drive	6/20/03	6,580.25	0.00	0.00	3,290.13	1,316.05	4,606.18	1,974.07	S/L	5.0
5572	1 hp Flocc Drive	6/20/03	6,580.25	0.00	0.00	5,483.55	1,096.70	6,580.25	0.00	S/L	3.0
5573	1 hp Flocc Drive	6/20/03	6,580.25	0.00	0.00	5,483.55	1,096.70	6,580.25	0.00	S/L	3.0
5589	Computer for TMTP Chem Bldg	7/14/03	13,405.00	0.00	0.00	6,702.50	2,681.00	9,383.50	4,021.50	S/L	5.0
5613	Misc. Nuts, Bolts, Lockwashers	8/25/03	81.00	0.00	0.00	63.00	18.00	81.00	0.00	S/L	3.0
5624	Hardware Supplies	8/29/03	62.12	0.00	0.00	48.32	13.80	62.12	0.00	S/L	3.0
5625	Materials Sod Hypo Project	8/01/03	17,622.61	0.00	0.00	8,517.59	3,524.52	12,042.11	5,580.50	S/L	5.0
5626	Washers, Couplings Sod Hypo	8/28/03	71.42	0.00	0.00	55.56	15.86	71.42	0.00	S/L	3.0
5627	Sod. Hypo Metering Pump	8/28/03	2,393.85	0.00	0.00	1,117.13	478.77	1,595.90	797.95	S/L	5.0
5628	Sod. Hypo Metering Pump	8/28/03	2,393.85	0.00	0.00	1,117.13	478.77	1,595.90	797.95	S/L	5.0
5629	20ft. Elect Scissorlift Rental	8/22/03	688.85	0.00	0.00	535.78	153.07	688.85	0.00	S/L	3.0
5630	Flow Meter	9/04/03	3,914.63	0.00	0.00	1,826.84	782.93	2,609.77	1,304.86	S/L	5.0
5630	Flow Meter	9/04/03	3,914.62	0.00	0.00	1,826.81	782.92	2,609.73	1,304.89	S/L	5.0
5652	Pressure Valves	9/22/03	560.00	0.00	0.00	420.01	139.99	560.00	0.00	S/L	3.0
5655	Backflow preventor	9/26/03	247.68	0.00	0.00	111.46	49.54	161.00	86.68	S/L	5.0
5656	Calibration chamber	8/29/03	142.42	0.00	0.00	110.76	31.66	142.42	0.00	S/L	3.0
5657	Calibration chamber	8/29/03	142.42	0.00	0.00	110.76	31.66	142.42	0.00	S/L	3.0
5658	calibration chamber	8/29/03	142.41	0.00	0.00	110.76	31.65	142.41	0.00	S/L	3.0
5659	materials for Sod Hypo Proj	11/12/03	1,079.88	0.00	0.00	467.96	215.98	683.94	395.94	S/L	5.0
5660	PH monitor	9/24/03	1,348.00	0.00	0.00	606.60	269.60	876.20	471.80	S/L	5.0
5661	Ozone analyzer	10/13/03	2,860.00	0.00	0.00	1,287.00	572.00	1,859.00	1,001.00	S/L	5.0
5662	PH monitors	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5663	PH monitor	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5664	PH monitor	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5665	PH monitor	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5666	PH monitor	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5667	PH monitor	10/20/03	1,038.50	0.00	0.00	450.02	207.70	657.72	380.78	S/L	5.0
5668	materials for Sod Hypo Proj	8/27/03	687.02	0.00	0.00	320.60	137.40	458.00	229.02	S/L	5.0
5669	Super flex conduits	9/17/03	52.65	0.00	0.00	39.49	13.16	52.65	0.00	S/L	3.0
5670	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5671	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5672	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5673	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5674	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5675	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5676	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5677	1/2" diaph valve w/ access	9/23/03	198.63	0.00	0.00	148.97	49.66	198.63	0.00	S/L	3.0
5678	2" diaph valve	9/19/03	504.83	0.00	0.00	378.63	126.20	504.83	0.00	S/L	3.0
5679	2" diaph valve	9/19/03	504.83	0.00	0.00	378.63	126.20	504.83	0.00	S/L	3.0
5680	1150 gal storage tank	10/10/03	2,997.00	0.00	0.00	963.32	428.14	1,391.46	1,605.54	S/L	7.0
5681	Materials for Sod Hypo Proj	9/24/03	227.33	0.00	0.00	170.50	56.83	227.33	0.00	S/L	3.0
5682	2007 butterfly valve	9/25/03	313.05	0.00	0.00	234.79	78.26	313.05	0.00	S/L	3.0
5683	1" diaph valve	9/25/03	261.44	0.00	0.00	196.09	65.35	261.44	0.00	S/L	3.0
5684	2008 diaph valve	10/07/03	192.05	0.00	0.00	144.04	48.01	192.05	0.00	S/L	3.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 320-0001-000 (continued)</b>												
5887	3" Valve for FTTP Chemical Transl	8/19/05	698.95	0.00	0.00	23.30	69.90	93.20	605.75	S/L	10.0	
5888	3" Valve for FTTP Chemical Transl	8/19/05	698.95	0.00	0.00	23.30	69.90	93.20	605.75	S/L	10.0	
5889	3" valve for FTTP chemical transfer	8/19/05	698.95	0.00	0.00	23.30	69.90	93.20	605.75	S/L	10.0	
5890	3" valve for FTTP chemical transfer	8/19/05	698.95	0.00	0.00	23.30	69.90	93.20	605.75	S/L	10.0	
5891	Ultrasonic Transmitter for FTTP	8/08/05	5,000.00	0.00	0.00	694.44	1,666.67	2,361.11	2,638.89	S/L	3.0	
5892	SPX10 Parastaltic Pump and Motor	7/18/05	3,551.89	0.00	0.00	148.00	355.19	503.19	3,048.70	S/L	10.0	
5893	Maxroy Pump for LRPS to feed Ra	6/27/05	8,689.80	0.00	0.00	620.70	1,241.40	1,862.10	6,827.70	S/L	7.0	
5894	TMPT Actuator Replacement	6/13/05	3,450.00	0.00	0.00	402.50	690.00	1,092.50	2,357.50	S/L	5.0	
5895	Dudley 1080 Replacement	7/18/05	1,670.47	0.00	0.00	334.09	334.09	473.30	1,197.17	S/L	5.0	
5896	Dudley Ball valve repair	4/18/05	12,024.00	0.00	0.00	1,603.20	2,404.80	4,008.00	8,016.00	S/L	5.0	
5897	16" butterfly valve TMPT	3/29/05	2,980.00	0.00	0.00	447.00	596.00	1,043.00	1,937.00	S/L	5.0	
5898	Dudley 1080 MCC Replacement	3/29/05	2,600.00	0.00	0.00	390.00	520.00	910.00	1,690.00	S/L	5.0	
5899	Bigger ferric pump for FTTP	3/15/05	7,880.72	0.00	0.00	656.73	788.07	1,444.80	6,435.92	S/L	10.0	
5900	6" Plug Valve FTTP Basin	2/28/05	5,200.00	0.00	0.00	433.33	520.00	953.33	4,246.67	S/L	10.0	
5901	16" Drain Valve for FTTP	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5902	16" Drain valves for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5903	16" Drain valves for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5904	16" Drain valve for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5905	16" drain valve for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5906	16" Drain Valve for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5907	16" Drain Valve for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5908	16" Drain Valve for TMPT	2/28/05	1,490.00	0.00	0.00	124.17	149.00	273.17	1,216.83	S/L	10.0	
5909	8 Pin Relay and Socket for MPTP P	2/14/05	306.36	0.00	0.00	28.08	30.64	58.72	247.64	S/L	10.0	
5910	10hp Flygt Pumps Model	2/01/05	5,225.32	0.00	0.00	478.99	522.53	1,001.52	4,223.80	S/L	10.0	
5911	10hp Flygt Pump	2/01/05	5,225.32	0.00	0.00	478.99	522.53	1,001.52	4,223.80	S/L	10.0	
5912	Pd694-3-15 Precision Digital Meter	2/01/05	365.00	0.00	0.00	66.92	73.00	139.92	225.08	S/L	5.0	
5913	PD694-3-15 Precision Digital Meter	2/01/05	365.00	0.00	0.00	66.92	73.00	139.92	225.08	S/L	5.0	
5914	PD694-3-15 Precision Digital Meter	2/01/05	365.00	0.00	0.00	66.92	73.00	139.92	225.08	S/L	5.0	
5915	PD694-3-15 Precision Digital Meter	2/01/05	365.00	0.00	0.00	66.92	73.00	139.92	225.08	S/L	5.0	
5916	Flow Meters TMTP	10/03/05	2,500.00	0.00	0.00	62.50	250.00	312.50	2,187.50	S/L	10.0	
5917	Flow Meter TMTP	10/03/05	2,500.00	0.00	0.00	62.50	250.00	312.50	2,187.50	S/L	10.0	
5918	Actuator Backwash MPTP	10/03/05	2,790.00	0.00	0.00	139.50	558.00	697.50	2,092.50	S/L	5.0	
5919	Adapter Plate Flow Control	10/03/05	725.00	0.00	0.00	36.25	145.00	181.25	543.75	S/L	5.0	
5972	12" Mag Meter	2/08/06	5,777.50	0.00c	0.00	0.00	1,059.21	1,059.21	4,718.29	S/L	5.0	
5986	4PH & HFS Meter	2/08/06	905.00	0.00c	0.00	0.00	165.92	165.92	739.08	S/L	5.0	
5995	Black box repeater	12/07/05	312.99	0.00	0.00	8.69	104.33	113.02	199.97	S/L	3.0	
5996	Phoenix contact	12/01/05	102.34	0.00	0.00	2.84	34.11	36.95	65.39	S/L	3.0	
5997	Phoenix contact	12/01/05	102.33	0.00	0.00	2.84	34.11	36.95	65.38	S/L	3.0	
5998	Submersible pressure transducer	12/01/05	1,008.00	0.00	0.00	28.00	336.00	364.00	644.00	S/L	3.0	
5999	Submersible pressure transducer	12/01/05	1,008.00	0.00	0.00	28.00	336.00	364.00	644.00	S/L	3.0	
6000	Replacement pump FTTP sod hypo	12/01/05	3,179.07	0.00	0.00	52.98	635.81	688.79	2,490.28	S/L	5.0	
6001	Replacement pump FTTP sod hypo	12/01/05	3,179.07	0.00	0.00	52.98	635.81	688.79	2,490.28	S/L	5.0	
6002	Replacement hoses FTTP sod hypo	12/01/05	216.07	0.00	0.00	6.00	72.02	78.02	138.05	S/L	3.0	
6003	Replacement hoses FTTP sod hypo	12/01/05	216.07	0.00	0.00	6.00	72.02	78.02	138.05	S/L	3.0	
6004	Replacement pump FTTP sod hypo	12/01/05	3,150.00	0.00	0.00	52.50	630.00	682.50	2,467.50	S/L	5.0	
6005	Replacement pump FTTP sod hypo	12/01/05	3,150.00	0.00	0.00	52.50	630.00	682.50	2,467.50	S/L	5.0	
6006	14" Repair kit	12/01/05	793.94	0.00	0.00	13.23	158.79	172.02	621.92	S/L	5.0	
6007	20" Repair kit	12/01/05	1,786.83	0.00	0.00	29.78	357.37	387.15	1,399.68	S/L	5.0	
6008	3" Apollo ball valve	12/01/05	826.18	0.00	0.00	13.77	165.24	179.01	647.17	S/L	5.0	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0001-000 (continued)</b>											
31156	Chem Valve Cont Panels	5/30/99	785.71	0.00	0.00	517.25	78.57	595.82	189.89	S/L	10.0
31157	Chem Valve Cont Panels	5/30/99	785.71	0.00	0.00	517.25	78.57	595.82	189.89	S/L	10.0
31158	Chem Valve Cont Panels	5/30/99	785.83	0.00	0.00	517.32	78.58	595.90	189.93	S/L	10.0
31159	Sump Pump	5/30/99	928.58	0.00	0.00	407.57	61.91	469.48	459.10	S/L	15.0
31164	Residuals Process Upgrade	6/30/99	222,074.36	0.00	0.00	72,174.18	11,103.72	83,277.90	138,796.46	S/L	20.0
31268	Spectrometer	7/07/00	56,406.50	0.00	0.00	56,406.50	0.00	56,406.50	0.00	S/L	5.0
31269	Aquatek	9/05/00	5,651.00	0.00	0.00	5,651.00	0.00	5,651.00	0.00	S/L	5.0
31275	Chlorine Analyzer	11/02/01	2,500.40	0.00	0.00	2,083.67	416.73	2,500.40	0.00	S/L	5.0
31289	Miscellaneous Equipment	6/30/03	10,419.93	0.00	0.00	5,209.97	2,083.99	7,293.96	3,125.97	S/L	5.0
31307	Misc Equipment	6/30/04	448.60	0.00	0.00	134.58	89.72	224.30	224.30	S/L	5.0
31331	Dudley MCC Replacement	11/01/05	46,069.24	0.00	0.00	767.82	4,606.92	5,374.74	40,694.50	S/L	10.0
31332	Security Camera	12/01/05	876.69	0.00	0.00	24.35	292.23	316.58	560.11	S/L	3.0
31333	Pipes LRPS Pump	12/01/05	912.00	0.00	0.00	7.60	91.20	98.80	813.20	S/L	10.0
31369	Baffling System	12/01/06	7,121.79	0.00c	0.00	0.00	16.96	16.96	7,104.83	S/L	35.0
31370	WQ Monitor mag meter	2/01/06	5,777.50	0.00c	0.00	0.00	1,059.21	1,059.21	4,718.29	S/L	5.0
31371	PH HFS Meter	2/01/06	905.00	0.00c	0.00	0.00	165.92	165.92	739.08	S/L	5.0
31372	Claval Switch	3/01/06	2,000.00	0.00c	0.00	0.00	333.33	333.33	1,666.67	S/L	5.0
31373	Butterfly Valve	4/01/06	1,466.00	0.00c	0.00	0.00	31.41	31.41	1,434.59	S/L	35.0
31374	Ethernet Comm.	4/05/06	3,604.83	0.00c	0.00	0.00	540.72	540.72	3,064.11	S/L	5.0
31375	SCADA Equip	11/28/06	7,400.00	0.00c	0.00	0.00	123.33	123.33	7,276.67	S/L	5.0
31383	FTTP Tube Settlers	7/01/06	637,274.09	0.00c	0.00	0.00	5,310.62	5,310.62	631,963.47	S/L	60.0
			320-0001-000	10,015,761.92	0.00c	3,015,401.64	360,966.20	3,376,367.84	6,639,394.08		
			*Less: Dispositions	56.87	0.00	56.87	0.00	56.87	0.00		
			Net 320-0001-000	10,015,705.05	0.00c	3,015,344.77	360,966.20	3,376,310.97	6,639,394.08		

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 320-0002-000</b>											
4778	Water treatment Equipment	6/13/02	978.28	0.00	0.00	701.11	195.66	896.77	81.51	S/L	5.0
4779	Water treatment Equipment	6/13/02	14,893.24	0.00	0.00	10,673.49	2,978.65	13,652.14	1,241.10	S/L	5.0
4780	Water treatment Equipment	6/13/02	3,052.50	0.00	0.00	2,187.63	610.50	2,798.13	254.37	S/L	5.0
4781	Water treatment Equipment	6/13/02	256.68	0.00	0.00	183.97	51.34	235.31	21.37	S/L	5.0
4782	Water treatment Equipment	6/13/02	343.72	0.00	0.00	246.32	68.74	315.06	28.66	S/L	5.0
4783	Water treatment Equipment	6/13/02	20,434.08	0.00	0.00	14,644.44	4,086.82	18,731.26	1,702.82	S/L	5.0
4784	Water treatment Equipment	6/13/02	4,259.16	0.00	0.00	3,052.39	851.83	3,904.22	354.94	S/L	5.0
4785	Water treatment Equipment	6/13/02	735.84	0.00	0.00	527.36	147.17	674.53	61.31	S/L	5.0
4786	Water treatment Equipment	6/13/02	10,270.77	0.00	0.00	7,360.71	2,054.15	9,414.86	855.91	S/L	5.0
4787	Water treatment Equipment	6/13/02	49.68	0.00	0.00	29.67	8.28	37.95	11.73	S/L	6.0
4788	Water treatment Equipment	6/13/02	1,301.64	0.00	0.00	666.32	185.95	852.27	449.37	S/L	7.0
4789	Water treatment Equipment	6/13/02	309.88	0.00	0.00	309.88	0.00	309.88	0.00	S/L	3.0
4790	Water treatment Equipment	6/13/02	1,291.52	0.00	0.00	925.58	258.30	1,183.88	107.64	S/L	5.0
4791	Water treatment Equipment	6/13/02	2,624.52	0.00	0.00	1,175.58	328.07	1,503.65	1,120.87	S/L	8.0
4792	Water treatment Equipment	6/13/02	1,158.20	0.00	0.00	830.04	231.64	1,061.68	96.52	S/L	5.0
4793	Water treatment Equipment	6/13/02	1,269.68	0.00	0.00	909.95	253.94	1,163.89	105.79	S/L	5.0
4794	Water treatment Equipment	6/13/02	109.40	0.00	0.00	109.40	0.00	109.40	0.00	S/L	1.0
4795	Water treatment Equipment	6/13/02	1,321.32	0.00	0.00	946.93	264.26	1,211.19	110.13	S/L	5.0
4796	Water treatment Equipment	6/13/02	29.04	0.00	0.00	20.82	5.81	26.63	2.41	S/L	5.0
4797	Water treatment Equipment	6/13/02	104.76	0.00	0.00	75.07	20.95	96.02	8.74	S/L	5.0
4798	Water treatment Equipment	6/13/02	224.52	0.00	0.00	160.89	44.90	205.79	18.73	S/L	5.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 330-0001-000 (continued)</b>											
438	CAPITALIZED INTEREST	9/01/91	106,655.34	0.00	0.00	25,478.79	1,777.59	27,256.38	79,398.96	S/L	60.0
439	2 MG DEVON	11/21/95	6,900.00	0.00	0.00	1,162.92	115.00	1,277.92	5,622.08	S/L	60.0
440	BROMLEY STORAGE TRANS & BROMLEY STORAGE TANK	1/01/59	358,000.00	0.00	0.00	171,161.85	5,966.67	177,128.52	180,871.48	S/L	60.0
441	IDA SPENCE STORAGE TANK	1/01/59	100,000.00	0.00	0.00	47,810.63	1,666.67	49,477.30	50,522.70	S/L	60.0
442	DEVOU PARK STORAGE TANK	1/01/59	180,000.00	0.00	0.00	86,059.00	3,000.00	89,059.00	90,941.00	S/L	60.0
443	DEVOU PARK STORAGE	11/21/95	6,900.00	0.00	0.00	1,162.92	115.00	1,277.92	5,622.08	S/L	60.0
444	CC Tanks & Standpipes	1/01/97	2,622,690.84	0.00	0.00	1,028,329.38	52,453.82	1,080,783.20	1,541,907.64	S/L	50.0
	<b>330-0001-000</b>		<u>7,440,741.21</u>	<u>0.00c</u>	<u>0.00</u>	<u>2,674,412.55</u>	<u>132,754.31</u>	<u>2,807,166.86</u>	<u>4,633,574.35</u>		
<b>Group: 330-0003-000</b>											
31291	Standpipe - Taylor Mill	4/01/04	60,000.00	0.00	0.00	1,750.00	1,000.00	2,750.00	57,250.00	S/L	60.0
	<b>330-0003-000</b>		<u>60,000.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,750.00</u>	<u>1,000.00</u>	<u>2,750.00</u>	<u>57,250.00</u>		
<b>Group: 331-0001-000</b>											
445	1ST ZONE TRANSM MAIN TRAI	1/01/59	352,661.10	0.00	0.00	107,287.30	3,562.23	110,849.53	241,811.57	S/L	99.0
446	1ST ZONE TRANSM MAIN TRAI	1/01/60	5,295.90	0.00	0.00	5,295.90	0.00	5,295.90	0.00	S/L	99.0
447	1ST ZONE TRANSM MAIN TRAI	1/01/61	4,629.80	0.00	0.00	4,629.80	0.00	4,629.80	0.00	S/L	99.0
448	1ST ZONE TRANSM MAIN TRAI	1/01/62	3,518.00	0.00	0.00	1,537.00	35.54	1,572.54	1,945.46	S/L	99.0
449	1ST ZONE TRANSM MAIN TRAI	1/01/63	10,004.70	0.00	0.00	5,769.34	101.06	5,870.40	4,134.30	S/L	99.0
450	1ST ZONE TRANSM MAIN TRAI	1/01/64	39,348.00	0.00	0.00	12,549.14	397.45	12,946.59	26,401.41	S/L	99.0
451	1ST ZONE TRANSM MAIN TRAI	1/01/65	10,961.80	0.00	0.00	6,441.28	110.73	6,552.01	4,409.79	S/L	99.0
452	1ST ZONE TRANSM MAIN TRAI	1/01/66	13,488.80	0.00	0.00	9,657.87	136.25	9,794.12	3,694.68	S/L	99.0
453	1ST ZONE TRANSM MAIN TRAI	1/01/67	65,456.00	0.00	0.00	17,328.98	661.17	17,990.15	47,465.85	S/L	99.0
454	1ST ZONE TRANSM MAIN TRAI	1/01/68	68,727.00	0.00	0.00	17,978.73	694.21	18,672.94	50,054.06	S/L	99.0
455	1ST ZONE TRANSM MAIN TRAI	1/01/69	21,021.00	0.00	0.00	7,699.30	212.33	7,911.63	13,109.37	S/L	99.0
456	1ST ZONE TRANSM MAIN TRAI	1/01/70	20,981.00	0.00	0.00	7,480.50	211.93	7,692.43	13,288.57	S/L	99.0
457	1ST ZONE TRANSM MAIN TRAI	1/01/71	25,770.00	0.00	0.00	8,926.80	260.30	9,187.10	16,582.90	S/L	99.0
458	1ST ZONE TRANSM MAIN TRAI	1/01/72	127,148.00	0.00	0.00	35,461.82	1,284.32	36,746.14	90,401.86	S/L	99.0
459	1ST ZONE TRANSM MAIN TRAI	1/01/73	16,997.00	0.00	0.00	5,549.42	171.69	5,721.11	11,275.89	S/L	99.0
460	1ST ZONE TRANSM MAIN TRAI	1/01/74	145,639.00	0.00	0.00	39,164.52	1,471.10	40,635.62	105,003.38	S/L	99.0
461	1ST ZONE TRANSM MAIN TRAI	1/01/75	142,850.30	0.00	0.00	46,832.52	1,442.93	48,275.45	94,574.85	S/L	99.0
462	1ST ZONE TRANSM MAIN TRAI	1/01/76	3,200.00	0.00	0.00	949.48	32.32	981.80	2,218.20	S/L	99.0
463	1ST ZONE TRANSM MAIN TRAI	1/01/77	16,871.00	0.00	0.00	4,830.42	170.41	5,000.83	11,870.17	S/L	99.0
464	1ST ZONE TRANSM MAIN TRAI	1/01/78	23,525.60	0.00	0.00	11,678.90	237.63	11,916.53	11,609.07	S/L	99.0
465	1ST ZONE TRANSM MAIN TRAI	1/01/79	19,521.00	0.00	0.00	5,201.20	197.18	5,398.38	14,122.62	S/L	99.0
466	1ST ZONE TRANSM MAIN TRAI	1/01/80	45,692.00	0.00	0.00	11,715.92	461.54	12,177.46	33,514.54	S/L	99.0
467	1ST ZONE TRANSM MAIN TRAI	1/01/83	14,380.49	0.00	0.00	3,256.04	145.26	3,401.30	10,979.19	S/L	99.0
468	1ST ZONE TRANSM MAIN TRAI	11/01/91	132,519.53	0.00	0.00	18,960.99	1,338.58	20,299.57	112,219.96	S/L	99.0
469	1ST ZONE TRANSM MAIN TRAI	11/01/91	8,187.04	0.00	0.00	1,171.45	82.70	1,254.15	6,932.89	S/L	99.0
470	1ST ZONE TRANSM MAIN TRAI	1/01/91	214,102.09	0.00	0.00	32,418.12	2,162.65	34,580.77	179,521.32	S/L	99.0
471	CAPITALIZED INTEREST	1/01/91	13,463.62	0.00	0.00	2,038.64	136.00	2,174.64	11,288.98	S/L	99.0
472	Mains in Service 1998 All Zones	6/30/98	4,875,782.55	0.00	0.00	369,714.81	49,250.33	418,965.14	4,456,817.41	S/L	99.0
473	Mains Contributed by Contractors	6/30/98	1,114,116.00	0.00	0.00	84,479.83	11,253.70	95,733.53	1,018,382.47	S/L	99.0
474	2ND ZONE TRANSM MAIN TRAI	1/01/81	2,547,602.94	0.00	0.00	942,805.43	25,733.36	968,538.79	1,579,064.15	S/L	99.0
475	2ND ZONE TRANSM MAIN TRAI	7/01/85	4,845.54	0.00	0.00	1,000.15	48.94	1,049.09	3,796.45	S/L	99.0
476	TURKEYFOOT 36 MAIN	7/01/86	777,681.14	0.00	0.00	152,747.64	7,855.37	160,603.01	617,078.13	S/L	99.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 331-0001-000 (continued)</b>												
526	3RD ZONE TRANS MAIN TRA	1/01/69	4,230.00	0.00	0.00	1,549.62	42.73	1,592.35	2,637.65	S/L	99.0	
527	3RD ZONE TRANS MAIN TRA	1/01/70	4,222.00	0.00	0.00	1,504.86	42.65	1,547.51	2,674.49	S/L	99.0	
528	3RD ZONE TRANS MAIN TRA	1/01/71	5,186.00	0.00	0.00	1,796.20	52.38	1,848.58	3,337.42	S/L	99.0	
529	3RD ZONE TRANS MAIN TRA	1/01/72	25,885.00	0.00	0.00	8,606.82	258.43	8,865.25	16,719.75	S/L	99.0	
530	3RD ZONE TRANS MAIN TRA	1/01/73	3,420.00	0.00	0.00	1,116.30	34.55	1,150.85	2,269.15	S/L	99.0	
531	3RD ZONE TRANS MAIN TRA	1/01/74	29,306.00	0.00	0.00	9,272.76	296.02	9,568.78	19,737.22	S/L	99.0	
532	3RD ZONE TRANS MAIN TRA	1/01/75	71,986.00	0.00	0.00	22,057.70	727.13	22,784.83	49,201.17	S/L	99.0	
533	3RD ZONE TRANS MAIN TRA	1/01/76	644.00	0.00	0.00	191.66	6.51	198.17	445.83	S/L	99.0	
534	3RD ZONE TRANS MAIN TRA	1/01/77	3,395.00	0.00	0.00	971.66	34.29	1,005.95	2,389.05	S/L	99.0	
535	3RD ZONE TRANS MAIN TRA	1/01/78	47,339.00	0.00	0.00	13,085.50	478.17	13,563.67	33,775.33	S/L	99.0	
536	3RD ZONE TRANS MAIN TRA	1/01/79	3,925.00	0.00	0.00	1,046.10	39.65	1,085.75	2,839.25	S/L	99.0	
537	3RD ZONE TRANS MAIN TRA	1/01/80	9,194.00	0.00	0.00	2,357.70	92.87	2,450.57	6,743.43	S/L	99.0	
538	3RD ZONE TRANS MAIN TRA	1/01/82	53,006.00	0.00	0.00	12,531.22	535.41	13,066.63	39,939.37	S/L	99.0	
539	3RD ZONE TRANS MAIN TRA	7/01/87	116,573.02	0.00	0.00	21,730.93	1,177.51	22,908.44	93,664.58	S/L	99.0	
540	3RD ZONE TRANS MAIN TRA	7/01/87	2,540.00	0.00	0.00	483.54	25.66	509.20	2,030.80	S/L	99.0	
541	3RD ZONE TRANS MAIN TRA	4/15/90	16,226.25	0.00	0.00	2,578.56	163.90	2,742.46	13,483.79	S/L	99.0	
542	ORPHANAGE & DIXIE	11/03/91	360.90	0.00	0.00	51.70	3.65	55.35	305.55	S/L	99.0	
543	DIXIE HWY 1275 TO CLOVER	3/21/91	5,795.16	0.00	0.00	863.02	58.54	921.56	4,873.60	S/L	99.0	
544	DIXIE HWY CLOVER TO ERL	3/19/91	899.06	0.00	0.00	133.86	9.08	142.94	756.12	S/L	99.0	
545	DUDLEY ROAD MAIN	1/15/91	995.34	0.00	0.00	150.65	10.05	160.70	834.64	S/L	99.0	
546	ORPHANAGE ROAD	6/30/92	70,981.07	0.00	0.00	9,679.23	716.98	10,396.21	60,584.86	S/L	99.0	
547	3RD ZONE MAIN	4/20/93	22,744.20	0.00	0.00	2,916.36	229.74	3,146.10	19,598.10	S/L	99.0	
548	T MORE PARKWAY	4/03/96	7,400.00	0.00	0.00	728.50	74.75	803.25	6,596.75	S/L	99.0	
549	IND BRIDGE	9/17/96	1,841.10	0.00	0.00	172.79	18.60	191.39	1,649.71	S/L	99.0	
550	ZONE 3 TRANS MAINS	6/30/96	461,219.20	0.00	0.00	44,283.87	4,658.78	48,942.65	412,276.55	S/L	99.0	
551	ZONE 3 TRANS MAINS	6/30/96	30,267.00	0.00	0.00	2,906.10	305.73	3,211.83	27,055.17	S/L	99.0	
552	ZONE 3 TRANS MAINS	6/30/96	1,491,179.76	0.00	0.00	143,175.30	15,062.42	158,237.72	1,332,942.04	S/L	99.0	
553	CAPITAL INTEREST	1/01/96	18,799.68	0.00	0.00	1,899.00	189.90	2,088.90	16,710.78	S/L	99.0	
554	CAPITAL INTEREST	1/01/96	69,113.61	0.00	0.00	6,981.20	698.12	7,679.32	61,434.29	S/L	99.0	
555	Cold Spring Ele.- Walton Meter	3/10/97	1,885.00	0.00	0.00	167.81	19.04	186.85	1,698.15	S/L	99.0	
556	BASIN AREA ZONE 5 TRANS	1/01/59	1,273,599.88	0.00	0.00	374,405.46	12,864.65	387,270.11	886,329.77	S/L	99.0	
557	BASIN AREA ZONE 5 TRANS	1/01/60	34,056.00	0.00	0.00	15,540.48	344.00	15,884.48	18,171.52	S/L	99.0	
558	BASIN AREA ZONE 5 TRANS	1/01/61	29,773.00	0.00	0.00	13,291.20	300.74	13,591.94	16,181.06	S/L	99.0	
559	BASIN AREA ZONE 5 TRANS	1/01/62	2,262.00	0.00	0.00	987.86	22.85	1,010.71	1,251.29	S/L	99.0	
560	BASIN AREA ZONE 5 TRANS	1/01/63	64,337.00	0.00	0.00	27,436.14	649.87	28,086.01	36,250.99	S/L	99.0	
561	BASIN AREA ZONE 5 TRANS	1/01/64	25,303.00	0.00	0.00	10,537.50	255.59	10,793.09	14,509.91	S/L	99.0	
562	BASIN AREA ZONE 5 TRANS	1/01/65	70,492.00	0.00	0.00	28,646.92	712.04	29,358.96	41,133.04	S/L	99.0	
563	BASIN AREA ZONE 5 TRANS	1/01/66	86,741.00	0.00	0.00	34,386.66	876.17	35,262.83	51,478.17	S/L	99.0	
564	BASIN AREA ZONE 5 TRANS	1/01/67	42,092.00	0.00	0.00	16,267.74	425.17	16,692.91	25,399.09	S/L	99.0	
565	BASIN AREA ZONE 5 TRANS	1/01/68	44,196.00	0.00	0.00	16,637.56	446.42	17,083.98	27,112.02	S/L	99.0	
566	BASIN AREA ZONE 5 TRANS	1/01/69	13,518.00	0.00	0.00	4,951.14	136.55	5,087.69	8,430.31	S/L	99.0	
567	BASIN AREA ZONE 5 TRANS	1/01/70	13,492.00	0.00	0.00	4,810.28	136.28	4,946.56	8,545.44	S/L	99.0	
568	BASIN AREA ZONE 5 TRANS	1/01/71	16,572.00	0.00	0.00	5,740.22	167.39	5,907.61	10,664.39	S/L	99.0	
569	BASIN AREA ZONE 5 TRANS	1/01/72	81,764.00	0.00	0.00	27,504.72	825.90	28,330.62	53,433.38	S/L	99.0	
570	BASIN AREA ZONE 5 TRANS	1/01/73	10,930.00	0.00	0.00	3,568.00	110.40	3,678.40	7,251.60	S/L	99.0	
571	BASIN AREA ZONE 5 TRANS	1/01/74	93,655.00	0.00	0.00	29,633.54	946.01	30,579.55	63,075.45	S/L	99.0	
572	BASIN AREA ZONE 5 TRANS	1/01/75	230,050.00	0.00	0.00	70,490.36	2,323.74	72,814.10	157,235.90	S/L	99.0	
573	BASIN AREA ZONE 5 TRANS	1/01/76	2,058.00	0.00	0.00	610.70	20.79	631.49	1,426.51	S/L	99.0	
574	BASIN AREA ZONE 5 TRANS	1/01/77	10,849.00	0.00	0.00	3,106.18	109.59	3,215.77	7,633.23	S/L	99.0	

01/06 - 12/31/06  
Tax Asset Detail

FYE: 12/31/2006

Asset *	Property Description	Date in Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 331-0001-000 (continued)</b>											
673	BASIN AREA ZONE 5 DISTRIB N	9/15/90	7,091.98	0.00	0.00	1,097.52	71.64	1,169.16	5,922.82	S/L	99.0
674	BASIN AREA ZONE 5 DISTRIB N	10/15/90	27,050.91	0.00	0.00	4,163.50	273.24	4,436.74	22,614.17	S/L	99.0
675	BASIN AREA ZONE 5 DISTRIB N	11/15/90	30,047.97	0.00	0.00	4,599.70	303.51	4,903.21	25,144.76	S/L	99.0
676	BASIN AREA ZONE 5 DISTRIB N	12/15/90	33,653.70	0.00	0.00	5,123.74	339.94	5,463.68	28,190.02	S/L	99.0
677	BASIN AREA ZONE 5 DISTRIB N	6/30/91	113,772.22	0.00	0.00	16,657.80	1,149.21	17,807.01	95,965.21	S/L	99.0
678	WSPARTS	2/27/92	27.80	0.00	0.00	27.80	0.00	27.80	0.00	200DB	5.0
679	YOKE CONNECTOR	1/01/92	11,276.91	0.00	0.00	1,594.74	113.91	1,708.65	9,568.26	S/L	99.0
680	SUBDISTRICT A	1/01/94	1,353,486.81	0.00	0.00	164,058.96	13,671.58	177,730.54	1,175,756.27	S/L	99.0
681	ZONE 5 DISTRIB MAINS	9/30/96	1,244.34	0.00	0.00	116.32	12.57	128.89	1,115.45	S/L	99.0
682	IDA SPENCE ZONE 6 DIST MAIT	1/01/59	60,000.00	0.00	0.00	18,993.94	606.06	19,600.00	40,400.00	S/L	99.0
683	IDA SPENCE ZONE 6 DIST MAIT	10/15/90	60.65	0.00	0.00	9.30	0.61	9.91	50.74	S/L	99.0
684	ZONE 6	12/17/91	268.52	0.00	0.00	37.94	2.71	40.65	227.87	S/L	99.0
685	DEVOU PARK ZONE 7 DIST MA	1/01/59	40,000.00	0.00	0.00	12,662.63	404.04	13,066.67	26,933.33	S/L	99.0
3565	Water Mains Capitalized 2001	6/30/01	12,425,799.08	0.00	0.00	564,809.04	125,513.12	690,322.16	11,735,476.92	S/L	99.0
3593	Abandoned Mains 2001	6/30/01	-218,163.72	0.00	0.00	-141,806.42	0.00	-141,806.42	-76,357.30	S/L	1.0
3594	Subdivision Contributed Mains 200	6/30/01	1,103,316.00	0.00	0.00	50,150.74	11,144.61	61,295.35	1,042,020.65	S/L	99.0
4208	12" Dezurik butterfly valve	9/05/00	3,653.00	0.00	0.00	1,298.83	243.53	1,542.36	2,110.64	S/L	15.0
4680	Mainline Additions 2000	6/30/00	2,945,725.43	0.00	0.00	163,651.40	29,754.80	193,406.20	2,752,319.23	S/L	99.0
4693	Contributed Mains 2000	6/30/00	1,287,800.00	0.00	0.00	71,544.44	13,008.08	84,552.52	1,203,247.48	S/L	99.0
4694	Abandoned Mains 2000	6/30/59	-114,973.00	0.00	0.00	-74,732.45	0.00	-74,732.45	-40,240.55	S/L	1.0
4724	Mainline Projects - 2002	6/30/02	6,680,126.76	0.00	0.00	236,166.10	67,476.03	303,642.13	6,376,484.63	S/L	99.0
4898	Contributed Mains 2002	6/30/02	824,477.00	0.00	0.00	29,148.18	8,328.05	37,476.23	787,000.77	S/L	99.0
5767	2003 Mainline Projects	6/30/03	2,150,581.02	0.00	0.00	54,307.60	21,723.04	76,030.64	2,074,550.38	S/L	99.0
5773	Abandoned Mains 2003	6/30/03	-231,746.00	0.00	0.00	-150,635.00	0.00	-150,635.00	-81,111.00	S/L	1.0
5774	Contributed Mains 2003	6/30/03	1,045,309.00	0.00	0.00	26,396.70	10,558.68	36,955.38	1,008,353.62	S/L	99.0
5775	Mains 184-0086-501	6/30/03	1,183,476.92	0.00	0.00	29,885.78	11,954.31	41,840.09	1,141,636.83	S/L	99.0
5959	50" EXTENSION GLENHURST DI	10/03/05	19,858.93	0.00	0.00	27.04	200.60	250.75	19,608.18	S/L	99.0
5960	50" EXTENSION OF MAIN TERR	3/09/05	3,212.77	0.00	0.00	50.15	32.45	59.49	3,153.28	S/L	99.0
5961	FLUSHING AND BLOWOFF DEV	2/22/05	14,575.00	0.00	0.00	122.69	147.22	269.91	14,305.09	S/L	99.0
5962	Misc. Main & Blowoff	6/30/05	32,156.25	0.00	0.00	162.41	324.81	487.22	31,669.03	S/L	99.0
6056	2" PE Pipe - 2,551'	12/31/05	30,612.00	0.00	0.00	0.00	309.21	309.21	30,302.79	S/L	99.0
6057	4" DIP Pipe - 1,889'	12/31/05	34,002.00	0.00	0.00	0.00	343.45	343.45	33,658.55	S/L	99.0
6058	6" DIP Pipe - 500'	12/31/05	10,750.00	0.00	0.00	0.00	108.59	108.59	10,641.41	S/L	99.0
6059	6" PVC Pipe - 6,499'	12/31/05	123,481.00	0.00	0.00	0.00	1,247.28	1,247.28	122,233.72	S/L	99.0
6060	8" DIP Pipe - 12,408	12/31/05	614,263.79	0.00	0.00	0.00	6,204.68	6,204.68	608,059.11	S/L	99.0
6061	8" PVC Pipe - 35,948	12/31/05	790,856.00	0.00	0.00	0.00	7,988.44	7,988.44	782,867.56	S/L	99.0
6062	12" DIP Pipe - 18,298	12/31/05	1,245,788.43	0.00	0.00	0.00	12,583.72	12,583.72	1,233,204.71	S/L	99.0
6063	16" DIP Pipe - 5,790	12/31/05	691,079.35	0.00	0.00	0.00	6,980.60	6,980.60	684,098.75	S/L	99.0
6064	20" DIP Pipe - 780'	12/31/05	348,428.75	0.00	0.00	0.00	3,519.48	3,519.48	344,909.27	S/L	99.0
7150	2" PVC Mainline 2,225ft	6/01/06	26,700.00	0.00c	0.00	0.00	157.32	157.32	26,542.68	S/L	99.0
7151	6" PVC Mainlines 7,787ft	6/01/06	216,089.25	0.00c	0.00	0.00	1,273.25	1,273.25	214,816.00	S/L	99.0
7152	8" PVC Mainlines 3,350ft	6/01/06	123,950.00	0.00c	0.00	0.00	730.35	730.35	123,219.65	S/L	99.0
7153	12" PVC Mainlines 1,306ft	6/01/06	72,483.00	0.00c	0.00	0.00	427.09	427.09	72,055.91	S/L	99.0
7154	4" Ductile Iron Mainline 2,546'	6/01/06	52,447.60	0.00c	0.00	0.00	309.03	309.03	52,138.57	S/L	99.0
7155	6" Ductile Iron Mainlines 1,972'	6/01/06	60,934.80	0.00c	0.00	0.00	538.57	538.57	60,396.23	S/L	66.0
7156	8" Ductile Iron Mainlines 17,166'	6/01/06	70,729.20	0.00c	0.00	0.00	416.75	416.75	70,312.45	S/L	99.0
7157	12" Ductile Iron Mainlines 17,890'	6/01/06	1,858,575.25	0.00c	0.00	0.00	10,951.20	10,951.20	1,847,624.05	S/L	99.0
7158	16" Ductile Iron Mainlines 4,421'	6/01/06	364,290.40	0.00c	0.00	0.00	2,146.49	2,146.49	362,143.91	S/L	99.0
7174	12" PVC Mainline - 4,945'	12/31/06	505,957.50	0.00c	0.00	0.00	0.00	0.00	505,957.50	S/L	99.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 331-0001-000 (continued)</b>											
7175	8" PVC Mainline - 16,785'	12/31/06	1,302,075.63	0.00c	0.00	0.00	0.00	0.00	1,302,075.63	S/L	99.0
7176	6" PVC Mainline - 769'	12/31/06	114,142.98	0.00c	0.00	0.00	0.00	0.00	114,142.98	S/L	99.0
7177	3" PVC Mainline - 10'	12/31/06	1,042.89	0.00c	0.00	0.00	0.00	0.00	1,042.89	S/L	99.0
7178	42" DI Pipe - 519'	12/31/06	310,563.05	0.00c	0.00	0.00	0.00	0.00	310,563.05	S/L	99.0
7179	36" DI Pipe - 1,806'	12/31/06	1,089,161.32	0.00c	0.00	0.00	0.00	0.00	1,089,161.32	S/L	99.0
7180	18" DI Pipe - 104'	12/31/06	12,093.59	0.00c	0.00	0.00	0.00	0.00	12,093.59	S/L	99.0
7181	16" DI Pipe - 2,336'	12/31/06	223,235.04	0.00c	0.00	0.00	0.00	0.00	223,235.04	S/L	99.0
7182	12" DI Pipe - 35,335'	12/31/06	3,092,042.94	0.00c	0.00	0.00	0.00	0.00	3,092,042.94	S/L	99.0
7183	8" DI Pipe - 24,738'	12/31/06	2,239,110.94	0.00c	0.00	0.00	0.00	0.00	2,239,110.94	S/L	99.0
7184	6" DI Pipe - 808'	12/31/06	99,432.80	0.00c	0.00	0.00	0.00	0.00	99,432.80	S/L	99.0
7185	4" DI Pipe - 264'	12/31/06	47,543.59	0.00c	0.00	0.00	0.00	0.00	47,543.59	S/L	99.0
7186	3" DI Pipe - 15'	12/31/06	662.19	0.00c	0.00	0.00	0.00	0.00	662.19	S/L	99.0
31051	1999 Mainlines - Projects	6/30/99	2,725,557.07	0.00	0.00	178,950.72	27,530.88	206,481.60	2,519,075.47	S/L	99.0
31166	Sub Division Contributions	6/30/99	810,270.00	0.00	0.00	53,199.57	8,184.55	61,384.12	748,885.88	S/L	99.0
31249	Loss on Abandonment of Mains	6/30/99	-100,920.54	0.00	0.00	-65,598.35	0.00	-65,598.35	-35,322.19	S/L	1.0
31286	Capitalized Interest 2002	6/30/02	96,280.31	0.00	0.00	3,403.85	972.53	4,376.38	91,903.93	S/L	99.0
31292	2004 Mainline Projects	6/30/04	5,003,557.33	0.00	0.00	75,811.47	50,540.98	126,352.45	4,877,204.88	S/L	99.0
31311	Abandoned Mains 2004	6/30/61	-508,065.00	0.00	0.00	-330,240.00	0.00	-330,240.00	-177,825.00	S/L	1.0
31312	Contributed Mains 2004	6/03/04	1,917,416.00	0.00	0.00	30,665.75	19,367.84	50,033.59	1,867,382.41	S/L	99.0
31328	36" DIP Pipe - 240'	12/31/05	287,209.76	0.00	0.00	-272,234.71	2,901.11	2,901.11	284,308.65	S/L	99.0
31329	2005 Abandoned Mains	6/30/64	-418,822.63	0.00	0.00	-272,234.71	0.00	-272,234.71	-146,587.92	S/L	1.0
31335	Capitalized Interest 2005	12/31/05	114,259.63	0.00	0.00	0.00	1,154.14	1,154.14	113,105.49	S/L	99.0
31337	Abandoned Mains 2002	6/30/59	-213,764.55	0.00	0.00	-138,946.96	0.00	-138,946.96	-74,817.59	S/L	1.0
31356	Retirement of Mainlines for 2006	12/31/64	-1,176,224.40	0.00	0.00	-764,545.86	0.00	-764,545.86	-411,678.54	S/L	1.0
			<b>112275623.94</b>	<b>0.00c</b>	<b>0.00</b>	<b>12,397,682.36</b>	<b>1,142,934.10</b>	<b>13,540,616.46</b>	<b>98,735,007.48</b>		
<b>Group: 331-0002-000</b>											
4831	Mains	6/13/02	5,133.76	0.00	0.00	209.05	58.34	267.39	4,866.37	S/L	88.0
4832	Mains	6/13/02	69,447.14	0.00	0.00	2,827.86	789.17	3,617.03	65,830.11	S/L	88.0
4833	Mains	6/13/02	1,083.72	0.00	0.00	44.14	12.32	56.46	1,027.26	S/L	88.0
4834	Mains	6/13/02	43,745.05	0.00	0.00	1,781.28	497.10	2,278.38	41,466.67	S/L	88.0
4835	Mains	6/13/02	20,863.68	0.00	0.00	849.57	237.09	1,086.66	19,777.02	S/L	88.0
4836	Mains	6/13/02	161,620.43	0.00	0.00	6,581.15	1,836.60	8,417.75	153,202.68	S/L	88.0
4837	M/Ains	6/13/02	138,388.75	0.00	0.00	5,635.15	1,572.60	7,207.75	131,181.00	S/L	88.0
4838	Mains	6/13/02	1,426.01	0.00	0.00	57.41	16.02	73.43	1,352.58	S/L	89.0
4839	Mains	6/13/02	548.76	0.00	0.00	22.36	6.24	28.60	520.16	S/L	88.0
4840	Mains	6/13/02	17,796.57	0.00	0.00	724.66	926.89	926.89	16,869.68	S/L	88.0
4841	Mains	6/13/02	138,345.98	0.00	0.00	5,633.40	1,572.11	7,205.51	131,140.47	S/L	88.0
4842	Mains	6/13/02	81,984.20	0.00	0.00	3,338.38	931.64	4,270.02	77,714.18	S/L	88.0
4843	Mains	6/13/02	1,064.94	0.00	0.00	43.86	12.24	56.10	1,008.84	S/L	87.0
4844	Mains	6/13/02	1,083.72	0.00	0.00	44.14	12.32	56.46	1,027.26	S/L	88.0
4845	Mains	6/13/02	274.38	0.00	0.00	11.18	3.12	14.30	260.08	S/L	88.0
4846	Mains	6/13/02	3,687.08	0.00	0.00	148.46	41.43	189.89	3,497.19	S/L	89.0
4847	Mains	6/13/02	82,992.16	0.00	0.00	3,379.41	943.09	4,322.50	78,669.66	S/L	88.0
4848	Mains	6/13/02	64,191.48	0.00	0.00	2,613.86	729.45	3,343.31	60,848.17	S/L	88.0
4849	Mains	6/13/02	274.38	0.00	0.00	11.18	3.12	14.30	260.08	S/L	88.0
4850	Mains	6/13/02	721.28	0.00	0.00	29.38	8.20	37.58	683.70	S/L	88.0

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FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 333-0001-000 (continued)</b>											
705	SERVICE AREA	1/01/78	82,737.00	0.00	0.00	56,883.46	2,068.43	58,951.89	23,785.11	S/L	40.0
706	SERVICE AREA	1/01/79	113,762.56	0.00	0.00	75,367.32	2,844.06	78,211.38	35,551.18	S/L	40.0
707	SERVICE AREA	1/01/80	1,472,650.14	0.00	0.00	938,813.50	36,816.25	975,629.75	497,020.39	S/L	40.0
708	SERVICE AREA	1/01/81	137,773.87	0.00	0.00	84,385.70	3,444.35	87,830.05	49,943.82	S/L	40.0
709	SERVICE AREA	1/01/82	73,187.20	0.00	0.00	42,997.96	1,829.68	44,827.64	28,359.56	S/L	40.0
710	SERVICE AREA	1/01/83	140,290.91	0.00	0.00	79,717.94	3,507.27	83,225.21	57,065.70	S/L	40.0
711	SERVICE AREA	7/01/84	170,260.34	0.00	0.00	91,514.96	4,256.51	95,771.47	74,488.87	S/L	40.0
712	2ND ZONE SERVICE TRANS & I	7/01/84	105.00	0.00	0.00	63.00	3.00	66.00	39.00	S/L	35.0
713	BASIN AREA ZONE 5 SERVICES	7/01/84	2,870.00	0.00	0.00	1,506.75	71.75	1,578.50	1,291.50	S/L	40.0
714	SERVICE AREA	7/01/85	204,476.99	0.00	0.00	104,794.36	5,111.92	109,906.28	94,570.71	S/L	40.0
715	SERVICE AREA	7/01/86	242,851.55	0.00	0.00	118,390.15	6,071.29	124,461.44	118,390.11	S/L	40.0
716	SERVICE AREA	7/01/87	279,240.33	0.00	0.00	129,148.68	6,981.01	136,129.69	143,110.64	S/L	40.0
717	SERVICE AREA	7/01/88	334,689.09	0.00	0.00	102,676.52	5,867.23	108,543.75	126,145.34	S/L	40.0
718	SERVICE AREA	7/01/89	265,605.29	0.00	0.00	109,562.15	6,640.13	116,202.28	149,403.01	S/L	40.0
719	SERVICE AREA	1/15/90	26,776.69	0.00	0.00	10,710.72	669.42	11,380.14	15,396.55	S/L	40.0
720	SERVICE AREA	2/15/90	19,498.75	0.00	0.00	7,758.90	487.47	8,246.37	11,252.38	S/L	40.0
721	SERVICE AREA	3/15/90	43,799.10	0.00	0.00	17,337.18	1,094.98	18,432.16	25,366.94	S/L	40.0
722	SERVICE AREA	4/15/90	16,654.85	0.00	0.00	6,557.83	416.37	6,974.20	9,680.65	S/L	40.0
723	SERVICE AREA	5/15/90	33,399.67	0.00	0.00	13,081.51	834.99	13,916.50	19,483.17	S/L	40.0
724	SERVICE AREA	6/15/90	34,926.24	0.00	0.00	13,606.74	873.16	14,479.90	20,446.34	S/L	40.0
725	SERVICE AREA	7/15/90	24,398.28	0.00	0.00	9,454.38	609.96	10,064.34	14,333.94	S/L	40.0
726	SERVICE AREA	8/15/90	36,026.18	0.00	0.00	13,885.02	900.65	14,785.67	21,240.51	S/L	40.0
727	SERVICE AREA	9/15/90	24,216.13	0.00	0.00	9,282.80	605.40	9,888.20	14,327.93	S/L	40.0
728	SERVICE AREA	10/15/90	37,901.77	0.00	0.00	14,449.99	947.54	15,397.53	22,504.24	S/L	40.0
729	SERVICE AREA	11/15/90	21,763.62	0.00	0.00	8,252.03	544.09	8,796.12	12,967.50	S/L	40.0
730	SERVICE AREA	12/15/90	28,127.72	0.00	0.00	10,606.45	703.19	11,309.64	16,818.08	S/L	40.0
731	SERVICE AREA	6/30/90	25,758.27	0.00	0.00	9,981.38	643.96	10,625.34	15,132.93	S/L	40.0
732	JAY E HARRIS	2/28/91	30,564.00	0.00	0.00	11,334.15	764.10	12,098.25	18,465.75	S/L	40.0
733	SPARTAN UNDERGROUND	3/31/91	12,889.34	0.00	0.00	4,752.90	322.23	5,075.13	7,814.21	S/L	40.0
734	SPARTAN UNDERGROUND	4/15/91	5,495.09	0.00	0.00	2,026.35	137.38	2,163.73	3,331.36	S/L	40.0
735	JAY E HARRIS	4/19/91	6,509.00	0.00	0.00	2,386.70	162.73	2,549.43	3,959.57	S/L	40.0
736	JAY E HARRIS	4/30/91	5,024.00	0.00	0.00	1,842.13	125.60	1,967.73	3,056.27	S/L	40.0
737	SPARTAN UNDERGROUND	4/30/91	12,300.96	0.00	0.00	4,510.30	307.52	4,817.82	7,483.14	S/L	40.0
738	JAY E HARRIS	6/11/91	5,314.00	0.00	0.00	1,937.40	132.85	2,070.25	3,243.75	S/L	40.0
739	SPARTAN UNDERGROUND	6/30/91	13,411.61	0.00	0.00	4,861.71	335.29	5,197.00	8,214.61	S/L	40.0
740	SPARTAN UNDERGROUND	7/31/91	5,733.18	0.00	0.00	2,066.34	143.33	2,209.67	3,523.51	S/L	40.0
741	SPARTAN UNDERGROUND	8/28/91	5,741.34	0.00	0.00	2,057.26	143.53	2,200.79	3,540.55	S/L	40.0
742	JAY E HARRIS	8/31/91	6,244.00	0.00	0.00	2,237.43	156.10	2,393.53	3,850.47	S/L	40.0
743	SPARTAN UNDERGROUND	10/31/91	8,318.87	0.00	0.00	2,946.24	207.97	3,154.21	5,164.66	S/L	40.0
744	SPARTAN UNDERGROUND	12/31/91	10,176.44	0.00	0.00	3,561.74	254.41	3,816.15	6,360.29	S/L	40.0
745	SERVICE AREA	6/30/91	216,059.07	0.00	0.00	78,321.46	5,401.48	83,722.94	132,336.13	S/L	40.0
746	SERVICE AREA	1/31/92	14,461.33	0.00	0.00	5,031.30	361.53	5,392.83	9,068.50	S/L	40.0
747	SERVICE AREA	2/28/92	23,961.62	0.00	0.00	8,291.63	599.04	8,890.67	15,070.95	S/L	40.0
748	SERVICE AREA	3/31/92	35,564.33	0.00	0.00	12,228.91	889.11	13,118.02	22,446.31	S/L	40.0
749	SERVICE AREA	4/30/92	11,783.69	0.00	0.00	4,027.67	294.59	4,322.26	7,461.43	S/L	40.0
750	SERVICE AREA	6/30/92	31,729.45	0.00	0.00	10,713.07	793.24	11,506.31	20,223.14	S/L	40.0
751	SERVICE AREA	7/31/92	46,768.28	0.00	0.00	15,691.70	1,169.21	16,860.91	29,907.37	S/L	40.0
752	SERVICE AREA	8/31/92	18,194.09	0.00	0.00	6,065.91	454.85	6,520.76	11,673.33	S/L	40.0
753	SERVICE AREA	9/30/92	37,023.37	0.00	0.00	12,267.73	925.58	13,193.31	23,830.06	S/L	40.0

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<b>Group: 334-0001-000 (continued)</b>											
814	METERS ALL ZONES	1/15/90	2,212.97	0.00	0.00	708.16	44.26	752.42	1,460.55	S/L	50.0
815	METERS ALL ZONES	2/15/90	902.61	0.00	0.00	287.30	18.05	305.35	597.26	S/L	50.0
816	METERS ALL ZONES	3/15/90	7,109.11	0.00	0.00	2,814.06	177.73	2,991.79	4,117.32	S/L	40.0
817	METERS ALL ZONES	4/15/90	1,240.12	0.00	0.00	390.60	24.80	415.40	824.72	S/L	50.0
818	METERS ALL ZONES	5/15/90	1,184.34	0.00	0.00	371.14	23.69	394.83	789.51	S/L	50.0
819	METERS ALL ZONES	6/15/90	1,991.07	0.00	0.00	620.53	39.82	660.35	1,330.72	S/L	50.0
820	METERS ALL ZONES	7/15/90	1,408.25	0.00	0.00	436.62	28.17	464.79	943.46	S/L	50.0
821	METERS ALL ZONES	8/15/90	5,524.44	0.00	0.00	1,703.39	110.49	1,813.88	3,710.56	S/L	50.0
822	METERS ALL ZONES	9/15/90	4,719.52	0.00	0.00	1,447.31	94.39	1,541.70	3,177.82	S/L	50.0
823	METERS ALL ZONES	10/15/90	1,983.42	0.00	0.00	604.97	39.67	644.64	1,338.78	S/L	50.0
824	METERS ALL ZONES	11/15/90	1,427.69	0.00	0.00	433.01	28.55	461.56	966.13	S/L	50.0
825	METERS ALL ZONES	12/15/90	1,644.01	0.00	0.00	495.94	32.88	528.82	1,115.19	S/L	50.0
826	METERS ALL ZONES	6/30/90	20,007.28	0.00	0.00	6,202.32	400.15	6,602.47	13,404.81	S/L	50.0
827	METERS ALL ZONES	1/09/91	195.26	0.00	0.00	73.20	4.88	78.08	117.18	S/L	40.0
828	1-1/2 METER	1/09/91	195.26	0.00	0.00	73.20	4.88	78.08	117.18	S/L	40.0
829	2 METER	1/17/91	278.51	0.00	0.00	103.82	6.96	110.78	167.73	S/L	40.0
830	2 METER	3/19/91	283.19	0.00	0.00	104.43	7.08	111.51	171.68	S/L	40.0
831	2 METER	4/01/91	283.19	0.00	0.00	104.43	7.08	111.51	171.68	S/L	40.0
832	2 METER	4/15/91	284.89	0.00	0.00	105.02	7.12	112.14	172.75	S/L	40.0
833	2 METER	4/15/91	284.89	0.00	0.00	105.02	7.12	112.14	172.75	S/L	40.0
834	2 METER	4/22/91	285.17	0.00	0.00	104.57	7.13	111.70	173.47	S/L	40.0
835	2 METER	4/23/91	285.17	0.00	0.00	104.57	7.13	111.70	173.47	S/L	40.0
836	2 METER	5/16/91	180.71	0.00	0.00	65.92	4.52	70.44	110.27	S/L	40.0
837	1-1/2 METER	5/21/91	286.67	0.00	0.00	104.56	7.17	111.73	174.94	S/L	40.0
838	3 TRU/FLO	6/01/91	1,359.94	0.00	0.00	495.83	34.00	529.83	830.11	S/L	40.0
839	2 METER	6/03/91	288.92	0.00	0.00	105.29	7.22	112.51	176.41	S/L	40.0
840	1-1/2 METER	6/03/91	180.71	0.00	0.00	65.92	4.52	70.44	110.27	S/L	40.0
841	1-1/2 METER	6/18/91	180.71	0.00	0.00	65.54	4.52	70.06	110.65	S/L	40.0
842	3 TRU/FLO	7/19/91	1,359.93	0.00	0.00	490.17	34.00	524.17	835.76	S/L	40.0
843	2 METER	8/15/91	288.34	0.00	0.00	103.94	7.21	111.15	177.19	S/L	40.0
844	1-1/2 METER	8/29/91	174.00	0.00	0.00	62.35	4.35	66.70	107.30	S/L	40.0
845	2 METER	8/29/91	286.90	0.00	0.00	102.77	7.17	109.94	176.96	S/L	40.0
846	1-1/2 METER	9/01/91	174.00	0.00	0.00	62.35	4.35	66.70	107.30	S/L	40.0
847	2 METER	9/16/91	286.93	0.00	0.00	102.17	7.17	109.34	177.59	S/L	40.0
848	2 METER	9/19/91	286.95	0.00	0.00	102.17	7.17	109.34	177.61	S/L	40.0
849	2 METER	10/10/91	286.99	0.00	0.00	102.17	7.17	109.34	177.65	S/L	40.0
850	1-1/2 METER	11/01/91	174.00	0.00	0.00	61.63	4.35	65.98	108.02	S/L	40.0
851	1-1/2 METER	11/04/91	174.00	0.00	0.00	61.63	4.35	65.98	108.02	S/L	40.0
852	2 METER	11/18/91	287.01	0.00	0.00	101.12	7.18	108.30	178.71	S/L	40.0
853	12 METER	12/09/91	7,262.00	0.00	0.00	2,556.83	181.55	2,738.38	4,523.62	S/L	40.0
854	2 METER	12/27/91	286.99	0.00	0.00	100.38	7.17	107.55	179.44	S/L	40.0
855	2 METER	12/30/91	286.99	0.00	0.00	100.38	7.17	107.55	179.44	S/L	40.0
856	5/8 METER	6/30/91	15,652.40	0.00	0.00	5,674.00	391.31	6,065.31	9,587.09	S/L	40.0
857	METER ALL ZONES	1/31/92	1,312.85	0.00	0.00	456.75	32.82	489.57	823.28	S/L	40.0
858	METERS ALL ZONES	2/28/92	808.50	0.00	0.00	279.74	20.21	299.95	508.55	S/L	40.0
859	METERS ALL ZONES	3/31/92	1,849.15	0.00	0.00	635.85	46.23	682.08	1,167.07	S/L	40.0
860	METERS ALL ZONES	4/30/92	2,701.56	0.00	0.00	923.41	67.54	990.95	1,710.61	S/L	40.0
861	METERS ALL ZONES	5/31/92	9,554.59	0.00	0.00	3,245.50	238.86	3,484.36	6,070.23	S/L	40.0
862	METERS ALL ZONES	6/30/92	1,262.25	0.00	0.00	426.23	31.56	457.79	804.46	S/L	40.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 334-0001-000 (continued)</b>												
5531	3" Fire Hydrant Meter	5/21/03	364.64	0.00	0.00	188.40	188.40	72.93	261.33	103.31	S/L	5.0
5532	3" Fire Hydrant Meter	5/21/03	364.64	0.00	0.00	188.40	188.40	72.93	261.33	103.31	S/L	5.0
5769	Meter Additions 2003	6/30/03	571,438.53	0.00	0.00	28,571.93	28,571.93	11,428.77	40,000.70	531,437.83	S/L	50.0
6283	Schonstedt Metal Locator	11/09/06	760.00	0.00c	0.00	0.00	0.00	25.33	25.33	734.67	S/L	5.0
6284	Schonstedt Metal Locator	11/09/06	760.00	0.00c	0.00	0.00	0.00	25.33	25.33	734.67	S/L	5.0
6285	Schonstedt Metal Locator	11/09/06	760.00	0.00c	0.00	0.00	0.00	25.33	25.33	734.67	S/L	5.0
31006	8" Meter	7/09/99	8,093.62	0.00	0.00	1,315.21	1,315.21	202.34	1,517.55	6,576.07	S/L	40.0
31012	1999 Meters	6/30/99	541,238.99	0.00	0.00	87,951.31	87,951.31	13,530.97	101,482.28	439,756.71	S/L	40.0
31296	2004 Meters	6/30/04	527,197.15	0.00	0.00	15,815.91	15,815.91	10,543.94	26,359.85	500,837.30	S/L	50.0
31330	2005 Meters	6/30/05	542,601.03	0.00	0.00	5,426.01	5,426.01	10,852.02	16,278.03	526,323.00	S/L	50.0
31384	Meters 2006	6/30/06	429,906.48	0.00c	0.00	0.00	0.00	4,299.06	4,299.06	425,607.42	S/L	50.0
			<b>7,501,468.02</b>	<b>0.00c</b>	<b>0.00</b>	<b>1,648,518.98</b>	<b>1,648,518.98</b>	<b>171,640.73</b>	<b>1,820,159.71</b>	<b>5,681,308.31</b>		
<b>Group: 334-0002-000</b>												
4870	Meters	6/13/02	4,177.99	0.00	0.00	2,138.75	2,138.75	596.86	2,735.61	1,442.38	S/L	7.0
4871	Meters	6/13/02	3,561.35	0.00	0.00	1,595.19	1,595.19	445.17	2,040.36	1,520.99	S/L	8.0
4872	Meters	6/13/02	2,539.67	0.00	0.00	1,137.56	1,137.56	317.46	1,455.02	1,084.65	S/L	8.0
4873	Meters	6/13/02	707.99	0.00	0.00	317.12	317.12	88.50	405.62	302.37	S/L	8.0
			<b>10,987.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>5,188.62</b>	<b>5,188.62</b>	<b>1,447.99</b>	<b>6,636.61</b>	<b>4,350.39</b>		
<b>Group: 335-0001-000</b>												
222	Fire Hydrants - 202	6/30/05	445,450.00	0.00	0.00	4,454.50	4,454.50	8,909.00	13,363.50	432,086.50	S/L	50.0
878	ALL ZONE HYDRANTS TRANS.	1/01/59	569,459.00	0.00	0.00	380,077.96	380,077.96	11,389.18	391,467.14	177,991.86	S/L	50.0
879	ALL ZONE HYDRANTS TRANS.	1/01/60	3,988.00	0.00	0.00	3,620.72	3,620.72	79.76	3,700.48	287.52	S/L	50.0
880	ALL ZONE HYDRANTS TRANS.	1/01/61	3,505.00	0.00	0.00	3,122.20	3,122.20	70.10	3,192.30	312.70	S/L	50.0
881	ALL ZONE HYDRANTS TRANS.	1/01/62	307.00	0.00	0.00	266.08	266.08	6.14	272.22	34.78	S/L	50.0
882	ALL ZONE HYDRANTS TRANS.	1/01/65	13,565.00	0.00	0.00	10,982.60	10,982.60	271.30	11,253.90	2,311.10	S/L	50.0
883	ALL ZONE HYDRANTS TRANS.	1/01/66	16,173.00	0.00	0.00	12,781.12	12,781.12	323.46	13,104.58	3,068.42	S/L	50.0
884	ALL ZONE HYDRANTS TRANS.	1/01/67	7,007.00	0.00	0.00	5,401.08	5,401.08	140.14	5,541.22	1,465.78	S/L	50.0
885	ALL ZONE HYDRANTS TRANS.	1/01/68	9,073.00	0.00	0.00	6,808.12	6,808.12	181.46	6,989.58	2,083.42	S/L	50.0
886	ALL ZONE HYDRANTS TRANS.	1/01/69	1,667.00	0.00	0.00	1,220.48	1,220.48	33.34	1,253.82	413.18	S/L	50.0
887	ALL ZONE HYDRANTS TRANS.	1/01/70	344.00	0.00	0.00	244.36	244.36	6.88	251.24	92.76	S/L	50.0
888	ALL ZONE HYDRANTS TRANS.	1/01/71	1,046.00	0.00	0.00	718.24	718.24	20.92	739.16	306.84	S/L	50.0
889	ALL ZONE HYDRANTS TRANS.	1/01/77	725.00	0.00	0.00	414.00	414.00	14.50	428.50	296.50	S/L	50.0
890	ALL ZONE HYDRANTS TRANS.	1/01/78	61,412.00	0.00	0.00	34,389.28	34,389.28	1,228.24	35,617.52	25,794.48	S/L	50.0
891	ALL ZONE HYDRANTS TRANS.	1/01/80	5,105.00	0.00	0.00	2,604.20	2,604.20	102.10	2,706.30	2,398.70	S/L	50.0
892	ALL ZONE HYDRANTS TRANS.	1/01/81	126,886.12	0.00	0.00	74,667.84	74,667.84	2,537.72	77,205.56	49,680.56	S/L	50.0
893	ALL ZONE HYDRANTS TRANS.	1/01/82	1,069.00	0.00	0.00	502.36	502.36	21.38	523.74	545.26	S/L	50.0
894	ALL ZONE HYDRANTS TRANS.	1/01/83	528.00	0.00	0.00	237.32	237.32	10.56	247.88	280.12	S/L	50.0
895	ALL ZONE HYDRANTS TRANS.	1/01/84	526.00	0.00	0.00	289.30	289.30	10.52	299.82	289.30	S/L	50.0
896	HOLDS BRANCH RELOCATION	7/01/86	1,090.00	0.00	0.00	425.10	425.10	21.80	446.90	643.10	S/L	50.0
897	FIDELITY EXPANSION	12/31/94	3,150.00	0.00	0.00	693.17	693.17	63.00	756.17	2,393.83	S/L	50.0
898	Hydrants 1998	6/30/98	186,356.68	0.00	0.00	27,979.01	27,979.01	3,727.13	31,706.14	154,650.54	S/L	50.0
899	TURKEYFOOT 36 MAIN	7/01/86	14,640.00	0.00	0.00	5,709.60	5,709.60	292.80	6,002.40	8,637.60	S/L	50.0
900	TURKEYFOOT 36 MAIN	7/01/88	915.41	0.00	0.00	320.42	320.42	18.31	338.73	576.68	S/L	50.0
901	ZONE 2 HYDRANTS TRANS & I	1/15/90	400.00	0.00	0.00	128.00	128.00	8.00	136.00	264.00	S/L	50.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 335-0001-000 (continued)</b>											
951	Valves Installed 1998	6/30/98	112,087.05	0.00	0.00	16,828.40	2,241.74	19,070.14	93,016.91	S/L	50.0
3568	Hydrants Installed 2001	6/30/01	964,005.74	0.00	0.00	86,760.50	19,280.11	106,040.61	857,965.13	S/L	50.0
4683	Hydrant Additions 2000	6/30/00	43,632.20	0.00	0.00	4,799.52	872.64	5,672.16	37,960.04	S/L	50.0
4726	Hydrants - 2002	6/30/02	46,000.00	0.00	0.00	3,220.00	920.00	4,140.00	41,860.00	S/L	50.0
5165	Flushing Elbows, Meter Keys	2/12/02	276.11	0.00	0.00	216.28	55.22	271.50	4.61	S/L	5.0
5770	Hydrants 2003	6/30/03	97,893.14	0.00	0.00	4,894.65	1,957.86	6,852.51	91,040.63	S/L	50.0
5777	Hydrants - 184-0086-501	6/30/03	14,295.00	0.00	0.00	714.75	285.90	1,000.65	13,294.35	S/L	50.0
7159	Fire Hydrants 160	6/01/06	240,000.00	0.00c	0.00	0.00	4,666.67	4,666.67	235,333.33	S/L	30.0
7188	Fire Hydrants - 123	12/31/06	302,588.09	0.00c	0.00	0.00	0.00	0.00	302,588.09	S/L	50.0
31046	1999 Fire Hydrants	6/30/99	104,698.35	0.00	0.00	13,610.80	2,093.97	15,704.77	88,993.58	S/L	50.0
31297	2004 Hydrants	6/30/04	378,767.93	0.00	0.00	11,363.04	7,575.36	18,938.40	359,829.53	S/L	50.0
31336	Capitalized Interest 2005	12/31/05	12,695.51	0.00	0.00	0.00	253.91	253.91	12,441.60	S/L	50.0
31357	Retirement of FH for 2006	1/01/64	-240,000.00	0.00	0.00	-156,000.00	0.00	-156,000.00	-84,000.00	S/L	1.0
		<b>335-0001-000</b>	<b>5,161,575.12</b>	<b>0.00c</b>	<b>0.00</b>	<b>1,127,596.59</b>	<b>101,436.77</b>	<b>1,229,033.36</b>	<b>3,932,541.76</b>		
<b>Group: 335-0003-000</b>											
31298	Hydrants - Taylor Mill	4/01/04	150,000.00	0.00	0.00	5,250.00	3,000.00	8,250.00	141,750.00	S/L	50.0
		<b>335-0003-000</b>	<b>150,000.00</b>	<b>0.00c</b>	<b>0.00</b>	<b>5,250.00</b>	<b>3,000.00</b>	<b>8,250.00</b>	<b>141,750.00</b>		
<b>Group: 339-0001-000</b>											
1263	MATERIAL HANDLER	2/23/93	429.00	0.00	0.00	429.00	0.00	429.00	0.00	S/L	8.0
1264	SLUDGE DUMPSTER	3/16/93	2,350.00	0.00	0.00	2,350.00	0.00	2,350.00	0.00	S/L	8.0
1265	HY-TEK MATERIAL HANDLING	2/13/95	18,170.33	0.00	0.00	18,170.33	0.00	18,170.33	0.00	S/L	7.0
1266	FUEL PUMP	2/20/96	243.44	0.00	0.00	243.44	0.00	243.44	0.00	S/L	7.0
1267	EQUIPMENT	8/20/96	117,655.00	0.00	0.00	117,655.00	0.00	117,655.00	0.00	S/L	7.0
1268	FORK LIFT	10/15/96	6,000.00	0.00	0.00	6,000.00	0.00	6,000.00	0.00	S/L	7.0
1277	STORES EQUIPMENT OFFICE B	8/17/93	731.70	0.00	0.00	731.70	0.00	731.70	0.00	S/L	8.0
1278	Stores Equipment C.Cty.	1/01/97	7,767.99	0.00	0.00	5,985.60	388.40	6,374.00	1,393.99	S/L	20.0
1447	WATER WORKS SUPPLY	10/31/93	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	5.0
1448	Misc.	6/10/97	1,005.47	0.00	0.00	1,005.47	0.00	1,005.47	0.00	S/L	5.0
1449	Trailer	11/12/97	3,195.00	0.00	0.00	3,195.00	0.00	3,195.00	0.00	S/L	5.0
1450	Leak Detection Equipment	6/12/98	75,905.53	0.00	0.00	57,355.45	7,590.55	64,946.00	10,959.53	S/L	10.0
1453	LAB EQUIPMENT TAYLOR MIL	1/15/90	477.00	0.00	0.00	477.00	0.00	477.00	0.00	S/L	4.0
1454	LAB EQUIPMENT TAYLOR MIL	10/15/90	4,624.00	0.00	0.00	4,624.00	0.00	4,624.00	0.00	S/L	4.0
1455	WRIGHT BROS	4/22/91	2,074.24	0.00	0.00	2,074.24	0.00	2,074.24	0.00	S/L	5.0
1456	LAB FURNITURE	8/05/92	6,519.25	0.00	0.00	6,519.25	0.00	6,519.25	0.00	S/L	4.0
1457	LAB FURNITURE	8/20/92	3,722.75	0.00	0.00	3,722.75	0.00	3,722.75	0.00	S/L	4.0
1458	LAB FURNITURE	9/01/92	1,975.00	0.00	0.00	1,975.00	0.00	1,975.00	0.00	S/L	4.0
1459	LAB FURNITURE	2/16/93	937.50	0.00	0.00	937.50	0.00	937.50	0.00	S/L	4.0
1460	Lab Equipment Fisher Scientific	12/30/97	8,061.67	0.00	0.00	8,061.67	0.00	8,061.67	0.00	S/L	4.0
1470	LAB EQUIPMENT FORT THOM/	2/15/88	640.00	0.00	0.00	640.00	0.00	640.00	0.00	S/L	4.0
1471	LAB EQUIPMENT FORT THOM/	3/15/88	10,170.05	0.00	0.00	10,170.05	0.00	10,170.05	0.00	S/L	4.0
1472	LAB EQUIPMENT FORT THOM/	4/15/88	7,931.27	0.00	0.00	7,931.27	0.00	7,931.27	0.00	S/L	4.0
1473	LAB EQUIPMENT FORT THOM/	5/15/88	8,194.00	0.00	0.00	8,194.00	0.00	8,194.00	0.00	S/L	4.0
1474	LAB EQUIPMENT FORT THOM/	6/15/88	52,624.16	0.00	0.00	52,624.16	0.00	52,624.16	0.00	S/L	4.0
1475	LAB EQUIPMENT FORT THOM/	7/15/88	5,671.51	0.00	0.00	5,671.51	0.00	5,671.51	0.00	S/L	4.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 339-0001-000 (continued)</b>											
1528	MICROSCOPE	5/21/96	25,743.54	0.00	0.00	25,743.54	0.00	25,743.54	0.00	S/L	5.0
1529	COSESCO SYSTEM	9/17/96	3,691.85	0.00	0.00	3,691.85	0.00	3,691.85	0.00	S/L	5.0
1530	Refrigerator & Analyser	6/30/97	4,829.73	0.00	0.00	4,829.73	0.00	4,829.73	0.00	S/L	5.0
1531	Lab Equipment C.Cty.	1/01/97	5,904.99	0.00	0.00	4,096.03	393.67	4,489.70	1,415.29	S/L	15.0
3569	Meter Transceiver Units	12/27/01	6,210.00	0.00	0.00	4,968.00	1,242.00	6,210.00	0.00	S/L	5.0
3570	Street Plates	12/03/01	4,740.00	0.00	0.00	3,871.00	869.00	4,740.00	0.00	S/L	5.0
3571	Geophone	12/01/01	285.00	0.00	0.00	232.75	52.25	285.00	0.00	S/L	5.0
3572	Geophone	12/01/01	285.00	0.00	0.00	232.75	52.25	285.00	0.00	S/L	5.0
3573	Geophone	12/01/01	285.00	0.00	0.00	232.75	52.25	285.00	0.00	S/L	5.0
3574	Versaprobe	12/01/01	8,296.00	0.00	0.00	4,839.32	1,185.14	6,024.46	2,271.54	S/L	7.0
4003	Delta tool box	5/12/00	199.99	0.00	0.00	199.99	0.00	199.99	0.00	S/L	5.0
4101	Windows	3/27/00	9,875.00	0.00	0.00	5,678.13	987.50	6,665.63	3,209.37	S/L	10.0
4102	Plate glass	3/30/00	2,968.00	0.00	0.00	1,706.60	296.80	2,003.40	964.60	S/L	10.0
4104	14" sithl saw	2/17/00	1,051.00	0.00	0.00	1,051.00	0.00	1,051.00	0.00	S/L	5.0
4105	Computer Notepad	3/01/00	426.80	0.00	0.00	426.80	0.00	426.80	0.00	S/L	3.0
4106	(40) double jacketed hoses	3/21/00	2,891.95	0.00	0.00	2,891.95	0.00	2,891.95	0.00	S/L	5.0
4107	Sign tape	2/17/00	540.00	0.00	0.00	540.00	0.00	540.00	0.00	S/L	5.0
4108	(4) computer cables	3/08/00	503.80	0.00	0.00	503.80	0.00	503.80	0.00	S/L	3.0
4109	Repair actuators	3/02/00	9,103.42	0.00	0.00	9,103.42	0.00	9,103.42	0.00	S/L	3.0
4110	(100) metal signs	2/17/00	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	5.0
4111	A/C system recover	9/10/99	1,995.00	0.00	0.00	1,995.00	0.00	1,995.00	0.00	S/L	5.0
4168	Pressure gauges	8/04/00	244.11	0.00	0.00	244.11	0.00	244.11	0.00	S/L	5.0
4169	Digital security system	8/14/00	9,504.00	0.00	0.00	9,504.00	0.00	9,504.00	0.00	S/L	4.0
4170	Digital security system	8/14/00	8,900.00	0.00	0.00	8,900.00	0.00	8,900.00	0.00	S/L	4.0
4181	Pressure gauges	8/14/00	416.38	0.00	0.00	416.38	0.00	416.38	0.00	S/L	5.0
4182	4HP Honda motors	8/14/00	492.00	0.00	0.00	380.74	70.29	451.03	40.97	S/L	7.0
4183	4HP Honda motor	8/14/00	492.00	0.00	0.00	380.74	70.29	451.03	40.97	S/L	7.0
4235	AD atomic absorption	2/17/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	5.0
4279	Supply outlets	9/22/00	70.50	0.00	0.00	70.50	0.00	70.50	0.00	S/L	4.0
4282	Alum tread plates	9/22/00	1,089.72	0.00	0.00	1,089.72	0.00	1,089.72	0.00	S/L	3.0
4284	Tube steel and plates	9/22/00	1,066.90	0.00	0.00	1,066.90	0.00	1,066.90	0.00	S/L	3.0
4286	Sprinkler system	10/02/00	6,450.00	0.00	0.00	3,386.25	645.00	4,031.25	2,418.75	S/L	10.0
4287	3-ton monorail system	10/02/00	9,812.31	0.00	0.00	5,151.46	981.23	6,132.69	3,679.62	S/L	10.0
4298	Versa probe	10/19/00	1,990.00	0.00	0.00	1,990.00	0.00	1,990.00	0.00	S/L	5.0
4328	8 inch hinged cutter	11/27/00	2,040.00	0.00	0.00	2,040.00	0.00	2,040.00	0.00	S/L	3.0
4329	Basin cleaning equipment	12/04/00	4,999.80	0.00	0.00	4,999.80	0.00	4,999.80	0.00	S/L	5.0
4335	Wintertze sprinklers	12/15/00	261.01	0.00	0.00	261.01	0.00	261.01	0.00	S/L	1.0
4347	Dredge Materials	1/09/01	99.73	0.00	0.00	99.73	0.00	99.73	0.00	S/L	5.0
4349	Shear Pin Sprocket	1/15/01	824.69	0.00	0.00	824.69	0.00	824.69	0.00	S/L	5.0
4350	MAGNETIC LOCATOR	1/24/01	650.00	0.00	0.00	639.17	10.83	650.00	0.00	S/L	5.0
4352	MAGNETIC LOCATOR	1/24/01	650.00	0.00	0.00	639.17	10.83	650.00	0.00	S/L	5.0
4353	Magnetic Locator	1/09/01	650.00	0.00	0.00	650.00	0.00	650.00	0.00	S/L	5.0
4354	MAGNETIC LOCATOR	1/24/01	650.00	0.00	0.00	639.17	10.83	650.00	0.00	S/L	5.0
4355	MAGNETIC LOCATOR	1/24/01	650.00	0.00	0.00	639.17	10.83	650.00	0.00	S/L	5.0
4356	PC Remote Monitoring System	1/08/01	11,170.00	0.00	0.00	5,585.00	1,117.00	6,702.00	4,468.00	S/L	10.0
4357	FTTP Keyless Entry System	1/02/01	1,193.22	0.00	0.00	596.60	119.32	715.92	477.30	S/L	10.0
4374	Gate Access & Intercom	2/20/01	13,166.00	0.00	0.00	12,727.13	438.87	13,166.00	0.00	S/L	5.0
4375	Remove & Install Ceramic tile	2/26/01	3,150.00	0.00	0.00	3,045.00	105.00	3,150.00	0.00	S/L	5.0
4376	Interior Design Work	2/16/01	489.14	0.00	0.00	472.84	16.30	489.14	0.00	S/L	5.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 339-0001-000 (continued)</b>												
5169	Electric for Backwash Pump	2/13/02	8,134.18	0.00	0.00	4,551.28	0.00	1,162.03	5,713.31	2,420.87	S/L	7.0
5174	Lab Info Management System	2/13/02	889.17	0.00	0.00	696.50	0.00	177.83	874.33	14.84	S/L	5.0
5176	Proj. Change Request	2/07/02	2,080.00	0.00	0.00	1,629.33	0.00	416.00	2,045.33	34.67	S/L	5.0
5177	Guages	3/06/02	430.20	0.00	0.00	329.82	0.00	86.04	415.86	14.34	S/L	5.0
5188	Fire Hoses with Couplings	3/18/02	3,740.58	0.00	0.00	2,805.45	0.00	748.12	3,553.57	187.01	S/L	5.0
5189	Lab Info Management Syst.	3/06/02	332.91	0.00	0.00	255.23	0.00	66.58	321.81	11.10	S/L	5.0
5198	Carpet	3/28/02	1,469.00	0.00	0.00	1,101.75	0.00	293.80	1,395.55	73.45	S/L	5.0
5202	U-Haul Large Boxes	3/07/02	55.33	0.00	0.00	55.33	0.00	0.00	55.33	0.00	S/L	3.0
5213	Corner Strobe Set	5/10/02	1,525.52	0.00	0.00	1,118.70	0.00	305.10	1,423.80	101.72	S/L	5.0
5255	Hose with Coupling	5/22/02	1,008.30	0.00	0.00	1,008.30	0.00	0.00	1,008.30	0.00	S/L	3.0
5258	Office Remodeling	6/15/02	2,195.00	0.00	0.00	2,195.00	0.00	0.00	2,195.00	0.00	S/L	3.0
5264	Venilator Roof	6/20/02	437.62	0.00	0.00	437.62	0.00	0.00	437.62	0.00	S/L	3.0
5279	Project Change Request	6/06/02	520.00	0.00	0.00	520.00	0.00	0.00	520.00	0.00	S/L	1.0
5299	8" Pressure Recorder	7/29/02	510.78	0.00	0.00	510.78	0.00	0.00	510.78	0.00	S/L	3.0
5300	8" Pressure Recorder,access.	7/29/02	600.02	0.00	0.00	600.02	0.00	0.00	600.02	0.00	S/L	3.0
5311	Pressure Recorder	8/02/02	478.71	0.00	0.00	327.11	0.00	95.74	422.85	55.86	S/L	5.0
5312	Pressure Recorder	8/02/02	478.71	0.00	0.00	327.11	0.00	95.74	422.85	55.86	S/L	5.0
5314	Pressure Recorder	8/26/02	454.50	0.00	0.00	303.00	0.00	90.90	393.90	60.60	S/L	5.0
5315	Pressure Recorder	8/26/02	454.49	0.00	0.00	303.00	0.00	90.90	393.90	60.59	S/L	5.0
5316	Pressure Recorder	8/26/02	454.49	0.00	0.00	303.00	0.00	90.90	393.90	60.59	S/L	5.0
5317	Pressure Recorder	8/26/02	454.49	0.00	0.00	303.00	0.00	90.90	393.90	60.59	S/L	5.0
5329	Koshin Model seh 50 Pump	9/16/02	2,162.00	0.00	0.00	1,405.30	0.00	432.40	1,837.70	324.30	S/L	5.0
5330	TIM Computer Calibration Sys.	9/27/02	3,893.06	0.00	0.00	2,530.48	0.00	778.61	3,309.09	583.97	S/L	5.0
5331	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5332	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5333	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5334	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5335	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5336	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5337	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5338	Orion 4 Gas Monitor	8/08/02	1,254.80	0.00	0.00	857.45	0.00	250.96	1,108.41	146.39	S/L	5.0
5339	Orion Monitor w/battery pk.	8/08/02	1,337.00	0.00	0.00	913.62	0.00	267.40	1,181.02	155.98	S/L	5.0
5340	Orion Monitor w/ battery pk.	8/08/02	1,337.00	0.00	0.00	913.62	0.00	267.40	1,181.02	155.98	S/L	5.0
5341	Orion Monitor w/battery pk.	8/08/02	1,337.00	0.00	0.00	913.62	0.00	267.40	1,181.02	155.98	S/L	5.0
5342	Cut Off Saw	9/16/02	2,926.00	0.00	0.00	1,901.90	0.00	585.20	2,487.10	438.90	S/L	5.0
5352	Hydrant Pressure Recorder	9/13/02	948.02	0.00	0.00	632.00	0.00	189.60	821.60	126.42	S/L	5.0
5362	Irrigation Sludge Bldg.	8/31/02	3,205.00	0.00	0.00	3,205.00	0.00	0.00	3,205.00	0.00	S/L	3.0
5365	Fire Meter Assembly	10/04/02	1,868.00	0.00	0.00	1,868.00	0.00	0.00	1,868.00	0.00	S/L	3.0
5379	Consulting Services	10/14/02	23,867.61	0.00	0.00	23,867.61	0.00	0.00	23,867.61	0.00	S/L	3.0
5388	Washer	10/07/02	421.00	0.00	0.00	421.00	0.00	0.00	421.00	0.00	S/L	3.0
5417	Versaprobe	11/04/02	1,890.00	0.00	0.00	1,197.00	0.00	378.00	1,575.00	315.00	S/L	5.0
5436	Hammer kit	11/19/02	59.65	0.00	0.00	59.65	0.00	0.00	59.65	0.00	S/L	3.0
5437	Hammer Kit	11/19/02	59.65	0.00	0.00	59.65	0.00	0.00	59.65	0.00	S/L	3.0
5438	Hammer Kit	11/19/02	59.65	0.00	0.00	59.65	0.00	0.00	59.65	0.00	S/L	3.0
5445	Magnetic Locator	11/25/02	674.16	0.00	0.00	415.73	0.00	134.83	550.56	123.60	S/L	5.0
5446	Magnetic Locator	11/25/02	674.15	0.00	0.00	415.73	0.00	101.12	516.85	157.30	S/L	5.0
5447	Replacement Locator Eng.	11/25/02	2,350.00	0.00	0.00	1,449.17	0.00	470.00	1,919.17	430.83	S/L	5.0
5448	Replacement Locator Distrib.	11/25/02	2,350.00	0.00	0.00	1,449.17	0.00	470.00	1,919.17	430.83	S/L	5.0
5460	10 Street plates	12/01/02	5,099.20	0.00	0.00	3,144.51	0.00	1,019.84	4,164.35	934.85	S/L	5.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 339-0001-000 (continued)</b>												
5714	Line locator	11/24/03	2,798.00	0.00	0.00	1,165.83	559.60	1,725.43	1,072.57	S/L	5.0	
5734	Pit lid	12/16/03	650.00	0.00	0.00	260.00	130.00	390.00	260.00	S/L	5.0	
5771	Water Bottling Machine	6/30/03	46,149.00	0.00	0.00	7,691.50	3,076.60	10,768.10	35,380.90	S/L	15.0	
5779	Lab equipment	12/01/04	2,421.62	0.00	0.00	874.48	807.21	1,681.69	739.93	S/L	3.0	
5819	Lab equipment MPTP	10/12/04	1,299.70	0.00	0.00	541.54	433.23	974.77	324.93	S/L	3.0	
5820	Lab equipment FTTP	11/01/04	12,699.52	0.00	0.00	1,481.61	1,269.95	2,751.56	9,947.96	S/L	10.0	
5826	Line locator	9/02/04	2,951.39	0.00	0.00	787.04	590.28	1,377.32	1,574.07	S/L	5.0	
5926	TAPPING MACHINE B-101	9/06/05	2,060.00	0.00	0.00	68.67	206.00	274.67	1,785.33	S/L	10.0	
5927	ELEC. WALKIE PALLET TRUCK	8/15/05	4,650.00	0.00	0.00	193.75	465.00	658.75	3,991.25	S/L	10.0	
5928	HG3 UNIT WITH 5' LENGTH FLI	1/26/05	3,232.85	0.00	0.00	592.69	646.57	1,239.26	1,993.59	S/L	5.0	
5929	LONG NECK STANDARD UNIGI	1/26/05	2,765.00	0.00	0.00	506.92	553.00	1,059.92	1,705.08	S/L	5.0	
6054	MillerMatic 251 Welder Unit	2/14/06	3,229.34	0.00c	0.00	0.00	592.05	592.05	2,637.29	S/L	5.0	
6449	MillerMatic PowerMax Torch	2/14/06	3,229.34	0.00c	0.00	0.00	592.05	592.05	2,637.29	S/L	5.0	
31013	Electric Pallet Truck	2/21/00	4,710.00	0.00	0.00	1,223.77	942.00	942.00	3,768.00	S/L	5.0	
31014	Hydrant Pressure Recorder	10/27/99	1,389.14	0.00	0.00	165.37	165.37	1,389.14	0.00	S/L	7.0	
31047	Ferromagnetic Locator	12/09/99	727.00	0.00	0.00	631.81	95.19	727.00	0.00	S/L	7.0	
31267	Install room	3/25/99	1,632.70	0.00	0.00	1,574.37	58.33	1,632.70	0.00	S/L	7.0	
31288	Muffle Furnace	4/03/00	4,000.00	0.00	0.00	1,150.00	200.00	1,350.00	2,650.00	S/L	20.0	
31300	Monumentation	9/08/03	2,490.33	0.00	0.00	830.11	355.76	1,185.87	1,304.46	S/L	7.0	
31301	Customer Information System	6/30/04	84,234.72	0.00	0.00	3,158.80	2,105.87	5,264.67	78,970.05	S/L	40.0	
31302	Security Evaluation	6/30/04	1,605,240.71	0.00	0.00	240,786.11	160,524.07	401,310.18	1,203,930.53	S/L	10.0	
31303	Misc Equipment	6/30/04	371,718.50	0.00	0.00	111,515.55	74,343.70	185,859.25	185,859.25	S/L	5.0	
31308	Misc Equipment	6/30/04	322.53	0.00	0.00	96.76	64.51	161.27	161.26	S/L	5.0	
<b>339-0001-000</b>												
3,376,068.60												
*Less: Dispositions												
1,382.15												
<b>Net 339-0001-000</b>												
3,374,686.45												
<b>Group: 339-0002-000</b>												
4874	Misc. Equipment	6/13/02	246.14	0.00	0.00	246.14	0.00	246.14	0.00	S/L	1.0	
4875	Misc. Equipment	6/13/02	50.48	0.00	0.00	50.48	0.00	50.48	0.00	S/L	1.0	
4876	Misc. Equipment	6/13/02	1,892.68	0.00	0.00	1,356.43	378.54	1,734.97	157.71	S/L	5.0	
4877	Misc. Equipment	6/13/02	238.32	0.00	0.00	238.32	0.00	238.32	0.00	S/L	3.0	
4878	Misc. Equipment	6/13/02	46.00	0.00	0.00	46.00	0.00	46.00	0.00	S/L	3.0	
4879	Misc. Equipment	6/13/02	202.00	0.00	0.00	202.00	0.00	202.00	0.00	S/L	3.0	
4880	Misc. Equipment	6/13/02	4,138.38	0.00	0.00	1,348.12	376.22	1,724.34	2,414.04	S/L	11.0	
4881	Misc. Equipment	6/13/02	488.06	0.00	0.00	488.06	0.00	488.06	0.00	S/L	3.0	
4882	Misc. Equipment	6/13/02	334.76	0.00	0.00	299.89	34.87	334.76	0.00	S/L	4.0	
4883	Misc. Equipment	6/13/02	3,050.42	0.00	0.00	1,561.51	435.77	1,997.28	1,053.14	S/L	7.0	
4884	Misc. Equipment	6/13/02	4,667.38	0.00	0.00	2,389.26	666.77	3,056.03	1,611.35	S/L	7.0	
4885	Misc. Equipment	6/13/02	1,792.59	0.00	0.00	917.62	256.08	1,173.70	618.89	S/L	7.0	
4886	Misc. Equipment	6/13/02	3,053.99	0.00	0.00	2,188.70	610.80	2,799.50	254.49	S/L	5.0	
<b>339-0002-000</b>												
20,201.20												
2,759.05												
<b>Group: 340-0001-000</b>												
982	Office	9/08/97	1,982.00	0.00	0.00	1,648.05	198.20	1,846.25	135.75	S/L	10.0	

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
2949	Commission Fax Machine	8/26/99	326.70	0.00	0.00	326.70	0.00	326.70	0.00	S/L	4.0
2950	Commission fax machine	8/26/99	327.70	0.00	0.00	327.70	0.00	327.70	0.00	S/L	4.0
2951	Commission Fax Machine	8/26/99	326.70	0.00	0.00	326.70	0.00	326.70	0.00	S/L	4.0
2952	Commission Fax Machine	8/26/99	326.70	0.00	0.00	326.70	0.00	326.70	0.00	S/L	4.0
2953	Commission Fax Machine	8/26/99	326.70	0.00	0.00	326.70	0.00	326.70	0.00	S/L	4.0
2954	Commission Fax Machine	8/26/99	326.70	0.00	0.00	326.70	0.00	326.70	0.00	S/L	4.0
2955	Scanner - Customer Serv.	10/08/99	284.00	0.00	0.00	284.00	0.00	284.00	0.00	S/L	4.0
2956	Printer - Cannon ink jet	10/08/99	297.01	0.00	0.00	297.01	0.00	297.01	0.00	S/L	4.0
2958	New Heavy duty locks	10/15/99	415.38	0.00	0.00	415.38	0.00	415.38	0.00	S/L	4.0
2960	Disc Module	11/08/99	571.00	0.00	0.00	571.00	0.00	571.00	0.00	S/L	4.0
2961	Disc Module	11/08/99	571.00	0.00	0.00	571.00	0.00	571.00	0.00	S/L	4.0
2962	Disc Module	11/08/99	571.00	0.00	0.00	571.00	0.00	571.00	0.00	S/L	4.0
2963	Digital Camera	10/28/99	676.02	0.00	0.00	676.02	0.00	676.02	0.00	S/L	4.0
2964	Dell Computer	11/24/99	1,659.00	0.00	0.00	1,659.00	0.00	1,659.00	0.00	S/L	4.0
2966	Dell Dimension Computer	11/24/99	1,659.00	0.00	0.00	1,659.00	0.00	1,659.00	0.00	S/L	4.0
2967	Dell Dimension Computer	11/24/99	1,659.00	0.00	0.00	1,659.00	0.00	1,659.00	0.00	S/L	4.0
2968	HP Laser Jet Printer 2100se	11/24/99	686.34	0.00	0.00	686.34	0.00	686.34	0.00	S/L	4.0
2969	Computer Test Lab	11/24/99	1,519.28	0.00	0.00	1,519.28	0.00	1,519.28	0.00	S/L	4.0
2970	LCD Projector - Infocus Ip755	12/30/99	5,255.00	0.00	0.00	5,255.00	0.00	5,255.00	0.00	S/L	4.0
2971	Power Chute Plus Software	12/30/99	607.57	0.00	0.00	607.57	0.00	607.57	0.00	S/L	3.0
2972	Keyboard & Mouse Pad	12/30/99	164.00	0.00	0.00	164.00	0.00	164.00	0.00	S/L	3.0
2973	Fax Machine	12/09/99	2,450.00	0.00	0.00	2,450.00	0.00	2,450.00	0.00	S/L	4.0
2974	Frame Tent	12/17/99	2,300.00	0.00	0.00	2,300.00	0.00	2,300.00	0.00	S/L	4.0
2980	Laser Printer - Test Lab	12/09/99	1,385.60	0.00	0.00	1,385.60	0.00	1,385.60	0.00	S/L	4.0
2981	Cat 5 Network Cables	12/21/99	1,098.00	0.00	0.00	1,098.00	0.00	1,098.00	0.00	S/L	4.0
2983	HP Brio Computer	10/15/99	1,181.00	0.00	0.00	1,181.00	0.00	1,181.00	0.00	S/L	4.0
2984	HP Brio Computer	10/15/99	1,181.00	0.00	0.00	1,181.00	0.00	1,181.00	0.00	S/L	4.0
2986	Modem & LAN PC Card	11/08/99	326.00	0.00	0.00	326.00	0.00	326.00	0.00	S/L	3.0
2987	Monitor - UNIX System	6/11/99	2,000.00	5.00	0.00	2,000.00	0.00	2,000.00	0.00	S/L	3.0
3008	Wall Units	5/01/06	1,124.87	0.00c	0.00	0.00	55.55	55.55	1,069.32	S/L	13.5
3020	Compaq Network Server	1/27/00	8,318.00	0.00	0.00	8,318.00	0.00	8,318.00	0.00	S/L	3.0
3224	Keyboard drawer	4/17/00	167.00	0.00	0.00	167.00	0.00	167.00	0.00	S/L	3.0
3226	Olympus Digital Camera	1/17/00	815.00	0.00	0.00	815.00	0.00	815.00	0.00	S/L	3.0
3271	Duplex Scanner	1/12/01	3,282.46	0.00	0.00	3,282.46	0.00	3,282.46	0.00	S/L	5.0
3272	Lap Top Computer	1/16/01	4,611.62	0.00	0.00	4,534.74	76.88	4,611.62	0.00	S/L	5.0
3275	Adapter for Thinkpad	1/16/01	59.00	0.00	0.00	59.00	0.00	59.00	0.00	S/L	5.0
3276	Thinkpad	1/16/01	142.00	0.00	0.00	139.63	2.37	142.00	0.00	S/L	5.0
3277	Anti Virus Upgrade	1/26/01	3,434.50	0.00	0.00	3,377.26	57.24	3,434.50	0.00	S/L	5.0
3278	17" Monitor	2/16/01	220.40	0.00	0.00	213.05	7.35	220.40	0.00	S/L	5.0
3280	Port Replicator	2/16/01	160.40	0.00	0.00	155.05	5.35	160.40	0.00	S/L	5.0
3281	Adapter	2/16/01	81.37	0.00	0.00	78.64	2.73	81.37	0.00	S/L	5.0
3282	Nettool Conn Test	2/01/01	1,480.00	0.00	0.00	1,455.33	24.67	1,480.00	0.00	S/L	5.0
3286	Software	2/01/01	3,590.00	0.00	0.00	3,530.17	59.83	3,590.00	0.00	S/L	5.0
3287	Computer Supplies	2/23/01	3,734.20	0.00	0.00	3,609.73	124.47	3,734.20	0.00	S/L	5.0
3290	Server & Adapter	2/23/01	6,046.14	0.00	0.00	5,844.61	201.53	6,046.14	0.00	S/L	5.0
3291	Server & Adapter	2/06/01	6,024.08	0.00	0.00	5,923.69	100.39	6,024.08	0.00	S/L	5.0
3306	Thinkpad & Components	5/25/01	2,753.60	0.00	0.00	2,753.60	0.00	2,753.60	0.00	S/L	4.0
3307	Thinkpad Port Dock	5/25/01	107.86	0.00	0.00	107.86	0.00	107.86	0.00	S/L	4.0
3308	Computer & Components	5/25/01	2,330.13	0.00	0.00	2,330.13	0.00	2,330.13	0.00	S/L	4.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>												
3420	Monitor	12/31/01	400.00	0.00	0.00	320.00	320.00	80.00	400.00	0.00	S/L	5.0
3421	Monitor	12/31/01	400.00	0.00	0.00	320.00	320.00	60.00	380.00	20.00	S/L	5.0
3422	Dell Computer	12/31/01	1,166.00	0.00	0.00	932.80	932.80	233.20	1,166.00	0.00	S/L	5.0
3423	Monitor	12/31/01	400.00	0.00	0.00	320.00	320.00	60.00	380.00	20.00	S/L	5.0
3424	Dell Computer	12/31/01	1,166.00	0.00	0.00	932.80	932.80	233.20	1,166.00	0.00	S/L	5.0
3425	Lap Top Computer	2/12/02	3,018.99	0.00	0.00	2,364.88	2,364.88	603.80	2,968.68	50.31	S/L	5.0
3426	Pentium 4 Processor	2/18/02	1,166.00	0.00	0.00	893.93	893.93	233.20	1,127.13	38.87	S/L	5.0
3429	Laptop computer	2/22/02	3,647.79	0.00	0.00	2,796.65	2,796.65	729.56	3,526.21	121.58	S/L	5.0
3430	Thinkpad Docking Station	2/22/02	517.65	0.00	0.00	396.87	396.87	77.65	474.52	43.13	S/L	5.0
3432	Internet Security Appliance	2/22/02	3,303.10	0.00	0.00	2,532.38	2,532.38	660.62	3,193.00	110.10	S/L	5.0
3434	Computer	3/14/02	1,068.32	0.00	0.00	819.03	819.03	213.66	1,032.69	35.63	S/L	5.0
3435	Computer	3/14/02	1,068.31	0.00	0.00	819.03	819.03	213.66	1,032.69	35.62	S/L	5.0
3436	Printer Plotter	4/19/02	7,137.75	0.00	0.00	5,234.35	5,234.35	1,427.55	6,661.90	475.85	S/L	5.0
3442	Printer	5/02/02	145.00	0.00	0.00	106.33	106.33	29.00	135.33	9.67	S/L	5.0
3444	Laptop with memory module	5/02/02	2,380.54	0.00	0.00	1,745.74	1,745.74	476.11	2,221.85	158.69	S/L	5.0
3445	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3446	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3447	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3448	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3449	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3450	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3451	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3453	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3454	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3455	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3456	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3457	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3458	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3459	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3460	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3461	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3462	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3463	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3464	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3465	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3466	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3467	Dell Computer	5/01/02	1,263.00	0.00	0.00	1,263.00	1,263.00	0.00	1,263.00	0.00	S/L	3.0
3468	Dell Monitor LCD	5/01/02	400.00	0.00	0.00	400.00	400.00	0.00	400.00	0.00	S/L	3.0
3469	Color Card Printer	5/20/02	2,165.03	0.00	0.00	1,551.62	1,551.62	433.01	1,984.63	180.40	S/L	5.0
3470	Laptop Computer	5/20/02	2,966.32	0.00	0.00	2,125.85	2,125.85	593.26	2,719.11	247.21	S/L	5.0
3471	Laserjet Printer	5/20/02	1,512.62	0.00	0.00	1,084.03	1,084.03	302.52	1,386.55	126.07	S/L	5.0
3474	Printer	7/26/02	172.45	0.00	0.00	172.45	172.45	0.00	172.45	0.00	S/L	3.0
3475	Printer	7/26/02	172.45	0.00	0.00	172.45	172.45	0.00	172.45	0.00	S/L	3.0
3476	Pathfinder Pro XRS	7/26/02	14,600.00	0.00	0.00	9,976.67	9,976.67	2,920.00	12,896.67	1,703.33	S/L	5.0
3479	IBM X300 Server/accessories	8/09/02	1,912.49	0.00	0.00	1,912.49	1,912.49	0.00	1,912.49	0.00	S/L	3.0
3480	SonicWall Tele3Z	8/09/02	524.18	0.00	0.00	524.18	524.18	0.00	524.18	0.00	S/L	3.0
3481	Wireless Access Point	8/09/02	163.00	0.00	0.00	163.00	163.00	0.00	163.00	0.00	S/L	3.0
3482	SMC Switch	8/09/02	55.00	0.00	0.00	55.00	55.00	0.00	55.00	0.00	S/L	3.0
3483	SMC Switch	8/09/02	55.00	0.00	0.00	55.00	55.00	0.00	55.00	0.00	S/L	3.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Current Depreciation	Tax End Depr.	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
3602	Dell Monitor	9/19/02	651.00	0.00	0.00	651.00	0.00	651.00	0.00	S/L	3.0	
3603	Dell Computer	9/19/02	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	3.0	
3604	Dell Monitor	9/19/02	651.00	0.00	0.00	651.00	0.00	651.00	0.00	S/L	3.0	
3605	Dell Monitor	9/19/02	651.00	0.00	0.00	651.00	0.00	651.00	0.00	S/L	3.0	
3606	Dell Monitor	9/19/02	651.00	0.00	0.00	651.00	0.00	651.00	0.00	S/L	3.0	
3607	Dell Monitor	9/19/02	651.00	0.00	0.00	651.00	0.00	651.00	0.00	S/L	3.0	
3608	Dell Computer	9/19/02	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	3.0	
3609	dELL cOMPUTER	9/19/02	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	3.0	
3610	Trimble Pathfinder	11/01/02	13,600.00	0.00	0.00	13,600.00	0.00	13,600.00	0.00	S/L	3.0	
3611	Designjet Printer	11/08/02	7,188.00	0.00	0.00	7,188.00	0.00	7,188.00	0.00	S/L	3.0	
3612	Laptop Computer	11/08/02	2,542.60	0.00	0.00	2,542.60	0.00	2,542.60	0.00	S/L	3.0	
3614 *	Windows Yr. Maintenance	11/08/02	1,303.93	0.00	0.00	1,303.93	0.00	1,303.93	0.00	S/L	1.0	
3615	Scanner with Accessories	11/25/02	18,519.00	0.00	0.00	11,420.05	3,703.80	15,123.85	3,395.15	S/L	5.0	
3616	Display	12/03/02	819.95	0.00	0.00	819.95	0.00	819.95	0.00	S/L	3.0	
3623	Printer	12/05/02	386.79	0.00	0.00	386.79	0.00	386.79	0.00	S/L	3.0	
3624	Digital Camera	12/05/02	380.78	0.00	0.00	380.78	0.00	380.78	0.00	S/L	3.0	
3625	CD-RW Drive	12/06/02	229.87	0.00	0.00	229.87	0.00	229.87	0.00	S/L	3.0	
3628	Strobe XP Scanner	12/16/02	189.49	0.00	0.00	189.49	0.00	189.49	0.00	S/L	3.0	
3629	Strobe XP Scanner	12/16/02	189.49	0.00	0.00	189.49	0.00	189.49	0.00	S/L	3.0	
3630	Color Laser Printer	12/16/02	4,228.00	0.00	0.00	4,228.00	0.00	4,228.00	0.00	S/L	3.0	
3631	Belkin omniview port	12/16/02	308.00	0.00	0.00	308.00	0.00	308.00	0.00	S/L	3.0	
3638	Printer	1/16/03	151.00	0.00	0.00	146.80	4.20	151.00	0.00	S/L	3.0	
3641 *	Computer Rack	1/20/03	1,218.00	0.00	0.00	710.50	243.60	954.10	263.90	S/L	5.0	
3642 *	Computer License	1/21/03	2,405.50	0.00	0.00	2,338.67	66.83	2,405.50	0.00	S/L	3.0	
3643	Keyboard/Monitor	1/16/03	2,407.00	0.00	0.00	1,404.08	481.40	1,885.48	521.52	S/L	5.0	
3645	Thinkpad Computer	2/11/03	2,834.95	0.00	0.00	1,653.72	566.99	2,220.71	614.24	S/L	5.0	
3646	Computer & Training	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3647	Computer & Training	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3648	Computer & Training	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3649	Monitor	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3650	Monitor	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3651	Monitor	2/21/03	889.00	0.00	0.00	839.60	49.40	889.00	0.00	S/L	3.0	
3652	Computer Firewall	3/01/03	382.41	0.00	0.00	216.70	76.48	293.18	89.23	S/L	5.0	
3654	Computer Hardware	3/01/03	2,245.28	0.00	0.00	1,272.33	449.06	1,721.39	523.89	S/L	5.0	
3657	Computer	2/26/03	937.50	0.00	0.00	885.42	52.08	937.50	0.00	S/L	3.0	
3658	Monitor	2/26/03	937.50	0.00	0.00	885.42	52.08	937.50	0.00	S/L	3.0	
3659	Computer	2/26/03	937.50	0.00	0.00	885.42	52.08	937.50	0.00	S/L	3.0	
3660	Monitor	2/26/03	937.50	0.00	0.00	885.42	52.08	937.50	0.00	S/L	3.0	
3662	Display	3/01/03	775.85	0.00	0.00	732.75	43.10	775.85	0.00	S/L	3.0	
3663	Copier	3/21/03	237.97	0.00	0.00	218.13	19.84	237.97	0.00	S/L	3.0	
3664	Laptop Computer	3/25/03	2,309.74	0.00	0.00	2,117.25	192.49	2,309.74	0.00	S/L	3.0	
3665	Laptop Computer	3/25/03	2,609.55	0.00	0.00	2,392.09	217.46	2,609.55	0.00	S/L	3.0	
3666	Display Station	3/25/03	685.00	0.00	0.00	627.91	57.09	685.00	0.00	S/L	3.0	
3667	Laptop Computer	3/20/03	2,637.55	0.00	0.00	2,417.75	219.80	2,637.55	0.00	S/L	3.0	
3675	Sonicwall	6/20/03	372.05	0.00	0.00	310.05	62.00	372.05	0.00	S/L	3.0	
3676	Sonicwall	6/20/03	372.04	0.00	0.00	310.03	62.01	372.04	0.00	S/L	3.0	
3677	Sonicwall Tele3 firewall 5 User	5/12/03	402.21	0.00	0.00	357.52	44.69	402.21	0.00	S/L	3.0	
3679	sonicwall soho TZW	5/02/03	785.24	0.00	0.00	698.00	87.24	785.24	0.00	S/L	3.0	
3680	Inv#ik49385 ACS Server	5/13/03	2,297.31	0.00	0.00	2,042.05	255.26	2,297.31	0.00	S/L	3.0	

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
3766	HP LJ printer	2/10/04	1,539.74	0.00	0.00	983.73	513.25	1,496.98	42.76	S/L	3.0
3767	OBI-IBM portable disc drive	2/10/04	117.67	0.00	0.00	75.17	39.22	114.39	3.28	S/L	3.0
3769	HP laserjet printer	2/24/04	1,569.21	0.00	0.00	958.96	523.07	1,482.03	87.18	S/L	3.0
3770	IBM server	2/24/04	3,050.99	0.00	0.00	1,864.50	1,017.00	2,881.50	169.49	S/L	3.0
3771	Cisco aironet access point	3/02/04	425.19	0.00	0.00	259.84	141.73	401.57	23.62	S/L	3.0
3772	IBM thinkpad	3/10/04	1,787.11	0.00	0.00	1,092.12	595.70	1,687.82	99.29	S/L	3.0
3773	IBM thinkpad dock	3/10/04	577.11	0.00	0.00	352.68	192.37	545.05	32.06	S/L	3.0
3774	IBM thinkpad dock	3/10/04	577.11	0.00	0.00	352.68	192.37	545.05	32.06	S/L	3.0
3778	PowerEdge 4600 server	3/19/04	7,763.08	0.00	0.00	4,528.46	2,587.69	7,116.15	646.93	S/L	3.0
3779	Dell Optiplex computer	4/14/04	1,374.56	0.00	0.00	801.83	458.19	1,260.02	114.54	S/L	3.0
3781	Dell Optiplex computer	4/14/04	1,374.56	0.00	0.00	801.83	458.19	1,260.02	114.54	S/L	3.0
3782	Dell Optiplex computer	4/14/04	1,374.56	0.00	0.00	801.83	458.19	1,260.02	114.54	S/L	3.0
3783	Cisco port bundle firewall	3/26/04	399.00	0.00	0.00	232.75	133.00	365.75	33.25	S/L	3.0
3784	IBM thinkpad	4/14/04	2,277.10	0.00	0.00	1,328.31	759.03	2,087.34	189.76	S/L	3.0
3785	Floppy drive	4/14/04	50.00	0.00	0.00	29.17	16.67	45.84	4.16	S/L	3.0
3788	Dell Optiplex computer	4/14/04	1,374.56	0.00	0.00	801.83	458.19	1,260.02	114.54	S/L	3.0
3791	IBM thinkpad	4/14/04	2,236.78	0.00	0.00	1,304.79	745.59	2,050.38	186.40	S/L	3.0
3792	IBM thinkpad ultrabase dock	4/14/04	215.00	0.00	0.00	125.42	71.67	197.09	17.91	S/L	3.0
3793	IBM thinkpad CD/RW/DVD/	4/14/04	210.00	0.00	0.00	122.50	70.00	192.50	17.50	S/L	3.0
3816	Omega back up drive	7/07/04	567.84	0.00	0.00	283.92	189.28	473.20	94.64	S/L	3.0
3817	HP laserjet printer	7/13/04	1,499.80	0.00	0.00	749.90	499.93	1,249.83	249.97	S/L	3.0
3818	HP laserjet printer	7/13/04	1,499.80	0.00	0.00	749.90	499.93	1,249.83	249.97	S/L	3.0
3821	Versa lite pad computer	7/23/04	1,404.73	0.00	0.00	663.34	468.24	1,131.58	273.15	S/L	3.0
3822	Cisco modular access router	8/03/04	2,305.22	0.00	0.00	1,088.58	768.41	1,856.99	448.23	S/L	3.0
3823	Power Edge 4600 Server	8/10/04	6,316.20	0.00	0.00	2,982.65	2,105.40	5,088.05	1,228.15	S/L	3.0
3840	IBM X 306 server	10/01/04	1,682.64	0.00	0.00	701.10	560.88	1,261.98	420.66	S/L	3.0
3843	IBM T 42 thinkpad	9/23/04	2,186.39	0.00	0.00	911.00	728.80	1,639.80	546.59	S/L	3.0
3845	Dell Optiplex computer	10/01/04	1,712.92	0.00	0.00	713.71	570.97	1,284.68	428.24	S/L	3.0
3846	Dell Optiplex computer	10/01/04	1,712.92	0.00	0.00	713.71	570.97	1,284.68	428.24	S/L	3.0
3847	Dell Optiplex computer	10/01/04	1,712.92	0.00	0.00	713.71	570.97	1,284.68	428.24	S/L	3.0
3848	Dell Optiplex computer	10/01/04	1,712.92	0.00	0.00	713.71	570.97	1,284.68	428.24	S/L	3.0
3852	Cisco 2950 24 port switch	10/27/04	715.62	0.00	0.00	278.30	238.54	516.84	198.78	S/L	3.0
3853	IBM thinkpad dock	10/20/04	448.48	0.00	0.00	174.41	149.49	323.90	124.58	S/L	3.0
3854	Omega USB 3.5 in Floppy disk drive	11/01/04	45.00	0.00	0.00	17.50	15.00	32.50	12.50	S/L	3.0
3855	Omega USB 3.5 in Floppy disk drive	11/01/04	44.99	0.00	0.00	17.50	15.00	32.50	12.49	S/L	3.0
3858	HP Laserjet printer 16MB	11/04/04	315.81	0.00	0.00	122.81	105.27	228.08	87.73	S/L	3.0
3859	HP Business inkjet	11/09/04	215.46	0.00	0.00	83.79	71.82	155.61	59.85	S/L	3.0
3860	Cisco 2950 switch 24 port	11/09/04	689.71	0.00	0.00	268.22	229.90	498.12	191.59	S/L	3.0
3867	1 Bay back up appliance	12/01/04	5,419.00	0.00	0.00	1,956.86	1,806.33	3,763.19	1,655.81	S/L	3.0
3877	* Canon color photo copier	12/07/04	258.33	0.00	0.00	93.29	64.58	157.87	100.46	S/L	3.0
3882	IBM thinkpad, memory, disk drive	12/20/04	1,274.25	0.00	0.00	574.75	574.75	1,149.50	574.75	S/L	3.0
3884	IBM T42 ThinkPad	1/19/05	2,376.29	0.00	0.00	726.09	792.10	1,518.19	858.10	S/L	3.0
3885	Axis 2100 standalone network camera	1/18/05	304.99	0.00	0.00	93.19	101.66	194.85	110.14	S/L	3.0
3886	NEC 19" LCD Monitor	1/18/05	570.89	0.00	0.00	174.44	190.30	364.74	206.15	S/L	3.0
3887	* HP Business Inkjet 1200D	1/18/05	211.89	0.00	0.00	64.74	52.97	117.71	94.18	S/L	3.0
3888	HP deskjet color inkjet printer	2/08/05	137.65	0.00	0.00	42.06	45.88	87.94	49.70	S/L	3.0
3889	HP deskjet color inkjet printer	2/08/05	137.64	0.00	0.00	42.06	45.88	87.94	49.70	S/L	3.0
3890	PalmOne Tungsten E handheld palm	2/08/05	208.99	0.00	0.00	63.86	69.66	133.52	75.47	S/L	3.0
3891	* HP deskjet inkjet printer	2/08/05	186.65	0.00	0.00	57.03	46.66	103.69	82.96	S/L	3.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
3961	HP Deskjet printer	7/29/05	47.46	0.00	0.00	6.59	15.82	22.41	25.05	S/L	3.0	
3963	Panasonic CF29 Laptop	8/15/05	3,836.00	0.00	0.00	532.78	1,278.67	1,811.45	2,024.55	S/L	3.0	
3964	APC SmartUps	7/29/05	490.41	0.00	0.00	68.11	163.47	231.58	258.83	S/L	3.0	
3965	Fax Machine	8/15/05	655.00	0.00	0.00	90.97	218.33	309.30	345.70	S/L	3.0	
3966	Panasonic Laptop	8/15/05	2,192.99	0.00	0.00	304.58	731.00	1,035.58	1,157.41	S/L	3.0	
3967	Panasonic Laptop T2	8/15/05	2,235.99	0.00	0.00	310.55	745.33	1,055.88	1,180.11	S/L	3.0	
3968	Panasonic T2 Laptop	8/15/05	2,192.99	0.00	0.00	304.58	731.00	1,035.58	1,157.41	S/L	3.0	
3970 *	APC120v Rackmount	8/15/05	402.99	0.00	0.00	55.97	134.33	190.30	212.69	S/L	3.0	
3971 *	APC 120v Rackmount	8/15/05	403.00	0.00	0.00	55.97	134.33	190.30	212.70	S/L	3.0	
3972	IBM thinkpad DockII	8/15/05	414.94	0.00	0.00	57.63	138.31	195.94	219.00	S/L	3.0	
3977	Panasonic Toughbook Laptop	8/19/05	2,190.86	0.00	0.00	243.43	730.29	973.72	1,217.14	S/L	3.0	
3978	Dell Poweredge Server	8/29/05	7,026.10	0.00	0.00	780.68	2,342.03	3,122.71	3,903.39	S/L	3.0	
3979	Panasonic Toughbook Laptop	9/29/05	3,836.00	0.00	0.00	319.67	1,278.67	1,598.34	2,237.66	S/L	3.0	
3980	Panasonic Toughbook Laptop	9/06/05	2,190.87	0.00	0.00	243.43	730.29	973.72	1,217.15	S/L	3.0	
3981	Apple Powerbook	8/29/05	2,125.00	0.00	0.00	236.11	708.33	944.44	1,180.56	S/L	3.0	
3982	Apple Xserv, Server	9/13/05	2,876.00	0.00	0.00	319.56	958.67	1,278.23	1,597.77	S/L	3.0	
3983	HP Deskjet Color Printer	9/26/05	57.65	0.00	0.00	4.80	19.22	24.02	33.63	S/L	3.0	
3984	HP Laserjet Printer	9/26/05	321.64	0.00	0.00	26.80	107.21	134.01	187.63	S/L	3.0	
3985	Panasonic Laptop	9/26/05	1,723.99	0.00	0.00	143.67	574.66	718.33	1,005.66	S/L	3.0	
3986	Deskjet Color Printer	9/26/05	57.65	0.00	0.00	4.80	19.22	24.02	33.63	S/L	3.0	
3987	Hp Deskjet Color Printer	9/26/05	57.65	0.00	0.00	4.80	19.22	24.02	33.63	S/L	3.0	
3988	Hp Deskjet Color Printer	9/26/05	57.65	0.00	0.00	4.80	19.22	24.02	33.63	S/L	3.0	
3989	HP Color Inkjet Printer	10/11/05	160.55	0.00	0.00	13.38	53.52	66.90	93.65	S/L	3.0	
3990	LCD monitor 17"	10/11/05	267.35	0.00	0.00	22.28	89.12	111.40	155.95	S/L	3.0	
3991	Sentia Notebook Computer	10/03/05	2,462.00	0.00	0.00	205.17	820.67	1,025.84	1,436.16	S/L	3.0	
3992	IBM Thinkpad and Memory	10/01/05	1,373.99	0.00	0.00	114.50	458.00	572.50	801.49	S/L	3.0	
3993	IMB Thinkpad Dock	10/01/05	395.00	0.00	0.00	32.92	131.67	164.59	230.41	S/L	3.0	
3995	Sony Digital Camera	10/11/05	211.99	0.00	0.00	17.67	70.66	88.33	123.66	S/L	3.0	
3996	17" lcd monitor	10/11/05	267.35	0.00	0.00	22.28	89.12	111.40	155.95	S/L	3.0	
3997	17" lcd monitor	10/11/05	267.34	0.00	0.00	22.28	89.11	111.39	155.95	S/L	3.0	
3998	HP Color Inkjet Printer	10/11/05	160.56	0.00	0.00	13.38	53.52	66.90	93.66	S/L	3.0	
3999	Canon Powershot Camera	10/11/05	349.00	0.00	0.00	29.08	116.33	145.41	203.59	S/L	3.0	
4000	IBM thinkpad	10/01/05	1,373.99	0.00	0.00	114.50	458.00	572.50	801.49	S/L	3.0	
4009 *	42" round table	7/06/00	153.95	0.00	0.00	153.95	0.00	153.95	0.00	S/L	4.0	
4010 *	42" round table	7/06/00	153.95	0.00	0.00	153.95	0.00	153.95	0.00	S/L	4.0	
4011 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4012 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4013 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4014 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4015 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4016 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4017 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4018 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4019 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4020 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4021 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4022 *	Stack chair	7/05/00	51.95	0.00	0.00	51.95	0.00	51.95	0.00	S/L	4.0	
4023 *	72" bookcase	6/12/00	110.07	0.00	0.00	110.07	0.00	110.07	0.00	S/L	4.0	
4024 *	High back chair	6/07/00	170.01	0.00	0.00	170.01	0.00	170.01	0.00	S/L	4.0	

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr.	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
4133	Geophone	2/10/00	341.94	0.00	0.00	341.94	0.00	341.94	0.00	S/L	5.0	
4134	Geophones	2/10/00	341.94	0.00	0.00	341.94	0.00	341.94	0.00	S/L	5.0	
4135	Plackcard Signs- Flushing	3/03/00	501.35	0.00	0.00	501.35	0.00	501.35	0.00	S/L	2.0	
4136	CPQ AIT 35GB Tape W/ 5pk	2/17/00	419.30	0.00	0.00	419.30	0.00	419.30	0.00	S/L	3.0	
4137	Smartslot Expander & Tapes	2/04/00	300.94	0.00	0.00	300.94	0.00	300.94	0.00	S/L	3.0	
4138	SNAGIT User Licenses Twin Pk.	3/03/00	211.95	0.00	0.00	211.95	0.00	211.95	0.00	S/L	2.0	
4139	SNAGIT user license twin pack	3/03/00	200.00	0.00	0.00	200.00	0.00	200.00	0.00	S/L	2.0	
4140	Test Lab	1/27/00	379.95	0.00	0.00	379.95	0.00	379.95	0.00	S/L	3.0	
4141	* Computer Supplies	2/10/00	72.28	0.00	0.00	72.28	0.00	72.28	0.00	S/L	2.0	
4142	* Cable management system	1/27/00	401.00	0.00	0.00	401.00	0.00	401.00	0.00	S/L	2.0	
4144	* Drive Rail kit	3/09/00	20.00	0.00	0.00	20.00	0.00	20.00	0.00	S/L	2.0	
4145	* Smart UPS Software	1/27/00	704.50	0.00	0.00	704.50	0.00	704.50	0.00	S/L	2.0	
4146	* Verticle Rack Organizer	1/27/00	62.22	0.00	0.00	62.22	0.00	62.22	0.00	S/L	5.0	
4147	* Billing Conversion	2/17/00	208.95	0.00	0.00	208.95	0.00	208.95	0.00	S/L	2.0	
4148	* Data tape	7/14/00	427.46	0.00	0.00	427.46	0.00	427.46	0.00	S/L	3.0	
4149	(10) licenses	7/21/00	277.83	0.00	0.00	277.83	0.00	277.83	0.00	S/L	3.0	
4150	* Computer supplies	3/19/00	2,779.00	0.00	0.00	2,779.00	0.00	2,779.00	0.00	S/L	3.0	
4151	* Overfile Cabinet - C.S Director	3/03/00	240.00	0.00	0.00	140.00	18.00	158.00	82.00	S/L	10.0	
4152	* 3 Dwr Lateral File	3/03/00	449.25	0.00	0.00	262.09	33.69	295.78	153.47	S/L	10.0	
4153	* Mail Sorting Bin	3/03/00	813.00	0.00	0.00	677.49	87.11	764.60	48.40	S/L	7.0	
4154	* Cd Writer	1/27/00	313.00	0.00	0.00	313.00	0.00	313.00	0.00	S/L	3.0	
4155	* Cd writer	1/27/00	313.00	0.00	0.00	313.00	0.00	313.00	0.00	S/L	3.0	
4174	* New Bill intro letters	8/04/00	8,996.19	0.00	0.00	8,996.19	0.00	8,996.19	0.00	S/L	5.0	
4175	* Bit cores	8/14/00	16.00	0.00	0.00	16.00	0.00	16.00	0.00	S/L	5.0	
4176	* BIF 30 No Burst	8/14/00	23.80	0.00	0.00	23.80	0.00	23.80	0.00	S/L	5.0	
4180	* Condensate line	6/13/00	877.20	0.00	0.00	877.20	0.00	877.20	0.00	S/L	5.0	
4198	* Conversion program	5/26/00	2,437.50	0.00	0.00	2,437.50	0.00	2,437.50	0.00	S/L	5.0	
4199	* Computer equipment	5/05/00	2,120.00	0.00	0.00	2,120.00	0.00	2,120.00	0.00	S/L	3.0	
4200	* Logicon upgrade	3/03/00	2,300.00	0.00	0.00	2,300.00	0.00	2,300.00	0.00	S/L	3.0	
4213	* Over file cabinet	9/01/00	255.00	0.00	0.00	255.00	0.00	255.00	0.00	S/L	4.0	
4214	* 2 drawer file cabinet	9/01/00	312.00	0.00	0.00	312.00	0.00	312.00	0.00	S/L	4.0	
4215	* Desk chair	9/01/00	125.00	0.00	0.00	125.00	0.00	125.00	0.00	S/L	4.0	
4216	* Side chair	9/01/00	79.95	0.00	0.00	79.95	0.00	79.95	0.00	S/L	4.0	
4217	* Steno chair	9/01/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	4.0	
4218	* Steno chair	9/01/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	4.0	
4219	* Steno chair	9/01/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	4.0	
4221	* Steno chair	9/01/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	4.0	
4222	* Steno chair	9/01/00	99.00	0.00	0.00	99.00	0.00	99.00	0.00	S/L	4.0	
4223	* Visitor chair	9/01/00	159.95	0.00	0.00	159.95	0.00	159.95	0.00	S/L	4.0	
4224	* Visitor chair	9/01/00	159.95	0.00	0.00	159.95	0.00	159.95	0.00	S/L	4.0	
4225	* Burgundy stool	9/01/00	144.95	0.00	0.00	144.95	0.00	144.95	0.00	S/L	4.0	
4226	* Super black chair	9/01/00	91.95	0.00	0.00	91.95	0.00	91.95	0.00	S/L	4.0	
4227	* Executive leather chair	9/01/00	166.95	0.00	0.00	166.95	0.00	166.95	0.00	S/L	4.0	
4228	* Executive leather chair	9/01/00	166.95	0.00	0.00	166.95	0.00	166.95	0.00	S/L	4.0	
4229	* Regrind and polish floor	9/08/00	7,215.00	0.00	0.00	7,215.00	0.00	7,215.00	0.00	S/L	5.0	
4265	* Unico supply Outlet	9/15/00	178.50	0.00	0.00	178.50	0.00	178.50	0.00	S/L	4.0	
4267	* Conference room chair	4/17/00	99.99	0.00	0.00	99.99	0.00	99.99	0.00	S/L	4.0	
4268	* Conference room chair	4/17/00	99.99	0.00	0.00	99.99	0.00	99.99	0.00	S/L	4.0	
4269	* Conference room chair	4/17/00	99.99	0.00	0.00	99.99	0.00	99.99	0.00	S/L	4.0	

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
4449 *	Credenza	4/06/01	576.00	0.00	0.00	273.60	57.60	331.20	244.80	S/L	10.0
4450 *	Desk	4/06/01	652.00	0.00	0.00	309.70	65.20	374.90	277.10	S/L	10.0
4451 *	Paoli Straight Tray	4/06/01	209.00	0.00	0.00	99.28	20.90	120.18	88.82	S/L	10.0
4452 *	Exec Hi Back Chair	4/23/01	309.00	0.00	0.00	144.20	30.90	175.10	133.90	S/L	10.0
4453 *	Exec Hi Back Chair	4/23/01	309.00	0.00	0.00	144.20	30.90	175.10	133.90	S/L	10.0
4454 *	Exec Hi Back Chair	4/23/01	309.00	0.00	0.00	144.20	30.90	175.10	133.90	S/L	10.0
4455 *	Exec Hi Back Chair	4/23/01	309.00	0.00	0.00	144.20	30.90	175.10	133.90	S/L	10.0
4456 *	Hi Back Chair	4/23/01	314.00	0.00	0.00	146.53	31.40	177.93	136.07	S/L	10.0
4458 *	Blinds	6/08/01	2,074.13	0.00	0.00	1,901.30	172.83	2,074.13	0.00	S/L	5.0
4462 *	Computer dock & Keypad	5/21/01	560.13	0.00	0.00	560.13	0.00	560.13	0.00	S/L	3.0
4463 *	Computer License	5/25/01	2,387.00	0.00	0.00	2,387.00	0.00	2,387.00	0.00	S/L	3.0
4474 *	Bookcase	6/29/01	246.68	0.00	0.00	222.03	24.65	246.68	0.00	S/L	5.0
4475 *	Wireless Cards & Point	7/06/01	650.66	0.00	0.00	585.59	65.07	650.66	0.00	S/L	5.0
4482 *	Personal Wardrobe	8/10/01	864.40	0.00	0.00	381.78	86.44	468.22	396.18	S/L	10.0
4483 *	36" Table	8/10/01	500.00	0.00	0.00	220.83	37.50	258.33	241.67	S/L	10.0
4484 *	Cylinder Base	8/10/01	160.00	0.00	0.00	70.67	16.00	86.67	73.33	S/L	10.0
4485 *	Bookcase	8/10/01	360.00	0.00	0.00	159.00	27.00	186.00	174.00	S/L	10.0
4488 *	13" TV- VCR	7/27/01	129.98	0.00	0.00	114.83	15.15	129.98	0.00	S/L	5.0
4489 *	Keyboard Tray	7/27/01	312.00	0.00	0.00	137.80	31.20	169.00	143.00	S/L	10.0
4490 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4491 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4492 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4493 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4494 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4495 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4496 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4497 *	Conference Room Chair	7/20/01	219.99	0.00	0.00	97.17	16.50	113.67	106.32	S/L	10.0
4498 *	Powerchute Software	8/10/01	946.40	0.00	0.00	835.99	110.41	946.40	0.00	S/L	5.0
4655 *	Conference Chairs	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	5.0
4656 *	Conference Chairs	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	5.0
4657 *	Conference Chairs	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	5.0
4658 *	Conference Chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	5.0
4659 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4660 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4661 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4662 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4663 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4664 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4665 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4666 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4667 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4668 *	Conference room chair	6/06/00	185.82	0.00	0.00	185.82	0.00	185.82	0.00	S/L	4.0
4670 *	Conference room chair	6/06/00	185.74	0.00	0.00	185.74	0.00	185.74	0.00	S/L	4.0
4671 *	Coat rack	6/06/00	104.07	0.00	0.00	104.07	0.00	104.07	0.00	S/L	4.0
4690 *	Laptop computers	6/30/00	56,982.00	0.00	0.00	56,982.00	0.00	56,982.00	0.00	S/L	5.0
4692 *	Misc Office Equipment	6/30/00	59,516.85	0.00	0.00	32,734.29	5,951.69	38,685.98	20,830.87	S/L	10.0
4697 *	Refrigerator	11/04/02	429.74	0.00	0.00	272.17	85.95	358.12	71.62	S/L	5.0
4698 *	Refrigerator	7/15/02	453.34	0.00	0.00	317.34	90.67	408.01	45.33	S/L	5.0

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
5070 *	Shelving Unit	9/28/01	609.37	0.00	0.00	517.95	91.42	609.37	0.00	S/L	5.0	
5071 *	Shelving Unit	9/28/01	609.37	0.00	0.00	517.95	91.42	609.37	0.00	S/L	5.0	
5073	Refrigerator	10/12/01	712.00	0.00	0.00	432.27	101.71	533.98	178.02	S/L	7.0	
5107 *	Copier	11/02/01	12,411.52	0.00	0.00	7,387.79	1,773.07	9,160.86	3,250.66	S/L	7.0	
5129 *	USB/PS2 cABLE	11/16/01	259.00	0.00	0.00	211.52	47.48	259.00	0.00	S/L	5.0	
5157 *	Lateral Files	1/17/02	358.33	0.00	0.00	140.34	26.87	167.21	191.12	S/L	10.0	
5158 *	Lateral Files	1/17/02	358.33	0.00	0.00	140.34	35.83	176.17	182.16	S/L	10.0	
5159 *	Lateral Files	1/17/02	358.34	0.00	0.00	140.34	35.83	176.17	182.17	S/L	10.0	
5160	22 Radio Read Modules	1/15/02	2,530.00	0.00	0.00	1,445.72	361.43	1,807.15	722.85	S/L	7.0	
5161	AutoCad 2000i	1/17/02	2,325.00	0.00	0.00	1,300.88	332.14	1,633.02	691.98	S/L	7.0	
5162	H2ONet Analyzer	1/16/02	15,013.00	0.00	0.00	8,400.12	2,144.71	10,544.83	4,468.17	S/L	7.0	
5170	Field Orders Info. Changes	2/11/02	7,800.00	0.00	0.00	6,110.00	1,560.00	7,670.00	130.00	S/L	5.0	
5171	Fax Module added to Copier	2/20/02	1,270.00	0.00	0.00	973.67	254.00	1,227.67	42.33	S/L	5.0	
5178 *	Modular Station	3/14/02	2,505.00	0.00	0.00	1,371.79	268.39	1,640.18	864.82	S/L	7.0	
5182 *	Bills & Envelopes	3/22/02	13,000.00	0.00	0.00	13,000.00	0.00	13,000.00	0.00	S/L	3.0	
5183	Desk	3/22/02	600.00	0.00	0.00	321.42	85.71	407.13	192.87	S/L	7.0	
5199 *	Charimats	4/15/02	524.70	0.00	0.00	393.53	104.94	498.47	26.23	S/L	5.0	
5200 *	Carpet	4/09/02	489.00	0.00	0.00	366.75	97.80	464.55	24.45	S/L	5.0	
5201 *	Microwave	4/02/02	109.98	0.00	0.00	82.50	22.00	104.50	5.48	S/L	5.0	
5208 *	Conference Table	5/02/02	797.38	0.00	0.00	292.38	79.74	372.12	425.26	S/L	10.0	
5209 *	Desk with Hutch	5/02/02	764.28	0.00	0.00	280.24	57.32	337.56	426.72	S/L	10.0	
5210 *	Pedestal	5/02/02	199.98	0.00	0.00	73.33	20.00	93.33	106.65	S/L	10.0	
5211 *	Laminator	5/02/02	1,985.61	0.00	0.00	1,456.11	397.12	1,853.23	132.38	S/L	5.0	
5214 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5215 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5216 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5217 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5218 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5219 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5220 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5221 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5222 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5223 *	Locker	5/02/02	116.05	0.00	0.00	60.79	12.43	73.22	42.83	S/L	7.0	
5224 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5225 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5226 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5227 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5228 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5229 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5230 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5231 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5232 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5233 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5234 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5235 *	Folding Chair	5/02/02	39.90	0.00	0.00	20.90	4.27	25.17	14.73	S/L	7.0	
5236 *	Carpet	5/02/02	338.18	0.00	0.00	248.01	4.27	25.17	14.73	S/L	7.0	
5239 *	Table	5/03/02	200.00	0.00	0.00	104.76	28.57	133.33	66.67	S/L	5.0	
5240 *	Credenza	5/02/02	365.00	0.00	0.00	267.67	73.00	340.67	24.33	S/L	5.0	
5246	IBM Thinkpad Hard Drive	5/20/02	678.99	0.00	0.00	486.62	135.80	622.42	56.57	S/L	5.0	

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
5408 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5409 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5410 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5411 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5412 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5413 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5414 *	Swival Chair	11/05/02	150.00	0.00	0.00	67.86	21.43	89.29	60.71	S/L	7.0
5415 *	Desk	11/05/02	200.00	0.00	0.00	90.47	28.57	119.04	80.96	S/L	7.0
5416 *	Laternal File	11/15/02	534.00	0.00	0.00	241.58	76.29	317.87	216.13	S/L	7.0
5418 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5419 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5420 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5421 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5422 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5423 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5425 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5426 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5427 *	Stack Chair	11/26/02	65.00	0.00	0.00	28.64	9.29	37.93	27.07	S/L	7.0
5428 *	Highback Chair	11/26/02	259.00	0.00	0.00	114.08	37.00	151.08	107.92	S/L	7.0
5429 *	Workstation	11/26/02	1,225.00	0.00	0.00	539.58	175.00	714.58	510.42	S/L	7.0
5430 *	Workstation	11/26/02	1,225.00	0.00	0.00	539.58	175.00	714.58	510.42	S/L	7.0
5431 *	Desk Chair	11/26/02	200.00	0.00	0.00	88.09	21.43	109.52	90.48	S/L	7.0
5432 *	Desk Chair	11/26/02	200.00	0.00	0.00	88.09	21.43	109.52	90.48	S/L	7.0
5442 *	Executive Chair	11/21/02	569.08	0.00	0.00	350.94	113.82	464.76	104.32	S/L	5.0
5444 *	Refrigerator	10/25/02	1,182.00	0.00	0.00	534.72	126.64	661.36	520.64	S/L	7.0
5449 *	Dictation Recorder	12/05/02	295.52	0.00	0.00	295.52	0.00	295.52	0.00	S/L	3.0
5459 *	Worksurface	12/01/02	320.00	0.00	0.00	320.00	0.00	320.00	0.00	S/L	3.0
5462 *	Shredder	12/31/02	189.98	0.00	0.00	114.00	38.00	152.00	37.98	S/L	5.0
5463 *	Folding Table	1/06/03	197.69	0.00	0.00	118.62	39.54	158.16	39.53	S/L	5.0
5471 *	Desk & Shelving	1/29/03	1,315.00	0.00	0.00	547.92	187.86	735.78	579.22	S/L	7.0
5472 *	Desk & Shelving	1/29/03	1,315.00	0.00	0.00	547.92	187.86	735.78	579.22	S/L	7.0
5485 *	Hiback Chair	3/27/03	279.99	0.00	0.00	154.00	56.00	210.00	69.99	S/L	5.0
5487 *	5 Drawer File Cabinet	2/26/03	738.00	0.00	0.00	209.10	73.80	282.90	455.10	S/L	10.0
5488 *	5 Drawer File Cabinet	2/28/03	738.00	0.00	0.00	209.10	73.80	282.90	455.10	S/L	10.0
5493 *	Phone Headsets	2/14/03	1,811.89	0.00	0.00	1,761.55	50.34	1,811.89	0.00	S/L	3.0
5494 *	Computer Part	1/13/03	1,740.29	0.00	0.00	1,740.29	0.00	1,740.29	0.00	S/L	3.0
5510 *	Laptop Case	3/28/03	132.50	0.00	0.00	121.47	11.03	132.50	0.00	S/L	3.0
5515 *	HP Projector	4/15/03	2,264.39	0.00	0.00	2,075.70	188.69	2,264.39	0.00	S/L	3.0
5516 *	AutoCad License&Subscription	3/21/03	2,815.00	0.00	0.00	2,580.41	234.59	2,815.00	0.00	S/L	3.0
5518 *	Copier	5/01/03	5,729.00	0.00	0.00	3,055.47	1,145.80	4,201.27	1,527.73	S/L	5.0
5528 *	Qrly Konica Copier Service	4/09/03	123.75	0.00	0.00	123.75	0.00	123.75	0.00	S/L	1.0
5555 *	SQL Software Package	3/06/06	0.00	0.00c	0.00	0.00	0.00	0.00	0.00	S/L	0.0
5556 *	Brochure & Bulletin Board	9/08/06	1,245.00	0.00c	0.00	0.00	41.50	41.50	1,203.50	S/L	10.0
5579 *	Laptop Computer & Memory	6/09/03	3,235.88	0.00	0.00	2,786.46	449.42	3,235.88	0.00	S/L	3.0
5634 *	Mobile File	10/02/03	199.00	0.00	0.00	149.24	49.76	199.00	0.00	S/L	3.0
5636 *	Executive Chair	9/10/03	147.50	0.00	0.00	68.83	29.50	98.33	49.17	S/L	5.0
5637 *	Executive Chair	9/10/03	147.50	0.00	0.00	68.83	29.50	98.33	49.17	S/L	5.0
5638 *	Task Chair	9/10/03	102.50	0.00	0.00	47.83	15.38	63.21	39.29	S/L	5.0
5639 *	Task Chair	9/10/03	102.50	0.00	0.00	47.83	15.38	63.21	39.29	S/L	5.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
6067	Refrigerator Stainless Steel	4/06/06	596.02	0.00c	0.00	0.00	89.40	89.40	506.62	S/L	5.0	
6068	Electric Range	3/28/06	472.88	0.00c	0.00	0.00	70.93	70.93	401.95	S/L	5.0	
6069	Electric Range	3/28/06	472.88	0.00c	0.00	0.00	70.93	70.93	401.95	S/L	5.0	
6070	Dishwasher	3/28/06	297.34	0.00c	0.00	0.00	44.60	44.60	252.74	S/L	5.0	
6071	Dishwasher	3/28/06	297.34	0.00c	0.00	0.00	44.60	44.60	252.74	S/L	5.0	
6072	MicroWave	3/28/06	75.99	0.00c	0.00	0.00	11.40	11.40	64.59	S/L	5.0	
6073	MicroWave	3/28/06	75.99	0.00c	0.00	0.00	11.40	11.40	64.59	S/L	5.0	
6074	MicroWave	3/28/06	75.99	0.00c	0.00	0.00	11.40	11.40	64.59	S/L	5.0	
6075	Dryer	3/28/06	282.15	0.00c	0.00	0.00	42.32	42.32	239.83	S/L	5.0	
6083	2 Drawer File Cabinet Lateral 18x31	7/05/06	208.41	0.00c	0.00	0.00	10.42	10.42	197.99	S/L	10.0	
6084	Lateral 2 Drawer File Cabinet 18x31	7/05/06	208.41	0.00c	0.00	0.00	10.42	10.42	197.99	S/L	10.0	
6085	2 Drawer Lateral File Cabinet 18x31	7/05/06	208.41	0.00c	0.00	0.00	10.42	10.42	197.99	S/L	10.0	
6086	3 Drawer Lateral File Cabinet 18x31	7/05/06	300.80	0.00c	0.00	0.00	15.04	15.04	285.76	S/L	10.0	
6087	4 Self Book Case 15x42x65	7/05/06	301.79	0.00c	0.00	0.00	15.09	15.09	286.70	S/L	10.0	
6088	4 Shelve Book Case 15x42x65	7/05/06	301.79	0.00c	0.00	0.00	15.09	15.09	286.70	S/L	10.0	
6090	4 Drawer/Lateral Cabinet 18x36x52	7/05/06	352.50	0.00c	0.00	0.00	17.63	17.63	334.87	S/L	10.0	
6091	4 Drawer File Cabinet 18x36x52	7/05/06	352.50	0.00c	0.00	0.00	17.63	17.63	334.87	S/L	10.0	
6096	1/3" Color Security Camera CF JV-	7/18/06	309.40	0.00c	0.00	0.00	25.78	25.78	283.62	S/L	5.0	
6110	Compac GIX5330 Processor -SCAI	8/14/06	1,996.15	0.00c	0.00	0.00	166.35	166.35	1,829.80	S/L	5.0	
6111	Half Shelf Book Case	9/07/06	59.11	0.00c	0.00	0.00	3.94	3.94	55.17	S/L	5.0	
6112	Pedestal-Exec Mobile Box	9/07/06	218.83	0.00c	0.00	0.00	14.59	14.59	204.24	S/L	5.0	
6113	10 - Copies MS Powerpoint 2003	6/01/06	1,980.00	0.00c	0.00	0.00	385.00	385.00	1,595.00	S/L	3.0	
6118	Compact Logix 5330 Processor/Ter	8/31/06	719.52	0.00c	0.00	0.00	79.95	79.95	639.57	S/L	3.0	
6119	Dell Dimension 1100 Computer	9/05/06	1,038.00	0.00c	0.00	0.00	115.33	115.33	922.67	S/L	3.0	
6120	Dell Dimension 1100 Computer	9/05/06	1,038.00	0.00c	0.00	0.00	115.33	115.33	922.67	S/L	3.0	
6121	Dell Dimension 1100 Computer	9/05/06	1,038.00	0.00c	0.00	0.00	115.33	115.33	922.67	S/L	3.0	
6124	Dell 32" LCD Monitor	10/13/06	1,369.00	0.00c	0.00	0.00	114.08	114.08	1,254.92	S/L	3.0	
6131	Software - Acrobat 7	10/09/06	442.99	0.00c	0.00	0.00	36.92	36.92	406.07	S/L	3.0	
6133	5 - Copies Power Point 2004	6/13/06	990.00	0.00c	0.00	0.00	192.50	192.50	797.50	S/L	3.0	
6134	1 - Copy Microsoft Windows 2003	8/26/06	654.00	0.00c	0.00	0.00	72.67	72.67	581.33	S/L	3.0	
6137	16 Channel DVR - FTTP	9/25/06	4,059.44	0.00c	0.00	0.00	338.29	338.29	3,721.15	S/L	3.0	
6144	Garage Can	6/27/06	288.18	0.00c	0.00	0.00	28.82	28.82	259.36	S/L	5.0	
6145	Garage Can	6/27/06	288.17	0.00c	0.00	0.00	28.82	28.82	259.35	S/L	5.0	
6146	Collection Box & Snorkel	5/08/06	975.00	0.00c	0.00	0.00	130.00	130.00	845.00	S/L	5.0	
6149	Laminated Bench 48x18x18	6/05/06	447.60	0.00c	0.00	0.00	52.22	52.22	395.38	S/L	5.0	
6150	Laminated Bench 48x18x18	6/05/06	447.60	0.00c	0.00	0.00	52.22	52.22	395.38	S/L	5.0	
6151	Laminated Bench 48x18x18	6/05/06	447.60	0.00c	0.00	0.00	52.22	52.22	395.38	S/L	5.0	
6152	Laminated Bench 48x18x18	6/02/06	447.60	0.00c	0.00	0.00	52.22	52.22	395.38	S/L	5.0	
6153	Laminated Bench 48x18x18	6/05/06	447.60	0.00c	0.00	0.00	52.22	52.22	395.38	S/L	5.0	
6154	Laminated Bench 36x18x18	6/05/06	401.00	0.00c	0.00	0.00	46.78	46.78	354.22	S/L	5.0	
6155	Laminated Bench 36x18x18	6/05/06	401.00	0.00c	0.00	0.00	46.78	46.78	354.22	S/L	5.0	
6156	Laminated Bench 36x12x18	6/05/06	375.00	0.00c	0.00	0.00	43.75	43.75	331.25	S/L	5.0	
6157	Laminated Bench 36x12x18	6/05/06	375.00	0.00c	0.00	0.00	43.75	43.75	331.25	S/L	5.0	
6158	Laminated Bench 36x12x18	6/05/06	375.00	0.00c	0.00	0.00	43.75	43.75	331.25	S/L	5.0	
6159	Oak Stool 17x17x17	6/05/06	100.00	0.00c	0.00	0.00	11.67	11.67	88.33	S/L	5.0	
6160	Oak Stool 17x17x17	6/05/06	100.00	0.00c	0.00	0.00	11.67	11.67	88.33	S/L	5.0	
6161	Oak Stool 17x17x17	6/05/06	100.00	0.00c	0.00	0.00	11.67	11.67	88.33	S/L	5.0	
6162	Oak Stool 17x17x17	6/05/06	100.00	0.00c	0.00	0.00	11.67	11.67	88.33	S/L	5.0	
6163	33 Gal Aluminum Garage Can	4/24/06	403.02	0.00c	0.00	0.00	53.74	53.74	349.28	S/L	5.0	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
6256	32G Granite Garbage Can	4/18/06	181.42	0.00c	0.00	0.00	24.19	24.19	157.23	S/L	5.0	
6257	32G Granite Garbage Can	4/18/06	181.42	0.00c	0.00	0.00	24.19	24.19	157.23	S/L	5.0	
6258	32G Granite Garbage Can	4/18/06	181.42	0.00c	0.00	0.00	24.19	24.19	157.23	S/L	5.0	
6259	Shelving for Storage Room	4/18/06	3,735.00	0.00c	0.00	0.00	249.00	249.00	3,486.00	S/L	10.0	
6260	Route Book Shelving Unit	4/18/06	375.00	0.00c	0.00	0.00	25.00	25.00	350.00	S/L	10.0	
6261	Shelve Unit Distr 16'x2'	4/18/06	655.00	0.00c	0.00	0.00	43.67	43.67	611.33	S/L	10.0	
6262	Shelve for Dist 16'x2'	4/18/06	655.00	0.00c	0.00	0.00	43.67	43.67	611.33	S/L	10.0	
6264	Shelve Unit Distr 16'x2'	4/18/06	655.00	0.00c	0.00	0.00	43.67	43.67	611.33	S/L	10.0	
6265	Shelve Unit Distr 16'x2'	4/18/06	655.00	0.00c	0.00	0.00	43.67	43.67	611.33	S/L	10.0	
6266	Safe for Customer Service area	5/16/06	2,988.14	0.00c	0.00	0.00	174.31	174.31	2,813.83	S/L	10.0	
6269	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6270	42" Glass Aluminum Dining Table	4/05/06	303.93	0.00c	0.00	0.00	45.59	45.59	258.34	S/L	5.0	
6271	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6272	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6273	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6274	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6275	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6276	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6277	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6278	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6279	42" Glass Aluminum Dining Table	4/05/06	202.93	0.00c	0.00	0.00	30.44	30.44	172.49	S/L	5.0	
6280	42" Glass Aluminum Dining Table	4/05/06	202.92	0.00c	0.00	0.00	30.44	30.44	172.48	S/L	5.0	
6281	36" Glass Aluminum Dining Table	4/05/06	179.16	0.00c	0.00	0.00	26.87	26.87	152.29	S/L	5.0	
6282	36" Glass Aluminum Dining Table	4/05/06	179.16	0.00c	0.00	0.00	26.87	26.87	152.29	S/L	5.0	
6286	Autogun Assembly - Reading Equi	1/09/06	941.50	0.00c	0.00	0.00	188.30	188.30	753.20	S/L	5.0	
6288	Security Equipment	1/10/06	876.71	0.00c	0.00	0.00	292.24	292.24	584.47	S/L	3.0	
6411	Security System CF Card Access	4/24/06	10,709.60	0.00c	0.00	0.00	1,427.95	1,427.95	9,281.65	S/L	5.0	
6457	Locker Room Benches for CF	5/03/06	2,320.00	0.00c	0.00	0.00	154.67	154.67	2,165.33	S/L	10.0	
6458	Shelving in Distribution - Small Pat	4/18/06	5,940.00	0.00c	0.00	0.00	396.00	396.00	5,544.00	S/L	10.0	
6460	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6461	H-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6462	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6463	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6464	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6465	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6466	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6467	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6468	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6469	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6470	Jenny Reception Chairs	5/01/06	458.01	0.00c	0.00	0.00	22.62	22.62	435.39	S/L	13.5	
6471	Jenny Reception Chairs	5/01/06	458.00	0.00c	0.00	0.00	22.62	22.62	435.38	S/L	13.5	
6472	Pedestal 2 Drawer	5/01/06	171.93	0.00c	0.00	0.00	8.49	8.49	163.44	S/L	13.5	
6473	Table top Executive Racetrack 120	5/01/06	430.32	0.00c	0.00	0.00	21.25	21.25	409.07	S/L	13.5	
6474	Pedestal 2 Drawer Camber	5/01/06	214.51	0.00c	0.00	0.00	10.59	10.59	203.92	S/L	13.5	
6475	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6476	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6477	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	
6478	Hi-Back Swivel Conf Room Chair	5/01/06	269.80	0.00c	0.00	0.00	13.32	13.32	256.48	S/L	13.5	
6479	Hi-Back Swivel Conf Room chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
6533	Bookcase 32x72	5/01/06	739.39	0.00c	0.00	0.00	0.00	36.51	702.88	S/L	13.5	
6534	Bookcase 32x72	5/01/06	739.39	0.00c	0.00	0.00	0.00	36.51	702.88	S/L	13.5	
6535	BookCase 32x72	5/01/06	739.39	0.00c	0.00	0.00	0.00	36.51	702.88	S/L	13.5	
6536	CEO Desk Unit	5/01/06	4,383.61	0.00c	0.00	0.00	216.47	216.47	4,167.14	S/L	13.5	
6537	Round Meeting Table & Pedestal	5/01/06	943.72	0.00c	0.00	0.00	46.60	46.60	897.12	S/L	13.5	
6538	Pedestal Mobile 2 Drawer	5/01/06	214.51	0.00c	0.00	0.00	10.59	10.59	203.92	S/L	13.5	
6539	Pedestal Mobile 2 Drawer	5/01/06	214.51	0.00c	0.00	0.00	10.59	10.59	203.92	S/L	13.5	
6540	Pedestal Mobile 2 Drawer	5/01/06	214.51	0.00c	0.00	0.00	10.59	10.59	203.92	S/L	13.5	
6541	Lateral Files Cherry	5/01/06	1,145.73	0.00c	0.00	0.00	76.38	76.38	1,069.35	S/L	10.0	
6542	Round Table & Base	5/01/06	225.53	0.00c	0.00	0.00	15.04	15.04	210.49	S/L	10.0	
6543	Executive Desk Unit	5/01/06	1,488.47	0.00c	0.00	0.00	99.23	99.23	1,389.24	S/L	10.0	
6544	Lateral File Cherry 20x30	5/01/06	311.77	0.00c	0.00	0.00	20.78	20.78	290.99	S/L	10.0	
6545	Lateral File Cherry 20x36x58	5/01/06	545.83	0.00c	0.00	0.00	36.39	36.39	509.44	S/L	10.0	
6546	Bookcase Cherry 14x36x66	5/01/06	178.47	0.00c	0.00	0.00	11.90	11.90	166.57	S/L	10.0	
6547	BookCase Cherry 14x36x66	5/01/06	178.47	0.00c	0.00	0.00	11.90	11.90	166.57	S/L	10.0	
6548	Desk Unit	5/01/06	1,355.42	0.00c	0.00	0.00	90.36	90.36	1,265.06	S/L	10.0	
6549	Desk Unit	5/01/06	2,716.32	0.00c	0.00	0.00	181.09	181.09	2,535.23	S/L	10.0	
6550	Walls & Door Unit	5/01/06	5,138.23	0.00c	0.00	0.00	342.55	342.55	4,795.68	S/L	10.0	
6551	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6552	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6553	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6554	Ped Box Mobile w/cushion	5/01/06	206.38	0.00c	0.00	0.00	10.19	10.19	196.19	S/L	13.5	
6555	Ped. Box Mobile w/cushion	5/01/06	206.38	0.00c	0.00	0.00	10.19	10.19	196.19	S/L	13.5	
6556	Ped. Box Mobile w/cushion	5/01/06	206.38	0.00c	0.00	0.00	10.19	10.19	196.19	S/L	13.5	
6558	Desk Unit	5/01/06	3,350.11	0.00c	0.00	0.00	165.44	165.44	3,184.67	S/L	13.5	
6559	Ped Box Mobile w/cushion	5/01/06	206.38	0.00c	0.00	0.00	10.19	10.19	196.19	S/L	13.5	
6560	Desk Unit	5/01/06	2,011.49	0.00c	0.00	0.00	134.10	134.10	1,877.39	S/L	10.0	
6561	Desk Unit	5/01/06	2,442.64	0.00c	0.00	0.00	162.84	162.84	2,279.80	S/L	10.0	
6562	Desk Unit	5/01/06	2,442.64	0.00c	0.00	0.00	162.84	162.84	2,279.80	S/L	10.0	
6563	Desk Unit	5/01/06	2,592.99	0.00c	0.00	0.00	172.87	172.87	2,420.12	S/L	10.0	
6564	Desk Unit	5/01/06	2,592.99	0.00c	0.00	0.00	172.87	172.87	2,420.12	S/L	10.0	
6565	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6566	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6567	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6568	Sled Guest Chair	5/01/06	84.22	0.00c	0.00	0.00	4.16	4.16	80.06	S/L	13.5	
6569	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5	
6570	Lateral 5 Drawer 36" Pull Out Shelf	5/01/06	435.74	0.00c	0.00	0.00	21.52	21.52	414.22	S/L	13.5	
6571	Lateral 5 Drawer 36"	5/01/06	399.11	0.00c	0.00	0.00	19.71	19.71	379.40	S/L	13.5	
6572	Latal 5 Drawer 36"	5/01/06	399.11	0.00c	0.00	0.00	19.71	19.71	379.40	S/L	13.5	
6573	Lateral 5 Drawer 30"	5/01/06	6,573.00	0.00c	0.00	0.00	324.59	324.59	6,248.41	S/L	13.5	
6574	Lateral 5 Drawer 30"	5/01/06	323.15	0.00c	0.00	0.00	15.96	15.96	307.19	S/L	13.5	
6575	Round Table & Base	5/01/06	299.19	0.00c	0.00	0.00	14.77	14.77	284.42	S/L	13.5	
6576	Desk Unit	5/01/06	1,977.09	0.00c	0.00	0.00	97.63	97.63	1,879.46	S/L	13.5	
6577	Bookcase	5/01/06	226.26	0.00c	0.00	0.00	11.17	11.17	215.09	S/L	13.5	
6578	Lateral File Cheery	5/01/06	1,178.93	0.00c	0.00	0.00	58.22	58.22	1,120.71	S/L	13.5	
6579	Bookcase Cherry 14x36x66	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6580	Bookcase 14x36x66	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6581	Lateral Cherry 20x36x58 4 Drawer	5/01/06	624.43	0.00c	0.00	0.00	30.84	30.84	593.59	S/L	13.5	
6582	Desk Unit	5/01/06	2,100.09	0.00c	0.00	0.00	103.71	103.71	1,996.38	S/L	13.5	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
6632	Chair Work High Back	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6633	Chair Work High Back	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6634	Chair Work High Back	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6635	Chair Work High Back	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6636	Table Top Racetrack	5/01/06	336.54	0.00c	0.00	0.00	16.62	16.62	319.92	S/L	13.5	
6637	Mobile Ped Cherry	5/01/06	225.80	0.00c	0.00	0.00	11.15	11.15	214.65	S/L	13.5	
6638	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5	
6639	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6640	Credenza 4 Drawer Cherry	5/01/06	624.43	0.00c	0.00	0.00	30.84	30.84	593.59	S/L	13.5	
6641	Credenza 2 Drawer Cherry	5/01/06	343.04	0.00c	0.00	0.00	16.94	16.94	326.10	S/L	13.5	
6642	Bookcase 35x65	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6643	Bookcase 36x65	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6644	Walls Glass Sliding Door	5/01/06	1,713.02	0.00c	0.00	0.00	84.59	84.59	1,628.43	S/L	13.5	
6645	Desk Unit	5/01/06	1,451.65	0.00c	0.00	0.00	71.69	71.69	1,379.96	S/L	13.5	
6646	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6647	Adjustable Chair	5/01/06	526.15	0.00c	0.00	0.00	25.98	25.98	500.17	S/L	13.5	
6648	Sled Guest Chair	5/01/06	78.17	0.00c	0.00	0.00	3.86	3.86	74.31	S/L	13.5	
6649	Sled Guest Chair	5/01/06	78.17	0.00c	0.00	0.00	3.86	3.86	74.31	S/L	13.5	
6650	Desk Unit	5/01/06	1,406.81	0.00c	0.00	0.00	69.47	69.47	1,337.34	S/L	13.5	
6651	Lateral Fieldstone 2 Drawer	5/01/06	237.31	0.00c	0.00	0.00	11.72	11.72	225.59	S/L	13.5	
6652	BookCase Fieldstone 4 Shelve	5/01/06	266.33	0.00c	0.00	0.00	13.15	13.15	253.18	S/L	13.5	
6653	Glass Panels/Sliding Door	5/01/06	1,455.77	0.00c	0.00	0.00	71.89	71.89	1,383.88	S/L	13.5	
6654	Desk Unit	5/01/06	1,556.28	0.00c	0.00	0.00	76.85	76.85	1,479.43	S/L	13.5	
6655	Pedestal Cushion Top	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6656	Walls Panels	5/01/06	1,058.13	0.00c	0.00	0.00	52.25	52.25	1,005.88	S/L	13.5	
6657	Work Chair Plastic	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6658	Work Chair Plastic	5/01/06	285.66	0.00c	0.00	0.00	14.11	14.11	271.55	S/L	13.5	
6659	Work Chair Plastic	5/01/06	265.11	0.00c	0.00	0.00	13.09	13.09	252.02	S/L	13.5	
6660	Table 42" w/base	5/01/06	299.19	0.00c	0.00	0.00	14.77	14.77	284.42	S/L	13.5	
6661	Desk Unit	5/01/06	1,887.49	0.00c	0.00	0.00	93.21	93.21	1,794.28	S/L	13.5	
6662	Pedestal Modifie 2 Drawer Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6663	Wall Panel Units	5/01/06	773.60	0.00c	0.00	0.00	38.20	38.20	735.40	S/L	13.5	
6664	Desk Unit	5/01/06	1,652.43	0.00c	0.00	0.00	81.60	81.60	1,570.83	S/L	13.5	
6665	Pedestal Modifie 2 Drawer Cushior	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6666	Wall Panel Units	5/01/06	386.80	0.00c	0.00	0.00	19.10	19.10	367.70	S/L	13.5	
6667	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6668	Desk Unit	5/01/06	1,652.43	0.00c	0.00	0.00	81.60	81.60	1,570.83	S/L	13.5	
6669	Pedestal Mobile 2 Drawer Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6670	Wall Panel Units	5/01/06	386.80	0.00c	0.00	0.00	19.10	19.10	367.70	S/L	13.5	
6671	Desk Unit	5/01/06	1,652.43	0.00c	0.00	0.00	81.60	81.60	1,570.83	S/L	13.5	
6672	Pedestal Mobile 2 Drawer Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6673	Wall Panels Units	5/01/06	386.80	0.00c	0.00	0.00	19.10	19.10	367.70	S/L	13.5	
6674	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6675	Desk Unit	5/01/06	1,652.43	0.00c	0.00	0.00	81.60	81.60	1,570.83	S/L	13.5	
6676	Pedestal Mobile 2 Drawer Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6677	Wall Panel Units	5/01/06	967.00	0.00c	0.00	0.00	47.75	47.75	919.25	S/L	13.5	
6678	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6679	Desk Unit	5/01/06	1,652.43	0.00c	0.00	0.00	81.60	81.60	1,570.83	S/L	13.5	
6680	Pedestal Mobile 2 Drawer Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
6730	Rectangular Table 30x66	5/01/06	204.25	0.00c	0.00	0.00	10.09	10.09	194.16	S/L	13.5	
6731	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6732	Pedestal 2 Drawer under Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6733	Desk Unit	5/01/06	1,437.48	0.00c	0.00	0.00	70.99	70.99	1,366.49	S/L	13.5	
6734	Wall Panels 48x66	5/01/06	370.32	0.00c	0.00	0.00	18.29	18.29	352.03	S/L	13.5	
6735	Wall Panels 30x66	5/01/06	6,735.00	0.00c	0.00	0.00	332.59	332.59	6,402.41	S/L	13.5	
6736	BookCase 30x66 Fieldstone	5/01/06	286.97	0.00c	0.00	0.00	14.17	14.17	272.80	S/L	13.5	
6737	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6738	Desk Unit	5/01/06	1,392.39	0.00c	0.00	0.00	6.88	6.88	1,385.51	S/L	135.0	
6739	Pedestal 2 Under Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6740	Wall Panels 48x66	5/01/06	370.32	0.00c	0.00	0.00	18.29	18.29	352.03	S/L	13.5	
6741	Wall Panels 30x66	5/01/06	140.26	0.00c	0.00	0.00	6.93	6.93	133.33	S/L	13.5	
6742	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	0.67	0.67	566.26	S/L	566.9	
6743	Desk Unit	5/01/06	1,392.39	0.00c	0.00	0.00	68.76	68.76	1,323.63	S/L	13.5	
6744	Wall Panels 48x66	5/01/06	370.32	0.00c	0.00	0.00	18.29	18.29	352.03	S/L	13.5	
6745	Wall Panels 30x66	5/01/06	140.26	0.00c	0.00	0.00	6.93	6.93	133.33	S/L	13.5	
6746	Pedestal 2 Drawer under Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6747	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6748	Desk Unit	5/01/06	1,392.21	0.00c	0.00	0.00	68.75	68.75	1,323.46	S/L	13.5	
6749	Pedestal 2 Drawer Under Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6750	Wall Panels 30x66	5/01/06	140.26	0.00c	0.00	0.00	6.93	6.93	133.33	S/L	13.5	
6751	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6752	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6753	Wall Unit 66x48	5/01/06	592.22	0.00c	0.00	0.00	29.25	29.25	562.97	S/L	13.5	
6754	Wall Unit w/glass&Door	5/01/06	1,677.53	0.00c	0.00	0.00	82.84	82.84	1,594.69	S/L	13.5	
6755	Bookcase 4 Shelve Fieldstone	5/01/06	286.97	0.00c	0.00	0.00	14.17	14.17	272.80	S/L	13.5	
6756	Sled Guest Chair	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5	
6757	Wall Units	5/01/06	334.11	0.00c	0.00	0.00	16.50	16.50	317.61	S/L	13.5	
6758	Pedestal Mobile Cushion File Cabir.	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6759	Desk Unit	5/01/06	1,437.43	0.00c	0.00	0.00	70.98	70.98	1,366.45	S/L	13.5	
6760	Desk Unit	5/01/06	2,566.95	0.00c	0.00	0.00	126.76	126.76	2,440.19	S/L	13.5	
6761	Wall Units	5/01/06	1,781.24	0.00c	0.00	0.00	87.96	87.96	1,693.28	S/L	13.5	
6762	BookCase 30x65 Cherry	5/01/06	196.27	0.00c	0.00	0.00	9.69	9.69	186.58	S/L	13.5	
6763	BookCase 30x65 Cherry	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6764	BookCase 30x65 Cherry	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6765	BookCase 30x65 Cherry	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6766	BookCase 30x65 Cherry	5/01/06	196.28	0.00c	0.00	0.00	9.69	9.69	186.59	S/L	13.5	
6767	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6768	Wall Units	5/01/06	1,143.50	0.00c	0.00	0.00	56.47	56.47	1,087.03	S/L	13.5	
6769	Desk Unit	5/01/06	1,450.65	0.00c	0.00	0.00	71.64	71.64	1,379.01	S/L	13.5	
6770	2 Drawer Pedestal Cushion Cabinet	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6771	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6772	2 Drawer Pedestal Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	
6773	Desk Unit	5/01/06	1,450.65	0.00c	0.00	0.00	74.39	74.39	1,376.26	S/L	13.0	
6774	Wall Units	5/01/06	1,034.74	0.00c	0.00	0.00	51.10	51.10	983.64	S/L	13.5	
6775	Adjustable Chair	5/01/06	566.93	0.00c	0.00	0.00	28.00	28.00	538.93	S/L	13.5	
6776	Desk Unit	5/01/06	1,450.65	0.00c	0.00	0.00	71.64	71.64	1,379.01	S/L	13.5	
6777	Wall Units	5/01/06	494.22	0.00c	0.00	0.00	24.41	24.41	469.81	S/L	13.5	
6778	2 Drawer Pedestal Cushion File Cat	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5	

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
6828	Desk Unit	5/01/06	1,542.00	0.00c	0.00	0.00	76.15	76.15	1,465.85	S/L	13.5
6829	Wall Units	5/01/06	572.36	0.00c	0.00	0.00	28.26	28.26	544.10	S/L	13.5
6830	Chair	5/01/06	291.07	0.00c	0.00	0.00	14.37	14.37	276.70	S/L	13.5
6831	Desk Unit	5/01/06	1,542.00	0.00c	0.00	0.00	76.15	76.15	1,465.85	S/L	13.5
6832	Wall Units	5/01/06	572.36	0.00c	0.00	0.00	28.26	28.26	544.10	S/L	13.5
6833	Chair	5/01/06	291.07	0.00c	0.00	0.00	14.37	14.37	276.70	S/L	13.5
6834	Desk Unit	5/01/06	6,834.00	0.00c	0.00	0.00	337.48	337.48	6,496.52	S/L	13.5
6835	Wall Panel Units	5/01/06	572.36	0.00c	0.00	0.00	28.26	28.26	544.10	S/L	13.5
6836	Chair	5/01/06	291.07	0.00c	0.00	0.00	14.37	14.37	276.70	S/L	13.5
6837	Desk Unit	5/01/06	1,542.00	0.00c	0.00	0.00	76.15	76.15	1,465.85	S/L	13.5
6838	Wall Panel Units	5/01/06	572.36	0.00c	0.00	0.00	28.26	28.26	544.10	S/L	13.5
6839	Chair	5/01/06	291.07	0.00c	0.00	0.00	14.37	14.37	276.70	S/L	13.5
6840	Desk Unit	5/01/06	1,541.79	0.00c	0.00	0.00	76.14	76.14	1,465.65	S/L	13.5
6841	Wall Panel Units	5/01/06	572.36	0.00c	0.00	0.00	28.26	28.26	544.10	S/L	13.5
6842	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5
6843	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6844	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6845	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6846	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6847	Desk Unit Cherry Bow	5/01/06	1,746.98	0.00c	0.00	0.00	86.27	86.27	1,660.71	S/L	13.5
6848	Bookcase Cherry 36x65x14	5/01/06	226.24	0.00c	0.00	0.00	11.17	11.17	215.07	S/L	13.5
6849	Lateral 2 Drawer 108"	5/01/06	1,178.96	0.00c	0.00	0.00	58.22	58.22	1,120.74	S/L	13.5
6850	Round Table Cherry 42"	5/01/06	299.19	0.00c	0.00	0.00	14.77	14.77	284.42	S/L	13.5
6851	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6852	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6853	Desk Unit Cherry Bow	5/01/06	1,746.98	0.00c	0.00	0.00	86.27	86.27	1,660.71	S/L	13.5
6854	Bookcase Cherry 36x65x14	5/01/06	226.24	0.00c	0.00	0.00	11.17	11.17	215.07	S/L	13.5
6855	Lateral 2 Drawer 108"	5/01/06	1,178.96	0.00c	0.00	0.00	58.22	58.22	1,120.74	S/L	13.5
6856	4 Drawer Lateral	5/01/06	690.43	0.00c	0.00	0.00	34.10	34.10	656.33	S/L	13.5
6857	4 Drawer Lateral	5/01/06	690.43	0.00c	0.00	0.00	34.10	34.10	656.33	S/L	13.5
6858	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6859	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6860	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6861	Sled Visitor	5/01/06	84.23	0.00c	0.00	0.00	4.16	4.16	80.07	S/L	13.5
6862	Table Square 30x30	5/01/06	280.18	0.00c	0.00	0.00	13.84	13.84	266.34	S/L	13.5
6863	Table Rectangular 72x30	5/01/06	459.23	0.00c	0.00	0.00	22.68	22.68	436.55	S/L	13.5
6864	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5
6865	Desk Unit	5/01/06	894.75	0.00c	0.00	0.00	44.19	44.19	850.56	S/L	13.5
6866	Wall Panel 60x30	5/01/06	140.26	0.00c	0.00	0.00	6.93	6.93	133.33	S/L	13.5
6867	Desk Unit	5/01/06	1,453.95	0.00c	0.00	0.00	71.80	71.80	1,382.15	S/L	13.5
6868	Pedestal 2 DR Mobile Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5
6869	Lateral 3 DR Cherry Top	5/01/06	474.10	0.00c	0.00	0.00	23.41	23.41	450.69	S/L	13.5
6870	Wall Panels	5/01/06	712.56	0.00c	0.00	0.00	35.19	35.19	677.37	S/L	13.5
6871	Pedestal 2 DR Mobile	5/01/06	183.32	0.00c	0.00	0.00	9.05	9.05	174.27	S/L	13.5
6872	Lateral 4 DR Cherry Top	5/01/06	690.43	0.00c	0.00	0.00	34.10	34.10	656.33	S/L	13.5
6873	Wall Panels	5/01/06	835.99	0.00c	0.00	0.00	41.28	41.28	794.71	S/L	13.5
6874	30x30 Executive End Table	5/01/06	134.61	0.00c	0.00	0.00	6.65	6.65	127.96	S/L	13.5
6875	Jenny Multi	5/01/06	524.35	0.00c	0.00	0.00	25.89	25.89	498.46	S/L	13.5
6876	Jenny Single	5/01/06	628.11	0.00c	0.00	0.00	31.02	31.02	597.09	S/L	13.5

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
6877	Jenny Single	5/01/06	628.11	0.00c	0.00	0.00	31.02	31.02	597.09	S/L	13.5
6878	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6879	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6880	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6881	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6882	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6883	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6884	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6885	Work Chair Black	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5
6886	Table Raceway 48x96	5/01/06	336.54	0.00c	0.00	0.00	16.62	16.62	319.92	S/L	13.5
6887	Cherry Pedestal 2 Drawer	5/01/06	235.79	0.00c	0.00	0.00	11.64	11.64	224.15	S/L	13.5
6888	Hi-Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6889	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6890	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6891	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6892	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6893	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6894	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6895	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6896	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6897	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6898	Table Top Exe. Racetrack 120	5/01/06	473.31	0.00c	0.00	0.00	23.37	23.37	449.94	S/L	13.5
6899	Natural Ped 2 Dwr Camber	5/01/06	235.90	0.00c	0.00	0.00	11.65	11.65	224.25	S/L	13.5
6900	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6901	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6902	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6903	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6904	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6905	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6906	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6907	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6908	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6909	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6910	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6911	Hi Back Swivel Conf Rm Chair	5/01/06	269.38	0.00c	0.00	0.00	13.30	13.30	256.08	S/L	13.5
6912	Double Service Cart 32"	5/01/06	468.97	0.00c	0.00	0.00	23.16	23.16	445.81	S/L	13.5
6913	Natural Pedestal 2 Drawer Camber	5/01/06	235.90	0.00c	0.00	0.00	11.65	11.65	224.25	S/L	13.5
6914	Lecturn	5/01/06	255.32	0.00c	0.00	0.00	12.61	12.61	242.71	S/L	13.5
6915	Board Room Tables	5/01/06	7,268.83	0.00c	0.00	0.00	358.95	358.95	6,909.88	S/L	13.5
6920	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5
6921	Wall Panels	5/01/06	1,687.30	0.00c	0.00	0.00	83.32	83.32	1,603.98	S/L	13.5
6922	Pedestal 2 Dr Mobile W Cushion	5/01/06	267.99	0.00c	0.00	0.00	13.23	13.23	254.76	S/L	13.5
6923	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	30.64	30.64	589.88	S/L	13.5
6924	Desk Unit	5/01/06	1,734.97	0.00c	0.00	0.00	85.68	85.68	1,649.29	S/L	13.5
6925	Board Room Folding Table 30x72	5/01/06	567.68	0.00c	0.00	0.00	28.03	28.03	539.65	S/L	13.5
6926	Board Room Folding Table 30-x72	5/01/06	567.68	0.00c	0.00	0.00	28.03	28.03	539.65	S/L	13.5
6927	Board Room Folding Table 30x72	5/01/06	567.68	0.00c	0.00	0.00	28.03	28.03	539.65	S/L	13.5
6928	Board Room Folding Table 30x72	5/01/06	567.68	0.00c	0.00	0.00	28.03	28.03	539.65	S/L	13.5
6929	Board Room Folding Table 30x72	5/01/06	567.68	0.00c	0.00	0.00	28.03	28.03	539.65	S/L	13.5

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
6982	Rectangular Table 24x36'	5/01/06	183.18	0.00c	0.00	0.00	0.00	9.05	174.13	S/L	13.5
6983	Extended Curve Table	5/01/06	245.02	0.00c	0.00	0.00	0.00	12.10	232.92	S/L	13.5
6984	Guest Chair	5/01/06	31.48	0.00c	0.00	0.00	0.00	1.55	29.93	S/L	13.5
6985	Guest Chair	5/01/06	31.48	0.00c	0.00	0.00	0.00	1.55	29.93	S/L	13.5
6986	Guest Chair	5/01/06	31.48	0.00c	0.00	0.00	0.00	1.55	29.93	S/L	13.5
6987	Guest Chair	5/01/06	31.48	0.00c	0.00	0.00	0.00	1.55	29.93	S/L	13.5
6988	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
6989	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
6990	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
6991	Wall Panels	5/01/06	1,124.87	0.00c	0.00	0.00	0.00	55.55	1,069.32	S/L	13.5
6992	Multi Purpose combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
6993	Pedestal 2 Drawer mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
6994	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
6995	Wall Panels	5/01/06	1,124.87	0.00c	0.00	0.00	0.00	55.55	1,069.32	S/L	13.5
6996	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
6997	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
6998	Multi Purpose combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
6999	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7001	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7002	Rectangular Table 24x36	5/01/06	183.18	0.00c	0.00	0.00	0.00	9.05	174.13	S/L	13.5
7003	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7004	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
7005	Pedestal 2 Drawer mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7006	Pedestal 2 Drawer Mobile	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7007	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7009	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7010	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
7011	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7012	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7014	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7015	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7016	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7017	Wall Panel Units	5/01/06	843.65	0.00c	0.00	0.00	0.00	41.66	801.99	S/L	13.5
7018	Wall Units	5/01/06	1,124.87	0.00c	0.00	0.00	0.00	55.55	1,069.32	S/L	13.5
7019	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7020	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
7021	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7022	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7023	Wall Panel Units	5/01/06	843.65	0.00c	0.00	0.00	0.00	41.66	801.99	S/L	13.5
7024	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7025	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	69.92	1,346.00	S/L	13.5
7026	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7027	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7028	Wall Panel Units	5/01/06	843.65	0.00c	0.00	0.00	0.00	41.66	801.99	S/L	13.5
7029	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	0.00	26.29	506.07	S/L	13.5
7030	Desk Unit	5/01/06	1,415.92	0.00c	0.00	0.00	0.00	6.99	1,408.93	S/L	135.0
7031	Pedestal 2 Drawer Mobile w/cushio	5/01/06	267.99	0.00c	0.00	0.00	0.00	13.23	254.76	S/L	13.5
7032	Multi Purpose Combo Cabinet	5/01/06	620.52	0.00c	0.00	0.00	0.00	30.64	589.88	S/L	13.5
7033	Wall Panel Units	5/01/06	843.65	0.00c	0.00	0.00	0.00	41.66	801.99	S/L	13.5

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
7085	Desk Unit WorkSurface	5/01/06	548.15	0.00c	0.00	0.00	27.07	27.07	521.08	S/L	13.5	
7087	Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7088	Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7089	Chair	5/01/06	291.73	0.00c	0.00	0.00	14.41	14.41	277.32	S/L	13.5	
7090	Desk	5/01/06	1,383.73	0.00c	0.00	0.00	68.33	68.33	1,315.40	S/L	13.5	
7091	Desk Unit	5/01/06	1,383.73	0.00c	0.00	0.00	68.33	68.33	1,315.40	S/L	13.5	
7092	Tackable Panels	5/01/06	484.47	0.00c	0.00	0.00	23.92	23.92	460.55	S/L	13.5	
7093	Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7094	Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7095	Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7096	Chair	5/01/06	291.73	0.00c	0.00	0.00	14.41	14.41	277.32	S/L	13.5	
7097	Desk Unit Worksurface	5/01/06	548.15	0.00c	0.00	0.00	27.07	27.07	521.08	S/L	13.5	
7098	Pedestal Under	5/01/06	169.34	0.00c	0.00	0.00	8.36	8.36	160.98	S/L	13.5	
7099	Pedestal Under	5/01/06	169.34	0.00c	0.00	0.00	8.36	8.36	160.98	S/L	13.5	
7100	Pedestal Under	5/01/06	169.34	0.00c	0.00	0.00	8.36	8.36	160.98	S/L	13.5	
7101	Pedestal Under	5/01/06	169.34	0.00c	0.00	0.00	8.36	8.36	160.98	S/L	13.5	
7102	O/H Storage Cherry	5/01/06	268.63	0.00c	0.00	0.00	13.27	13.27	255.36	S/L	13.5	
7103	Pedestal Under	5/01/06	268.63	0.00c	0.00	0.00	13.27	13.27	255.36	S/L	13.5	
7104	Pedestal Under	5/01/06	268.63	0.00c	0.00	0.00	13.27	13.27	255.36	S/L	13.5	
7105	Pedestal Under	5/01/06	268.64	0.00c	0.00	0.00	13.27	13.27	255.37	S/L	13.5	
7107	Wall Panels	5/01/06	1,776.84	0.00c	0.00	0.00	87.75	87.75	1,689.09	S/L	13.5	
7108	Glass Panels	5/01/06	1,369.22	0.00c	0.00	0.00	67.62	67.62	1,301.60	S/L	13.5	
7109	Chair Stool	5/01/06	605.96	0.00c	0.00	0.00	29.92	29.92	576.04	S/L	13.5	
7110	Mechanics Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7111	Mechanics Chair	5/01/06	291.72	0.00c	0.00	0.00	14.41	14.41	277.31	S/L	13.5	
7112	Desk Unit Amd/CEO	5/01/06	2,067.80	0.00c	0.00	0.00	102.11	102.11	1,965.69	S/L	13.5	
7113	Desk Unit	5/01/06	1,989.16	0.00c	0.00	0.00	98.23	98.23	1,890.93	S/L	13.5	
7114	64 Dinning Chair - Lunch Room	5/01/06	3,448.00	0.00c	0.00	0.00	170.27	170.27	3,277.73	S/L	13.5	
7115	4 Drawer Lateral File	12/31/06	377.26	0.00c	0.00	0.00	0.00	0.00	377.26	S/L	13.5	
7116	Bookcase 2 Shelve	12/31/06	219.33	0.00c	0.00	0.00	0.00	0.00	219.33	S/L	13.5	
7117	Stool for Plan Library	12/31/06	518.64	0.00c	0.00	0.00	0.00	0.00	518.64	S/L	13.5	
7118	Stool for Plan Library	12/31/06	518.64	0.00c	0.00	0.00	0.00	0.00	518.64	S/L	13.5	
7119	Lateral Files - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7120	Lateral File - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7121	Lateral File - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7122	Lateral File - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7123	Lateral File - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7124	Lateral File - Eng Library	12/31/06	377.27	0.00c	0.00	0.00	0.00	0.00	377.27	S/L	13.5	
7125	Lateral File	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7126	Lateral File	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7127	Lateral File	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7128	Lateral File under Desk	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7129	Later File under Desk	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7130	Lateral File Under Desk	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7131	Lateral File under Desk	12/31/06	234.96	0.00c	0.00	0.00	0.00	0.00	234.96	S/L	13.5	
7132	Lateral File	12/31/06	236.95	0.00c	0.00	0.00	0.00	0.00	236.95	S/L	13.5	
7133	Lateral File	12/31/06	196.06	0.00c	0.00	0.00	0.00	0.00	196.06	S/L	13.5	
7134	Mobile Pedestal File	12/31/06	196.06	0.00c	0.00	0.00	0.00	0.00	196.06	S/L	13.5	
7135	Lateral File	12/31/06	236.95	0.00c	0.00	0.00	0.00	0.00	236.95	S/L	13.5	

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Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 340-0001-000 (continued)</b>												
8071	HP 3490 Printer	3/20/06	49.00	0.00c	0.00	0.00	12.25	12.25	36.75	S/L	3.0	
8072	HP 3490 Printer	3/20/06	49.00	0.00c	0.00	0.00	12.25	12.25	36.75	S/L	3.0	
8074	Sony Cybershot Camera	4/12/06	228.40	0.00c	0.00	0.00	57.10	57.10	171.30	S/L	3.0	
8075	Dell Server for Phone System	3/14/06	5,458.32	0.00c	0.00	0.00	909.72	909.72	4,548.60	S/L	5.0	
8076	Dell Server for Phone System	3/14/06	1,987.68	0.00c	0.00	0.00	331.28	331.28	1,656.40	S/L	5.0	
8077	Router	3/14/06	8,122.15	0.00c	0.00	0.00	2,256.15	2,256.15	5,866.00	S/L	3.0	
8078	Cisco 2801 Voice Router	3/07/06	4,242.92	0.00c	0.00	0.00	707.15	707.15	3,535.77	S/L	5.0	
8079	Cisco 2801 Voice Router	3/07/06	3,580.45	0.00c	0.00	0.00	596.74	596.74	2,983.71	S/L	5.0	
8080	Cisco 2801 Voice Router	3/07/06	4,228.85	0.00c	0.00	0.00	704.81	704.81	3,524.04	S/L	5.0	
8082	Server Rack	3/07/06	4,146.77	0.00c	0.00	0.00	691.13	691.13	3,455.64	S/L	5.0	
8085	Dell PC GX620	5/03/06	1,043.31	0.00c	0.00	0.00	231.85	231.85	811.46	S/L	3.0	
8086	Sony Cybershot Camera	4/12/06	228.39	0.00c	0.00	0.00	57.10	57.10	171.29	S/L	3.0	
8089	Maxtor USB 1000GB	4/24/06	839.35	0.00c	0.00	0.00	186.52	186.52	652.83	S/L	3.0	
8090	Dell PC GX620	4/26/06	1,043.31	0.00c	0.00	0.00	231.85	231.85	811.46	S/L	3.0	
8091	Cisco 2950T Switch Unit	4/24/06	856.25	0.00c	0.00	0.00	190.28	190.28	665.97	S/L	3.0	
8092	Cisco 2950T Switch	4/24/06	856.24	0.00c	0.00	0.00	190.28	190.28	665.96	S/L	3.0	
8094	Dell PC GX620	4/26/06	1,043.31	0.00c	0.00	0.00	231.85	231.85	811.46	S/L	3.0	
8095	HP LaserJet Color Printer 4700	6/27/06	2,078.07	0.00c	0.00	0.00	346.35	346.35	1,731.72	S/L	3.0	
8096	Dell PC GX620	4/26/06	1,043.31	0.00c	0.00	0.00	231.85	231.85	811.46	S/L	3.0	
8097	Dell PowerEdge Server	5/03/06	5,463.32	0.00c	0.00	0.00	1,214.07	1,214.07	4,249.25	S/L	3.0	
8098	Optiplex GX620 Computer	5/22/06	1,095.84	0.00c	0.00	0.00	213.08	213.08	882.76	S/L	3.0	
8104	Optiplex GX 620 Computer	5/22/06	1,095.84	0.00c	0.00	0.00	213.08	213.08	882.76	S/L	3.0	
8105	Optiplex GX 620 Computer	5/22/06	1,095.84	0.00c	0.00	0.00	213.08	213.08	882.76	S/L	3.0	
8106	Optiplex GX620 Computer	5/22/06	1,663.36	0.00c	0.00	0.00	323.43	323.43	1,339.93	S/L	3.0	
8107	Optiplex GX620 Computer	5/22/06	3,914.89	0.00c	0.00	0.00	391.49	391.49	3,523.40	S/L	5.0	
8109	Panasonic Toughbook Laptop 29	6/27/06	14,086.00	0.00c	0.00	0.00	1,643.37	1,643.37	12,442.63	S/L	5.0	
8110	Wide Format Digital Scanner	5/22/06	1,915.99	0.00c	0.00	0.00	191.60	191.60	1,724.39	S/L	5.0	
8112	Panasonic Toughbook Laptop	7/05/06	208.54	0.00c	0.00	0.00	34.76	34.76	173.78	S/L	3.0	
8113	HP Laser Jet Printer 1020	7/05/06	390.05	0.00c	0.00	0.00	119.18	119.18	270.87	S/L	3.0	
8116	Sony DVD/VHS Recorder Unit	1/18/06	232.37	0.00c	0.00	0.00	45.18	45.18	187.19	S/L	3.0	
8117	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8118	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8119	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8120	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8121	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8122	Sony Cybershot Camera DSC-S600	6/13/06	232.37	0.00c	0.00	0.00	44.21	44.21	183.16	S/L	3.0	
8123	Optiplex Computer	6/27/06	1,049.00	0.00c	0.00	0.00	174.83	174.83	874.17	S/L	3.0	
8124	Lenovo Thinkpad T60 Laptop Com	6/27/06	1,937.00	0.00c	0.00	0.00	322.83	322.83	1,614.17	S/L	3.0	
8126	IBM Thinkpad T-60	6/14/06	2,027.42	0.00c	0.00	0.00	236.53	236.53	1,790.89	S/L	5.0	
8127	IBM Thinkpad T-60	6/14/06	2,027.42	0.00c	0.00	0.00	236.53	236.53	1,790.89	S/L	5.0	
8128	Dell Optiplex PC	6/27/06	1,663.36	0.00c	0.00	0.00	277.23	277.23	1,386.13	S/L	3.0	
8129	HP LaserJet Printer 1320	6/27/06	309.98	0.00c	0.00	0.00	51.66	51.66	258.32	S/L	3.0	
8130	NEC 19" LCD Monitor	6/27/06	309.99	0.00c	0.00	0.00	51.67	51.67	258.32	S/L	3.0	
8133	Dell Optiplex PC	8/28/06	1,369.80	0.00c	0.00	0.00	152.20	152.20	1,217.60	S/L	3.0	
8134	Dell Optiplex PC	8/28/06	1,369.80	0.00c	0.00	0.00	152.20	152.20	1,217.60	S/L	3.0	
8140	Dell Optiplex PC	8/28/06	1,369.80	0.00c	0.00	0.00	152.20	152.20	1,217.60	S/L	3.0	
8141	Thinkpad Docking Station	7/05/06	400.50	0.00c	0.00	0.00	66.75	66.75	333.75	S/L	3.0	
8142	Thinkpad Docking Station	7/05/06	400.49	0.00c	0.00	0.00	66.75	66.75	333.74	S/L	3.0	
8143	Dell Optiplex PC	8/28/06	1,369.80	0.00c	0.00	0.00	152.20	152.20	1,217.60	S/L	3.0	

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 340-0001-000 (continued)</b>											
31255	Computer - Lab - Support Prov.	3/03/00	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	3.0
31256	NEC Monitor	2/17/00	934.00	0.00	0.00	934.00	0.00	934.00	0.00	S/L	3.0
31257	IBM Thinkpad Series Laptop	2/17/00	4,147.00	0.00	0.00	4,147.00	0.00	4,147.00	0.00	S/L	3.0
31258	Winframe Server - Microwavehouse	2/04/00	7,769.00	0.00	0.00	7,769.00	0.00	7,769.00	0.00	S/L	3.0
31259	CTXS Software - New Server	2/17/00	1,331.15	0.00	0.00	1,331.15	0.00	1,331.15	0.00	S/L	3.0
31260	MSFT Software - New Server	2/17/00	1,240.00	0.00	0.00	1,240.00	0.00	1,240.00	0.00	S/L	3.0
31261	10 Pack MSFT Licenses	2/17/00	880.00	0.00	0.00	880.00	0.00	880.00	0.00	S/L	2.0
31262	10 Pack MSFT Licenses NT	2/17/00	310.00	0.00	0.00	310.00	0.00	310.00	0.00	S/L	2.0
31263	CD Writer	3/03/00	288.32	0.00	0.00	288.32	0.00	288.32	0.00	S/L	3.0
31264	Procure Switch	3/03/00	1,824.00	0.00	0.00	1,824.00	0.00	1,824.00	0.00	S/L	3.0
31265	Procure Switch	3/03/00	1,824.00	0.00	0.00	1,824.00	0.00	1,824.00	0.00	S/L	3.0
31266	Portable Overhead Projector	1/27/99	648.85	0.00	0.00	648.85	0.00	648.85	0.00	S/L	5.0
31271	10 Modems software	3/03/00	2,768.27	0.00	0.00	2,768.27	0.00	2,768.27	0.00	S/L	3.0
31272	Winframe computing system	2/17/00	3,761.15	0.00	0.00	3,761.15	0.00	3,761.15	0.00	S/L	3.0
31273	Desk shell	10/16/00	199.00	0.00	0.00	199.00	0.00	199.00	0.00	S/L	4.0
31276	Security System VCR 24 hr	7/10/99	1,110.00	0.00	0.00	1,110.00	0.00	1,110.00	0.00	S/L	4.0
31277	Folding Chair	5/02/02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	S/L	0.0
31279		7/19/02	181.47	0.00	0.00	123.99	36.29	160.28	21.19	S/L	5.0
31284	Highback Chair	11/29/02	259.00	0.00	0.00	114.08	37.00	151.08	107.92	S/L	7.0
31287	Computer Pix Firewall	3/01/03	414.70	0.00	0.00	235.00	82.94	317.94	96.76	S/L	5.0
31309	Misc Equipment	6/30/04	9,324.60	0.00	0.00	2,797.38	1,864.92	4,662.30	4,662.30	S/L	5.0
31320	Apple Power Book	9/01/05	2,162.42	0.00	0.00	240.27	720.81	961.08	1,201.34	S/L	3.0
31321	Apple X Server	9/01/05	4,227.78	0.00	0.00	469.75	1,409.26	1,879.01	2,348.77	S/L	3.0
31322	Panasonic Tough Book	9/06/05	1,922.99	0.00	0.00	213.67	641.00	854.67	1,068.32	S/L	3.0
31323	Netscreen App Mgr.	11/01/05	5,752.63	0.00	0.00	319.59	1,917.54	2,237.13	3,515.50	S/L	3.0
31324	Camera Kodak	12/13/05	308.95	0.00	0.00	8.58	102.98	111.56	197.39	S/L	3.0
31325	HP Printer	12/15/05	223.72	0.00	0.00	6.21	74.57	80.78	142.94	S/L	3.0
31326	Sony Laptop	12/16/05	2,269.05	0.00	0.00	0.00	756.35	756.35	1,512.70	S/L	3.0
31327	Workout Equip	12/16/05	1,309.00	0.00	0.00	0.00	130.90	130.90	1,178.10	S/L	10.0
31339	4 Shelve Book Case 15x42x65	7/05/06	301.79	0.00c	0.00	0.00	15.09	15.09	286.70	S/L	10.0
31340	Intercom for CF VK-C4000 Main U	7/28/06	677.95	0.00c	0.00	0.00	56.50	56.50	621.45	S/L	5.0
31342	Remote Intercomm Station CF	7/28/06	198.95	0.00c	0.00	0.00	16.58	16.58	182.37	S/L	5.0
31343	Remote Intercomm Unit CF	7/28/06	198.95	0.00c	0.00	0.00	16.58	16.58	182.37	S/L	5.0
31344	Remote Intercomm Unit for CF	7/28/06	198.95	0.00c	0.00	0.00	16.58	16.58	182.37	S/L	5.0
31345	610 XCR Ceramic Plates for Bar co	9/19/06	4,699.18	0.00c	0.00	0.00	117.48	117.48	4,581.70	S/L	10.0
31348	HP Color LaserJet Printer 4700	6/27/06	2,136.99	0.00c	0.00	0.00	356.17	356.17	1,780.82	S/L	3.0
31349	Dell Optiplex GX620 PC	3/08/06	1,009.97	0.00c	0.00	0.00	280.55	280.55	729.42	S/L	3.0
31350	60" Round Table	11/13/06	121.65	0.00c	0.00	0.00	4.06	4.06	117.59	S/L	5.0
31351	Dell Server Rackl	2/14/06	4,140.41	0.00c	0.00	0.00	759.08	759.08	3,381.33	S/L	5.0
31353	Hi-Back Swivel Conf Room Chair	5/01/06	269.38	0.00c	0.00	0.00	17.96	17.96	251.42	S/L	10.0
31354	Adjustable Chair	5/01/06	532.36	0.00c	0.00	0.00	26.29	26.29	506.07	S/L	13.5
31355	Wall Panel Units w/glass door	5/01/06	2,108.24	0.00c	0.00	0.00	104.11	104.11	2,004.13	S/L	13.5
			3,204,639.95	0.00c	0.00	1,980,452.73	263,368.98	2,243,821.71	960,818.24		
			989,265.81	0.00	0.00	905,121.63	0.00	930,104.09	59,161.72		
			2,215,374.14	0.00c	0.00	1,075,331.10	263,368.98	1,313,717.62	901,656.52		
			<b>*Less: Dispositions</b>								
			<b>Net 340-0001-000</b>								

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 341-0001-000 (continued)</b>											
3536	Truck # 280	4/17/00	48,900.00	0.00	0.00	48,900.00	0.00	48,900.00	0.00	S/L	4.0
3537	Truck # 276	4/17/00	48,900.00	0.00	0.00	48,900.00	0.00	48,900.00	0.00	S/L	4.0
4001	Mini cargo van	5/12/00	19,929.00	0.00	0.00	19,929.00	0.00	19,929.00	0.00	S/L	4.0
4184	10' gallon bed	7/07/00	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	0.00	S/L	5.0
4185	10' gallon bed	7/07/00	8,000.00	0.00	0.00	8,000.00	0.00	8,000.00	0.00	S/L	5.0
4186	Pick up truck 3245	7/07/00	23,851.00	0.00	0.00	23,851.00	0.00	23,851.00	0.00	S/L	4.0
4187	Bed liner truck #276	7/14/00	2,732.25	0.00	0.00	2,732.25	0.00	2,732.25	0.00	S/L	5.0
4188	Bed liner truck # 280	7/14/00	2,732.25	0.00	0.00	2,732.25	0.00	2,732.25	0.00	S/L	5.0
4189	Spray-on liner	7/31/00	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	3.0
4190	Eager Beaver equipment trailer	6/13/00	10,096.00	0.00	0.00	10,096.00	0.00	10,096.00	0.00	S/L	4.0
4230	Spray-on bed liners	4/20/00	345.00	0.00	0.00	345.00	0.00	345.00	0.00	S/L	5.0
4231	Spray-on bed liners	4/20/00	345.00	0.00	0.00	345.00	0.00	345.00	0.00	S/L	5.0
4232	Bed liner and cap	4/20/00	488.00	0.00	0.00	488.00	0.00	488.00	0.00	S/L	5.0
4233	Bed liner and cap	4/20/00	489.90	0.00	0.00	489.90	0.00	489.90	0.00	S/L	5.0
4234	Eager Beaver equipment trailer	2/17/00	10,096.00	0.00	0.00	10,096.00	0.00	10,096.00	0.00	S/L	4.0
4266	Toolboxes	2/09/01	1,566.00	0.00	0.00	1,566.00	26.10	1,566.00	0.00	S/L	5.0
4338	Tandem axle trailer	12/18/00	42,000.00	0.00	0.00	42,000.00	163.17	42,000.00	0.00	S/L	4.0
4342	10 Ton Air Brake Drag	1/30/01	9,790.00	0.00	0.00	9,790.00	163.17	9,790.00	0.00	S/L	5.0
4360	5 Flasher Strobe Units	1/24/01	1,400.65	0.00	0.00	1,377.31	23.34	1,400.65	0.00	S/L	5.0
4365	4-Dr Mid Size Car # 204	2/02/01	13,392.20	0.00	0.00	13,169.00	223.20	13,392.20	0.00	S/L	5.0
4366	4-Dr Mid Size Car Unit 114	2/02/01	14,162.20	0.00	0.00	13,926.16	236.04	14,162.20	0.00	S/L	5.0
4387	Pickup Truck Unit 225	3/23/01	21,208.00	0.00	0.00	20,147.60	1,060.40	21,208.00	0.00	S/L	5.0
4388	Pickup Truck Unit 231	3/16/01	21,208.00	0.00	0.00	20,147.60	1,060.40	21,208.00	0.00	S/L	5.0
4389	Pickup Truck Unit 247	3/23/01	21,208.00	0.00	0.00	20,147.60	1,060.40	21,208.00	0.00	S/L	5.0
4425	Delta Tool Box	4/11/01	194.00	0.00	0.00	194.00	0.00	194.00	0.00	S/L	2.0
4459	Compact SUV Chev. # 490	4/17/01	18,541.78	0.00	0.00	12,361.20	2,648.83	15,010.03	3,531.75	S/L	7.0
4460	Service Truck Unit 258	4/04/01	53,366.25	0.00	0.00	50,697.94	2,668.31	53,366.25	0.00	S/L	5.0
4685	Vehicle Advertisments	10/15/00	325.25	0.00	0.00	325.25	0.00	325.25	0.00	S/L	1.0
4972	2004 Ford F250 4 x 4 # 122	5/25/04	25,105.92	0.00	0.00	9,937.76	6,276.48	16,214.24	8,891.68	S/L	4.0
4973	2004 Ford F250 4 x 4 # 123	5/25/04	25,105.92	0.00	0.00	9,937.76	6,276.48	16,214.24	8,891.68	S/L	4.0
4974	2004 Ford F250 4X4 # 118	5/25/04	25,105.92	0.00	0.00	9,937.76	6,276.48	16,214.24	8,891.68	S/L	4.0
4975	2004 Ford Ranger SC # 140	5/03/04	19,015.61	0.00	0.00	7,923.17	4,753.90	12,677.07	6,338.54	S/L	4.0
4976	2004 Ford Ranger SC # 141	5/03/04	18,618.00	0.00	0.00	7,757.50	4,654.50	12,412.00	6,206.00	S/L	4.0
4977	2004 P/U truck 4 x 2 # 129	6/03/04	18,240.42	0.00	0.00	7,220.16	4,560.10	11,780.26	6,460.16	S/L	4.0
4978	2004 3/4 ton 4 x 2 # 248	6/03/04	18,240.42	0.00	0.00	7,220.16	4,560.10	11,780.26	6,460.16	S/L	4.0
4979	2004 Ford F250 4 x 2 # 125	5/25/04	22,615.00	0.00	0.00	8,951.77	5,653.75	14,605.52	8,009.48	S/L	4.0
4980	2004 Ford F250 4 x 2 # 128	5/25/04	22,615.00	0.00	0.00	8,951.77	5,653.75	14,605.52	8,009.48	S/L	4.0
4981	04 Med duty dump truck # 283	8/26/04	61,172.50	0.00	0.00	20,390.84	15,293.13	35,683.97	25,488.53	S/L	4.0
4982	04 Med duty dump truck # 284	8/26/04	61,172.50	0.00	0.00	20,390.84	15,293.13	35,683.97	25,488.53	S/L	4.0
4983	2004 10 ton drag - DT 7	5/10/04	11,500.00	0.00	0.00	3,833.33	2,300.00	6,133.33	5,366.67	S/L	5.0
4984	Tool Box L& Liner # 200	7/07/04	1,294.00	0.00	0.00	485.25	323.50	808.75	485.25	S/L	4.0
5022	Unit 285 Dump Truck	4/04/01	63,737.25	0.00	0.00	43,250.27	6,828.99	50,079.26	13,657.99	S/L	7.0
5023	S- 10 Pickup Unit 142	4/04/01	15,825.73	0.00	0.00	10,738.89	2,260.82	12,999.71	2,826.01	S/L	7.0
5024	S- 10 Pickup Unit 161	4/04/01	15,825.72	0.00	0.00	10,738.89	2,260.82	12,999.71	2,826.01	S/L	7.0
5196	2002 Chevy Truck	4/01/02	17,259.60	0.00	0.00	12,944.70	3,451.92	16,396.62	862.98	S/L	5.0
5197	2002 Malibu	4/01/02	14,210.46	0.00	0.00	10,657.84	2,842.09	13,499.93	710.53	S/L	5.0
5207	2002 Dodge	4/18/02	20,898.00	0.00	0.00	10,946.58	2,985.43	13,932.01	6,965.99	S/L	7.0
5241	Spray On Liner	4/19/02	310.00	0.00	0.00	227.33	62.00	289.33	20.67	S/L	5.0
5242	Tool Box	4/19/02	325.00	0.00	0.00	238.33	65.00	303.33	21.67	S/L	5.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 341-0001-000 (continued)</b>											
31031	Vehicle 108	5/05/99	19,060.00	0.00	0.00	19,060.00	0.00	19,060.00	0.00	S/L	5.0
31032	Vehicle 228	5/05/99	28,060.00	0.00	0.00	28,060.00	0.00	28,060.00	0.00	S/L	5.0
31033	Vehicle 259	5/05/99	28,060.00	0.00	0.00	28,060.00	0.00	28,060.00	0.00	S/L	5.0
31034	Crane Body & Crane - Veh 228	5/28/99	15,795.00	0.00	0.00	15,795.00	0.00	15,795.00	0.00	S/L	5.0
31036	Vehicle 162	5/28/99	15,474.00	0.00	0.00	15,474.00	0.00	15,474.00	0.00	S/L	5.0
31037	Vehicle 209	5/28/99	15,474.00	0.00	0.00	15,474.00	0.00	15,474.00	0.00	S/L	5.0
31038	Utility Body w/Undbody a/c	7/30/99	19,500.00	0.00	0.00	19,500.00	0.00	19,500.00	0.00	S/L	5.0
31039	Bed Liner & Tool Box - FS	2/12/99	488.95	0.00	0.00	488.95	0.00	488.95	0.00	S/L	5.0
31041	Steps for New Truck - #	8/13/99	180.00	0.00	0.00	180.00	0.00	180.00	0.00	S/L	5.0
31042	Cab Guard & Steps - #	8/26/99	955.50	0.00	0.00	955.50	0.00	955.50	0.00	S/L	5.0
31043	Trucks for Bobcat	10/27/99	2,170.00	0.00	0.00	2,170.00	0.00	2,170.00	0.00	S/L	4.0
31044	Install storage boxes & hose bracket	10/27/99	1,297.00	0.00	0.00	1,297.00	0.00	1,297.00	0.00	S/L	5.0
31057	# 281 F800 Dump Truck	6/30/90	34,708.89	0.00	0.00	34,708.89	0.00	34,708.89	0.00	S/L	4.0
31058	# 257 Crew Truck 600	6/30/90	27,758.85	0.00	0.00	27,758.85	0.00	27,758.85	0.00	S/L	4.0
31063	# 276 Ford Super Dump Trk	6/30/92	24,021.91	0.00	0.00	24,021.91	0.00	24,021.91	0.00	S/L	4.0
31065	# 256 Ford 600	6/30/93	31,628.34	0.00	0.00	31,628.34	0.00	31,628.34	0.00	S/L	4.0
31066	# 256 A Air compressor	6/30/93	10,700.50	0.00	0.00	10,700.50	0.00	10,700.50	0.00	S/L	4.0
31067	#415 Meter Shop Ford Ranger	6/30/94	12,984.37	0.00	0.00	12,984.37	0.00	12,984.37	0.00	S/L	4.0
31069	# 202 Chevy Blazer	6/30/95	21,251.57	0.00	0.00	21,251.57	0.00	21,251.57	0.00	S/L	4.0
31073	# 110 Jeep Cherokee	6/30/96	19,899.07	0.00	0.00	19,899.07	0.00	19,899.07	0.00	S/L	4.0
31074	# 210 Jeep Cherokee	6/30/96	19,899.07	0.00	0.00	19,899.07	0.00	19,899.07	0.00	S/L	4.0
31075	# 102 Crown Victoria	6/30/96	19,789.35	0.00	0.00	19,789.35	0.00	19,789.35	0.00	S/L	4.0
31077	Vehicle # 226	3/03/98	16,774.00	0.00	0.00	16,774.00	0.00	16,774.00	0.00	S/L	5.0
31080	Vehicle 123	3/03/98	16,774.06	0.00	0.00	16,774.06	0.00	16,774.06	0.00	S/L	5.0
31082	Vehicle #406	3/03/98	15,806.00	0.00	0.00	15,806.00	0.00	15,806.00	0.00	S/L	5.0
31083	Vehicle # 443	3/03/98	16,774.00	0.00	0.00	16,774.00	0.00	16,774.00	0.00	S/L	5.0
31085	Vehicle # 452	3/03/98	16,774.00	0.00	0.00	16,774.00	0.00	16,774.00	0.00	S/L	5.0
31086	Vehicle 241	4/27/98	18,564.57	0.00	0.00	18,564.57	0.00	18,564.57	0.00	S/L	5.0
31087	Vehicle # 246	4/27/98	18,764.57	0.00	0.00	18,764.57	0.00	18,764.57	0.00	S/L	5.0
31318	1999 Ford E450 Bus	10/01/05	3,500.00	0.00	0.00	175.00	700.00	875.00	2,625.00	S/L	5.0
31352	Kubota A1V - RTV900	12/20/06	13,971.00	0.00c	0.00	0.00	0.00	0.00	13,971.00	S/L	5.0
31385	2006 Dump Truck	10/20/06	69,632.00	0.00c	0.00	0.00	1,657.90	1,657.90	67,974.10	S/L	7.0
			2,810,113.18	0.00c	0.00	1,872,822.28	241,720.25	2,114,542.53	695,570.65		
			159,614.00	0.00	0.00	138,066.62	0.00	145,956.01	13,657.99		
			2,650,499.18	0.00c	0.00	1,734,755.66	241,720.25	1,968,586.52	681,912.66		
<b>341-0001-000</b>											
*Less: Dispositions											
Net 341-0001-000											
<b>Group: 341-0002-000</b>											
4893	Vehicles	6/13/02	5,097.75	0.00	0.00	5,097.75	0.00	5,097.75	0.00	S/L	1.0
4894	Vehicle	6/13/02	13,356.90	0.00	0.00	13,356.90	0.00	13,356.90	0.00	S/L	3.0
4895	Vehicle	6/13/02	12,619.25	0.00	0.00	12,619.25	0.00	12,619.25	0.00	S/L	3.0
			31,073.90	0.00c	0.00	31,073.90	0.00	31,073.90	0.00		
<b>Group: 342-0001-000</b>											
1293	2 90LB PAVEMENT BREAKERS	6/25/87	1,350.00	0.00	0.00	1,350.00	0.00	1,350.00	0.00	S/L	3.0
1302	Vehicle 262 - Truck Body	9/19/89	16,454.00	0.00	0.00	16,454.00	0.00	16,454.00	0.00	S/L	5.0

**Tax Asset Detail 1/01/06 - 12/31/06**

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 342-0001-000 (continued)</b>											
1445	SCHONSTEADT 52CX LOCATOI	11/21/95	690.27	0.00	0.00	690.27	0.00	690.27	0.00	S/L	7.0
3582	Air Ratchet	12/01/01	905.85	0.00	0.00	739.78	166.07	905.85	0.00	S/L	5.0
5035	Gas Saw	8/31/01	911.00	0.00	0.00	789.53	121.47	911.00	0.00	S/L	5.0
5036	Gas Saw	8/31/01	911.00	0.00	0.00	789.53	121.47	911.00	0.00	S/L	5.0
5037	Gas Water Pump	8/31/01	475.00	0.00	0.00	411.67	63.33	475.00	0.00	S/L	5.0
5038	Gas Water Pump	8/31/01	475.00	0.00	0.00	411.67	63.33	475.00	0.00	S/L	5.0
5039	Gas Water Pump	8/31/01	475.00	0.00	0.00	411.67	63.33	475.00	0.00	S/L	5.0
5074	Air Spade Hand Tool	10/12/01	1,150.00	0.00	0.00	977.50	172.50	1,150.00	0.00	S/L	5.0
5137	Crane for Truck 411	11/30/01	10,000.75	0.00	0.00	5,833.78	1,428.68	7,262.46	2,738.29	S/L	7.0
31015	Hooks & Chains	3/16/99	708.36	0.00	0.00	708.36	0.00	708.36	0.00	S/L	3.0
31016	Street Plates	3/15/99	1,850.00	0.00	0.00	1,850.00	0.00	1,850.00	0.00	S/L	5.0
31017	Enhanced Monitor Scan Tool	8/20/99	1,195.00	0.00	0.00	1,195.00	0.00	1,195.00	0.00	S/L	5.0
31018	Capital Line Item 54	10/08/99	5,926.50	0.00	0.00	3,704.06	592.65	4,296.71	1,629.79	S/L	10.0
31021	Cut off Saw	9/16/99	910.00	0.00	0.00	812.50	97.50	910.00	0.00	S/L	7.0
31022	2" Honda Pump	6/03/99	951.60	0.00	0.00	894.94	56.66	951.60	0.00	S/L	7.0
31186	Dust Cabinet for Blasting Cabinet.	6/30/86	1,116.33	0.00	0.00	1,116.33	0.00	1,116.33	0.00	S/L	1.0
31187	Blasting Cabinet for Meter Rep.	6/30/86	2,627.85	0.00	0.00	2,627.85	0.00	2,627.85	0.00	S/L	1.0
31188	Meter Testing Table	6/30/86	6,654.09	0.00	0.00	6,654.09	0.00	6,654.09	0.00	S/L	1.0
31189	Testing Tank #1	6/30/86	425.25	0.00	0.00	425.25	0.00	425.25	0.00	S/L	1.0
31190	Meter Testing Tank # 4	6/30/86	689.26	0.00	0.00	689.26	0.00	689.26	0.00	S/L	1.0
31191	Ford Meter Repair Bench	6/30/86	1,452.80	0.00	0.00	1,452.80	0.00	1,452.80	0.00	S/L	1.0
31193	Portable Large Meter Tester	6/30/87	1,890.00	0.00	0.00	1,890.00	0.00	1,890.00	0.00	S/L	1.0
31218	Valve Locator Model 720 A	6/30/91	462.33	0.00	0.00	462.33	0.00	462.33	0.00	S/L	1.0
31219	Valve Locator - 720 A	6/30/91	462.33	0.00	0.00	462.33	0.00	462.33	0.00	S/L	1.0
31220	Valve Locator	6/30/91	462.33	0.00	0.00	462.33	0.00	462.33	0.00	S/L	1.0
31221	Tilton SA18 Pump	6/30/91	255.10	0.00	0.00	255.10	0.00	255.10	0.00	S/L	1.0
31222	Fire Hydrant Meter 3"	6/30/91	615.00	0.00	0.00	615.00	0.00	615.00	0.00	S/L	1.0
31223	Locator	6/30/91	1,760.55	0.00	0.00	1,760.55	0.00	1,760.55	0.00	S/L	1.0
31224	Rotary Broom	6/30/91	2,450.00	0.00	0.00	2,450.00	0.00	2,450.00	0.00	S/L	1.0
31225	Shoring Shield & Equip	6/30/91	5,993.60	0.00	0.00	5,993.60	0.00	5,993.60	0.00	S/L	1.0
31226	Hydraulic Pump	6/30/91	511.50	0.00	0.00	511.50	0.00	511.50	0.00	S/L	1.0
31227	Verticle Shores	6/30/91	1,671.00	0.00	0.00	1,671.00	0.00	1,671.00	0.00	S/L	1.0
31228	Locator - LS/800	6/30/91	1,760.55	0.00	0.00	1,760.55	0.00	1,760.55	0.00	S/L	1.0
31229	2" Centi Pump	6/30/91	468.98	0.00	0.00	468.98	0.00	468.98	0.00	S/L	1.0
31230	Arrow Board	6/30/92	328.00	0.00	0.00	328.00	0.00	328.00	0.00	S/L	1.0
31231	Wheel Balancer	6/30/92	3,038.00	0.00	0.00	3,038.00	0.00	3,038.00	0.00	S/L	1.0
31232	Electric System Tester	6/30/92	1,274.00	0.00	0.00	1,274.00	0.00	1,274.00	0.00	S/L	1.0
31233	Tire Changer	6/30/92	2,007.00	0.00	0.00	2,007.00	0.00	2,007.00	0.00	S/L	1.0
31234	Fan for Water Tank Office	6/30/93	309.99	0.00	0.00	309.99	0.00	309.99	0.00	S/L	1.0
31235	Goldar Valve Locator	6/30/93	393.01	0.00	0.00	393.01	0.00	393.01	0.00	S/L	1.0
31236	Goldar Valve Locator	6/30/93	393.01	0.00	0.00	393.01	0.00	393.01	0.00	S/L	1.0
31237	Cordless Drill	6/30/94	210.72	0.00	0.00	210.72	0.00	210.72	0.00	S/L	1.0
31238	Schonstadt Magnetic Locator	6/30/94	813.57	0.00	0.00	813.57	0.00	813.57	0.00	S/L	1.0
31239	Goldack Leak Locator	6/30/94	981.91	0.00	0.00	981.91	0.00	981.91	0.00	S/L	1.0
31240	Pollard Pito Gauge & Diffuser	6/30/94	338.10	0.00	0.00	338.10	0.00	338.10	0.00	S/L	1.0
31241	Coleman 8 HP Generator	6/30/94	542.84	0.00	0.00	542.84	0.00	542.84	0.00	S/L	1.0
31242	Golak Leak Locator	6/30/94	979.55	0.00	0.00	979.55	0.00	979.55	0.00	S/L	1.0
31243	Golak Leak Locator	6/30/94	979.55	0.00	0.00	979.55	0.00	979.55	0.00	S/L	1.0
31244	Golak Leak Locator	6/30/94	1,066.35	0.00	0.00	1,066.35	0.00	1,066.35	0.00	S/L	1.0

**Tax Asset Detail 1/01/06 - 12/31/06**

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
<b>Group: 343-0001-000 (continued)</b>											
6026	Stihl cut off saw	12/06/05	930.00	0.00	0.00	25.83	310.00	335.83	594.17	S/L	3.0
6027	Stihl cut off saw	12/06/05	930.00	0.00	0.00	25.83	310.00	335.83	594.17	S/L	3.0
6028	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6029	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6030	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6031	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6032	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6033	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6034	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6035	10' aluminum panel	11/01/05	845.00	0.00	0.00	28.17	169.00	197.17	647.83	S/L	5.0
6036	Adjustable struts	11/01/05	280.00	0.00	0.00	9.33	56.00	65.33	214.67	S/L	5.0
6037	Adjustable struts	11/01/05	280.00	0.00	0.00	9.33	56.00	65.33	214.67	S/L	5.0
6038	Geophone and case	11/01/05	308.72	0.00	0.00	17.15	102.91	120.06	188.66	S/L	3.0
6039	Geophone and case	11/01/05	308.72	0.00	0.00	17.15	102.91	120.06	188.66	S/L	3.0
6104	Tire Changer Coats 5040 - Auto Me	11/01/05	308.71	0.00	0.00	17.15	102.90	120.05	188.66	S/L	3.0
6105	Coats 850 Wheel Balancer	6/27/06	3,418.00	0.00c	0.00	0.00	341.80	341.80	3,076.20	S/L	5.0
6132	Auto Pressure Washer Model 320x-	6/26/06	3,782.35	0.00c	0.00	0.00	378.24	378.24	3,404.11	S/L	5.0
6141	Aluminum Shoring Unit	8/31/06	3,245.33	0.00c	0.00	0.00	360.59	360.59	2,884.74	S/L	3.0
6142	Aluminum Shoring Unit	7/28/06	3,003.33	0.00c	0.00	0.00	250.28	250.28	2,753.05	S/L	5.0
6143	Aluminum Shoring Unit	7/28/06	3,003.33	0.00c	0.00	0.00	250.28	250.28	2,753.05	S/L	5.0
6188	MCEP-500 Hand Pump & Indicator	7/28/06	3,003.34	0.00c	0.00	0.00	250.28	250.28	2,753.06	S/L	5.0
6453	Water Pump 2" Koshin	10/26/06	1,300.00	0.00c	0.00	0.00	43.33	43.33	1,256.67	S/L	5.0
6454	Water Pump 3" Koshin	1/18/06	659.75	0.00c	0.00	0.00	201.59	201.59	458.16	S/L	3.0
31313	1" Honda Pump	1/18/06	759.76	0.00c	0.00	0.00	232.15	232.15	527.61	S/L	3.0
31319	5/8-1" Test Bench	12/09/05	559.90	0.00	0.00	15.55	186.63	202.18	357.72	S/L	3.0
		12/01/05	19,964.00	0.00	0.00	166.37	1,996.40	2,162.77	17,801.23	S/L	10.0
		<b>343-0001-000</b>	<b>110,084.43</b>	<b>0.00c</b>	<b>0.00</b>	<b>9,543.73</b>	<b>17,323.27</b>	<b>26,867.00</b>	<b>83,217.43</b>		
<b>Group: 344-0001-000</b>											
5937	ION CHROMATOGRAPH SYSTE	4/25/05	24,111.00	0.00	0.00	3,214.80	4,822.20	8,037.00	16,074.00	S/L	5.0
5938	SERVICE AGREEMENT FOR ION	6/06/05	2,749.92	0.00	0.00	1,604.12	1,145.80	2,749.92	0.00	S/L	1.0
5939	STATICMASTER BRUSH	5/09/05	29.45	0.00	0.00	19.63	9.82	29.45	0.00	S/L	1.0
6040	Gas chromatograph	12/01/05	31,724.00	0.00	0.00	881.22	10,574.67	11,455.89	20,268.11	S/L	3.0
6126	Pocket Chlorimeter 59	9/05/06	357.41	0.00c	0.00	0.00	39.71	39.71	317.70	S/L	3.0
6127	Pocket Chlorimeters 59	8/30/06	357.41	0.00c	0.00	0.00	39.71	39.71	317.70	S/L	3.0
6128	Pocket Chlorimeter	8/30/06	357.41	0.00c	0.00	0.00	39.71	39.71	317.70	S/L	3.0
6129	Sension 4 PH Meter 40t	8/30/06	893.27	0.00c	0.00	0.00	99.25	99.25	794.02	S/L	3.0
6244	Manitowoc Ice Machine	8/28/06	3,325.29	0.00c	0.00	0.00	221.69	221.69	3,103.60	S/L	5.0
31317	Balance-Lab Balance Room	7/01/05	1,985.94	0.00	0.00	198.59	397.19	595.78	1,390.16	S/L	5.0
31379	Benchmark PH Electro	10/18/06	195.21	0.00c	0.00	0.00	4.65	4.65	190.56	S/L	7.0
		<b>344-0001-000</b>	<b>66,086.31</b>	<b>0.00c</b>	<b>0.00</b>	<b>5,918.36</b>	<b>17,394.40</b>	<b>23,312.76</b>	<b>42,773.55</b>		
<b>Group: 345-0001-000</b>											
1541	POWER OPERATED EQUIP	6/15/88	69,662.97	0.00	0.00	69,662.97	0.00	69,662.97	0.00	S/L	8.0
4112	Rock drill	6/14/00	1,440.00	0.00	0.00	1,440.00	0.00	1,440.00	0.00	S/L	5.0
4348	Pallet Frame & Fork	1/24/01	750.00	0.00	0.00	737.50	12.50	750.00	0.00	S/L	5.0
4686	Hydraulic Hammer	12/15/00	14,582.60	0.00	0.00	7,412.82	1,458.26	8,871.08	5,711.52	S/L	10.0

Tax Asset Detail 1/01/06 - 12/31/06

FYE: 12/31/2006

Asset *	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period	
<b>Group: 346-0001-000 (continued)</b>												
1615	New Phones - Executone	3/20/97	32,653.50	0.00	0.00	28,690.35	3,265.35	31,955.70	697.80	S/L	10.0	
1616	Communication Equipment C.Cty	1/01/97	66,198.04	0.00	0.00	66,198.04	0.00	66,198.04	0.00	S/L	25.0	
3288	16 Channel Recorder	3/09/01	14,100.00	0.00	0.00	13,630.00	470.00	14,100.00	0.00	S/L	5.0	
3289	Power Supply for Recorder	3/09/01	599.00	0.00	0.00	579.03	19.97	599.00	0.00	S/L	5.0	
4113	Remote programming	7/13/00	60.00	0.00	0.00	60.00	0.00	60.00	0.00	S/L	3.0	
4171	Telephone	8/14/00	110.00	0.00	0.00	59.58	11.00	70.58	39.42	S/L	10.0	
4172	Telephone	8/04/00	130.00	0.00	0.00	70.42	13.00	83.42	46.58	S/L	10.0	
4173	Telephone digital system	8/04/00	547.50	0.00	0.00	296.56	54.75	351.31	196.19	S/L	10.0	
4177	Fax machine	8/04/00	2,163.35	0.00	0.00	2,163.35	0.00	2,163.35	0.00	S/L	4.0	
4178	Digital station card	6/13/00	437.50	0.00	0.00	437.50	0.00	437.50	0.00	S/L	5.0	
4179	Hand held radio	6/23/00	838.65	0.00	0.00	838.65	0.00	838.65	0.00	S/L	4.0	
4236	Update phone system	4/17/00	323.32	0.00	0.00	323.32	0.00	323.32	0.00	S/L	5.0	
4237	Duplexer for printer	3/03/00	2,086.00	0.00	0.00	2,086.00	0.00	2,086.00	0.00	S/L	4.0	
4238	Remove radio	2/17/00	19.25	0.00	0.00	19.25	0.00	19.25	0.00	S/L	4.0	
4239	Remove radios	2/17/00	64.25	0.00	0.00	64.25	0.00	64.25	0.00	S/L	4.0	
4240	Radio and accessories	2/17/00	21.50	0.00	0.00	21.50	0.00	21.50	0.00	S/L	4.0	
4241	Radio and accessories	2/17/00	85.40	0.00	0.00	85.40	0.00	85.40	0.00	S/L	4.0	
4242	Radio and accessories	2/17/00	85.40	0.00	0.00	85.40	0.00	85.40	0.00	S/L	4.0	
4243	Radio and accessories	2/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4244	Radio and antenna	2/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4245	Radio and antenna	2/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4246	Radio and antenna	2/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4247	Remove radio and accessories	2/17/00	22.00	0.00	0.00	22.00	0.00	22.00	0.00	S/L	4.0	
4248	Remove radio and accessories	2/17/00	19.25	0.00	0.00	19.25	0.00	19.25	0.00	S/L	4.0	
4249	Remove radio and accessories	2/17/00	19.25	0.00	0.00	19.25	0.00	19.25	0.00	S/L	4.0	
4250	Remove radio and accessories	2/17/00	19.25	0.00	0.00	19.25	0.00	19.25	0.00	S/L	4.0	
4251	Relocate remote	2/04/00	247.50	0.00	0.00	247.50	0.00	247.50	0.00	S/L	4.0	
4252	Relocate remote	2/04/00	225.00	0.00	0.00	225.00	0.00	225.00	0.00	S/L	4.0	
4253	Radio equipment	1/17/00	4,394.25	0.00	0.00	4,394.25	0.00	4,394.25	0.00	S/L	4.0	
4254	Remove Max track	1/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4255	Remove Max track	1/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4256	Remove Max track	1/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4257	Remove Max track	1/17/00	22.00	0.00	0.00	22.00	0.00	22.00	0.00	S/L	4.0	
4258	Remove Mitrack	1/17/00	46.50	0.00	0.00	46.50	0.00	46.50	0.00	S/L	4.0	
4259	Remove Max track	1/17/00	62.50	0.00	0.00	62.50	0.00	62.50	0.00	S/L	4.0	
4260	Remove antenna	1/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4261	Remove antenna	1/17/00	17.50	0.00	0.00	17.50	0.00	17.50	0.00	S/L	4.0	
4325	Upgrade Telephone system	11/17/00	11,152.89	0.00	0.00	11,152.89	0.00	11,152.89	0.00	S/L	4.0	
4326	TI card for phone	12/04/00	3,144.00	0.00	0.00	3,144.00	0.00	3,144.00	0.00	S/L	3.0	
4339	Telephone upgrade	12/15/00	11,887.53	0.00	0.00	6,042.81	1,188.75	7,231.56	4,655.97	S/L	10.0	
4370	Phone System Upgrade	2/01/01	20,619.35	0.00	0.00	14,482.63	2,945.62	17,428.25	3,191.10	S/L	7.0	
4416	Telephone System	4/12/01	627.77	0.00	0.00	596.37	31.40	627.77	0.00	S/L	5.0	
4461	Radio System Regulator Pit	4/06/01	4,441.00	0.00	0.00	4,218.95	222.05	4,441.00	0.00	S/L	5.0	
4688	Misc Radio equipment	6/30/00	929.90	0.00	0.00	929.90	0.00	929.90	0.00	S/L	5.0	
4699	Phone MPTP	10/25/02	210.00	0.00	0.00	210.00	0.00	210.00	0.00	S/L	3.0	
4700	Black Phone	10/25/02	150.00	0.00	0.00	150.00	0.00	150.00	0.00	S/L	3.0	
4701	Black Phone	10/25/02	150.00	0.00	0.00	150.00	0.00	150.00	0.00	S/L	3.0	
4702	Black Phone	10/25/02	150.00	0.00	0.00	150.00	0.00	150.00	0.00	S/L	3.0	
4703	Black Phone	10/25/02	150.00	0.00	0.00	150.00	0.00	150.00	0.00	S/L	3.0	



<b>Primary Application Software</b>	<b>Primary Users</b>
GBA Master Series	Engineering and Distribution Dept.
CIS Infinity	Customer Service Billing Dept.
Great Plains	Accounting Dept.
WonderWare	Treatment Plant
All Max 10	Treatment Plant
<b>Primary Network Server Software</b>	
Windows Server 2003	Entire Organization
SQL Server 2003	Entire Organization
Crystal Reports Server XI	Entire Organization
<b>Primary Desktop Application Software</b>	
Microsoft Windows XP	Entire Organization
Microsoft Office Suite	Entire Organization



Northern Kentucky Water District  
Income and Expense Report Summary  
For the Month Ending January 31, 2006

Description	Jan 2006	Jan 2006	Jan Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$2,562,256	\$2,680,293	\$3,208,334	(16.5%)	\$2,562,256	\$2,680,293	\$3,208,334	(16.5%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,340,908	\$1,717,585	\$1,851,133	(7.2%)	\$1,340,908	\$1,717,584	\$1,851,133	(7.2%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$946,538	\$946,538	0.0%	\$872,117	\$946,538	\$946,538	0.0%	\$10,465,406
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$349,231	\$17,171	\$411,663	(95.8%)	\$349,231	\$17,171	\$411,663	(95.8%)	\$5,085,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Month Ending January 31, 2006**

Description	Jan 2006	Jan 2006	Jan Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 2,275,583	\$ 2,303,383	\$2,880,118	(20.0%)	\$ 2,275,583	2,303,383	\$2,880,118	(20.0%)
Forfeited Discounts	61,643	51,142	60,417	(15.4%)	61,643	51,142	60,417	(15.4%)
Rents from Water Property	37,517	48,309	43,750	10.4%	37,517	48,309	43,750	10.4%
Other Water Revenues	43,615	36,930	29,167	26.6%	43,615	36,930	29,167	26.6%
<b>Total Operating Income</b>	<b>\$2,418,358</b>	<b>\$2,439,764</b>	<b>\$3,013,452</b>	<b>(19.0%)</b>	<b>\$2,418,358</b>	<b>\$2,439,764</b>	<b>\$3,013,452</b>	<b>(19.0%)</b>
Non-Operating Income								
Interest Income	\$102,796	\$198,627	\$133,333	49.0%	\$102,795	\$198,627	\$133,333	49.0%
Miscellaneous	\$4,554	5,353	25,000	(78.6%)	4,554	5,353	25,000	(78.6%)
<b>Total Non-Operating Income</b>	<b>\$107,349</b>	<b>\$203,980</b>	<b>\$168,333</b>	<b>28.8%</b>	<b>\$107,349</b>	<b>\$203,980</b>	<b>\$168,333</b>	<b>28.8%</b>
<b>Boone Florence Settlement Transfer</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>0.0%</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>0.0%</b>
<b>TOTAL INCOME</b>	<b>\$2,562,266</b>	<b>\$2,680,293</b>	<b>\$3,208,334</b>	<b>(16.5%)</b>	<b>\$2,562,266</b>	<b>\$2,680,293</b>	<b>\$3,208,334</b>	<b>(16.5%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water Treatment, Pumping & Storage	\$538,561	\$688,757	\$695,762	(1.0%)	\$538,561	\$688,757	\$695,762	(1.0%)
Engineering & Distribution	346,071	526,470	523,282	0.6%	346,071	526,470	523,282	0.6%
Customer Service	271,300	253,378	337,398	(24.9%)	271,300	253,378	337,398	(24.9%)
Administration	184,977	248,979	294,691	(15.8%)	184,977	248,979	294,691	(15.8%)
<b>Total O &amp; M Expenses</b>	<b>\$1,340,908</b>	<b>\$1,717,585</b>	<b>\$1,861,133</b>	<b>(7.2%)</b>	<b>\$1,340,908</b>	<b>\$1,717,584</b>	<b>\$1,861,133</b>	<b>(7.2%)</b>
Transfer to debt service	\$872,117	\$945,538	\$945,538	0.0%	\$872,117	\$945,538	\$945,538	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,213,025</b>	<b>\$2,663,122</b>	<b>\$2,796,671</b>	<b>(4.8%)</b>	<b>\$2,213,025</b>	<b>\$2,663,122</b>	<b>\$2,796,671</b>	<b>(4.8%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$349,231</b>	<b>\$17,171</b>	<b>\$411,663</b>	<b>(95.8%)</b>	<b>\$349,231</b>	<b>\$17,171</b>	<b>\$411,663</b>	<b>(95.8%)</b>

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Month Ending January 31, 2006

Division	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$688,757	\$695,762	(1.0%)	\$688,757	\$695,762	(1.0%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	526,470	523,282	0.6%	526,470	523,282	0.6%	6,279,386	
CUSTOMER SERVICE	253,378	337,398	(24.9%)	253,378	337,398	(24.9%)	4,048,773	
ADMINISTRATION	248,979	294,691	(15.5%)	248,979	294,691	(15.5%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,717,585</b>	<b>\$1,851,133</b>	<b>(7.2%)</b>	<b>\$1,717,585</b>	<b>\$1,851,133</b>	<b>(7.2%)</b>	<b>\$22,213,597</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Month Ending January 31, 2006

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$3,175	\$3,833	(17.2%)	\$3,175	\$3,833	(17.2%)	\$ 46,000	
Ohio River Pump Station # 1	43,068	44,063	(2.3%)	43,068	\$44,063	(2.3%)	529,000	
Ohio River Pump Station # 2	1,926	5,167	(62.7%)	1,926	\$5,167	(62.7%)	62,000	Electric cost for Newport not reflected in January.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$48,169</b>	<b>\$53,063</b>	<b>(9.3%)</b>	<b>\$48,169</b>	<b>\$53,079</b>	<b>(9.3%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$217,860	\$275,385	(20.9%)	\$217,860	\$275,385	(20.9%)	\$ 3,304,742	Lower contractual services in January.
Taylor Mill Treatment Plant	68,911	50,421	36.7%	68,911	\$50,421	36.7%	\$605,050	
Memorial Parkway Treatment Plant	72,407	67,950	6.8%	72,407	\$67,950	6.8%	\$815,400	
Laboratory	45,115	60,950	(26.0%)	45,115	\$60,950	(26.0%)	\$731,400	
Instrumentation	28,635	27,821	2.9%	28,635	\$27,821	2.9%	\$333,850	
Sludge	6,094	13,958	(56.3%)	6,094	\$13,958	(56.3%)	\$167,500	Billing for discharge to Sanitary District not reflected in January.
<b>TOTAL WATER QUALITY</b>	<b>\$439,021</b>	<b>\$496,496</b>	<b>(11.8%)</b>	<b>\$439,021</b>	<b>\$496,495</b>	<b>(11.8%)</b>	<b>\$5,867,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$201,667</b>	<b>\$146,183</b>	<b>37.9%</b>	<b>\$201,667</b>	<b>\$146,183</b>	<b>37.9%</b>	<b>\$ 1,754,200</b>	Ida Spence paint and engineering services from Burgess and Nipple.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$688,767</b>	<b>\$696,762</b>	<b>(1.0%)</b>	<b>\$688,767</b>	<b>\$696,768</b>	<b>(1.0%)</b>	<b>\$8,349,141</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Month Ending January 31, 2006

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$99,707	\$112,323	(11.2%)	\$99,707	\$112,323	(11.2%)	\$1,347,875	
Distribution	428,763	410,959	3.8%	428,763	\$410,959	3.8%	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$628,470</b>	<b>\$623,282</b>	<b>0.8%</b>	<b>\$628,470</b>	<b>\$623,282</b>	<b>0.8%</b>	<b>\$ 6,279,388</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$60,988	\$69,390	(12.1%)	\$60,988	\$69,390	(12.1%)	\$ 832,678	
Meter Shop	23,378	28,729	(18.6%)	23,378	28,729	(18.6%)	344,743	
Courier/Maintenance	5,574	5,108	8.1%	5,574	5,108	9.1%	61,300	
Account Service	88,129	128,642	(31.5%)	88,129	128,642	(31.5%)	1,543,700	
Meter Reading	29,574	28,720	3.0%	29,574	28,720	3.0%	344,637	
Flushing	-3,232	25,559	(112.6%)	-3,232	25,559	(112.6%)	306,703	Flushing wages and benefits transferred to Distribution.
Other	48,986	51,250	(4.4%)	48,986	51,250	(4.4%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$253,378</b>	<b>\$337,397</b>	<b>(24.9%)</b>	<b>\$253,378</b>	<b>\$337,397</b>	<b>(24.9%)</b>	<b>\$ 4,048,761</b>	

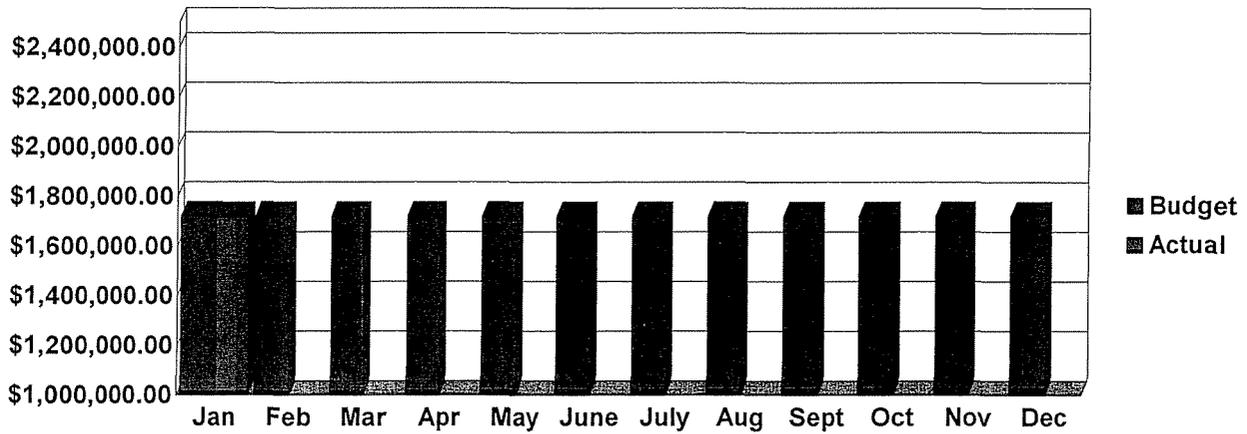
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Month Ending January 31, 2006

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$42,145	\$44,392	(5.1%)	\$42,145	\$44,392	(5.1%)	\$ 532,703	
Board of Commissioners	12,848	9,447	36.0%	12,848	9,447	36.0%	113,364	
Accounting	17,707	29,850	(40.7%)	17,707	29,850	(40.7%)	358,200	
H. R., Information Systems, Safety	81,419	117,611	(30.8%)	81,419	117,611	(30.8%)	1,411,330	
Other	94,861	93,392	1.6%	94,861	93,392	1.6%	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$248,979</b>	<b>\$294,681</b>	<b>(16.5%)</b>	<b>\$248,979</b>	<b>\$294,681</b>	<b>(16.5%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,717,586</b>	<b>\$1,861,132</b>	<b>(7.2%)</b>	<b>\$1,717,584</b>	<b>\$1,861,128</b>	<b>(7.2%)</b>	<b>\$22,213,586</b>	

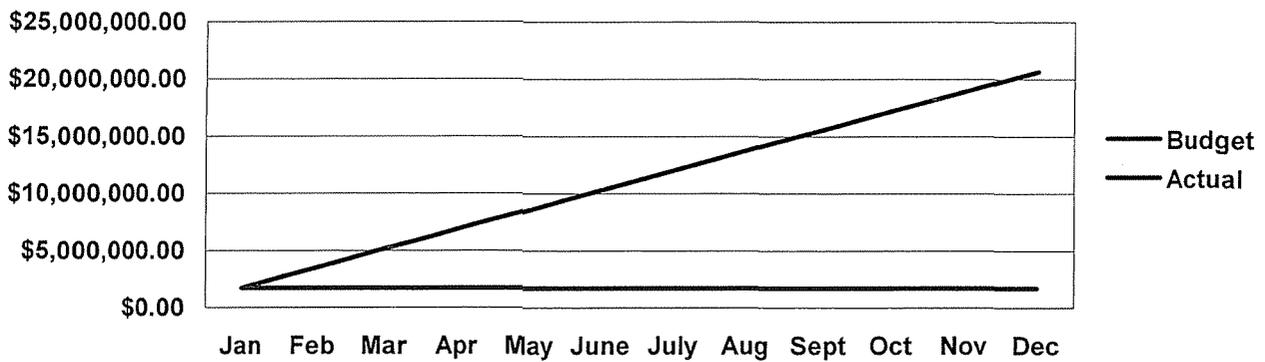
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Month Ending January 31, 2008**

Account	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2005 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$604,343	\$677,403	(10.8%)	\$604,343	\$677,403	(12.1%)	\$6,128,833	
Employee Pension & Benefits	214,059	228,628	(6.4%)	\$214,059	\$228,628	(6.8%)	\$2,743,532	
Taxes Other than Income Taxes	43,081	49,047	(12.2%)	\$43,081	\$49,047	(13.8%)	\$588,562	
Purchased Power	204,855	143,275	43.0%	\$204,855	\$143,275	30.1%	\$1,719,300	Utilities at Central Facility, gas costs at Alexandria Pike and MPTP are higher.
Chemicals	114,346	70,208	62.9%	\$114,346	\$70,208	38.6%	\$842,500	Greater use of Chemicals at FTTP.
Materials & Supplies	103,770	137,029	(24.3%)	\$103,770	\$137,029	(32.1%)	\$1,644,350	
Contractual Services	284,493	384,106	(25.9%)	\$284,493	\$384,106	(35.0%)	\$4,609,270	
Rent	0	708	(100.0%)	0	\$708		\$8,500	January rent paid in December
Transportation	28,952	30,413	(4.8%)	\$28,952	\$30,413	(5.0%)	\$364,950	
Insurance	49,006	57,104	(14.2%)	\$49,006	\$57,104	(16.5%)	\$685,250	Lower general liability insurance costs.
Advertising	111	875	(87.3%)	\$111	\$875	(688.3%)	\$10,500	
Bad Debt Expense	44,712	46,833	(2.4%)	\$44,712	\$46,833	(2.5%)	\$550,000	
Miscellaneous	3,539	5,421	(34.7%)	\$3,539	\$5,421	(53.2%)	\$65,050	
Regulatory Commission Assessment	22,318	21,083	5.9%	\$22,318	\$21,083	5.5%	\$253,000	
<b>Total O &amp; M Expenses</b>	<b>\$1,717,585</b>	<b>\$1,851,133</b>	<b>(7.2%)</b>	<b>\$1,717,585</b>	<b>\$1,851,133</b>	<b>(7.2%)</b>	<b>\$22,213,587</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



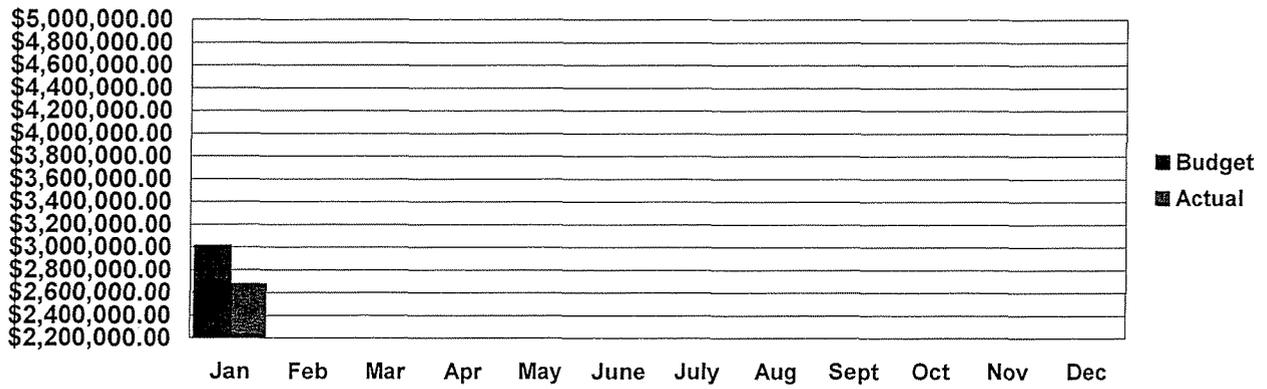
### NKWD O&M YTD Trending 2006 - Budget To Actual



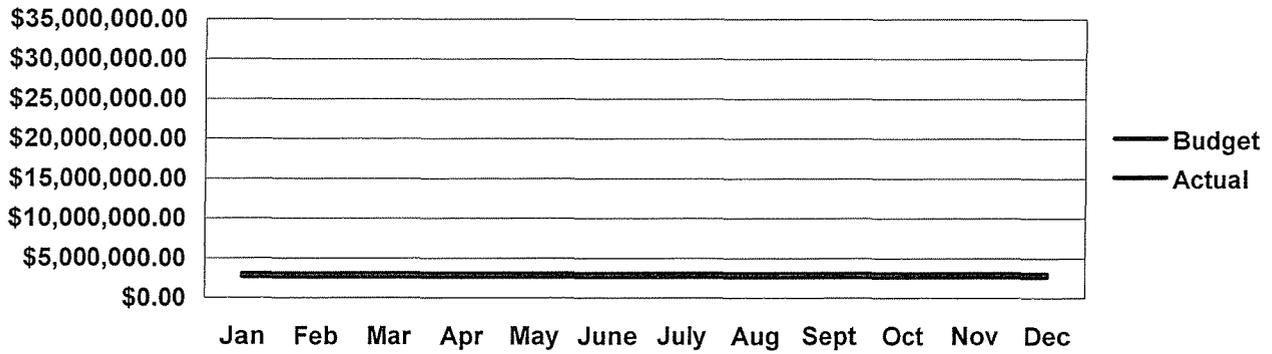
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Month Ending January 31, 2008**

Description	January Actual	January Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,303,383	\$ 2,880,118	(20.0%)	\$ 2,303,383	\$ 2,880,118	(20.0%)	
Forfeited Discounts	51,142	60,417	(15.4%)	51,142	60,417	(15.4%)	
Rents from Water Property	48,309	43,750	10.4%	48,309	43,750	10.4%	
Other Water Revenues	36,930	29,167	26.6%	36,930	29,167	26.6%	
<b>Total Operating Revenues</b>	<b>\$2,439,784</b>	<b>\$3,013,452</b>	<b>(19.0%)</b>	<b>\$2,439,784</b>	<b>\$3,013,452</b>	<b>(19.0%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$198,627	\$133,333	49.0%	\$198,627	\$133,333	49.0%	Higher interest income from better rates than anticipated.
Miscellaneous	5,353	25,000	(78.6%)	5,353	25,000	(78.6%)	
<b>Total Non-Operating Income</b>	<b>\$203,980</b>	<b>\$158,333</b>	<b>28.8%</b>	<b>\$203,980</b>	<b>\$158,333</b>	<b>28.8%</b>	
<b>TOTAL INCOME</b>	<b>\$2,643,744</b>	<b>\$3,171,785</b>	<b>(16.8%)</b>	<b>\$2,643,744</b>	<b>\$3,171,785</b>	<b>(16.6%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Month Ending January 31, 2006

Division	January 2006	January 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$688,757	\$538,561	27.9%	\$688,757	\$538,561	27.9%	
ENGINEERING & DISTRIBUTION	526,470	346,071	52.1%	526,470	346,071	52.1%	
CUSTOMER SERVICE	253,378	271,300	(6.6%)	253,378	271,300	(6.6%)	
ADMINISTRATION	248,979	184,977	34.6%	248,979	184,977	34.6%	
<b>TOTAL O AND M</b>	<b>\$1,717,585</b>	<b>\$1,340,908</b>	<b>28.1%</b>	<b>\$1,717,585</b>	<b>\$1,340,908</b>	<b>28.1%</b>	

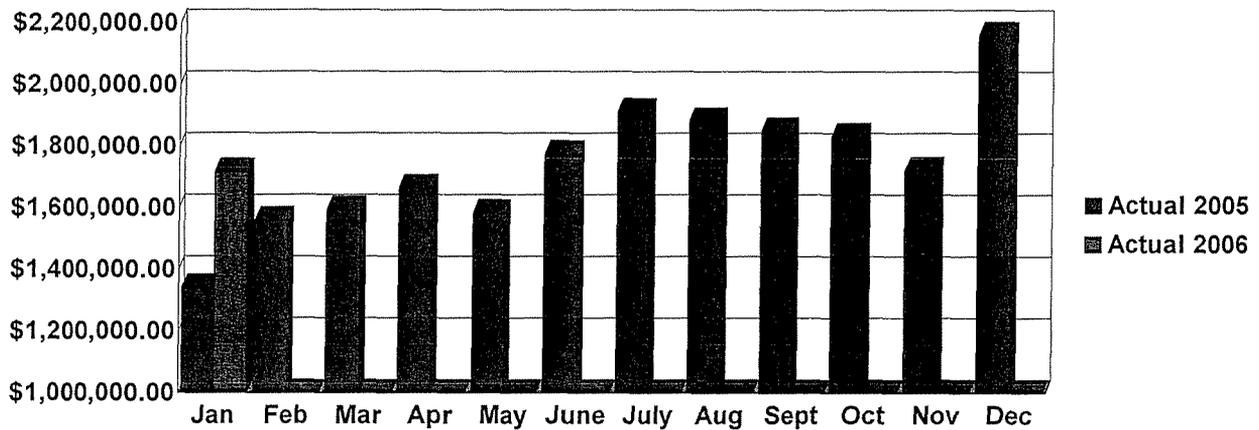
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Month Ending January 31, 2008**

Account	January 2006	January 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$604,343	\$593,763	1.8%	\$604,343	\$593,763	1.8%	
Employee Pension & Benefits	214,059	169,985	25.9%	\$214,059	\$169,985	25.9%	
Taxes Other than Income Taxes	43,081	42,059	2.4%	\$43,081	\$42,059	2.4%	
Purchased Power	204,855	167,294	22.5%	\$204,855	\$167,294	22.5%	Utilities at Central Facility, gas costs at Alexandria Pike and MPTP are higher.
Chemicals	114,346	35,711	220.2%	\$114,346	\$35,711	220.2%	Greater use of chemicals at FTTP.
Materials & Supplies	103,770	81,976	26.6%	\$103,770	\$81,976	26.6%	
Contractual Services	284,493	100,209	183.9%	\$284,493	\$100,209	183.9%	
Rent	0	811	0.0%	\$0	\$811	(100.0%)	January rent paid in December
Transportation	28,952	9,596	201.7%	\$28,952	\$9,596	201.7%	
Insurance	49,008	57,726	(15.1%)	\$49,008	\$57,726	(15.1%)	Lower general liability insurance costs.
Advertising	111	46	140.0%	\$111	\$46	140.0%	
Bad Debt Expense	44,712	60,308	(25.9%)	\$44,712	\$60,308	(25.9%)	
Miscellaneous	3,539	103	3331.2%	\$3,539	\$103	3331.2%	
Regulatory Commission Assessment	22,318	21,322	4.7%	\$22,318	\$21,322	4.7%	
<b>Total O &amp; M Expenses</b>	<b>\$1,717,586</b>	<b>\$1,340,908</b>	<b>28.1%</b>	<b>\$1,717,586</b>	<b>\$1,340,908</b>	<b>28.1%</b>	

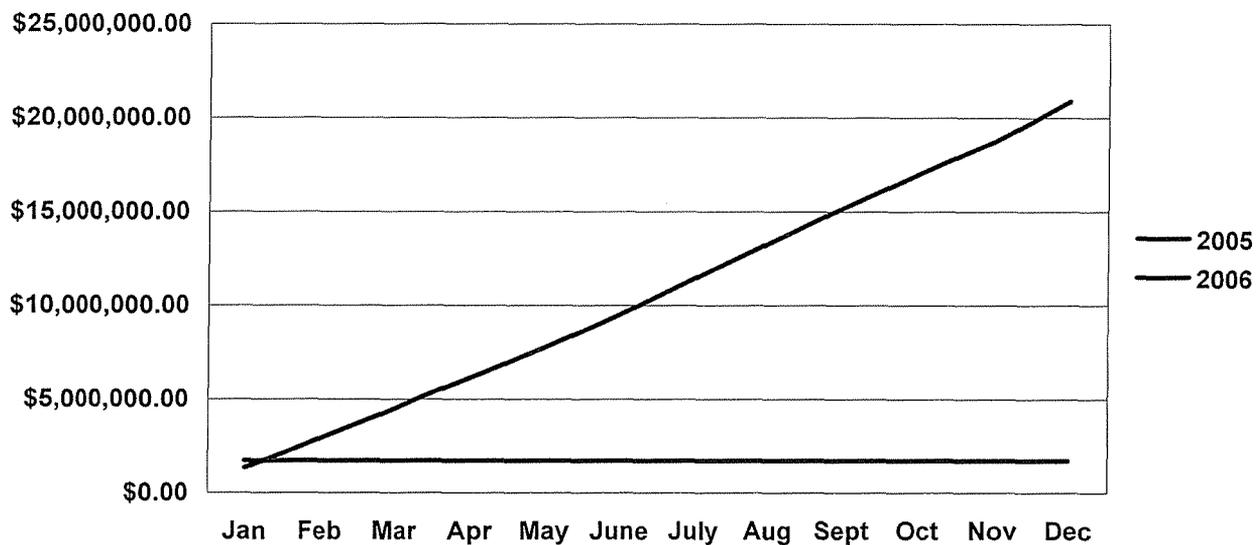
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Month Ending January 31, 2006**

Description	January 2006	January 2005	Variance	YTD Dec 2006	YTD Dec 2005	Variance	Explanation
Water Sales	\$ 2,303,383	\$ 2,275,583	1.2%	\$ 2,303,383	\$ 2,275,583	1.2%	
Forfeited Discounts	51,142	61,643	(17.0%)	51,142	61,643	(17.0%)	
Rents from Water Property	48,309	37,517	28.8%	48,309	37,517	28.8%	
Other Water Revenues	36,930	43,615	(15.3%)	36,930	43,615	(15.3%)	
<b>Total Operating Revenues</b>	<b>\$2,439,764</b>	<b>\$2,418,358</b>	<b>0.9%</b>	<b>\$2,439,764</b>	<b>\$2,418,358</b>	<b>0.9%</b>	
Non-Operating Income (Expense)							
Interest Income	\$198,627	\$102,795	93.2%	\$198,627	\$102,795	93.2%	Higher interest income from better rates than anticipated.
Miscellaneous	5,353	\$4,554	17.5%	5,353	4,554	17.5%	
<b>Total Non-Operating Income</b>	<b>\$203,980</b>	<b>\$107,349</b>	<b>90.0%</b>	<b>\$203,980</b>	<b>\$107,349</b>	<b>90.0%</b>	
<b>TOTAL INCOME</b>	<b>\$2,643,744</b>	<b>\$2,525,707</b>	<b>4.7%</b>	<b>\$2,643,744</b>	<b>\$2,525,707</b>	<b>4.7%</b>	

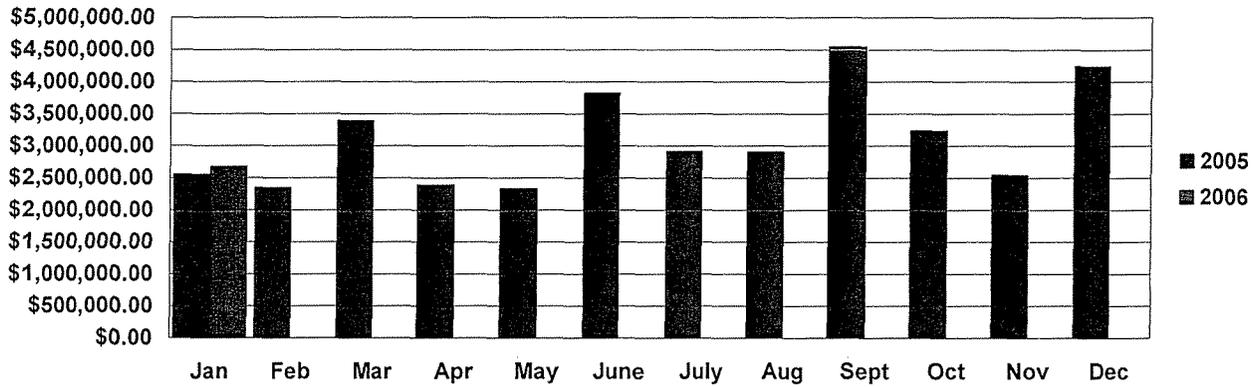
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



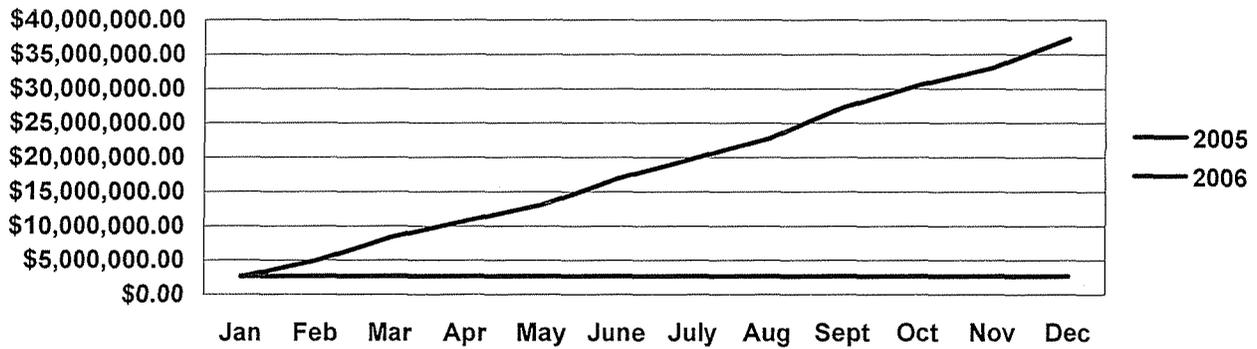
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00		\$400,000.00	5
	Sub-Total		\$440,000.00	\$0.00	\$440,000.00	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00		\$100,000.00	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00		\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00					
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$427,800.00	\$0.00	\$427,800.00	
	<b>Administration Department Sub-Total</b>		<b>\$867,800.00</b>	<b>\$0.00</b>	<b>\$867,800.00</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$1,102.23	\$98,897.77	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00		\$35,000.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports XI Server Software		\$15,000.00		\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$1,102.23	\$225,397.77	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00		\$200,000.00	45
	Sub-Total		\$200,000.00	\$0.00	\$200,000.00	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$1,102.23</b>	<b>\$425,397.77</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00		\$1,500.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct. Services Area at Central Facility		\$4,000.00		\$4,000.00	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00		\$6,000.00	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00		\$6,000.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$0.00	\$59,200.00	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00		\$600,000.00	111
2006	Shelving - NCF		\$10,000.00		\$10,000.00	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00		\$19,000.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$0.00	\$806,000.00	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$0.00</b>	<b>\$872,300.00</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$0.00	\$71,878.75	04-134
2005	1- Pressure Reducing Pit		\$25,000.00		\$25,000.00	05-150
2005	2 Water Fill Stations (Wildier & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$10,630.00	\$136,248.75	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants/Mainline Cleaning Projects		\$100,000.00		\$100,000.00	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$333,000.00	\$0.00	\$333,000.00	
	<b>Mainline Improvement Sub-Total</b>		<b>\$479,878.75</b>	<b>\$10,630.00</b>	<b>\$469,248.75</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley		\$325,000.00	\$4,481.00	\$320,519.00	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$810,000.00	\$4,481.00	\$805,519.00	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00		\$129,000.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00		\$80,000.00	05-218
2005	Garvey Avenue Phase II	184-176	\$35,000.00		\$35,000.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$4,003.57	\$140,996.43	05-224
	Sub-Total		\$584,000.00	\$78,984.50	\$505,015.50	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)					161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00			163
2006	- Western Ave. ????		\$250,000.00			165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00			167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00			169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00		170
2006	- Unobligated		\$930,000.00			171
	Sub-Total		\$1,500,000.00	\$920.00	\$1,500,000.00	
	<b>Water Main Replacement Sub-Total</b>		<b>\$2,942,700.47</b>	<b>\$84,385.50</b>	<b>\$2,859,234.97</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	2006					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$5,000.00		\$5,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00		\$23,000.00	199
2006	Replace Backhoe K-2		\$70,000.00		\$70,000.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	Distribution Capital Items Sub-Total		\$240,000.00	\$0.00	\$240,000.00	
				\$4,003.57		
	Distribution Total		\$3,866,187.57	\$95,015.50	\$3,772,092.07	
	ENGINEERING					
	Capital Purchases					
	2006					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00		\$20,400.00	213
	Sub-Total		\$23,900.00	\$0.00	\$23,900.00	
	Engineering Total		\$23,900.00	\$0.00	\$23,900.00	
	Distribution/Engineering Department Sub-Total		\$3,890,087.57	\$190,031.00	\$3,795,992.07	
	Water Quality & Production					
	Operations					
	2006					
	Security systems at MPTP and 7 pump stations		\$6,600		\$6,600.00	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500		\$28,500.00	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000		\$42,000.00	231
1/31/2006	Pallet Jack Unit		\$4,700		\$4,700.00	232
	replace vehicle 435		\$20,000		\$20,000.00	233
	Operations Subtotal		\$135,100.00	\$905.00	\$134,195.00	
	LABORATORY					
	2006					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	replace vehicle #430		\$20,000		\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	Laboratory Sub-Total		\$70,000.00	\$0.00	\$70,000.00	
	MAINTENANCE					
	2006					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$913.01	\$34,086.99	253
	Replace surge valves at Hands and ORPS 1		\$30,000		\$30,000.00	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500		\$6,500.00	259
	Replacement of ORPS 2 discharge line		\$110,000		\$110,000.00	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000		\$25,000.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	Maintenance Sub-Total		\$333,500.00	\$913.01	\$332,586.99	
	Water Quality & Production Department Sub-Total		\$538,600.00	\$1,818.01	\$536,781.99	
	TOTAL of Departments		\$6,595,287.57	\$192,951.24	\$6,498,271.83	

**Northern Kentucky Water District  
Income and Expense Report Summary  
For the Two Months Ending February 28, 2006**

Description	Feb 2005	Feb 2006	Feb Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$2,352,525	\$2,374,496	\$3,208,334	(26.0%)	\$4,875,232	\$6,030,459	\$6,416,688	(21.6%)	\$38,204,584
TOTAL O & M EXPENSES	\$1,660,409	\$1,646,627	\$1,851,133	(11.1%)	\$2,901,318	\$3,372,414	\$3,702,266	(8.9%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$872,117	\$1,891,075	\$1,891,075	0.0%	\$10,466,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	(\$80,001)	(\$216,668)	\$411,663	(162.6%)	\$1,104,797	-\$233,031	\$823,326	(128.3%)	\$5,085,179

**Northern Kentucky Water District  
Income and Expense Report - Detail  
For the Two Months Ending February 28, 2006**

Description	Feb 2005	Feb 2006	Feb Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 2,068,662	\$ 2,035,152	\$2,880,118	(29.3%)	\$ 4,344,246	\$ 4,338,535	\$5,760,236	(24.7%)
Forfeited Discounts	49,464	35,967	60,417	(40.6%)	111,107	87,109	\$120,834	(27.9%)
Rents from Water Property	91,264	39,992	43,750	(8.6%)	128,780	88,201	\$87,500	0.8%
Other Water Revenues	25,705	32,825	29,167	12.6%	69,320	69,755	\$58,334	19.6%
<b>Total Operating Income</b>	<b>\$2,235,095</b>	<b>\$2,143,936</b>	<b>\$3,013,452</b>	<b>(28.9%)</b>	<b>\$4,653,453</b>	<b>\$4,583,600</b>	<b>\$6,026,904</b>	<b>(23.9%)</b>
<b>Non-Operating Income</b>								
Interest Income	\$78,822	\$159,732	\$133,333	19.8%	\$181,617	\$370,678	\$266,666	39.0%
Miscellaneous	\$2,059	34,279	25,000	37.1%	6,613	39,632	50,000	(20.7%)
<b>Total Non-Operating Income</b>	<b>\$80,881</b>	<b>\$194,011</b>	<b>\$158,333</b>	<b>22.6%</b>	<b>\$188,230</b>	<b>\$410,310</b>	<b>\$316,666</b>	<b>29.6%</b>
<b>Boone Florence Settlement Transfer</b>								
	\$36,549	\$36,549	\$36,549	0.0%	\$36,549	\$36,549	\$73,098	(50.0%)
<b>TOTAL INCOME</b>	<b>\$2,352,525</b>	<b>\$2,374,496</b>	<b>\$3,208,334</b>	<b>(26.0%)</b>	<b>\$4,878,232</b>	<b>\$6,030,469</b>	<b>\$6,416,668</b>	<b>(21.6%)</b>
<b>EXPENSES</b>								
<b>O &amp; M Expenses</b>								
Source of Supply, Water	\$654,074	\$673,844	\$695,762	(3.2%)	\$1,192,635	\$1,362,600	\$1,391,524	(2.1%)
Treatment, Pumping & Storage	389,433	432,714	523,282	(17.3%)	735,504	959,184	\$1,046,564	(8.3%)
Engineering & Distribution	275,028	272,091	337,398	(19.4%)	546,328	525,469	\$674,796	(22.1%)
Customer Service	241,874	266,979	294,691	(9.4%)	426,850	525,161	\$589,383	(10.9%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,560,409</b>	<b>\$1,645,627</b>	<b>\$1,861,133</b>	<b>(11.1%)</b>	<b>\$2,901,318</b>	<b>\$3,372,414</b>	<b>\$3,702,266</b>	<b>(8.9%)</b>
<b>Transfer to debt service</b>	<b>\$872,117</b>	<b>\$945,538</b>	<b>\$945,538</b>	<b>0.0%</b>	<b>\$872,117</b>	<b>\$1,891,075</b>	<b>\$1,891,075</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>	<b>\$2,432,526</b>	<b>\$2,591,164</b>	<b>\$2,796,671</b>	<b>(7.3%)</b>	<b>\$3,773,436</b>	<b>\$5,263,490</b>	<b>\$5,593,342</b>	<b>(5.9%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>(\$80,001)</b>	<b>(\$216,668)</b>	<b>\$411,663</b>	<b>(152.6%)</b>	<b>\$1,104,797</b>	<b>(\$233,031)</b>	<b>\$823,326</b>	<b>(128.3%)</b>

**Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Two Months Ending February 28, 2006**

Division	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$673,844	\$695,762	(3.2%)	\$1,362,600	\$1,391,524	(2.1%)	\$8,349,141	Higher electric cost of supply at all stations offset by decrease at Ohio pump station # 1.
ENGINEERING & DISTRIBUTION	432,714	523,282	(17.3%)	959,184	1,046,564	(8.3%)	6,279,386	
CUSTOMER SERVICE	272,091	337,398	(19.4%)	525,469	674,796	(22.1%)	4,048,773	Lower bad debt for February.
ADMINISTRATION	266,979	294,691	(9.4%)	525,161	589,383	(10.9%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,645,627</b>	<b>\$1,851,133</b>	<b>(11.1%)</b>	<b>\$3,372,415</b>	<b>\$3,702,266</b>	<b>(8.9%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Two Months Ending February 28, 2006**

Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$7,084	\$3,833	84.8%	\$10,259	\$7,667	33.8%	\$ 46,000	Diving services Licking River Pumping Station.
Ohio River Pump Station # 1	34,323	44,083	(22.1%)	77,391	\$88,167	(12.2%)	529,000	
Ohio River Pump Station # 2	9,710	5,167	87.9%	11,636	\$10,333	12.6%	62,000	Higher Electric supply cost at Newport.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$51,118</b>	<b>\$53,083</b>	<b>(3.7%)</b>	<b>\$99,286</b>	<b>\$106,163</b>	<b>(6.5%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$188,074	\$275,395	(31.7%)	\$405,935	\$550,790	(26.3%)	\$ 3,304,742	Lower actual contractual services, expected to catch up as year progresses.
Taylor Mill Treatment Plant	49,451	50,421	(1.9%)	118,362	\$100,842	17.4%	\$605,050	
Memorial Parkway Treatment Plant	71,776	67,950	5.6%	144,183	\$135,900	6.1%	\$815,400	
Laboratory	81,026	60,950	32.9%	126,140	\$121,900	3.5%	\$731,400	Increased charges for supplies and contrual services-virus & other testing.
Instrumentation	27,616	27,821	(0.7%)	56,251	\$55,642	1.1%	\$333,850	
Sludge	14,120	13,958	1.2%	20,214	\$27,917	(27.6%)	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$432,063</b>	<b>\$496,495</b>	<b>(13.0%)</b>	<b>\$871,084</b>	<b>\$992,990</b>	<b>(12.3%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$190,863</b>	<b>\$140,183</b>	<b>30.4%</b>	<b>\$392,230</b>	<b>\$282,367</b>	<b>34.2%</b>	<b>\$ 1,754,200</b>	Higher electric cost at Dudley, US27, Taylor Mill, Richardson Road stations.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$673,844</b>	<b>\$695,762</b>	<b>(3.2%)</b>	<b>\$1,362,600</b>	<b>\$1,381,623</b>	<b>(2.1%)</b>	<b>\$8,349,141</b>	

**Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Two Months Ending February 28, 2006**

Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$89,662	\$112,323	(20.2%)	\$189,369	\$224,646	(15.7%)	\$1,347,875	
Distribution	343,052	410,959	(16.5%)	769,815	\$821,919	(6.3%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$432,714</b>	<b>\$523,282</b>	<b>(17.3%)</b>	<b>\$959,184</b>	<b>\$1,046,564</b>	<b>(8.3%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$58,846	\$69,390	(15.2%)	\$119,814	\$138,780	(13.7%)	\$ 832,678	
Meter Shop	26,780	28,729	(6.8%)	50,158	57,457	(12.7%)	344,743	
Courier/Maintenance	4,663	5,108	(8.7%)	10,237	10,217	0.2%	61,300	
Account Service	115,017	128,642	(10.6%)	203,146	257,283	(21.0%)	1,543,700	
Meter Reading	29,278	28,720	1.9%	58,852	57,439	2.5%	344,637	
Flushing	558	25,559	(97.8%)	-2,037	51,117	(104.0%)	306,703	Flushing labor reclassified to distribution.
Other	36,949	51,250	(27.9%)	85,298	102,500	(16.8%)	615,000	Decrease in bad debt for February.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$272,091</b>	<b>\$337,397</b>	<b>(19.4%)</b>	<b>\$525,469</b>	<b>\$674,795</b>	<b>(22.1%)</b>	<b>\$ 4,048,761</b>	

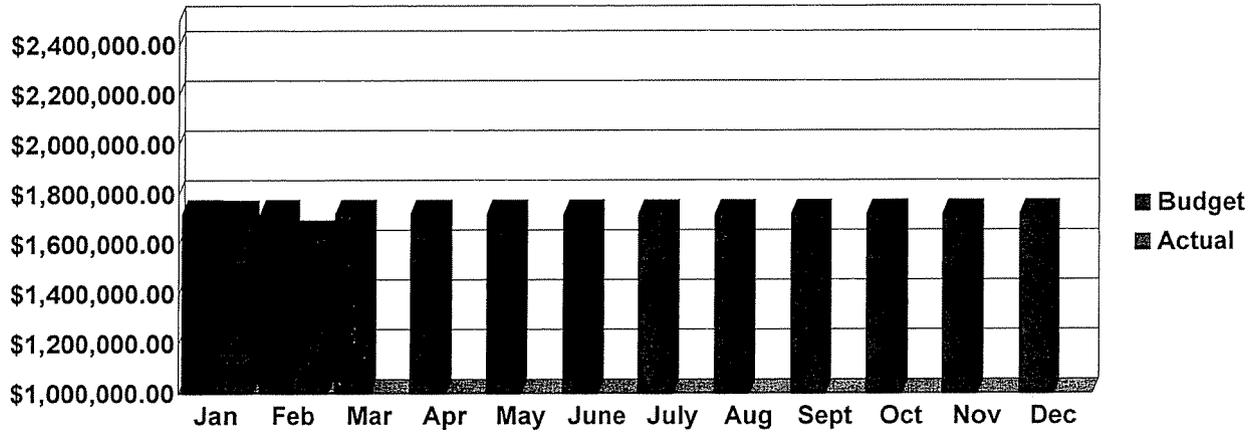
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Two Months Ending February 28, 2006

Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
ADMINISTRATION								
Executive Management	\$47,325	\$44,392	6.6%	\$89,470	\$88,784	0.8%	\$ 532,703	
Board of Commissioners	8,934	9,447	(5.4%)	21,783	18,884	15.3%	113,364	
Accounting	28,962	29,850	(3.0%)	46,668	59,700	(21.8%)	358,200	
H. R. , Information Systems, Safety	104,402	117,611	(11.2%)	195,019	235,222	(17.1%)	1,411,330	
Other	77,355	93,392	(17.2%)	172,221	\$186,783	(7.8%)	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$266,979</b>	<b>\$294,691</b>	<b>(9.4%)</b>	<b>\$525,161</b>	<b>\$589,383</b>	<b>(10.9%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,645,627</b>	<b>\$1,851,133</b>	<b>(11.1%)</b>	<b>\$3,372,414</b>	<b>\$3,702,266</b>	<b>(8.9%)</b>	<b>\$22,213,586</b>	

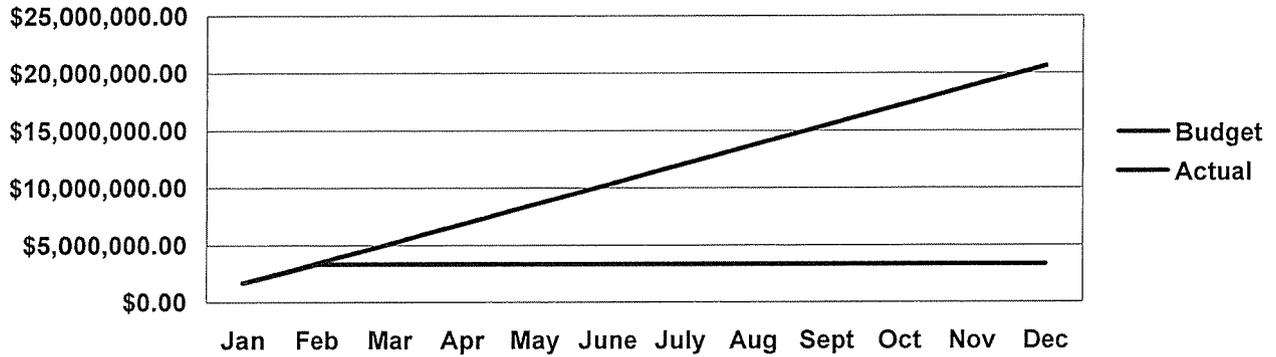
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Two Months Ending February, 2008**

Account	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2008 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$571,560	\$677,403	(15.6%)	\$1,175,893	\$1,354,806	(15.2%)	\$8,128,833	month with fewer days.
Employee Pension & Benefits	218,322	228,628	(4.5%)	\$432,381	\$457,255	(5.8%)	\$2,743,532	
Taxes Other than Income Taxes	42,232	49,047	(13.9%)	\$85,312	\$98,094	(15.0%)	\$588,562	
Purchased Power	173,575	143,275	21.1%	\$378,430	\$286,550	24.3%	\$1,719,300	
Chemicals	76,427	70,208	8.9%	\$190,773	\$140,417	26.4%	\$842,500	
Materials & Supplies	146,769	137,029	7.1%	\$250,539	\$274,058	(9.4%)	\$1,654,350	
Contractual Services	277,147	384,106	(27.8%)	\$570,844	\$768,212	(34.6%)	\$4,609,270	Other contractual services lower for the month because of project timing.
Rent	835	708	17.9%	\$835	\$1,417		\$8,500	
Transportation	37,761	30,413	24.2%	\$66,713	\$60,825	8.8%	\$364,950	
Insurance	41,855	57,104	(26.5%)	\$90,962	\$114,208	(25.6%)	\$685,250	Lower general liability insurance costs.
Advertising	1,268	875	45.0%	\$1,379	\$1,750	(26.9%)	\$10,500	
Bad Debt Expense	32,715	45,833	(28.6%)	\$77,427	\$91,667	(18.4%)	\$550,000	
Miscellaneous	3,323	5,421	(38.7%)	\$6,862	\$10,842	(58.0%)	\$65,050	
Regulatory Commission Assessment	21,745	21,083	3.1%	\$44,063	\$42,167	4.3%	\$253,000	
<b>Total O &amp; M Expenses</b>	<b>\$1,645,627</b>	<b>\$1,851,133</b>	<b>(11.1%)</b>	<b>\$3,372,414</b>	<b>\$3,702,266</b>	<b>(6.9%)</b>	<b>\$22,223,697</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



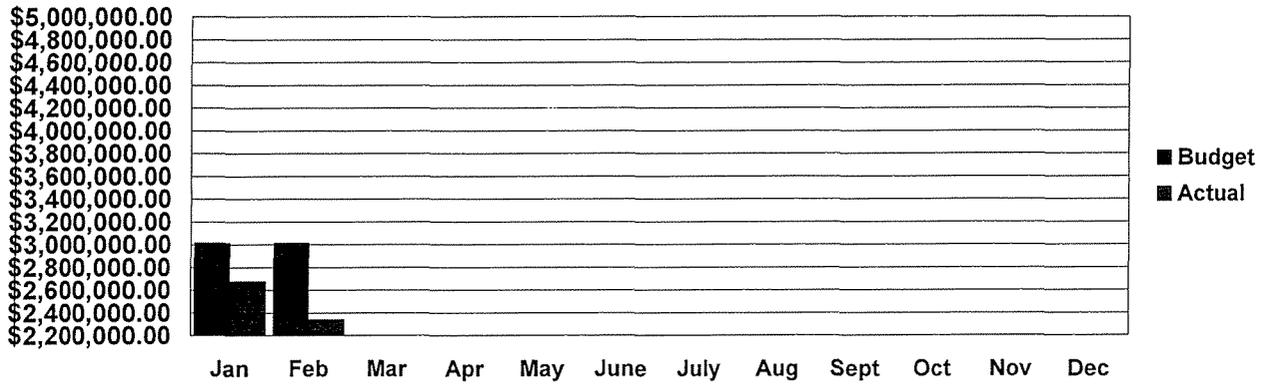
### NKWD O&M YTD Trending 2006 - Budget To Actual



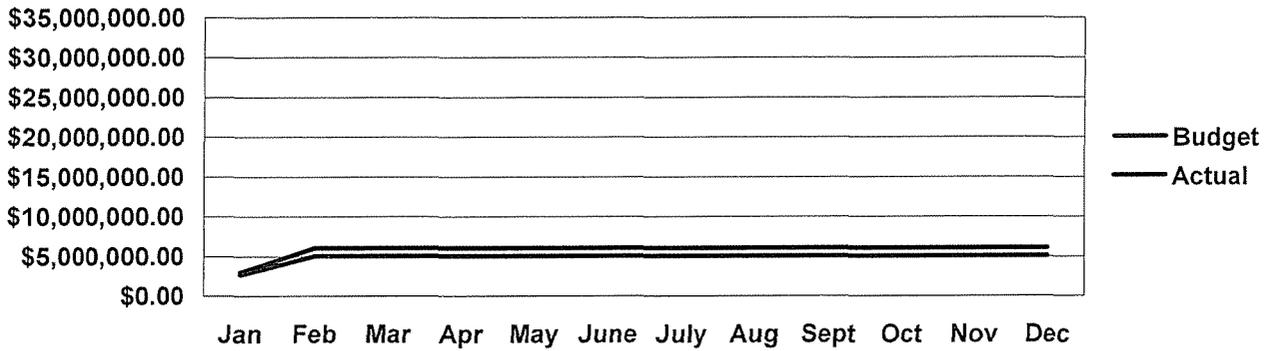
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Two Months Ending February 28, 2006**

Description	February Actual	February Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,035,152	\$ 2,880,118	(29.3%)	\$ 4,338,535	\$ 5,760,236	(24.7%)	
Forfeited Discounts	35,967	60,417	(40.5%)	87,109	120,833	(27.9%)	
Rents from Water Property	39,992	43,750	(8.6%)	88,201	87,500	0.8%	
Other Water Revenues	32,825	29,167	12.5%	69,755	58,334	19.6%	
<b>Total Operating Revenues</b>	<b>\$2,143,936</b>	<b>\$3,013,452</b>	<b>(28.9%)</b>	<b>\$4,583,600</b>	<b>\$6,026,903</b>	<b>(23.9%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$159,732	\$133,333	19.8%	\$370,678	\$266,666	39.0%	Higher interest income from better rates than anticipated.
Miscellaneous	34,279	25,000	37.1%	39,632	50,000	(20.7%)	
<b>Total Non-Operating Income</b>	<b>\$194,011</b>	<b>\$158,333</b>	<b>22.5%</b>	<b>\$410,310</b>	<b>\$316,666</b>	<b>29.6%</b>	
<b>TOTAL INCOME</b>	<b>\$2,337,947</b>	<b>\$3,171,785</b>	<b>(26.3%)</b>	<b>\$4,993,910</b>	<b>\$6,343,569</b>	<b>(21.3%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Two Months Ending February 28, 2006

Division	February 2006	February 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$673,844	\$654,074	3.0%	\$1,362,600	\$1,192,635	14.3%	
ENGINEERING & DISTRIBUTION	432,714	389,433	11.1%	959,184	735,504	30.4%	Higher labor and benefit costs, materials for maintenance of Mains.
CUSTOMER SERVICE	272,091	275,028	(1.1%)	525,469	546,328	(3.8%)	
ADMINISTRATION	266,979	241,874	10.4%	525,161	426,850	23.0%	
<b>TOTAL O AND M</b>	<b>\$1,645,627</b>	<b>\$1,560,409</b>	<b>5.5%</b>	<b>\$3,372,415</b>	<b>\$2,901,318</b>	<b>16.2%</b>	

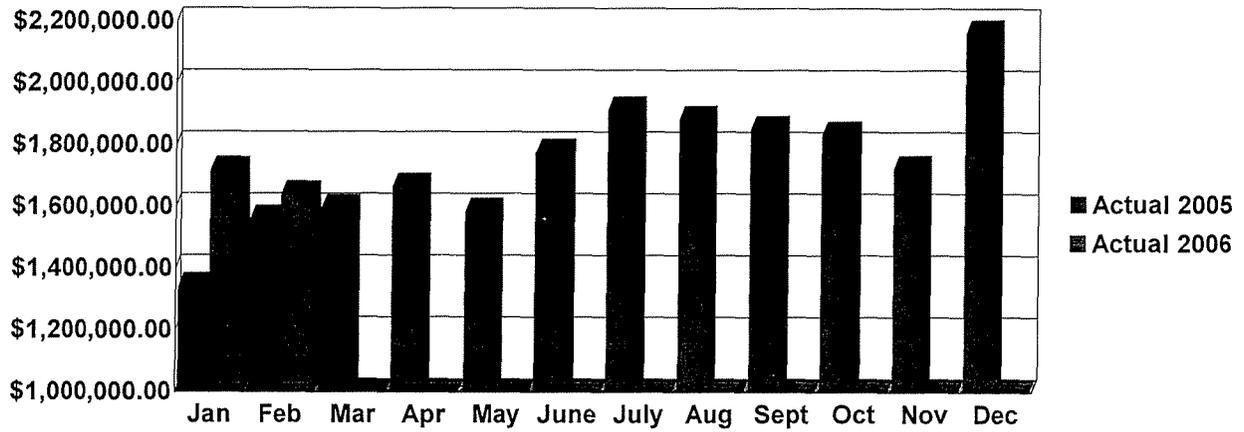
**Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Two Months Ending February, 2006**

<b>Account</b>	<b>February 2006</b>	<b>February 2005</b>	<b>Variance Over (Under)</b>	<b>YTD 2006</b>	<b>YTD 2006</b>	<b>YTD 2006</b>	<b>Variance Over (Under)</b>	<b>Explanation</b>
O & M Expenses								
Salaries & Wages	\$571,550	\$580,533	(1.5%)	\$1,174,296	\$1,175,893	\$1,174,296	0.1%	
Employee Pension & Benefits	218,322	193,423	12.9%	\$363,408	\$432,381	\$363,408	19.0%	Increase in health insurance costs and employer contributions.
Taxes Other than Income Taxes	42,232	41,279	2.3%	\$83,338	\$85,312	\$83,338	2.4%	
Purchased Power	173,575	176,057	(1.4%)	\$343,351	\$378,430	\$343,351	10.2%	
Chemicals	76,427	88,315	(13.5%)	\$124,026	\$190,773	\$124,026	53.8%	
Materials & Supplies	146,769	114,111	28.6%	\$196,087	\$250,539	\$196,087	27.8%	Increase in laboratory supplies
Contractual Services	277,147	213,574	29.8%	\$313,782	\$570,844	\$313,782	81.9%	Cinergy Solutions annual maintenance charge entered in February. Sanitation District#1 Blow off charges.
Rent	835	811	0.0%	\$1,622	\$835	\$1,622	(48.5%)	
Transportation	37,761	23,888	58.1%	\$33,484	\$66,713	\$33,484	99.2%	Increased charges for repair and maintenance of trucks. Tires.
Insurance	41,955	63,222	(33.6%)	\$120,948	\$90,962	\$120,948	(24.8%)	Lower general liability insurance costs.
Advertising	1,268	916	38.5%	\$962	\$1,379	\$962	43.4%	
Bad Debt Expense	32,715	40,401	(19.0%)	\$100,709	\$77,427	\$100,709	(23.1%)	
Miscellaneous	3,323	2,558	29.9%	\$2,661	\$6,862	\$2,661	157.8%	
Regulatory Commission Assessment	21,745	21,322	2.0%	\$42,644	\$44,063	\$42,644	3.3%	
<b>Total O &amp; M Expenses</b>	<b>\$1,645,627</b>	<b>\$1,560,409</b>	<b>5.5%</b>	<b>\$2,901,318</b>	<b>\$3,372,414</b>	<b>\$2,901,318</b>	<b>16.2%</b>	

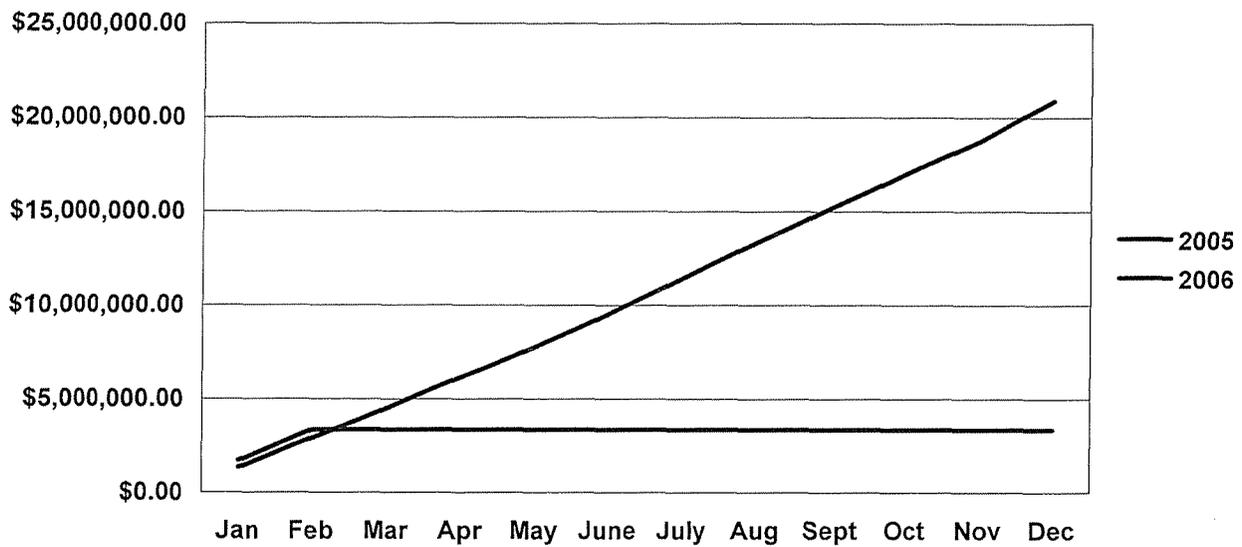
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Two Months Ending February 28, 2006**

Description	February 2006	February 2005	Variance	YTD Dec 2006	YTD Dec 2005	Variance	Explanation
Water Sales	\$ 2,035,152	\$ 2,068,662	(1.6%)	\$ 4,338,535	\$ 4,344,246	(0.1%)	
Forfeited Discounts	35,967	49,464	(27.3%)	87,109	111,107	(21.6%)	
Rents from Water Property	39,992	91,264	(56.2%)	88,201	128,780	(31.5%)	
Other Water Revenues	32,825	25,705	27.7%	69,755	69,320	0.6%	
<b>Total Operating Revenues</b>	<b>\$2,143,936</b>	<b>\$2,235,095</b>	<b>(4.1%)</b>	<b>\$4,583,600</b>	<b>\$4,653,453</b>	<b>(1.5%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$159,732	\$78,822	102.6%	\$370,678	\$181,617	104.1%	Higher interest income from better rates than anticipated.
Miscellaneous	34,279	\$2,059	1564.8%	39,632	6,613	499.3%	
<b>Total Non-Operating Income</b>	<b>\$194,011</b>	<b>\$80,881</b>	<b>139.9%</b>	<b>\$410,310</b>	<b>\$188,230</b>	<b>118.0%</b>	
<b>TOTAL INCOME</b>	<b>\$2,337,947</b>	<b>\$2,315,976</b>	<b>0.9%</b>	<b>\$4,993,910</b>	<b>\$4,841,683</b>	<b>3.1%</b>	

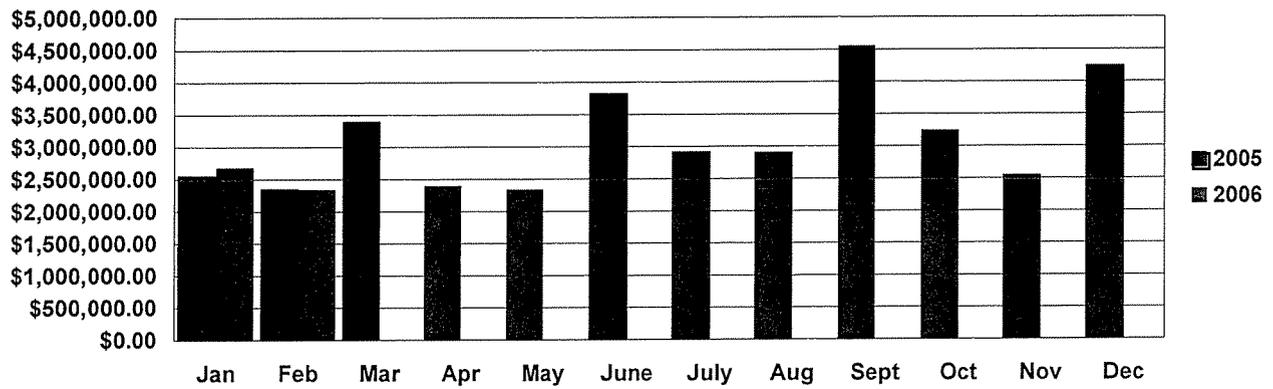
### NKWD O&M Monthly Comparison 2006 - Actual to Actual



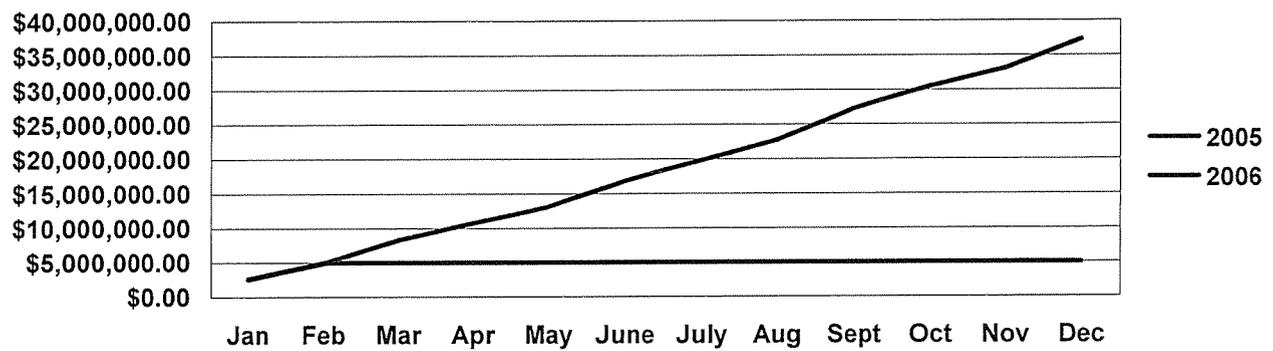
### NKWD O&M YTD Trending 2006 - Actual to Actual



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00		\$400,000.00	5
	Sub-Total		\$440,000.00	\$0.00	\$440,000.00	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00		\$100,000.00	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00		\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$4,710.00	\$427,790.00	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$4,710.00</b>	<b>\$867,790.00</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$3,876.22	\$96,123.78	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00		\$35,000.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00		\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$3,876.22	\$222,623.78	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$43,440.57	\$156,559.43	45
	Sub-Total		\$200,000.00	\$43,440.57	\$156,559.43	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$47,316.79</b>	<b>\$379,183.21</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00		\$1,500.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct. Services Area at Central Facility		\$4,000.00		\$4,000.00	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00		\$6,000.00	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00		\$6,000.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$0.00	\$59,200.00	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00		\$600,000.00	111
2006	Shelving - NCF		\$10,000.00		\$10,000.00	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00		\$19,000.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$0.00	\$806,000.00	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$0.00</b>	<b>\$872,300.00</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$0.00	\$71,878.75	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$750.00	\$24,250.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$11,380.00	\$135,498.75	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants/Mainline Cleaning Projects		\$100,000.00		\$100,000.00	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$333,000.00	\$0.00	\$333,000.00	
	<b>Mainline Improvement Sub-Total</b>		<b>\$479,878.75</b>	<b>\$11,380.00</b>	<b>\$468,498.75</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley		\$325,000.00	\$4,481.00	\$320,519.00	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$810,000.00	\$4,481.00	\$805,519.00	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00		\$80,000.00	05-218
2005	Garvey Avenue Phase II	184-176	\$35,000.00		\$35,000.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$4,003.57	\$140,996.43	05-224
	Sub-Total		\$584,000.00	\$135,396.50	\$448,603.50	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)					161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00			163
2006	- Western Ave. ????		\$250,000.00			165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00			167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00			169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00		170
2006	- Unobligated		\$930,000.00	\$3,680.00		171
	Sub-Total		\$1,500,000.00	\$4,600.00	\$1,500,000.00	
	<b>Water Main Replacement Sub-Total</b>		<b>\$2,942,700.47</b>	<b>\$144,477.50</b>	<b>\$2,802,822.97</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>2006</b>					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00		\$23,000.00	199
2006	Replace Backhoe K-2		\$70,000.00		\$70,000.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	<b>Distribution Capital Items Sub-Total</b>		<b>\$245,000.00</b>	<b>\$0.00</b>	<b>\$245,000.00</b>	
				<b>\$4,003.57</b>		
	<b>Distribution Total</b>		<b>\$3,871,187.57</b>	<b>\$155,857.50</b>	<b>\$3,719,930.07</b>	
	<b>ENGINEERING</b>					
	<b>Capital Purchases</b>					
	<b>2006</b>					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00		\$20,400.00	213
	<b>Sub-Total</b>		<b>\$23,900.00</b>	<b>\$0.00</b>	<b>\$23,900.00</b>	
	<b>Engineering Total</b>		<b>\$23,900.00</b>	<b>\$0.00</b>	<b>\$23,900.00</b>	
	<b>Distribution/Engineering Department Sub-Total</b>		<b>\$3,895,087.57</b>	<b>\$311,715.00</b>	<b>\$3,743,830.07</b>	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2006</b>					
	Security systems at MPTP and 7 pump stations		\$6,600		\$6,600.00	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500		\$28,500.00	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000		\$42,000.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	replace vehicle 435		\$20,000		\$20,000.00	233
	<b>Operations Subtotal</b>		<b>\$135,100.00</b>	<b>\$905.00</b>	<b>\$134,195.00</b>	
	<b>LABORATORY</b>					
	<b>2006</b>					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	replace vehicle #430		\$20,000		\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	<b>Laboratory Sub-Total</b>		<b>\$70,000.00</b>	<b>\$0.00</b>	<b>\$70,000.00</b>	
	<b>MAINTENANCE</b>					
	<b>2006</b>					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$913.01	\$34,086.99	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$2,236.11	\$27,763.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line		\$110,000		\$110,000.00	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000		\$25,000.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	<b>Maintenance Sub-Total</b>		<b>\$333,500.00</b>	<b>\$9,607.80</b>	<b>\$323,892.20</b>	
	<b>Water Quality &amp; Production Department Sub-Total</b>		<b>\$538,600.00</b>	<b>\$10,512.80</b>	<b>\$528,087.20</b>	
	<b>TOTAL of Departments</b>		<b>\$6,604,987.57</b>	<b>\$374,254.59</b>	<b>\$6,391,190.48</b>	

**Northern Kentucky Water District  
Balance Sheet  
As of March 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,099,067	4,354,094
Accounts Receivable		
Customers	3,121,842	3,421,601
Unbilled Customers	4,900,000	4,900,000
Other	255,087	427,486
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,072,876	998,255
Prepaid Expenses	908,833	854,721
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 16,395,472</b>	<b>14,993,408</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 13,881,848	8,214,393
Debt Service Reserve Account	12,296,457	12,280,858
Debt Service Account	2,406,728	918,349
Improvement, Repair & Replacement	2,922,179	2,865,019
Boone/Florence Settlement Account	2,907,530	3,680,638
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 34,414,742</b>	<b>27,959,257</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,506,862	10,165,908
Capital Assets:		
Land, System, Buildings and Equipment	\$ 253,985,909	247,487,428
Construction in Progress	22,608,019	11,029,272
Total Capital Assets before accumulated depreciation	\$ 276,593,928	258,516,700
Less Accumulated Depreciation	(55,848,967)	(50,705,413)
Total capital assets, net of accumulated depreciation	\$ 220,744,961	207,811,287
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 230,251,823</b>	<b>217,977,195</b>
<b>TOTAL ASSETS</b>	<b>\$ 281,062,037</b>	<b>260,929,860</b>

**Northern Kentucky Water District  
Balance Sheet  
As of March 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,993,000	4,804,000
Accounts Payable	1,467,082	1,596,641
Accrued Payroll & Liabilities	272,249	146,596
Other Accrued Liabilities	145,922	201,468
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 6,878,253</b>	<b>6,748,705</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 1,002,445	354,575
Accrued Interest Payable	1,275,157	946,473
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 2,277,602</b>	<b>1,301,048</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,171,000
Bond Anticipation Notes Payable	21,585,000	3,605,000
Note Payable - Taylor Mill Purchase	2,125,000	2,375,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 163,238,000</b>	<b>150,251,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 172,393,855</b>	<b>158,300,753</b>
<b>RETAINED EARNINGS</b>	<b>\$ 108,668,182</b>	<b>102,629,107</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 281,062,037</b>	<b>260,929,860</b>
	=====	=====

Northern Kentucky Water District  
 Income and Expense Report Summary  
 For the Three Months Ending March, 2006

Description	March 2005	March 2006	March Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$3,397,306	\$3,434,671	\$3,208,334	7.1%	\$8,312,087	\$8,635,611	\$9,625,000	(11.3%)	\$36,204,684
TOTAL O & M EXPENSES	\$1,594,636	\$1,816,846	\$1,851,133	(1.9%)	\$4,496,863	\$4,948,392	\$6,653,399	(10.9%)	\$20,664,000
TRANSFER TO DEBT SERVICE	\$872,117	\$946,538	\$946,538	0.0%	\$2,616,361	\$2,836,613	\$2,836,613	0.0%	\$10,465,406
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$930,564	\$672,188	\$411,663	63.3%	\$1,199,783	\$760,606	\$1,234,988	(39.2%)	\$6,086,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Three Months Ending March, 2006**

Description	March 2006	March 2006	March Budget	Variance Over (Under)	YTD 2006	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 3,080,520	\$ 3,127,416	\$2,880,118	8.6%	\$ 7,424,766	\$ 7,465,951	\$8,640,354	(13.6%)
Forfeited Discounts	63,015	65,501	60,417	8.4%	174,122	153,420	\$181,250	(15.4%)
Rents from Water Property	45,220	23,992	43,750	(45.2%)	174,000	112,193	\$131,250	(14.6%)
Other Water Revenues	33,235	34,357	29,167	17.8%	102,555	104,112	\$87,500	19.0%
<b>Total Operating Income</b>	<b>\$3,221,990</b>	<b>\$3,251,266</b>	<b>\$3,013,452</b>	<b>7.9%</b>	<b>\$7,876,443</b>	<b>\$7,835,676</b>	<b>\$9,040,354</b>	<b>(13.3%)</b>
Non-Operating Income								
Interest Income	\$105,173	\$141,964	\$133,333	6.5%	\$286,790	\$545,864	\$400,000	38.5%
Miscellaneous	\$33,584	4,792	25,000	(80.8%)	40,207	44,424	\$75,000	(40.8%)
<b>Total Non-Operating Income</b>	<b>\$138,767</b>	<b>\$146,756</b>	<b>\$158,333</b>	<b>(7.3%)</b>	<b>\$326,997</b>	<b>\$590,288</b>	<b>\$475,000</b>	<b>24.3%</b>
Boone Florence Settlement Transfer	\$36,549	\$36,549	\$36,549	0.0%	\$109,647	\$109,647	\$109,646	0.0%
<b>TOTAL INCOME</b>	<b>\$3,397,306</b>	<b>\$3,434,571</b>	<b>\$3,208,334</b>	<b>7.1%</b>	<b>\$8,312,087</b>	<b>\$8,535,611</b>	<b>\$9,826,000</b>	<b>(11.3%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water	\$657,516	\$717,300	\$695,762	3.1%	\$1,850,152	\$1,931,396	\$2,087,285	(7.5%)
Treatment, Pumping & Storage	409,351	468,680	523,282	(10.4%)	1,144,855	1,334,750	\$1,569,847	(16.0%)
Engineering & Distribution	257,096	276,948	337,398	(17.9%)	803,424	802,417	\$1,012,193	(20.7%)
Customer Service	270,672	353,918	294,691	20.1%	697,522	879,829	\$884,074	(0.6%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,594,635</b>	<b>\$1,816,845</b>	<b>\$1,861,133</b>	<b>(1.9%)</b>	<b>\$4,496,953</b>	<b>\$4,948,392</b>	<b>\$5,553,399</b>	<b>(10.9%)</b>
Transfer to debt service	\$872,117	\$946,538	\$946,538	0.0%	\$2,616,351	\$2,836,613	\$2,836,613	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,466,752</b>	<b>\$2,762,383</b>	<b>\$2,799,671</b>	<b>(1.2%)</b>	<b>\$7,112,304</b>	<b>\$7,785,006</b>	<b>\$8,390,012</b>	<b>(7.2%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$930,554</b>	<b>\$672,188</b>	<b>\$411,683</b>	<b>63.3%</b>	<b>\$1,199,783</b>	<b>\$750,606</b>	<b>\$1,234,988</b>	<b>(39.2%)</b>

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Three Months Ending March, 2006

Division	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$717,300	\$695,762	3.1%	\$1,931,395	\$2,087,285	(7.5%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	468,680	523,282	(10.4%)	1,334,750	1,569,847	(15.0%)	6,279,386	
CUSTOMER SERVICE	276,948	337,398	(17.9%)	802,417	1,012,193	(20.7%)	4,048,773	
ADMINISTRATION	353,918	294,691	20.1%	879,829	884,074	(0.5%)	3,536,297	GIS services, 2005 Audit, March visa charges.
<b>TOTAL O AND M</b>	<b>\$1,816,845</b>	<b>\$1,851,133</b>	<b>(1.9%)</b>	<b>\$4,948,393</b>	<b>\$5,553,399</b>	<b>(10.9%)</b>	<b>\$22,213,597</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March, 2006

Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$4,168	\$3,833	8.7%	\$14,427	\$11,500	25.5%	\$ 46,000	
Ohio River Pump Station # 1	33,628	44,083	(23.7%)	111,019	\$132,250	(16.1%)	529,000	
Ohio River Pump Station # 2	5,536	5,167	7.1%	17,172	\$15,500	10.8%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$43,332</b>	<b>\$53,083</b>	<b>(18.4%)</b>	<b>\$142,618</b>	<b>\$159,246</b>	<b>(10.4%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
F. Thomas Treatment Plant	\$221,998	\$275,395	(19.4%)	\$562,277	\$826,185	(29.5%)	\$ 3,304,742	
Taylor Mill Treatment Plant	72,173	50,421	43.1%	190,555	\$151,262	26.0%	\$605,050	Increased cost of labor, and chemicals at TMTP.
Memorial Parkway Treatment Plant	88,611	67,950	30.4%	175,229	\$203,850	(14.0%)	\$815,400	Increased use of chemicals and gas at MPTP.
Laboratory	60,005	60,950	(1.5%)	186,146	\$182,850	1.8%	\$731,400	
Instrumentation	28,385	27,821	2.0%	84,636	\$83,462	1.4%	\$333,850	
Sludge	19,341	13,958	38.6%	39,555	\$41,875	(5.5%)	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$490,515</b>	<b>\$486,495</b>	<b>(1.2%)</b>	<b>\$1,268,378</b>	<b>\$1,489,485</b>	<b>(15.5%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>								
	\$183,453	\$146,183	25.5%	\$530,401	\$438,550	20.9%	\$ 1,754,200	Higher cost of electricity at TMTP, water tower paint expense write off.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$717,300</b>	<b>\$695,762</b>	<b>3.1%</b>	<b>\$1,931,396</b>	<b>\$2,087,284</b>	<b>(7.5%)</b>	<b>\$8,349,141</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March, 2006

Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$101,740	\$112,323	(9.4%)	\$285,531	\$336,969	(15.3%)	\$1,347,875	
Distribution	366,941	410,959	(10.7%)	1,049,219	\$1,232,878	(14.9%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$468,680</b>	<b>\$523,282</b>	<b>(10.4%)</b>	<b>\$1,334,750</b>	<b>\$1,569,847</b>	<b>(15.0%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$71,681	\$69,393	3.3%	\$191,496	\$208,178	(8.0%)	\$ 832,714	
Meter Shop	30,632	28,727	6.6%	80,790	\$86,180	(6.3%)	344,719	
Courier/Maintenance	5,252	5,108	2.8%	15,490	\$15,325	1.1%	61,300	
Account Service	107,181	128,642	(16.7%)	310,327	\$385,925	(19.6%)	1,543,700	
Meter Reading	26,636	28,720	(7.3%)	85,488	\$86,159	(0.8%)	344,637	
Flushing	2,710	25,559	(89.4%)	673	\$76,676	(99.1%)	306,703	
Other	32,855	51,250	(35.9%)	118,153	\$153,750	(23.2%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$276,948</b>	<b>\$337,398</b>	<b>(17.9%)</b>	<b>\$802,417</b>	<b>\$1,012,193</b>	<b>(20.7%)</b>	<b>\$ 4,048,773</b>	

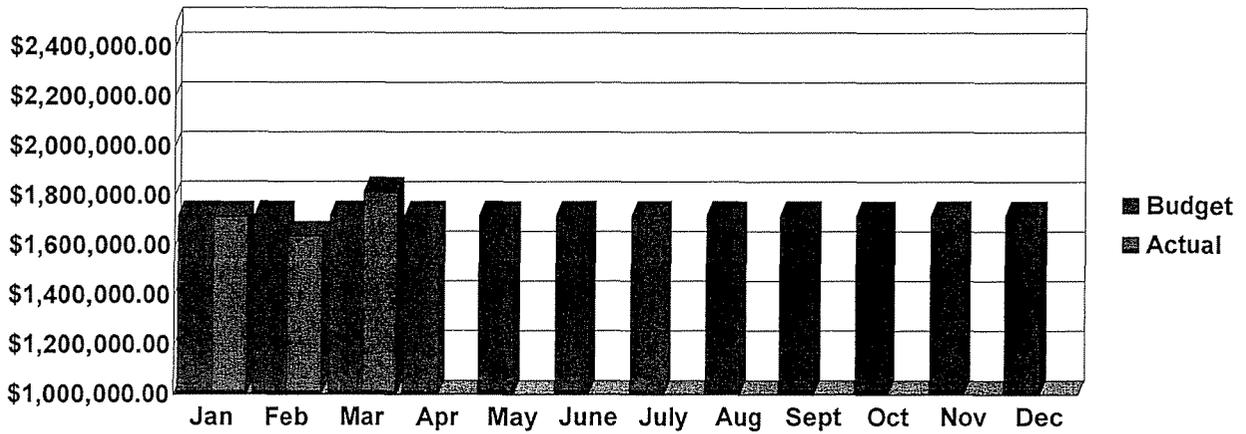
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March, 2006

Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$42,277	\$44,392	(4.8%)	\$131,747	\$133,176	(1.1%)	\$ 532,703	
Board of Commissioners	9,984	9,447	5.7%	31,767	\$28,341	12.1%	113,364	
Accounting	43,395	29,850	45.4%	90,063	\$89,550	0.6%	358,200	March Includes progress billing for 2005 Audit.
H. R., Information Systems, Safety	128,000	117,611	8.8%	323,018	\$352,832	(8.4%)	1,411,330	
Other	130,262	93,392	39.5%	303,233	\$280,175	8.2%	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$353,918</b>	<b>\$294,691</b>	<b>20.1%</b>	<b>\$879,829</b>	<b>\$884,074</b>	<b>(0.5%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,816,845</b>	<b>\$1,851,134</b>	<b>(1.9%)</b>	<b>\$4,948,392</b>	<b>\$5,553,400</b>	<b>(10.9%)</b>	<b>\$22,213,598</b>	

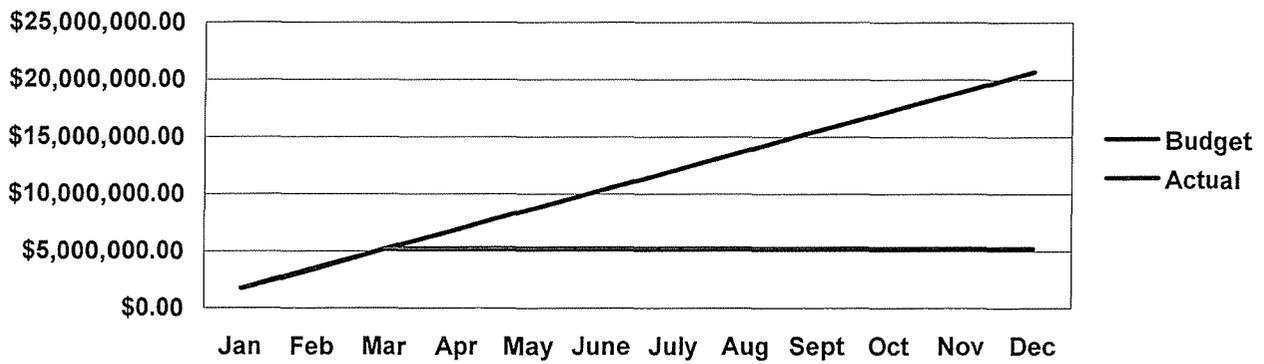
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Budget**  
**For the Three Months Ending March, 2008**

Account	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2008 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$704,746	\$677,403	4.0%	\$1,880,639	\$2,032,208	(8.1%)	\$8,128,833	March includes 5 weeks of wage expense.
Employee Pension & Benefits	230,798	228,628	0.9%	\$663,179	\$685,883	(3.4%)	\$2,743,532	
Taxes Other than Income Taxes	51,354	49,047	4.7%	\$136,667	\$147,141	(7.7%)	\$588,562	
Purchased Power	164,627	143,275	14.9%	\$415,774	\$429,825	(3.4%)	\$1,719,300	Electric and gas costs up at treatment plants except Ohio River Station.
Chemicals	90,741	70,208	29.2%	\$281,514	\$210,825	25.2%	\$842,500	Greater use of chemicals at MPTP, to control higher levels of algae and dirt.
Materials & Supplies	152,949	137,029	11.6%	\$403,488	\$411,087	(1.9%)	\$1,654,350	Fill and limestone for maintenance of Maines, and water bottles paid for in March.
Contractual Services	298,471	384,106	(22.3%)	\$765,729	\$1,152,318	(52.5%)	\$4,609,270	Other contractual services lower for the month because of project timing.
Rent	835	708	17.9%	\$1,671	\$2,125	(27.2%)	\$8,500	
Transportation	36,352	30,413	19.5%	\$103,065	\$91,238	11.5%	\$364,950	
Insurance	31,323	57,104	(45.1%)	\$122,285	\$171,312	(40.1%)	\$665,250	Lower general liability insurance costs.
Advertising	660	875	(24.5%)	\$2,040	\$2,625	(28.7%)	\$10,500	
Bad Debt Expense	27,761	45,833	(39.4%)	\$105,189	\$137,500	(30.7%)	\$550,000	
Miscellaneous	4,483	5,421	(17.3%)	\$11,345	\$16,262	(43.3%)	\$65,050	
Regulatory Commission Assessment	21,745	21,083	3.1%	\$65,808	\$63,250	3.9%	\$253,000	
<b>Total O &amp; M Expenses</b>	<b>\$1,816,845</b>	<b>\$1,851,133</b>	<b>(1.9%)</b>	<b>\$4,948,392</b>	<b>\$5,553,389</b>	<b>(10.8%)</b>	<b>\$22,223,597</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



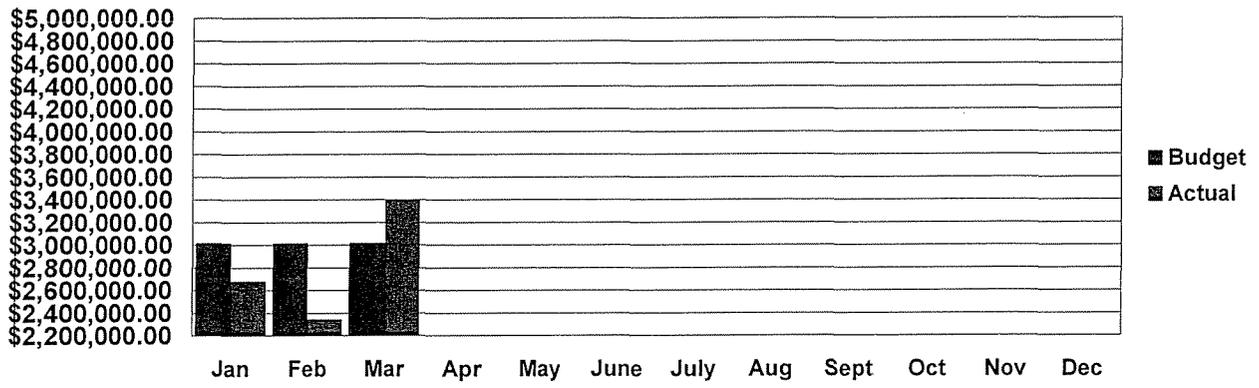
### NKWD O&M YTD Trending 2006 - Budget To Actual



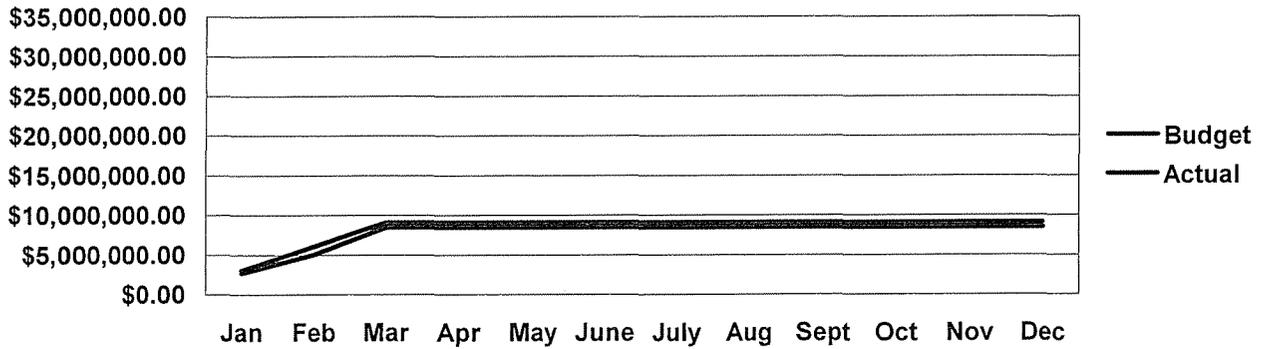
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Three Months Ending March, 2006**

Description	March	March	Variance	YTD		Variance	Explanation
	Actual	Projected		Actual	Projected		
Water Sales	\$ 3,127,416	\$ 2,880,118	8.6%	\$ 7,466,951	\$ 8,640,354	(13.6%)	
Forfeited Discounts	66,501	60,417	8.4%	153,420	181,250	(15.4%)	
Rents from Water Property	23,992	43,750	(45.2%)	112,193	131,250	(14.5%)	
Other Water Revenues	34,357	29,167	17.8%	104,112	87,500	19.0%	
<b>Total Operating Revenues</b>	<b>\$3,261,266</b>	<b>\$3,013,452</b>	<b>7.9%</b>	<b>\$7,835,676</b>	<b>\$9,040,354</b>	<b>(13.3%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$141,964	\$133,333	6.5%	\$545,864	\$ 400,000	36.5%	
Miscellaneous	4,792	25,000	(80.8%)	44,424	75,000	(40.8%)	
<b>Total Non-Operating Income</b>	<b>\$146,756</b>	<b>\$158,333</b>	<b>(7.3%)</b>	<b>\$590,288</b>	<b>\$475,000</b>	<b>24.3%</b>	
<b>TOTAL INCOME</b>	<b>\$3,398,022</b>	<b>\$3,171,785</b>	<b>7.1%</b>	<b>\$8,425,964</b>	<b>\$9,515,354</b>	<b>(11.4%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Three Months Ending March, 2006

Division	March 2006	March 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$717,300	\$657,516	9.1%	\$1,931,396	\$1,850,152	4.4%	Increased wages, cost of electricity and gas, water tower paint.
ENGINEERING & DISTRIBUTION	468,680	409,351	14.5%	1,334,750	1,144,855	16.6%	Increased use of materials, supplies for maintenance of Mains.
CUSTOMER SERVICE	276,948	257,096	7.7%	802,417	803,424	(0.1%)	Increased wages, account bill printing/mailings.
ADMINISTRATION	353,918	270,672	30.8%	879,829	697,522	26.1%	2005 Audit, higher visa charges, GIS charges.
<b>TOTAL O AND M</b>	<b>\$1,816,845</b>	<b>\$1,594,635</b>	<b>13.9%</b>	<b>\$4,948,393</b>	<b>\$4,495,953</b>	<b>10.1%</b>	

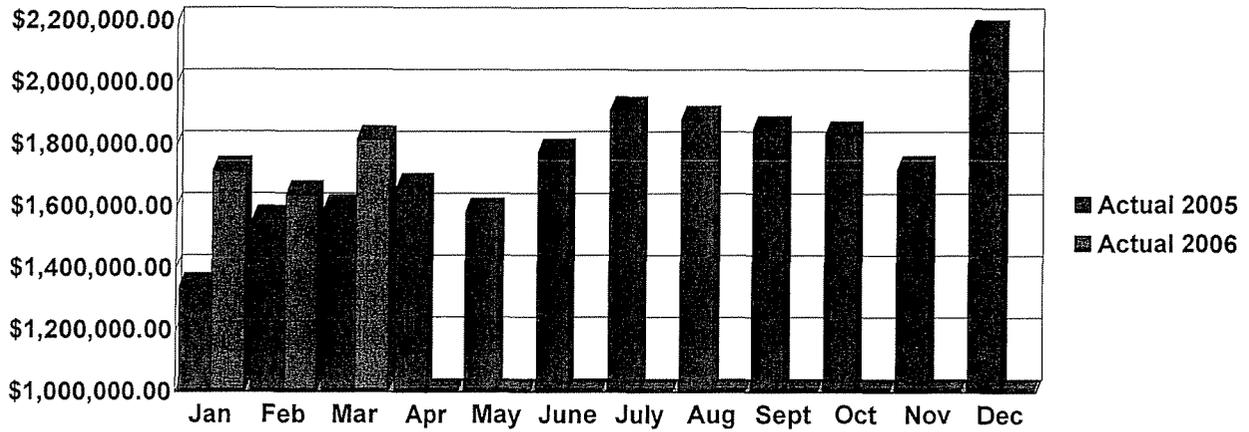
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Three Months Ending March, 2006**

Account	March 2006	March 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$704,746	\$575,279	22.5%	\$1,880,639	\$1,749,575	7.5%	March 05, included only four weeks of pay.
Employee Pension & Benefits	230,798	182,826	26.2%	\$663,179	\$546,234	21.4%	Increase in health insurance costs and employer contributions.
Taxes Other than Income Taxes	51,354	41,019	25.2%	\$136,667	\$124,357	9.9%	
Purchased Power	164,627	175,407	(6.1%)	\$415,774	\$518,758	(19.9%)	
Chemicals	90,741	67,752	33.9%	\$281,514	\$191,778	46.8%	Greater use of chemicals at TMTP, MPTP.
Materials & Supplies	152,949	118,511	29.1%	\$403,488	\$314,598	28.3%	Increased purchases of materials and supplies for maintenance of Mains.
Contractual Services	298,471	268,664	11.1%	\$755,729	\$582,447	29.8%	March Includes Audit progress payment.
Rent	835	1,622	0.0%	\$1,671	\$3,244	(48.5%)	
Transportation	36,352	37,856	(4.0%)	\$103,065	\$71,340	44.5%	
Insurance	31,323	57,478	(45.5%)	\$122,285	\$178,426	(31.5%)	Lower general liability insurance costs.
Advertising	660	1,673	(60.5%)	\$2,040	\$2,635	(22.6%)	
Bad Debt Expense	27,761	42,565	(34.8%)	\$105,189	\$143,274	(26.6%)	
Miscellaneous	4,483	2,661	68.5%	\$11,345	\$5,322	113.2%	
Regulatory Commission Assessment	21,745	21,322	2.0%	\$65,808	\$63,967	2.9%	
<b>Total O &amp; M Expenses</b>	<b>\$1,816,845</b>	<b>\$1,594,636</b>	<b>13.9%</b>	<b>\$4,948,392</b>	<b>\$4,495,953</b>	<b>10.1%</b>	

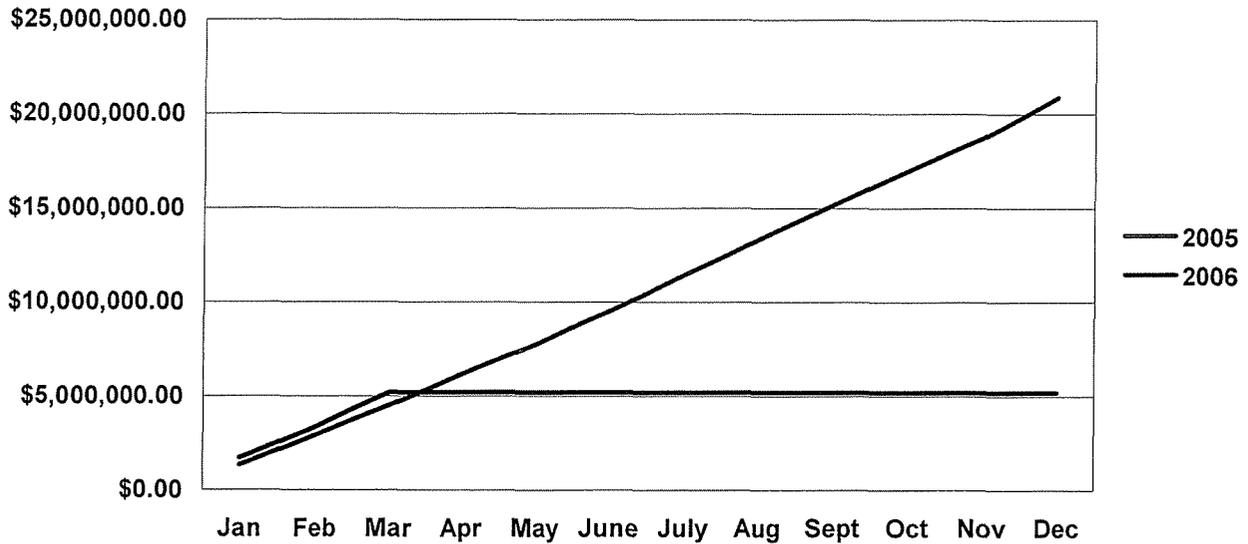
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Three Months Ending March, 2006**

Description	March 2006	March 2005	Variance	YTD Dec 2006	YTD Dec 2005	Variance	Explanation
Water Sales	\$ 3,127,416	\$ 3,080,520	1.5%	\$ 7,465,951	\$ 7,424,766	0.6%	
Forfeited Discounts	65,501	63,015	3.9%	153,420	174,122	(11.9%)	
Rentals from Water Property	23,992	45,220	(46.9%)	112,193	174,000	(35.5%)	
Other Water Revenues	34,357	33,235	3.4%	104,112	102,555	1.5%	
<b>Total Operating Revenues</b>	<b>\$3,251,266</b>	<b>\$3,221,990</b>	<b>0.9%</b>	<b>\$7,835,676</b>	<b>\$7,875,443</b>	<b>(0.5%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$141,964	\$105,173	35.0%	\$545,864	\$286,790	90.3%	Higher interest income from better rates than anticipated.
Miscellaneous	4,792	\$33,594	(85.7%)	44,424	40,207	10.5%	
<b>Total Non-Operating Income</b>	<b>\$146,756</b>	<b>\$138,767</b>	<b>5.8%</b>	<b>\$590,288</b>	<b>\$326,997</b>	<b>80.5%</b>	
<b>TOTAL INCOME</b>	<b>\$3,398,022</b>	<b>\$3,360,757</b>	<b>1.1%</b>	<b>\$8,425,964</b>	<b>\$8,202,440</b>	<b>2.7%</b>	

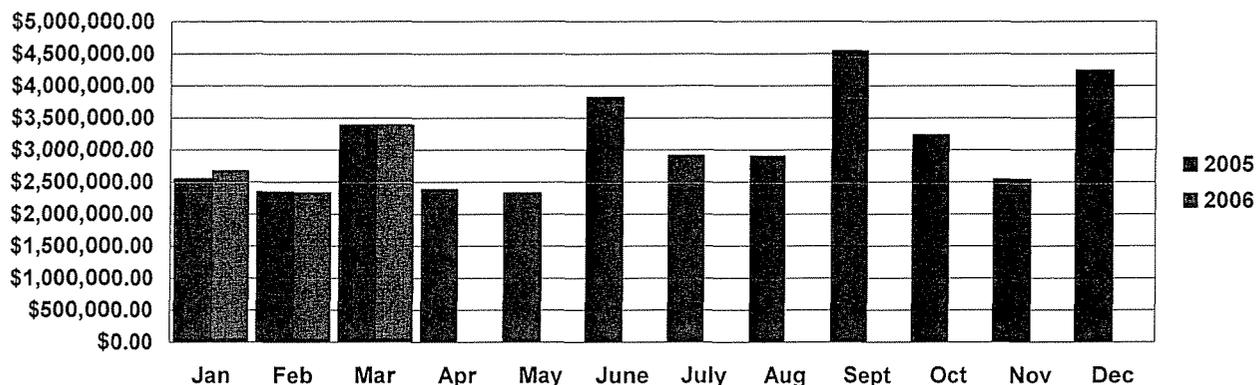
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



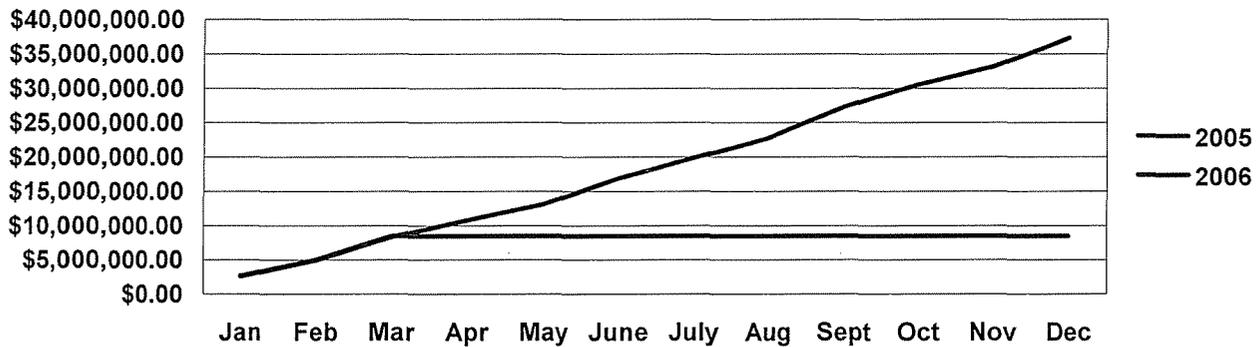
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$12,373.84	\$387,626.16	5
	Sub-Total		\$440,000.00	\$12,373.84	\$427,626.16	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$14,170.50	\$85,829.50	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00		\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$18,880.50	\$413,619.50	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$31,254.34</b>	<b>\$841,245.66</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$13,328.86	\$86,671.14	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00		\$35,000.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$26,884.86	\$213,171.14	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$41,246.49	\$158,753.51	45
	Sub-Total		\$200,000.00	\$41,246.49	\$158,753.51	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$68,131.35</b>	<b>\$371,924.65</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00		\$1,500.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct.Services Area at Central Facility		\$4,000.00		\$4,000.00	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00		\$6,000.00	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,110.00	\$1,890.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$4,110.00	\$55,090.00	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00		\$600,000.00	111
2006	Shelving - NCF		\$10,000.00		\$10,000.00	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00		\$19,000.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$0.00	\$806,000.00	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$4,110.00</b>	<b>\$868,190.00</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$0.00	\$71,878.75	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wildier & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$29,280.00	\$117,598.75	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants/Mainline Cleaning Projects		\$100,000.00		\$100,000.00	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$333,000.00	\$0.00	\$333,000.00	
	<b>Mainline Improvement Sub-Total</b>		<b>\$479,878.75</b>	<b>\$29,280.00</b>	<b>\$450,598.75</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straitening					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley		\$325,000.00	\$4,630.00	\$320,370.00	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$810,000.00	\$4,630.00	\$805,370.00	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00		\$80,000.00	05-218
2005	Garvey Avenue Phase II	184-176	\$35,000.00	\$6,160.00	\$28,840.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$79,207.57	\$65,792.43	05-224
	Sub-Total		\$584,000.00	\$216,760.50	\$367,239.50	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)				\$100,000.00	161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00		\$30,000.00	163
2006	- Western Ave. ????		\$250,000.00		\$250,000.00	165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00		\$150,000.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00		\$40,000.00	169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00	\$920.00	170
2006	- Unobligated		\$930,000.00	\$8,280.00	\$938,280.00	171
	Sub-Total		\$1,500,000.00	\$9,200.00	\$3,009,200.00	
	<b>Water Main Replacement Sub-Total</b>		<b>\$2,942,700.47</b>	<b>\$230,590.50</b>	<b>\$4,230,509.97</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	2006					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00		\$28,000.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P. U. truck 244		\$23,000.00		\$23,000.00	199
2006	Replace Backhoe K-2		\$70,000.00		\$70,000.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	Distribution Capital Items Sub-Total		\$273,000.00	\$0.00	\$273,000.00	
	Distribution Total		\$3,899,187.57	\$259,870.50	\$5,157,717.07	
	ENGINEERING					
	Capital Purchases					
	2006					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00		\$20,400.00	213
	Sub-Total		\$23,900.00	\$0.00	\$23,900.00	
	Engineering Total		\$23,900.00	\$0.00	\$23,900.00	
	Distribution/Engineering Department Sub-Total		\$3,923,087.57	\$519,741.00	\$5,181,617.07	
	Water Quality & Production					
	Operations					
	2006					
	Security systems at MPTP and 7 pump stations		\$6,600	\$3,110.90	\$3,489.10	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500		\$28,500.00	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000		\$42,000.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	replace vehicle 435		\$20,000		\$20,000.00	233
	Operations Subtotal		\$135,100.00	\$4,015.90	\$131,084.10	
	LABORATORY					
	2006					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	replace vehicle #430		\$20,000		\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	Laboratory Sub-Total		\$70,000.00	\$0.00	\$70,000.00	
	MAINTENANCE					
	2006					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$913.01	\$34,086.99	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$2,236.11	\$27,763.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line		\$110,000		\$110,000.00	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000		\$25,000.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	Maintenance Sub-Total		\$333,500.00	\$9,607.80	\$323,892.20	
	Water Quality & Production Department Sub-Total		\$538,600.00	\$13,623.70	\$524,976.30	
	TOTAL of Departments		\$6,632,987.57	\$636,860.39	\$7,787,953.68	

**Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 6,441,366	4,302,389
Accounts Receivable		
Customers	2,695,755	2,484,119
Unbilled Customers	4,900,000	4,900,000
Other	252,256	422,257
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,047,132	1,099,212
Prepaid Expenses	851,601	717,661
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 16,225,877</b>	<b>13,962,889</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 13,104,313	7,823,706
Debt Service Reserve Account	12,350,687	12,329,037
Debt Service Account	2,043,161	1,758,338
Improvement, Repair & Replacement	3,670,469	3,576,426
Boone/Florence Settlement Account	2,907,530	3,686,195
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 34,076,160</b>	<b>29,173,702</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,399,571	10,100,422
Capital Assets:		
Land, System, Buildings and Equipment	\$ 254,139,696	247,689,503
Construction in Progress	23,865,741	11,645,603
Total Capital Assets before accumulated depreciation	\$ 278,005,437	259,335,106
Less Accumulated Depreciation	(56,315,727)	(51,162,173)
Total capital assets, net of accumulated depreciation	\$ 221,689,710	208,172,933
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 231,089,281</b>	<b>218,273,355</b>
<b>TOTAL ASSETS</b>	<b>\$ 281,391,318</b>	<b>261,409,946</b>

**Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,780,000
Accounts Payable	1,463,321	1,593,005
Accrued Payroll & Liabilities	258,198	248,170
Other Accrued Liabilities	82,903	72,671
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 6,771,422</b>	<b>6,693,846</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 1,242,278	354,575
Accrued Interest Payable	1,495,825	1,366,270
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 2,738,103</b>	<b>1,720,845</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,171,000
Bond Anticipation Notes Payable	21,585,000	3,605,000
Note Payable - Taylor Mill Purchase	2,125,000	2,375,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 163,238,000</b>	<b>150,251,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 172,747,525</b>	<b>158,665,691</b>
<b>RETAINED EARNINGS</b>	<b>\$ 108,643,793</b>	<b>102,744,255</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 281,391,318</b>	<b>261,409,946</b>
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Northern Kentucky Water District  
Income and Expense Report Summary  
For the Four Months Ending April, 2006

Description	April 2006	April 2006	April Budget	Variance Over (Under)	YTD 2006	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$2,396,244	\$2,499,720	\$3,208,334	(22.1%)	\$10,707,332	\$11,036,330	\$12,833,336	(14.0%)	\$36,204,684
TOTAL O & M EXPENSES	\$1,863,664	\$1,497,090	\$1,861,133	(19.1%)	\$6,169,617	\$6,446,482	\$7,404,632	(13.0%)	\$20,664,000
TRANSFER TO DEBT SERVICE	\$872,117	\$946,538	\$946,538	0.0%	\$3,488,468	\$3,782,161	\$3,782,161	0.0%	\$10,466,406
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	(\$140,537)	\$57,092	\$411,663	(86.1%)	\$1,059,247	\$807,697	\$1,646,663	(60.9%)	\$6,086,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Four Months Ending April, 2006**

Description	April 2005	April 2006	April Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
<b>Operating Income</b>								
Water Sales	\$ 2,154,494	\$ 2,185,094	\$2,880,118	(24.1%)	\$ 9,579,260	\$ 9,651,045	\$11,520,472	(16.2%)
Forfeited Discounts	48,619	49,794	60,417	(17.6%)	222,741	203,214	\$241,668	(15.9%)
Rents from Water Property	38,398	35,688	43,750	(18.4%)	212,399	147,881	\$175,000	(15.6%)
Other Water Revenues	18,890	32,720	29,167	12.2%	121,445	136,832	\$116,668	17.3%
<b>Total Operating Income</b>	<b>\$2,260,401</b>	<b>\$2,303,296</b>	<b>\$3,013,462</b>	<b>(23.6%)</b>	<b>\$10,136,846</b>	<b>\$10,138,972</b>	<b>\$12,063,808</b>	<b>(15.9%)</b>
<b>Non-Operating Income</b>								
Interest Income	\$94,974	\$155,422	\$133,333	18.6%	\$381,764	\$701,286	\$533,332	31.5%
Miscellaneous	\$3,320	4,453	25,000	(82.2%)	43,527	48,876	\$100,000	(51.1%)
<b>Total Non-Operating Income</b>	<b>\$98,294</b>	<b>\$169,876</b>	<b>\$168,333</b>	<b>1.0%</b>	<b>\$425,291</b>	<b>\$750,162</b>	<b>\$633,332</b>	<b>18.4%</b>
<b>Boone Florence Settlement Transfer</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>0.0%</b>	<b>\$146,196</b>	<b>\$146,196</b>	<b>\$146,196</b>	<b>0.0%</b>
<b>TOTAL INCOME</b>	<b>\$2,395,244</b>	<b>\$2,499,720</b>	<b>\$3,208,334</b>	<b>(22.1%)</b>	<b>\$10,707,332</b>	<b>\$11,036,330</b>	<b>\$12,833,336</b>	<b>(14.0%)</b>
<b>EXPENSES</b>								
<b>O &amp; M Expenses</b>								
Source of Supply, Water	\$667,940	\$623,102	\$695,762	(10.4%)	\$2,518,092	\$2,554,498	\$2,783,047	(8.2%)
Treatment, Pumping & Storage	428,093	383,015	523,282	(26.8%)	1,572,949	1,717,766	\$2,093,129	(17.9%)
Engineering & Distribution	308,520	262,842	337,398	(22.1%)	1,111,945	1,065,259	\$1,348,591	(21.1%)
Customer Service	259,110	228,131	294,691	(22.6%)	956,632	1,107,960	\$1,178,766	(6.0%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,663,664</b>	<b>\$1,497,090</b>	<b>\$1,861,133</b>	<b>(19.1%)</b>	<b>\$6,169,617</b>	<b>\$6,446,482</b>	<b>\$7,404,632</b>	<b>(13.0%)</b>
Transfer to debt service	\$872,117	\$946,538	\$946,538	0.0%	\$3,488,468	\$3,782,161	\$3,782,161	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,535,781</b>	<b>\$2,442,628</b>	<b>\$2,796,671</b>	<b>(12.7%)</b>	<b>\$9,648,086</b>	<b>\$10,227,633</b>	<b>\$11,186,683</b>	<b>(8.6%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>(\$140,537)</b>	<b>\$57,092</b>	<b>\$411,663</b>	<b>(86.1%)</b>	<b>\$1,059,247</b>	<b>\$807,697</b>	<b>\$1,646,653</b>	<b>(60.9%)</b>

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Four Months Ending April, 2006

Division	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$623,102	\$695,762	(10.4%)	\$2,554,498	\$2,783,047	(8.2%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	383,015	523,282	(26.8%)	1,717,766	\$2,093,129	(17.9%)	6,279,386	
CUSTOMER SERVICE	262,842	337,398	(22.1%)	1,065,259	\$1,349,591	(21.1%)	4,048,773	
ADMINISTRATION	228,131	294,691	(22.6%)	1,107,960	\$1,178,766	(6.0%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,497,090</b>	<b>\$1,851,133</b>	<b>(19.1%)</b>	<b>\$6,445,482</b>	<b>\$7,404,532</b>	<b>(13.0%)</b>	<b>\$22,213,597</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Four Months Ending April, 2006

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$3,037	\$3,833	(20.8%)	\$17,464	\$15,333	13.9%	\$ 48,000	
Ohio River Pump Station # 1	37,231	44,083	(15.5%)	148,250	\$176,333	(15.9%)	529,000	
Ohio River Pump Station # 2	4,323	5,167	(16.3%)	21,496	\$20,667	4.0%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$44,592</b>	<b>\$53,083</b>	<b>(16.0%)</b>	<b>\$187,210</b>	<b>\$212,333</b>	<b>(11.8%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$178,577	\$275,395	(35.2%)	\$760,854	\$1,101,581	(30.9%)	\$ 3,304,742	
Taylor Mill Treatment Plant	48,293	50,421	(4.2%)	238,828	\$201,683	18.4%	\$605,050	
Memorial Parkway Treatment Plant	58,742	67,950	(13.6%)	233,971	\$271,800	(13.9%)	\$615,400	
Laboratory	51,780	60,950	(15.1%)	237,905	\$243,800	(2.4%)	\$731,400	
Instrumentation	26,087	27,821	(6.3%)	110,703	\$111,283	(0.5%)	\$333,850	
Sludge	14,458	13,958	3.6%	54,014	\$55,833	(3.3%)	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$377,897</b>	<b>\$496,495</b>	<b>(23.9%)</b>	<b>\$1,636,276</b>	<b>\$1,986,981</b>	<b>(17.8%)</b>	<b>\$5,967,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>								
	\$200,612	\$146,183	37.2%	\$731,013	\$684,733	26.0%	\$ 1,754,200	Utility Service Company Invoice for Ida Spence, electric expense.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$623,102</b>	<b>\$695,762</b>	<b>(10.4%)</b>	<b>\$2,554,498</b>	<b>\$2,783,047</b>	<b>(8.2%)</b>	<b>\$8,349,141</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Four Months Ending April, 2006

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$96,984	\$112,323	(13.7%)	\$382,515	\$449,292	(14.9%)	\$1,347,875	
Distribution	286,032	410,959	(30.4%)	1,336,251	\$1,643,837	(18.8%)	4,931,511	Lower mainline cleaning charges.
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$383,016</b>	<b>\$523,282</b>	<b>(26.8%)</b>	<b>\$1,717,766</b>	<b>\$2,093,129</b>	<b>(17.9%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$61,698	\$69,393	(11.1%)	\$253,194	\$277,571	(8.8%)	\$ 832,714	
Meter Shop	27,553	28,727	(4.1%)	108,343	\$114,906	(5.7%)	344,719	
Courier/Maintenance	5,363	5,108	5.0%	20,853	\$20,433	2.1%	61,300	
Account Service	112,049	128,642	(12.9%)	422,376	\$514,567	(17.9%)	1,543,700	
Meter Reading	25,786	28,720	(10.2%)	111,274	\$114,879	(3.1%)	344,637	
Flushing	690	25,559	(97.3%)	1,363	\$102,234	(98.7%)	306,703	Flushing wages reclassified.
Other	29,704	51,250	(42.0%)	147,856	\$205,000	(27.9%)	615,000	Lower bad debt for the month.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$262,842</b>	<b>\$337,398</b>	<b>(22.1%)</b>	<b>\$1,065,259</b>	<b>\$1,349,591</b>	<b>(21.1%)</b>	<b>\$ 4,048,773</b>	

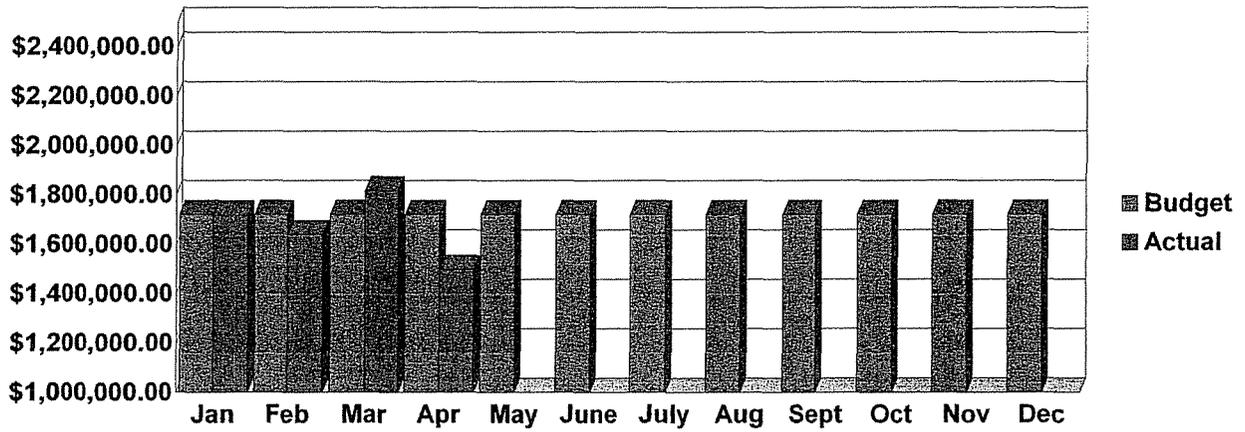
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Four Months Ending April, 2006

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$47,037	\$44,392	6.0%	\$178,785	\$177,568	0.7%	\$ 532,703	
Board of Commissioners	10,461	9,447	10.7%	42,228	\$37,788	11.8%	113,364	
Accounting	30,349	29,850	1.7%	120,412	\$119,400	0.8%	358,200	
H. R. , Information Systems, Safety	104,697	117,611	(11.0%)	427,716	\$470,443	(9.1%)	1,411,330	
Other	35,586	93,392	(61.9%)	338,819	\$373,567	(9.3%)	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$228,131</b>	<b>\$294,691</b>	<b>(22.6%)</b>	<b>\$1,107,960</b>	<b>\$1,178,766</b>	<b>(6.0%)</b>	<b>\$ 3,636,297</b>	Visa charges entered in different month from reclassification month.
<b>TOTAL O &amp; M</b>	<b>\$1,497,090</b>	<b>\$1,861,134</b>	<b>(19.1%)</b>	<b>\$6,445,482</b>	<b>\$7,404,633</b>	<b>(13.0%)</b>	<b>\$22,213,598</b>	

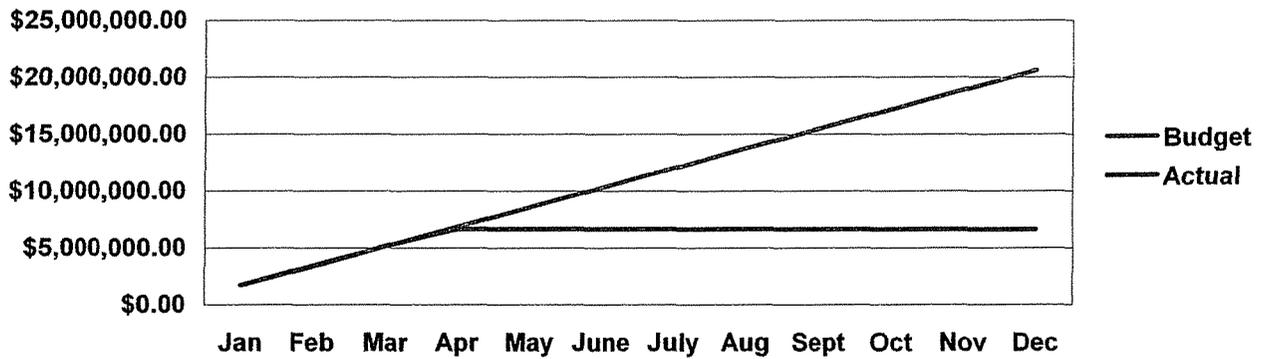
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Four Months Ending April, 2006**

Account	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$571,493	\$677,403	(15.6%)	\$2,452,132	\$2,709,611	(10.5%)	\$8,128,933	April contains four weeks of wage expense.
Employee Pension & Benefits	238,178	228,628	4.2%	\$901,357	\$914,511	(1.5%)	\$2,743,532	Increase in health insurance costs and employer contributions.
Taxes Other than Income Taxes	42,597	49,047	(13.2%)	\$179,254	\$196,187	(9.4%)	\$588,562	
Purchased Power	167,595	143,275	17.0%	\$683,370	\$573,100	1.8%	\$1,719,300	
Chemicals	62,086	70,208	(11.6%)	\$343,599	\$280,833	18.3%	\$842,500	
Materials & Supplies	118,522	137,029	(13.5%)	\$522,010	\$548,117	(5.0%)	\$1,654,350	
Contractual Services	162,130	384,106	(57.8%)	\$917,859	\$1,536,423	(67.4%)	\$4,609,270	
Rent	835	708	17.9%	\$2,506	\$2,833	(13.1%)	\$8,500	
Transportation	32,588	30,413	7.2%	\$135,653	\$121,650	10.3%	\$364,950	
Insurance	45,961	57,104	(19.5%)	\$168,246	\$228,417	(35.8%)	\$685,250	Lower general liability insurance costs.
Advertising	552	875	(36.9%)	\$2,552	\$3,500	(35.0%)	\$10,500	
Bad Debt Expense	27,179	45,833	(40.7%)	\$132,368	\$183,333	(38.5%)	\$550,000	Month with lower billing cycle.
Miscellaneous	5,380	5,421	(0.7%)	\$16,726	\$21,683	(29.6%)	\$65,050	
Regulatory Commission Assessment	21,994	21,083	4.3%	\$87,802	\$84,333	4.0%	\$253,000	
<b>Total O &amp; M Expenses</b>	<b>\$1,487,090</b>	<b>\$1,851,133</b>	<b>(19.1%)</b>	<b>\$6,445,482</b>	<b>\$7,404,532</b>	<b>(13.0%)</b>	<b>\$22,223,597</b>	

**NKWD**  
**O&M Monthly Comparison 2006 Budget to Actual**



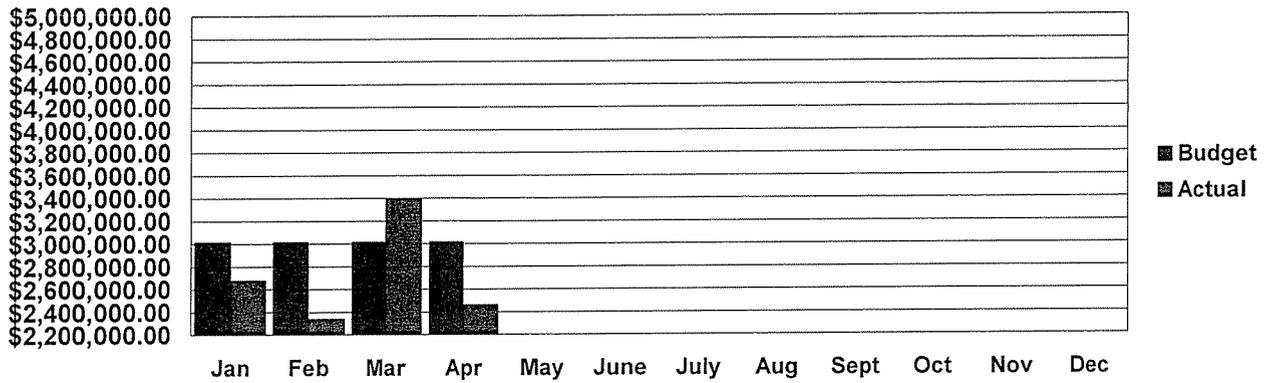
**NKWD**  
**O&M YTD Trending 2006 - Budget To Actual**



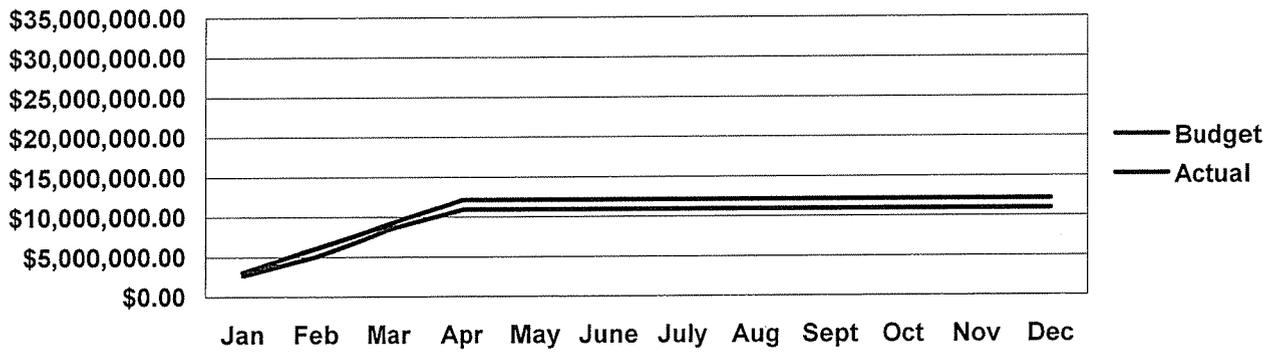
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Four Months Ending April, 2006**

Description	April Actual	April Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,185,094	\$ 2,880,118	(24.1%)	\$ 9,651,045	\$ 11,520,472	(16.2%)	Low billing cycle month
Forfeited Discounts	49,794	60,417	(17.6%)	203,214	\$ 241,668	(15.9%)	
Rents from Water Property	35,688	43,750	(18.4%)	147,881	\$ 175,000	(15.5%)	
Other Water Revenues	32,720	29,167	12.2%	136,832	\$ 116,668	17.3%	Increase in turn-on fees
<b>Total Operating Revenues</b>	<b>\$2,303,296</b>	<b>\$3,013,452</b>	<b>(23.6%)</b>	<b>\$10,138,972</b>	<b>\$12,053,808</b>	<b>(15.9%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$155,422	\$133,333	16.6%	\$701,286	\$ 533,332	31.5%	
Miscellaneous	4,453	25,000	(82.2%)	48,876	\$ 100,000	(51.1%)	
<b>Total Non-Operating Income</b>	<b>\$159,875</b>	<b>\$158,333</b>	<b>1.0%</b>	<b>\$750,162</b>	<b>\$633,332</b>	<b>18.4%</b>	
<b>TOTAL INCOME</b>	<b>\$2,463,171</b>	<b>\$3,171,785</b>	<b>(22.3%)</b>	<b>\$10,889,134</b>	<b>\$12,687,140</b>	<b>(14.2%)</b>	

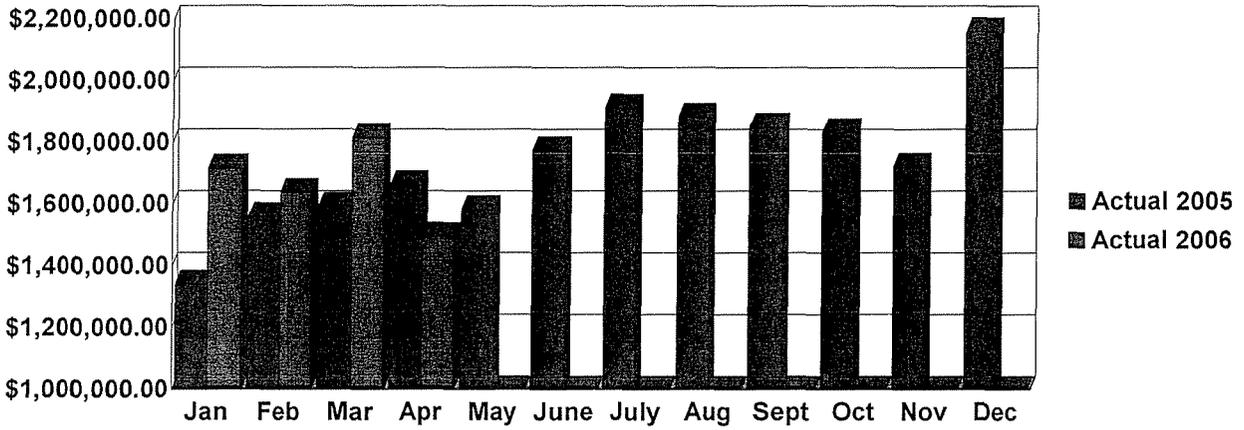
**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



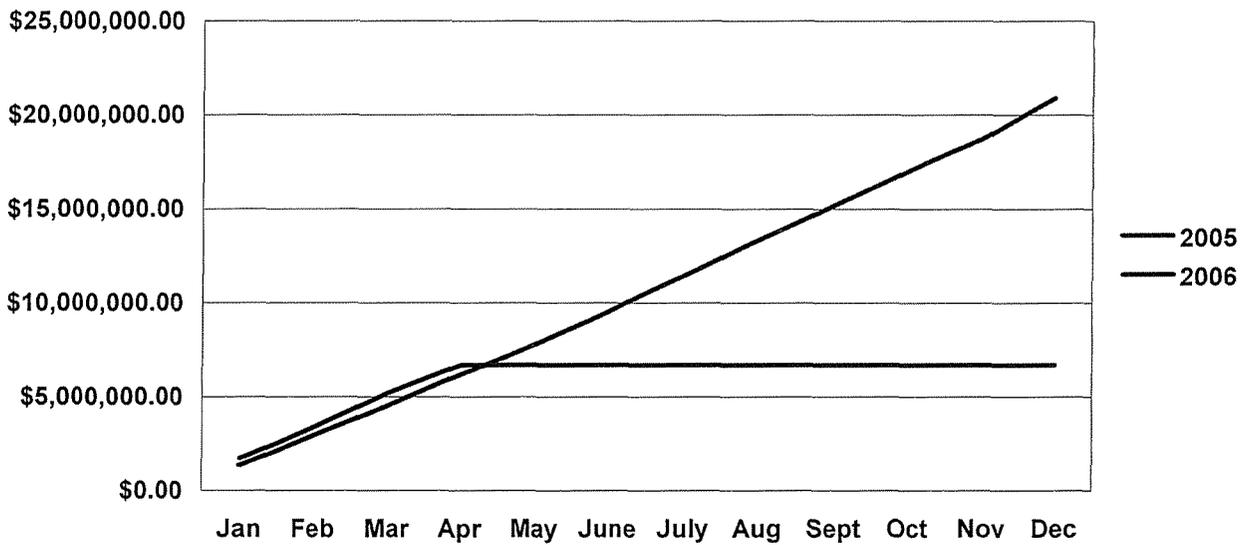
**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



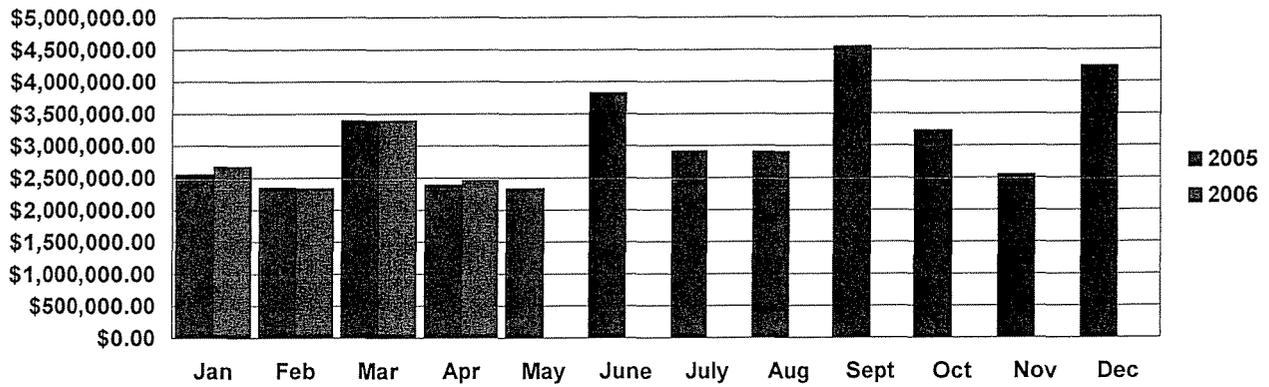
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



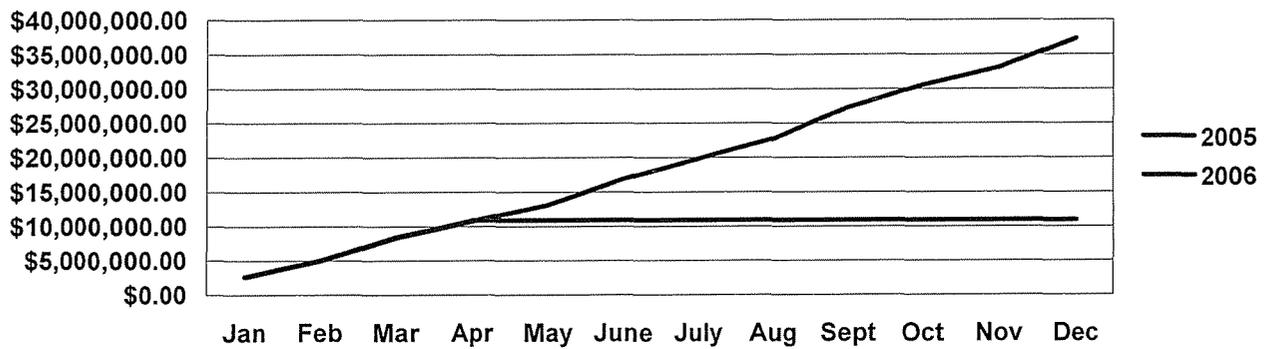
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$12,373.84	\$387,626.16	5
	Sub-Total		\$440,000.00	\$12,373.84	\$427,626.16	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$18,834.36	\$81,165.64	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00		\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$23,544.36	\$408,955.64	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$35,918.20</b>	<b>\$836,581.80</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$23,804.77	\$76,195.23	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00		\$35,000.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$37,360.77	\$202,695.23	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$64,067.80	\$135,932.20	45
	Sub-Total		\$200,000.00	\$64,067.80	\$135,932.20	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$101,428.57</b>	<b>\$338,627.43</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00		\$1,500.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct.Services Area at Central Facility		\$4,000.00		\$4,000.00	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00		\$6,000.00	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,110.00	\$1,890.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$4,110.00	\$55,090.00	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00		\$600,000.00	111
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00		\$19,000.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$9,698.28	\$796,301.72	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$13,808.28</b>	<b>\$858,491.72</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$0.00	\$71,878.75	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$29,280.00	\$117,598.75	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants/Mainline Cleaning Projects		\$100,000.00		\$100,000.00	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$333,000.00	\$0.00	\$333,000.00	
	<b>Mainline Improvement Sub-Total</b>		<b>\$479,878.75</b>	<b>\$29,280.00</b>	<b>\$450,598.75</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	<b>Engineering Service for KDOT Projects (Upcoming)</b>		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley		\$325,000.00	\$11,510.05	\$313,489.95	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$810,000.00	\$11,510.05	\$798,489.95	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00		\$80,000.00	05-218
2005	Garvey Avenue Phase II	184-176	\$35,000.00	\$6,160.00	\$28,840.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$79,207.57	\$65,792.43	05-224
	Sub-Total		\$584,000.00	\$216,760.50	\$367,239.50	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)				\$100,000.00	161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00		\$30,000.00	163
2006	- Western Ave. ????		\$250,000.00		\$250,000.00	165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00		\$150,000.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00		\$40,000.00	169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00	\$920.00	170
2006	- Unobligated		\$930,000.00	\$8,280.00	\$938,280.00	171
					\$0.00	171A
	- Henry Clay & Kyles Lane Water Main	184-0197		\$935.00	\$935.00	171B
	- Marcella & St Anthony Water Main	184-0198		\$15,210.00	\$15,210.00	171C

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Sub-Total		\$1,500,000.00	\$25,345.00	\$3,025,345.00	
	<b>Water Main Replacement Sub-Total</b>		<b>\$2,942,700.47</b>	<b>\$253,615.55</b>	<b>\$4,239,774.92</b>	
	<b>2006</b>					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00		\$23,000.00	199
2006	Replace Backhoe K-2		\$70,000.00		\$70,000.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	<b>Distribution Capital Items Sub-Total</b>		<b>\$273,000.00</b>	<b>\$27,858.00</b>	<b>\$245,142.00</b>	
	<b>Distribution Total</b>		<b>\$3,899,187.57</b>	<b>\$310,753.55</b>	<b>\$5,139,124.02</b>	
	<b>ENGINEERING</b>					
	<b>Capital Purchases</b>					
	<b>2006</b>					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00		\$20,400.00	213
	<b>Sub-Total</b>		<b>\$23,900.00</b>	<b>\$0.00</b>	<b>\$23,900.00</b>	
	<b>Engineering Total</b>		<b>\$23,900.00</b>	<b>\$0.00</b>	<b>\$23,900.00</b>	
	<b>Distribution/Engineering Department Sub-Total</b>		<b>\$3,923,087.57</b>	<b>\$593,649.10</b>	<b>\$5,163,024.02</b>	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2006</b>					
	Security systems at MPTP and 7 pump stations		\$6,600	\$3,170.09	\$3,429.91	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$3,604.83	\$24,895.17	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	replace vehicle 435		\$20,000		\$20,000.00	233
	<b>Operations Subtotal</b>		<b>\$135,100.00</b>	<b>\$9,549.92</b>	<b>\$125,550.08</b>	
	<b>LABORATORY</b>					
	<b>2006</b>					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	replace vehicle #430		\$20,000		\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	<b>Laboratory Sub-Total</b>		<b>\$70,000.00</b>	<b>\$0.00</b>	<b>\$70,000.00</b>	
	<b>MAINTENANCE</b>					
	<b>2006</b>					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$913.01	\$34,086.99	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$3,702.11	\$26,297.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line		\$110,000		\$110,000.00	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000		\$25,000.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	<b>Maintenance Sub-Total</b>		<b>\$333,500.00</b>	<b>\$11,073.80</b>	<b>\$322,426.20</b>	
	<b>Water Quality &amp; Production Department Sub-Total</b>		<b>\$538,600.00</b>	<b>\$20,623.72</b>	<b>\$517,976.28</b>	
	<b>TOTAL of Departments</b>		<b>\$6,632,987.57</b>	<b>\$765,427.87</b>	<b>\$7,398,415.45</b>	

NKWD January 31, 2006 Summary: Water Produced/Purchased v. Sold	2004		2004		2004		2004		2004		2004		2004		2005		2005		2005		2006		2006		
	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March
Produced	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212	10,138,960	10,176,214	10,208,374	10,199,527	10,193,670	10,202,068	10,136,920	10,140,228												
Purchased																									
<b>TOTAL</b>	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212	10,138,960	10,176,214	10,208,374	10,199,527	10,193,670	10,202,068	10,136,920	10,140,228												
<b>Sold</b>	8,365,916	8,355,132	8,397,047	8,490,619	8,282,782	8,505,122	8,616,685	8,636,182	8,601,849	8,477,100	8,448,840	8,445,017	8,414,777												
<b>Loss</b>	1,739,114	1,708,539	1,671,242	1,635,625	1,852,430	1,633,838	1,559,529	1,572,191	1,597,678	1,716,570	1,753,228	1,691,902	1,725,451												
<b>% of Water Loss</b>	17.2%	17.0%	16.6%	16.2%	18.3%	16.1%	15.3%	15.4%	15.7%	16.8%	17.2%	16.7%	17.0%												
<b>% of Water Sold</b>	82.8%	83.0%	83.4%	83.8%	81.7%	83.9%	84.7%	84.6%	84.3%	83.2%	82.8%	83.3%	83.0%												
<b>2005</b>																									
<b>March</b>	10,140,228	10,183,933	10,213,628	10,326,706	10,399,430	10,572,830	10,582,715	10,588,204	10,615,864	10,633,578	10,633,578	10,609,095	10,590,454												
<b>TOTAL</b>	10,140,228	10,183,933	10,213,628	10,326,706	10,399,430	10,572,830	10,582,715	10,588,204	10,615,864	10,633,578	10,633,578	10,609,095	10,590,454												
<b>Sold</b>	8,414,777	8,398,069	8,354,165	8,365,300	8,594,695	8,421,464	8,535,095	8,590,990	8,708,855	8,761,398	8,761,398	8,758,166	8,768,932												
<b>Loss</b>	1,725,451	1,785,864	1,859,464	1,961,406	1,804,735	2,151,366	2,047,620	1,997,214	1,907,009	1,872,180	1,872,180	1,850,929	1,821,522												
<b>% of Water Loss</b>	17.0%	17.5%	18.2%	19.0%	17.4%	20.3%	19.3%	18.9%	18.0%	17.6%	17.6%	17.4%	17.2%												
<b>% of Water Sold</b>	83.0%	82.5%	81.8%	81.0%	82.6%	79.7%	80.7%	81.1%	82.0%	82.4%	82.4%	82.6%	82.8%												

**N Ky Water District**  
**Current Period Five Year Actual Trending**  
**For the Month Ending April 30, 2006**

Description	April 2002	%	April 2003	%	April 2004	%	April 2005	%	April 2006	%
<b>Operating Expenses</b>										
<b>O &amp; M Expenses</b>										
Salaries & Wages	\$421,778.91	36.11%	\$513,120.33	42.01%	\$677,300.14	41.82%	\$702,769.99	42.24%	\$571,493.23	34.42%
Employee Pension & Benefits	98,307.26	8.42%	140,082.38	11.47%	169,801.89	10.48%	196,243.42	11.80%	238,227.92	14.35%
Taxes Other than Income Taxes	31,190.48	2.67%	37,286.51	3.05%	48,735.45	3.01%	50,613.49	3.04%	42,596.75	2.57%
Purchased Water	67,243.00	5.76%								
Purchased Power	157,884.88	13.52%	140,452.04	11.50%	145,828.30	9.00%	161,127.60	9.69%	169,849.52	10.23%
Chemicals	57,322.02	4.91%	38,400.55	3.14%	52,223.56	3.22%	88,743.58	5.33%	82,321.42	4.96%
Materials & Supplies	100,887.62	8.64%	84,841.47	6.95%	108,469.96	6.70%	102,018.53	6.13%	130,128.74	7.84%
Contractual Services	165,702.83	14.19%	172,389.40	14.11%	292,359.78	18.05%	198,543.87	11.93%	290,453.85	17.49%
Rent			2,165.29	0.18%	787.44	0.05%			835.31	0.05%
Transportation	16,553.15	1.42%	22,126.51	1.81%	28,069.09	1.73%	31,535.60	1.90%	32,956.97	1.98%
Insurance	29,744.55	2.55%	47,778.00	3.91%	53,550.00	3.31%	57,478.00	3.45%	45,961.27	2.77%
Advertising			2,350.00	0.19%	355.93	0.02%	(166.42)	-0.01%	669.05	0.04%
Bad Debt Expense	11,666.53	1.00%	14,010.57	1.15%	20,804.12	1.28%	45,615.72	2.74%	27,178.84	1.64%
Miscellaneous	5,585.63	0.48%	2,542.62	0.21%	5,009.84	0.31%	7,818.34	0.47%	5,787.73	0.35%
Regulatory Commission Assess	4,019.72	0.34%	3,905.20	0.32%	16,351.42	1.01%	21,322.22	1.28%	21,994.27	1.32%
<b>Total O &amp; M Expenses</b>	<b>\$1,167,886.58</b>	<b>100.00%</b>	<b>\$1,221,450.87</b>	<b>100.00%</b>	<b>\$1,619,646.92</b>	<b>100.00%</b>	<b>\$1,663,663.94</b>	<b>100.00%</b>	<b>\$1,660,454.87</b>	<b>100.00%</b>

**N Ky Water District**  
**Year to Date Five Year Actual Trending**  
**For the Four Months Ending April 30, 2006**

Description	April 2002	%	April 2003	%	April 2004	%	April 2005	%	April 2006	%
	<b>Operating Expenses</b>									
<b>O &amp; M Expenses</b>										
Salaries & Wages	\$1,696,624.20	35.05%	\$2,185,503.95	39.82%	\$2,488,509.47	41.29%	\$2,452,344.59	39.81%	\$2,452,131.73	37.10%
Employee Pension & Benefits	462,038.82	9.54%	560,182.56	10.21%	651,519.54	10.81%	742,477.53	12.05%	901,407.40	13.64%
Taxes Other than Income Taxes	125,986.14	2.60%	160,172.82	2.92%	178,579.64	2.96%	174,970.05	2.84%	179,263.65	2.71%
Purchased Water	267,278.00	5.52%								
Purchased Power	581,458.07	12.01%	698,492.58	12.73%	643,570.32	10.68%	679,885.68	11.04%	585,623.91	8.86%
Chemicals	223,339.83	4.61%	178,709.40	3.26%	224,003.03	3.72%	280,521.09	4.55%	363,835.05	5.51%
Materials & Supplies	411,249.20	8.49%	421,197.79	7.67%	427,184.23	7.09%	416,616.28	6.76%	533,616.48	8.07%
Contractual Services	722,573.65	14.93%	892,050.87	16.25%	914,532.68	15.17%	780,990.54	12.68%	1,046,182.77	15.83%
Rent	10.51	0.00%	5,358.02	0.10%	3,937.20	0.07%	3,244.24	0.05%	2,505.93	0.04%
Transportation	67,379.12	1.39%	76,197.60	1.39%	85,453.93	1.42%	102,875.44	1.67%	136,022.28	2.06%
Insurance	119,143.65	2.46%	191,112.00	3.48%	214,190.00	3.55%	235,903.66	3.83%	168,246.01	2.55%
Advertising	72.50	0.00%	3,211.41	0.06%	3,619.29	0.06%	2,468.49	0.04%	2,708.70	0.04%
Bad Debt Expense	129,361.51	2.67%	79,447.88	1.45%	114,150.97	1.89%	188,890.09	3.07%	132,367.76	2.00%
Miscellaneous	14,980.07	0.31%	20,911.04	0.38%	12,656.75	0.21%	13,140.29	0.21%	17,133.16	0.26%
Regulatory Commission Assess	19,730.90	0.41%	15,620.80	0.28%	65,405.68	1.09%	85,288.88	1.38%	87,802.33	1.33%
<b>Total O &amp; M Expenses</b>	<b>\$4,841,226.17</b>	<b>100.00%</b>	<b>\$5,488,168.72</b>	<b>100.00%</b>	<b>\$6,027,312.73</b>	<b>100.00%</b>	<b>\$6,159,616.85</b>	<b>100.00%</b>	<b>\$6,608,847.16</b>	<b>100.00%</b>

**Northern Kentucky Water District  
Balance Sheet  
As of May 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,224,247	4,260,742
Accounts Receivable		
Customers	2,521,853	2,394,020
Unbilled Customers	4,900,000	4,900,000
Other	250,706	415,192
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,014,282	1,034,510
Prepaid Expenses	1,520,636	714,493
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 15,469,491</b>	<b>13,756,208</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 12,113,759	25,579,521
Debt Service Reserve Account	12,402,510	12,377,248
Debt Service Account	3,400,425	2,680,818
Improvement, Repair & Replacement	2,865,243	3,297,894
Boone/Florence Settlement Account	3,346,256	3,686,195
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 34,128,193</b>	<b>47,621,676</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,299,839	10,193,195
Capital Assets:		
Land, System, Buildings and Equipment	\$ 254,710,202	247,905,969
Construction in Progress	24,526,981	12,001,350
Total Capital Assets before accumulated depreciation	\$ 279,237,183	259,907,319
Less Accumulated Depreciation	(56,782,487)	(51,618,933)
Total capital assets, net of accumulated depreciation	\$ 222,454,696	208,288,386
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 231,754,535</b>	<b>218,481,581</b>
<b>TOTAL ASSETS</b>	<b>\$ 281,352,219</b>	<b>279,859,465</b>
	=====	=====

**Northern Kentucky Water District  
Balance Sheet  
As of May 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,815,684	1,658,003
Accrued Payroll & Liabilities	257,870	146,075
Other Accrued Liabilities	81,558	111,735
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,122,112</b>	<b>6,721,813</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 803,278	354,575
Accrued Interest Payable	2,140,751	1,841,270
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 2,944,029</b>	<b>2,195,845</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,145,000
Bond Anticipation Notes Payable	21,585,000	21,585,000
Note Payable - Taylor Mill Purchase	2,125,000	2,375,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 163,238,000</b>	<b>168,205,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 173,304,141</b>	<b>177,122,658</b>
<b>RETAINED EARNINGS</b>	<b>\$ 108,048,078</b>	<b>102,736,808</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 281,352,219</b>	<b>279,859,465</b>
	=====	=====

Northern Kentucky Water District  
Income and Expense Report Summary  
For the Five Months Ending May 31, 2006

Description	May 2005	May 2006	May Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$2,336,810	\$2,374,914	\$3,208,334	(26.0%)	\$13,044,141	\$13,410,245	\$16,041,670	(16.4%)	\$36,204,684
TOTAL O & M EXPENSES	\$1,584,182	\$1,690,924	\$1,861,133	(8.7%)	\$7,743,799	\$8,299,771	\$9,265,666	(10.3%)	\$20,664,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$4,360,686	\$4,727,688	\$4,727,688	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	(\$119,489)	(\$261,547)	\$411,663	(163.5%)	\$939,767	\$382,786	\$2,058,316	(81.4%)	\$5,085,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Five Months Ending May 31, 2006**

Description	May 2006	May 2006	May Budget	Variance Over (Under)	YTD 2006	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income	\$ 2,052,514	\$ 1,999,531	\$2,880,118	(30.6%)	\$ 11,631,774	\$ 11,650,576	\$14,400,590	(19.1%)
Water Sales	58,683	54,430	60,417	(9.9%)	281,423	257,644	\$302,085	(14.7%)
Forfeited Discounts	34,990	31,210	43,750	(28.7%)	247,389	179,091	\$218,750	(18.1%)
Rents from Water Property	29,810	30,870	29,167	5.8%	151,255	167,702	\$145,835	16.0%
Other Water Revenues								
<b>Total Operating Income</b>	<b>\$2,176,997</b>	<b>\$2,116,041</b>	<b>\$3,013,452</b>	<b>(29.8%)</b>	<b>\$12,311,841</b>	<b>\$12,256,013</b>	<b>\$16,067,280</b>	<b>(18.7%)</b>
Non-Operating Income								
Interest Income	\$111,766	\$177,827	\$133,333	33.4%	\$493,530	\$879,113	\$666,665	31.9%
Miscellaneous	\$12,498	44,497	25,000	78.0%	56,025	93,374	\$125,000	(26.3%)
<b>Total Non-Operating Income</b>	<b>\$124,264</b>	<b>\$222,324</b>	<b>\$158,333</b>	<b>40.4%</b>	<b>\$549,555</b>	<b>\$972,487</b>	<b>\$791,666</b>	<b>22.8%</b>
Boone Florence Settlement Transfer	\$36,549	\$36,549	\$36,549	0.0%	\$182,745	\$182,745	\$182,745	0.0%
<b>TOTAL INCOME</b>	<b>\$2,336,810</b>	<b>\$2,374,914</b>	<b>\$3,208,334</b>	<b>(26.0%)</b>	<b>\$13,044,141</b>	<b>\$13,410,246</b>	<b>\$16,041,670</b>	<b>(18.4%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water	\$662,365	\$685,396	\$695,762	(1.6%)	\$3,180,477	\$3,375,047	\$3,478,809	(3.0%)
Treatment, Pumping & Storage	414,165	477,970	523,282	(8.7%)	1,987,114	2,202,167	\$2,616,411	(16.8%)
Engineering & Distribution	290,906	275,245	337,398	(18.4%)	1,402,851	1,341,722	\$1,686,989	(20.5%)
Customer Service	216,726	252,312	294,691	(14.4%)	1,173,358	1,380,834	\$1,473,457	(6.3%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,584,182</b>	<b>\$1,690,924</b>	<b>\$1,861,133</b>	<b>(8.7%)</b>	<b>\$7,743,799</b>	<b>\$8,299,771</b>	<b>\$9,256,666</b>	<b>(10.3%)</b>
Transfer to debt service	\$872,117	\$945,538	\$945,538	0.0%	\$4,360,685	\$4,727,688	\$4,727,688	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,456,299</b>	<b>\$2,636,461</b>	<b>\$2,796,671</b>	<b>(6.7%)</b>	<b>\$12,104,384</b>	<b>\$13,027,459</b>	<b>\$13,983,354</b>	<b>(6.8%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>(\$119,489)</b>	<b>(\$261,547)</b>	<b>\$411,663</b>	<b>(163.5%)</b>	<b>\$939,767</b>	<b>\$382,786</b>	<b>\$2,058,316</b>	<b>(81.4%)</b>

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Five Months Ending May 31, 2006

Division	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$685,396	\$695,762	(1.5%)	\$3,375,047	\$3,478,809	(3.0%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	477,970	523,282	(8.7%)	2,202,167	\$2,616,411	(15.8%)	6,279,386	
CUSTOMER SERVICE	275,245	337,398	(18.4%)	1,341,722	\$1,686,989	(20.5%)	4,048,773	
ADMINISTRATION	252,312	294,691	(14.4%)	1,380,834	\$1,473,457	(6.3%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,690,924</b>	<b>\$1,851,133</b>	<b>(8.7%)</b>	<b>\$8,299,771</b>	<b>\$9,255,666</b>	<b>(10.3%)</b>	<b>\$22,213,597</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Five Months Ending May 31, 2006

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$9,716	\$3,833	153.5%	\$27,181	\$19,167	41.8%	\$ 46,000	Higher electric cost at LR pump station, tractor drive maintenance expense.
Ohio River Pump Station # 1	38,915	44,083	(11.7%)	187,165	\$220,417	(15.1%)	529,000	
Ohio River Pump Station # 2	3,905	5,167	(24.4%)	25,401	\$25,833	(1.7%)	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$62,536</b>	<b>\$63,083</b>	<b>(1.0%)</b>	<b>\$239,746</b>	<b>\$285,417</b>	<b>(9.7%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$202,351	\$275,395	(26.5%)	\$1,080,989	\$1,376,976	(21.5%)	\$ 3,304,742	Higher expenses for chemicals and manpower.
Taylor Mill Treatment Plant	71,012	50,421	40.8%	316,157	\$252,104	25.4%	\$605,050	
Memorial Parkway Treatment Plant	79,055	67,950	16.3%	315,525	\$339,750	(7.1%)	\$815,400	
Laboratory	64,533	60,950	5.9%	302,439	\$304,750	(0.8%)	\$731,400	Increased costs of chemicals and maintenance.
Instrumentation	28,678	27,821	3.1%	140,045	\$139,104	0.7%	\$333,850	
Sludge	16,759	13,958	20.1%	74,241	\$69,792	6.4%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$462,388</b>	<b>\$496,495</b>	<b>(6.9%)</b>	<b>\$2,229,397</b>	<b>\$2,482,476</b>	<b>(10.2%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>								
	\$170,472	\$146,183	16.6%	\$905,904	\$730,917	23.9%	\$ 1,754,200	Increased cost of electricity, water tower monthly paint expense write off.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$686,396</b>	<b>\$695,762</b>	<b>(1.5%)</b>	<b>\$3,375,047</b>	<b>\$3,478,809</b>	<b>(3.0%)</b>	<b>\$8,349,142</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Five Months Ending May 31, 2006

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$103,735	\$112,323	(7.6%)	\$486,762	\$561,615	(13.3%)	\$1,347,875	
Distribution	374,235	410,959	(8.9%)	1,715,405	\$2,054,796	(16.5%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$477,970</b>	<b>\$523,282</b>	<b>(8.7%)</b>	<b>\$2,202,167</b>	<b>\$2,616,411</b>	<b>(15.8%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$66,747	\$69,393	(3.8%)	\$320,022	\$346,864	(7.8%)	\$ 832,714	
Meter Shop	30,706	28,727	6.9%	139,076	\$143,633	(3.2%)	344,719	
Courier/Maintenance	2,565	5,108	(49.8%)	23,418	\$25,542	(8.3%)	61,300	
Account Service	104,420	128,642	(18.8%)	527,766	\$643,208	(17.9%)	1,543,700	
Meter Reading	29,667	28,720	3.3%	141,077	\$143,699	(1.8%)	344,637	
Flushing	667	25,559	(97.4%)	2,030	\$127,793	(98.4%)	306,703	
Other	40,474	51,250	(21.0%)	188,331	\$256,250	(26.5%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$275,245</b>	<b>\$337,398</b>	<b>(18.4%)</b>	<b>\$1,341,722</b>	<b>\$1,686,989</b>	<b>(20.5%)</b>	<b>\$ 4,048,773</b>	

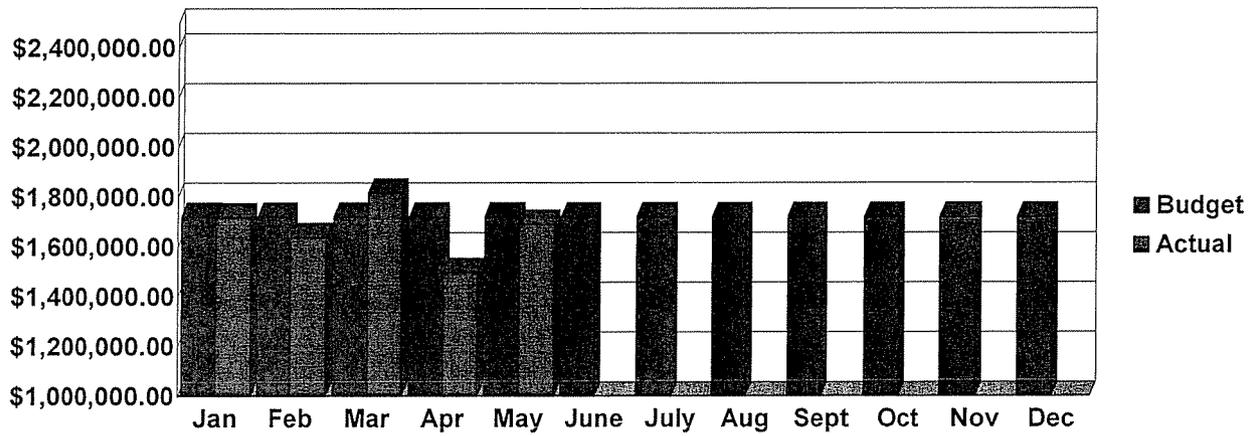
**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Five Months Ending May 31, 2006**

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$43,798	\$44,392	(1.3%)	\$222,692	\$221,959	0.3%	\$ 532,703	
Board of Commissioners	9,351	9,447	(1.0%)	51,580	\$47,235	9.2%	113,364	
Accounting	22,536	29,850	(24.5%)	143,008	\$149,250	(4.2%)	358,200	
H. R. , Information Systems, Safety	116,623	117,611	(0.8%)	546,406	\$588,054	(7.1%)	1,411,330	
Other	59,406	93,392	(36.4%)	416,550	\$466,958	(10.8%)	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$251,714</b>	<b>\$294,691</b>	<b>(14.6%)</b>	<b>\$1,380,237</b>	<b>\$1,473,457</b>	<b>(6.3%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,690,326</b>	<b>\$1,851,134</b>	<b>(8.7%)</b>	<b>\$8,299,173</b>	<b>\$9,265,666</b>	<b>(10.3%)</b>	<b>\$22,213,698</b>	

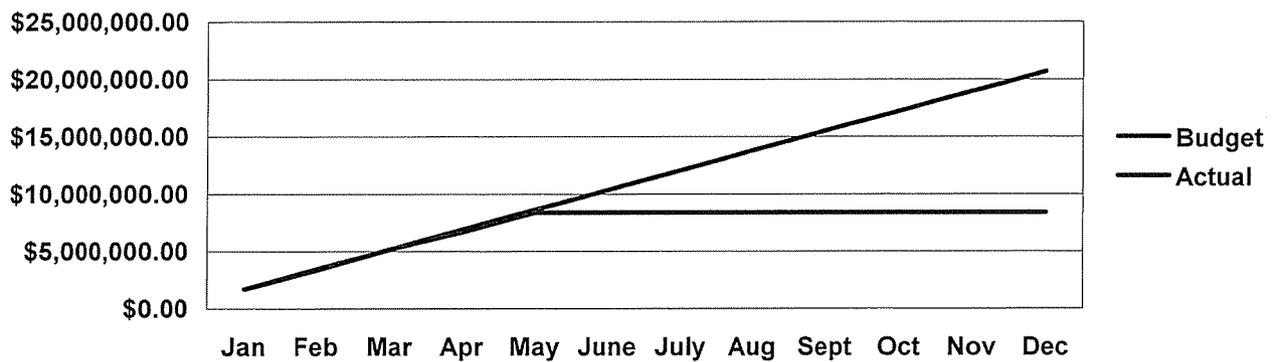
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Five Months Ending May 31, 2006

Account	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$681,154	\$677,403	0.6%	\$3,133,286	\$3,387,014	(8.1%)	
Employee Pension & Benefits	231,652	228,628	1.3%	\$1,133,059	\$1,143,138	(0.9%)	
Taxes Other than Income Taxes	48,426	49,047	(1.3%)	\$227,690	\$245,234	(7.7%)	
Purchased Power	138,821	143,275	(3.1%)	\$724,445	\$716,375	1.1%	
Chemicals	90,221	70,208	28.5%	\$454,056	\$351,042	22.7%	Increased use of chemicals at MPTP, TMTP.
Materials & Supplies	157,608	137,029	15.0%	\$691,224	\$685,146	0.9%	
Contractual Services	176,869	384,106	(54.0%)	\$1,223,052	\$1,920,529	(57.0%)	
Rent	835	708	17.9%	\$3,341	\$3,542	(6.0%)	
Transportation	43,333	30,413	42.5%	\$179,355	\$152,063	15.2%	Higher distribution vehicle maintenance contract fees and supplies.
Insurance	52,086	57,104	(8.8%)	\$220,332	\$285,521	(29.6%)	Lower general liability insurance costs in 2006.
Advertising	468	875	(46.5%)	\$3,177	\$4,375	(37.7%)	
Bad Debt Expense	37,304	45,833	(18.6%)	\$169,672	\$229,167	(35.1%)	
Miscellaneous	10,402	5,421	91.9%	\$27,535	\$27,104	1.6%	
Regulatory Commission Assessment	21,745	21,083	3.1%	\$109,547	\$105,417	3.8%	
<b>Total O &amp; M Expenses</b>	<b>\$1,690,924</b>	<b>\$1,861,133</b>	<b>(8.7%)</b>	<b>\$8,299,771</b>	<b>\$9,256,666</b>	<b>(10.3%)</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



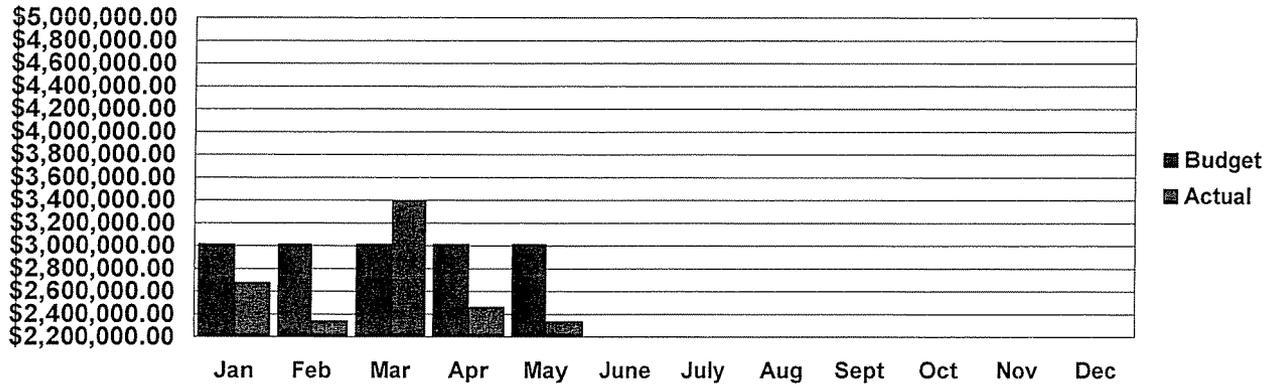
### NKWD O&M YTD Trending 2006 - Budget To Actual



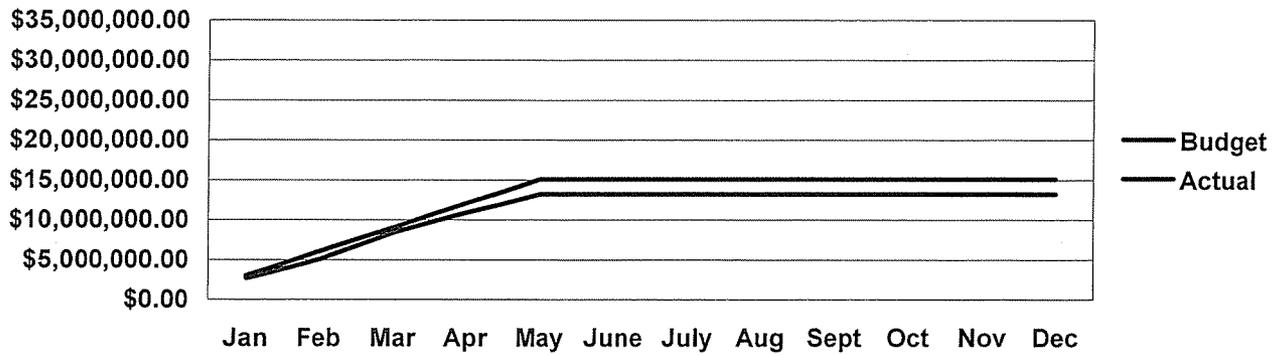
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Five Months Ending May 31, 2006

Description	May	May	Variance	YTD	YTD	Variance	Explanation
	Actual	Projected		Actual	Projected		
Water Sales	\$ 1,999,531	\$ 2,880,118	(30.6%)	\$ 11,650,576	\$ 14,400,590	(19.1%)	Low billing cycle and wet month.
Forfeited Discounts	54,430	60,417	(9.9%)	257,644	302,085	(14.7%)	
Rents from Water Property	31,210	43,750	(28.7%)	179,091	218,750	(18.1%)	
Other Water Revenues	30,870	29,167	5.8%	167,702	145,835	15.0%	
<b>Total Operating Revenues</b>	<b>\$2,116,041</b>	<b>\$3,013,452</b>	<b>(29.8%)</b>	<b>\$12,255,013</b>	<b>\$15,067,260</b>	<b>(18.7%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$177,827	\$133,333	33.4%	\$879,113	\$ 666,665	31.9%	Higher interest income from better rates than anticipated.
Miscellaneous	44,497	25,000	78.0%	93,374	\$ 125,000	(25.3%)	
<b>Total Non-Operating Income</b>	<b>\$222,324</b>	<b>\$158,333</b>	<b>40.4%</b>	<b>\$972,487</b>	<b>\$791,665</b>	<b>22.8%</b>	
<b>TOTAL INCOME</b>	<b>\$2,338,365</b>	<b>\$3,171,785</b>	<b>(26.3%)</b>	<b>\$13,227,500</b>	<b>\$15,858,925</b>	<b>(16.6%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Five Months Ending May 31, 2006

Division	May 2006	May 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$665,396	\$662,385	3.5%	\$3,375,047	\$3,180,477	6.1%	Increased electric expenses driven by electric cost and use.
ENGINEERING & DISTRIBUTION	477,970	414,165	15.4%	2,202,167	1,987,114	10.8%	Higher expenses for maintenance of mains.
CUSTOMER SERVICE	275,245	290,906	(5.4%)	1,341,722	1,402,851	(4.4%)	
ADMINISTRATION	252,312	216,726	16.4%	1,380,833	1,173,358	17.7%	Increased telecommunication and IT charges.
<b>TOTAL O AND M</b>	<b>\$1,690,924</b>	<b>\$1,584,182</b>	<b>6.7%</b>	<b>\$8,299,771</b>	<b>\$7,743,799</b>	<b>7.2%</b>	

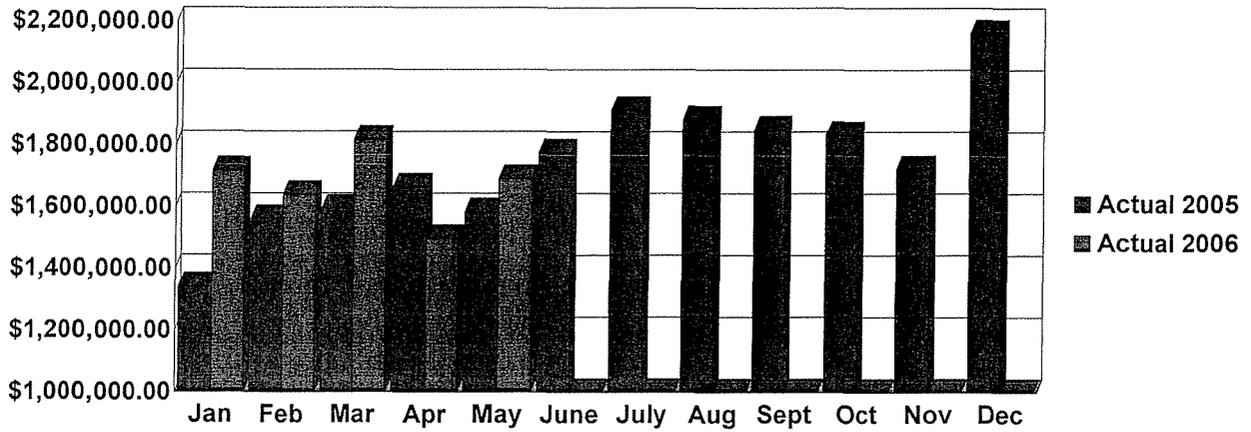
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Five Months Ending May 31, 2006**

Account	May 2006	May 2006	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$681,154	\$570,770	19.3%	\$3,133,286	\$3,023,114	3.6%	Wages in 05 do not reflect entire month.
Employee Pension & Benefits	231,652	185,860	24.6%	\$1,133,059	\$928,337	22.1%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	48,426	40,740	18.9%	\$227,690	\$215,711	5.6%	
Purchased Power	138,821	137,391	1.0%	\$724,445	\$817,277	(11.4%)	
Chemicals	90,221	84,246	7.1%	\$454,056	\$364,767	24.5%	
Materials & Supplies	157,608	127,138	24.0%	\$691,224	\$543,754	27.1%	Increased use of material and supplies over last year at MPTP, Distribution, structures.
Contractual Services	176,869	235,227	(24.8%)	\$1,223,052	\$1,016,217	20.4%	
Rent	835	811	0.0%	\$3,341	\$4,055	(17.6%)	
Transportation	43,333	39,019	11.1%	\$179,355	\$141,894	26.4%	
Insurance	52,086	57,478	(9.4%)	\$220,332	\$293,382	(24.9%)	
Advertising	468	616	(24.0%)	\$3,177	\$3,084	3.0%	
Bad Debt Expense	37,304	73,080	(48.9%)	\$169,672	\$261,951	(35.2%)	
Miscellaneous	10,402	10,505	(1.0%)	\$27,535	\$23,645	16.5%	
Regulatory Commission Assessment	21,745	21,322	2.0%	\$109,547	\$108,611	2.8%	
<b>Total O &amp; M Expenses</b>	<b>\$1,690,924</b>	<b>\$1,584,182</b>	<b>6.7%</b>	<b>\$8,299,771</b>	<b>\$7,743,799</b>	<b>7.2%</b>	

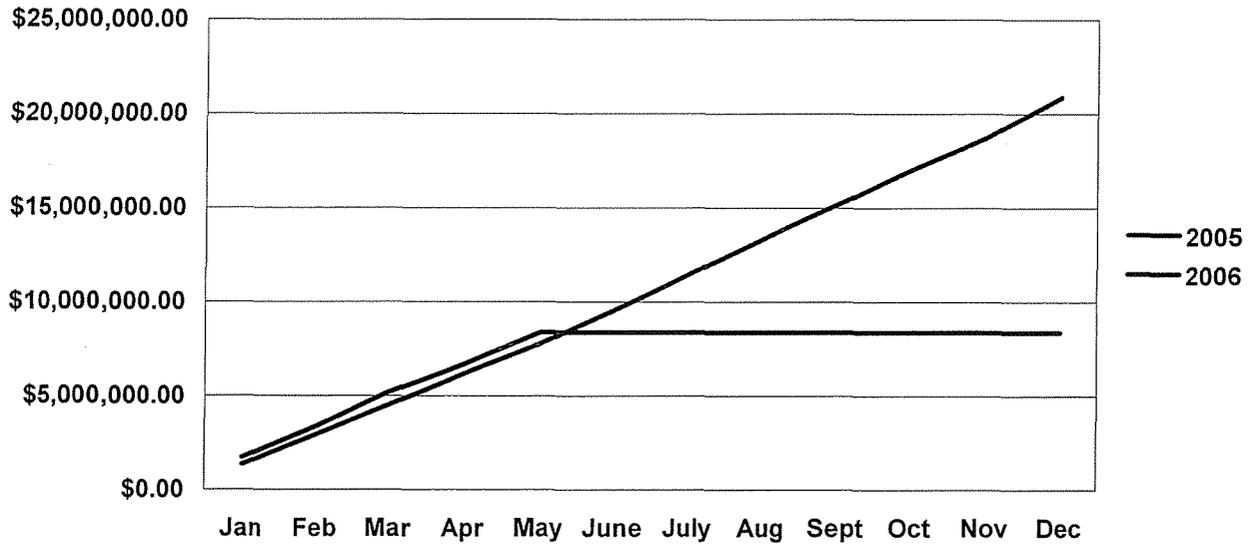
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Five Months Ending May 31, 2006**

Description	May 2006	May 2005	Variance	YTD Dec 2006	YTD Dec 2005	Variance	Explanation
Water Sales	\$ 1,999,531	\$ 2,052,514	(2.6%)	\$ 11,650,576	\$ 11,631,774	0.2%	Low billing cycle and wet month.
Forfeited Discounts	54,430	58,683	(7.2%)	257,644	281,423	(8.4%)	
Rents from Water Property	31,210	34,990	(10.8%)	179,091	247,389	(27.6%)	
Other Water Revenues	30,870	29,810	3.6%	167,702	151,255	10.9%	
<b>Total Operating Revenues</b>	<b>\$2,116,041</b>	<b>\$2,175,997</b>	<b>(2.8%)</b>	<b>\$12,255,013</b>	<b>\$12,311,841</b>	<b>(0.5%)</b>	
Non-Operating Income (Expense)							Higher interest income from better rates than anticipated.
Interest Income	\$177,827	\$111,766	59.1%	\$879,113	\$493,530	78.1%	
Miscellaneous	44,497	\$12,498	256.0%	93,374	56,025	66.7%	
<b>Total Non-Operating Income</b>	<b>\$222,324</b>	<b>\$124,264</b>	<b>78.9%</b>	<b>\$972,487</b>	<b>\$549,555</b>	<b>77.0%</b>	
<b>TOTAL INCOME</b>	<b>\$2,338,365</b>	<b>\$2,300,261</b>	<b>1.7%</b>	<b>\$13,227,500</b>	<b>\$12,861,396</b>	<b>2.8%</b>	

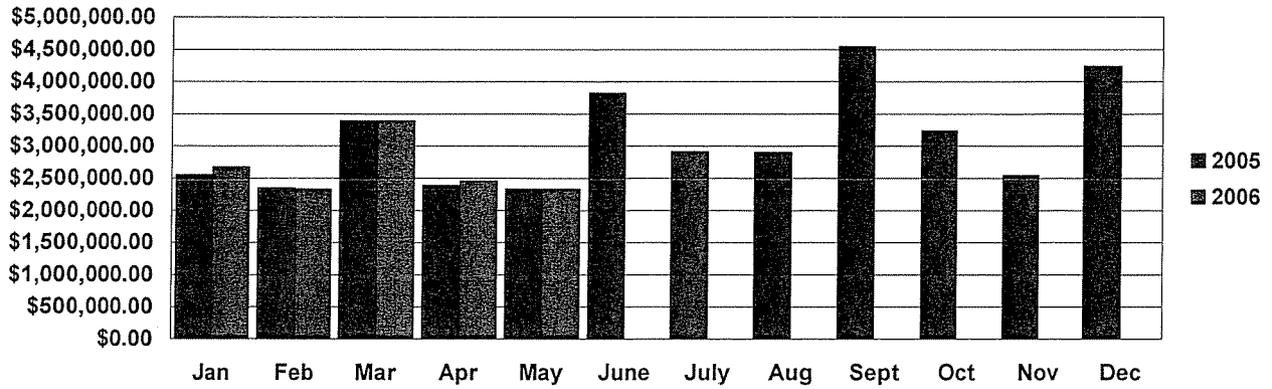
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



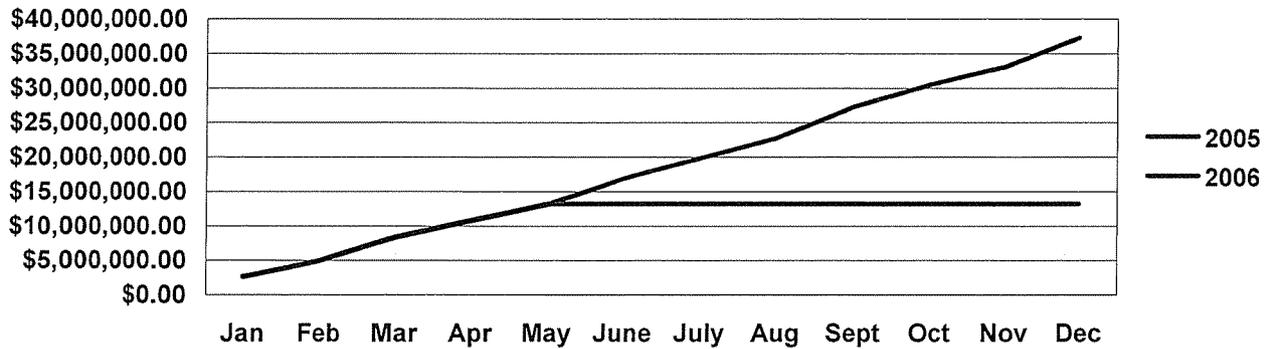
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$329,913.95	\$70,086.05	5
	Sub-Total		\$440,000.00	\$329,913.95	\$110,086.05	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$29,333.06	\$70,666.94	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00	\$9,987.00	\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$44,030.06	\$398,456.94	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$373,944.01</b>	<b>\$508,542.99</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$29,283.97	\$70,716.03	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00	\$14,086.00	\$20,914.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$56,925.97	\$183,130.03	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$65,345.79	\$134,654.21	45
	Sub-Total		\$200,000.00	\$65,345.79	\$134,654.21	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$122,271.76</b>	<b>\$317,784.24</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00	\$975.00	\$525.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct. Services Area at Central Facility		\$4,000.00		\$4,000.00	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,110.00	\$1,890.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$8,073.14	\$51,126.86	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00		\$600,000.00	111
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00		\$19,000.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$9,698.28	\$796,301.72	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$17,771.42</b>	<b>\$854,528.58</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$127,990.55	\$18,888.20	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants/Mainline Cleaning Projects		\$100,000.00		\$100,000.00	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$333,000.00	\$0.00	\$333,000.00	
	<b>Mainline Improvement Sub-Total</b>		<b>\$479,878.75</b>	<b>\$127,990.55</b>	<b>\$351,888.20</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50		\$309,671.50	\$21,615.62	\$288,055.88	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$21,615.62	\$773,055.88	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00		\$80,000.00	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$79,207.57	\$65,792.43	05-224
	Sub-Total		\$599,328.50	\$260,929.00	\$338,399.50	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2006	- Carlise Water Main Replacement (Steel)		\$1,500,000.00		\$1,500,000.00	161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00		\$30,000.00	163
2006	- Western Ave. ????		\$250,000.00		\$250,000.00	165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00		\$150,000.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00		\$40,000.00	169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00	\$920.00	170
2006	- Unobligated		\$930,000.00	\$8,280.00	\$938,280.00	171
	-				\$0.00	171A
	- Henry Clay & Kyles Lane Water Main	184-0197		\$935.00	\$935.00	171B
	- Marcella & St Anthony Water Main	184-0198		\$15,210.00	\$15,210.00	171C

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Sub-Total		\$1,500,000.00	\$25,345.00	\$3,025,345.00	
	Water Main Replacement Sub-Total		\$2,942,700.47	\$307,889.62	\$4,185,500.85	
	2006					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00		\$23,000.00	199
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	Distribution Capital Items Sub-Total		\$273,000.00	\$100,658.00	\$172,342.00	
				\$79,207.57		
	Distribution Total		\$3,899,187.57	\$536,538.17	\$4,913,339.40	
	ENGINEERING					
	Capital Purchases					
	2006					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213
	Sub-Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Engineering Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Distribution/Engineering Department Sub-Total		\$3,923,087.57	\$991,738.38	\$4,917,919.36	
	Water Quality & Production					
	Operations					
	2006					
	Security systems at MPTP and 7 pump stations		\$6,600	\$3,497.08	\$3,102.92	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$5,275.46	\$23,224.54	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	replace vehicle 435		\$20,000		\$20,000.00	233
	Operations Subtotal		\$135,100.00	\$11,547.54	\$123,552.46	
	LABORATORY					
	2006					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	replace vehicle #430		\$20,000		\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	Laboratory Sub-Total		\$70,000.00	\$0.00	\$70,000.00	
	MAINTENANCE					
	2006					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$20,433.99	\$14,566.01	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$3,702.11	\$26,297.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line		\$110,000		\$110,000.00	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000		\$25,000.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	Maintenance Sub-Total		\$333,500.00	\$30,594.78	\$302,905.22	
	Water Quality & Production Department Sub-Total		\$538,600.00	\$42,142.32	\$496,457.68	
	TOTAL of Departments		\$6,632,987.57	\$1,547,867.89	\$7,095,232.85	

**Northern Kentucky Water District  
Balance Sheet  
As of June 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,363,250	3,692,383
Accounts Receivable		
Customers	3,699,010	3,396,277
Unbilled Customers	4,900,000	4,900,000
Other	248,071	429,698
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,212,379	1,130,364
Prepaid Expenses	1,792,361	1,023,769
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 16,252,838</b>	<b>14,609,742</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 11,287,394	23,547,028
Debt Service Reserve Account	12,455,893	12,460,710
Debt Service Account	4,468,188	3,605,267
Improvement, Repair & Replacement	1,813,479	4,590,037
Boone/Florence Settlement Account	3,362,517	3,720,438
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 33,387,471</b>	<b>47,923,480</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,289,437	10,168,377
Capital Assets:		
Land, System, Buildings and Equipment	\$ 255,034,780	248,044,414
Construction in Progress	26,036,150	13,172,732
Total Capital Assets before accumulated depreciation	\$ 281,070,930	261,217,148
Less Accumulated Depreciation	(57,249,247)	(52,075,693)
Total capital assets, net of accumulated depreciation	\$ 223,821,683	209,141,453
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 233,111,120</b>	<b>219,309,830</b>
<b>TOTAL ASSETS</b>	<b>\$ 282,751,429</b>	<b>281,843,052</b>
	=====	=====

**Northern Kentucky Water District  
Balance Sheet  
As of June 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,647,658	1,534,569
Accrued Payroll & Liabilities	297,836	162,909
Other Accrued Liabilities	165,083	217,452
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,077,577</b>	<b>6,720,930</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 730,121	354,575
Accrued Interest Payable	2,688,576	2,475,350
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 3,418,697</b>	<b>2,829,925</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,145,000
Bond Anticipation Notes Payable	21,585,000	21,585,000
Note Payable - Taylor Mill Purchase	2,125,000	2,375,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 163,238,000</b>	<b>168,205,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 173,734,274</b>	<b>177,755,855</b>
<b>RETAINED EARNINGS</b>	<b>\$ 109,017,155</b>	<b>104,087,197</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 282,751,429</b>	<b>281,843,052</b>

Northern Kentucky Water District  
Income and Expense Report Summary  
For the Six Months Ending June 30, 2006

Description	June 2005	June 2006	June Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$3,827,794	\$3,691,474	\$3,208,334	15.1%	\$16,871,934	\$17,102,916	\$19,250,006	(11.2%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,775,618	\$1,665,825	\$1,861,133	(10.0%)	\$9,519,418	\$9,963,083	\$11,106,799	(10.3%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,638	\$945,638	0.0%	\$5,232,702	\$5,673,226	\$5,673,226	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$1,180,069	\$1,080,112	\$411,563	162.4%	\$2,119,814	\$1,466,607	\$2,469,981	(40.6%)	\$5,085,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Six Months Ending June 30, 2006**

Description	June 2005	June 2006	June Budget	Variance Over (Under)	YTD 2006	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 3,383,044	\$ 3,345,654	\$2,880,118	16.2%	\$ 15,014,818	\$ 14,996,229	\$17,280,708	(13.2%)
Forfeited Discounts	67,603	53,458	60,417	(11.8%)	349,026	311,102	\$362,502	(14.2%)
Rents from Water Property	47,749	38,784	43,750	(11.4%)	295,138	217,875	\$262,500	(17.0%)
Other Water Revenues	23,470	23,800	29,167	(18.4%)	174,725	191,502	\$175,002	9.4%
<b>Total Operating Income</b>	<b>\$3,521,866</b>	<b>\$3,461,696</b>	<b>\$3,013,452</b>	<b>14.9%</b>	<b>\$15,833,707</b>	<b>\$15,716,708</b>	<b>\$18,080,712</b>	<b>(13.1%)</b>
Non-Operating Income								
Interest Income	\$243,227	\$179,520	\$133,333	34.6%	\$736,756	\$1,058,645	\$800,000	32.3%
Miscellaneous	\$26,152	13,709	25,000	(45.2%)	82,177	108,269	\$150,000	(27.8%)
<b>Total Non-Operating Income</b>	<b>\$269,379</b>	<b>\$193,229</b>	<b>\$168,333</b>	<b>22.0%</b>	<b>\$818,933</b>	<b>\$1,166,914</b>	<b>\$950,000</b>	<b>22.8%</b>
Boone Florence Settlement Transfer	\$36,549	\$36,549	\$36,549	0.0%	\$219,294	\$219,294	\$219,294	0.0%
<b>TOTAL INCOME</b>	<b>\$3,827,794</b>	<b>\$3,691,474</b>	<b>\$3,208,334</b>	<b>15.1%</b>	<b>\$16,871,934</b>	<b>\$17,102,916</b>	<b>\$19,260,006</b>	<b>(11.2%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water	\$610,125	\$554,173	\$695,762	(20.4%)	\$3,790,602	\$3,929,219	\$4,174,571	(6.9%)
Treatment, Pumping & Storage	627,151	452,981	523,282	(13.4%)	2,614,264	2,655,148	\$3,139,693	(15.4%)
Engineering & Distribution	274,201	306,381	337,398	(9.2%)	1,677,052	1,648,103	\$2,024,387	(18.6%)
Customer Service	264,141	352,290	294,691	19.5%	1,437,499	1,730,612	\$1,768,148	(2.1%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,775,618</b>	<b>\$1,665,825</b>	<b>\$1,851,133</b>	<b>(10.0%)</b>	<b>\$9,519,418</b>	<b>\$9,963,083</b>	<b>\$11,106,799</b>	<b>(10.3%)</b>
Transfer to debt service	\$872,117	\$945,638	\$945,638	0.0%	\$5,232,702	\$5,673,226	\$5,673,226	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,647,735</b>	<b>\$2,611,362</b>	<b>\$2,796,671</b>	<b>(6.6%)</b>	<b>\$14,752,120</b>	<b>\$16,636,309</b>	<b>\$16,780,026</b>	<b>(6.8%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$1,180,059</b>	<b>\$1,080,112</b>	<b>\$411,663</b>	<b>162.4%</b>	<b>\$2,119,814</b>	<b>\$1,466,607</b>	<b>\$2,469,981</b>	<b>(40.6%)</b>

**Northern Kentucky Water District**  
**Expense Report by Division Actual to Budget**  
**For the Six Months Ending June 30, 2006**

Division	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$554,173	\$695,762	(20.4%)	\$3,929,219	\$4,174,571	(5.9%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	452,981	523,282	(13.4%)	2,655,148	\$3,139,693	(15.4%)	6,279,386	
CUSTOMER SERVICE	306,381	337,398	(9.2%)	1,648,103	\$2,024,387	(18.6%)	4,048,773	
ADMINISTRATION	352,290	294,691	19.5%	1,730,612	\$1,768,148	(2.1%)	3,536,297	Driven by Central facility utility expense and computer supplies.
<b>TOTAL O AND M</b>	<b>\$1,665,825</b>	<b>\$1,851,133</b>	<b>(10.0%)</b>	<b>\$9,963,083</b>	<b>\$11,106,799</b>	<b>(10.3%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Six Months Ending June 30, 2006**

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$7,388	\$3,833	92.7%	\$34,569	\$23,000	50.3%	\$ 46,000	Crane rental for repairs at LRPS in June.
Ohio River Pump Station # 1	39,378	44,083	(10.7%)	226,543	\$264,500	(14.4%)	529,000	
Ohio River Pump Station # 2	4,165	5,167	(19.4%)	29,566	\$31,000	(4.6%)	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$50,932</b>	<b>\$53,083</b>	<b>(4.1%)</b>	<b>\$290,678</b>	<b>\$318,600</b>	<b>(8.7%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$106,981	\$275,395	(61.2%)	\$1,187,970	\$1,652,371	(28.1%)	\$ 3,304,742	Dredging charge reversed to be written off over time.
Taylor Mill Treatment Plant	84,242	50,421	86.9%	410,399	\$302,525	35.7%	\$605,050	Increased cost of chemicals, labor, and contractual services.
Memorial Parkway Treatment Plant	61,574	67,950	(9.4%)	377,099	\$407,700	(7.5%)	\$815,400	
Laboratory	64,820	60,950	6.3%	367,256	\$365,700	0.4%	\$731,400	
Instrumentation	24,820	27,821	(10.8%)	164,865	\$166,925	(1.2%)	\$333,850	
Sludge	13,987	13,958	0.2%	88,228	\$83,750	5.3%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$366,424</b>	<b>\$496,495</b>	<b>(26.2%)</b>	<b>\$2,695,820</b>	<b>\$2,978,971</b>	<b>(12.9%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$136,818</b>	<b>\$146,183</b>	<b>(6.4%)</b>	<b>\$1,042,722</b>	<b>\$877,100</b>	<b>18.9%</b>	<b>\$ 1,754,200</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$554,173</b>	<b>\$695,762</b>	<b>(20.4%)</b>	<b>\$3,929,219</b>	<b>\$4,174,671</b>	<b>(6.9%)</b>	<b>\$8,349,142</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Six Months Ending June 30, 2006**

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$107,573	\$112,323	(4.2%)	\$594,335	\$673,938	(11.8%)	\$1,347,875	
Distribution	345,408	410,959	(16.0%)	2,060,813	\$2,465,756	(16.4%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$452,981</b>	<b>\$523,282</b>	<b>(13.4%)</b>	<b>\$2,655,148</b>	<b>\$3,139,693</b>	<b>(16.4%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$66,628	\$69,393	(4.0%)	\$386,651	\$416,357	(7.1%)	\$ 832,714	
Meter Shop	28,354	28,727	(1.3%)	167,431	\$172,360	(2.9%)	344,719	
Courier/Maintenance	5,229	5,108	2.4%	28,647	\$30,650	(6.5%)	61,300	
Account Service	103,763	128,642	(19.3%)	631,531	\$771,850	(18.2%)	1,543,700	
Meter Reading	28,990	28,720	0.9%	170,067	\$172,318	(1.3%)	344,637	
Flushing	595	25,559	(97.7%)	2,038	\$153,352	(98.7%)	306,703	Organizational changes, labor moved to customer service.
Other	72,822	51,250	42.1%	261,739	\$307,500	(14.9%)	615,000	Bad debt increased in June.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$306,381</b>	<b>\$337,398</b>	<b>(9.2%)</b>	<b>\$1,648,103</b>	<b>\$2,024,387</b>	<b>(18.6%)</b>	<b>\$ 4,048,773</b>	

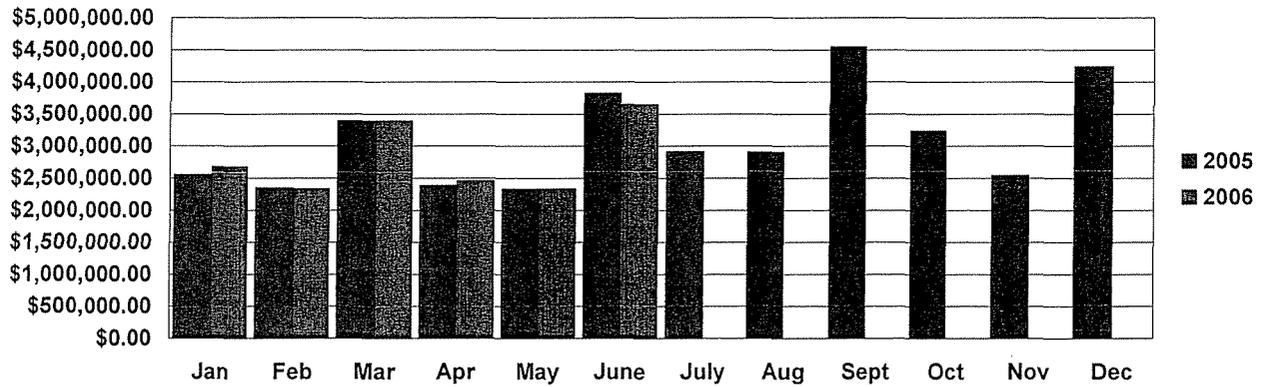
**Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Six Months Ending June 30, 2006**

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$40,586	\$44,392	(8.6%)	\$264,114	\$266,351	(0.8%)	\$ 532,703	
Board of Commissioners	9,252	9,447	(2.1%)	60,831	\$56,662	7.3%	113,364	
Accounting	23,476	29,650	(21.4%)	166,484	\$179,100	(7.0%)	358,200	
H. R. , Information Systems, Safety	155,977	117,611	32.6%	702,363	\$705,665	(0.5%)	1,411,330	Contract renewal with document direct, increased computer supplies.
Other	122,999	93,392	31.7%	536,800	\$560,350	(4.2%)	1,120,700	Central facilities utilities.
<b>TOTAL ADMINISTRATION</b>	<b>\$352,290</b>	<b>\$294,691</b>	<b>19.6%</b>	<b>\$1,730,612</b>	<b>\$1,768,148</b>	<b>(2.1%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,665,825</b>	<b>\$1,851,134</b>	<b>(10.0%)</b>	<b>\$9,963,083</b>	<b>\$11,106,799</b>	<b>(10.3%)</b>	<b>\$22,213,598</b>	

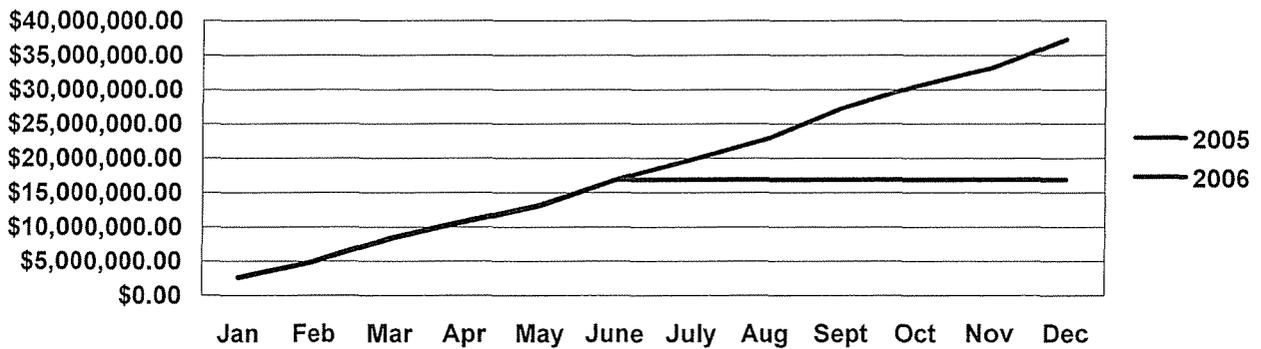
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Six Months Ending June 30, 2006**

Account	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$660,347	\$677,403	(2.5%)	\$3,791,121	\$4,064,417	(7.2%)	
Employee Pension & Benefits	242,268	228,628	6.0%	\$1,375,327	\$1,371,766	0.3%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	45,428	49,047	(7.4%)	\$273,118	\$294,281	(7.7%)	
Purchased Power	186,838	143,275	30.4%	\$911,283	\$859,650	5.7%	Increase in Utilities cost at central facilities, and electric cost sat TWTP, Dudley.
Chemicals	86,245	70,208	22.8%	\$540,302	\$421,250	22.0%	
Materials & Supplies	165,248	137,029	20.6%	\$856,473	\$822,175	4.0%	
Contractual Services	93,687	384,106	(75.6%)	\$1,316,739	\$2,304,635	(75.0%)	Reservoir dredging costs transferred to prepaid account to be written off over 15 years.
Rent	-835	708	(217.9%)	\$2,506	\$4,250	(69.6%)	Space from Heritage no longer needed. May accrual reversed.
Transportation	39,324	30,413	29.3%	\$218,679	\$182,475	16.6%	
Insurance	49,029	57,104	(14.1%)	\$269,360	\$342,625	(27.2%)	Lower general liability insurance costs in 2006.
Advertising	408	875	(53.4%)	\$3,555	\$5,250	(46.5%)	
Bad Debt Expense	70,469	45,833	53.8%	\$240,141	\$275,000	(14.5%)	
Miscellaneous	5,638	5,421	4.0%	\$33,173	\$32,525	2.0%	
Regulatory Commission Assessment	21,730	21,083	3.1%	\$131,278	\$126,500	3.6%	
<b>Total O &amp; M Expenses</b>	<b>\$1,665,824</b>	<b>\$1,851,133</b>	<b>(10.0%)</b>	<b>\$9,963,083</b>	<b>\$11,106,789</b>	<b>(10.3%)</b>	

NKWD  
Revenue by Month 2006 - Actual to Actual



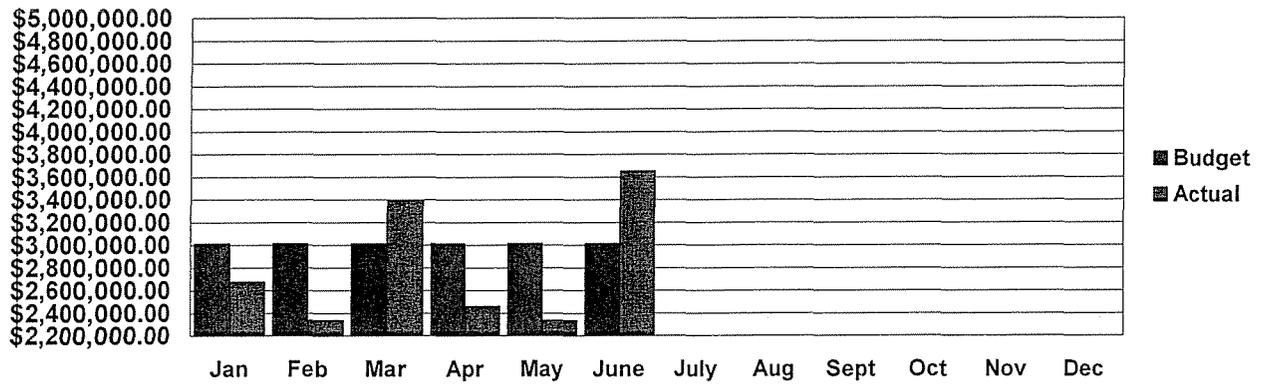
NKWD  
Revenue Trending 2006 - Actual to Actual



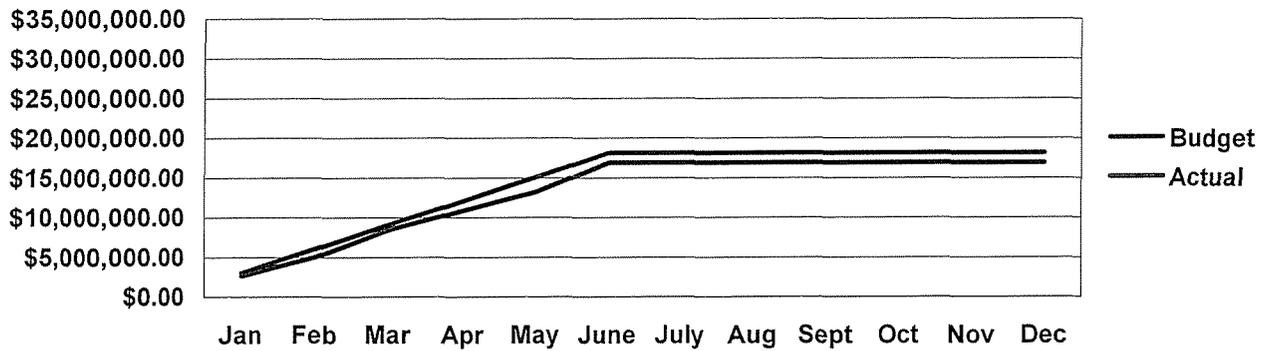
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Six Months Ending June 30, 2008**

Description	June Actual	June Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 3,345,654	\$ 2,880,118	16.2%	\$ 14,996,229	\$ 17,280,708	(13.2%)	
Forfeited Discounts	53,458	60,417	(11.5%)	311,102	362,500	(14.2%)	
Rents from Water Property	38,784	43,750	(11.4%)	217,875	262,500	(17.0%)	
Other Water Revenues	23,800	29,167	(18.4%)	191,502	175,000	9.4%	
<b>Total Operating Revenues</b>	<b>\$3,461,696</b>	<b>\$3,013,452</b>	<b>14.9%</b>	<b>\$15,716,708</b>	<b>\$18,080,708</b>	<b>(13.1%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$179,520	\$133,333	34.6%	\$1,058,645	\$ 800,000	32.3%	Higher interest income from better rates than anticipated.
Miscellaneous	13,709	25,000	(45.2%)	108,269	150,000	(27.8%)	
<b>Total Non-Operating Income</b>	<b>\$193,229</b>	<b>\$158,333</b>	<b>22.0%</b>	<b>\$1,166,914</b>	<b>\$950,000</b>	<b>22.8%</b>	
<b>TOTAL INCOME</b>	<b>\$3,654,925</b>	<b>\$3,171,785</b>	<b>15.2%</b>	<b>\$16,883,622</b>	<b>\$19,030,708</b>	<b>(11.3%)</b>	

### NKWD Revenue by Month 2006 - Budget to Actual



### NKWD Revenue Trending 2006 - Budget To Actual



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Six Months Ending June 30, 2006

Division	June 2006	June 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$554,173	\$610,125	(9.2%)	\$3,929,219	\$3,790,602	3.7%	
ENGINEERING & DISTRIBUTION	452,981	627,151	(27.8%)	2,655,148	2,614,264	1.6%	
CUSTOMER SERVICE	306,381	274,201	11.7%	1,648,103	1,677,052	(1.7%)	Higher bad debt expense in June 2006.
ADMINISTRATION	352,290	264,141	33.4%	1,730,611	1,437,499	20.4%	Driven by Central facility utility expense and computer supplies.
<b>TOTAL O AND M</b>	<b>\$1,665,825</b>	<b>\$1,775,618</b>	<b>(6.2%)</b>	<b>\$9,963,083</b>	<b>\$9,519,418</b>	<b>4.7%</b>	

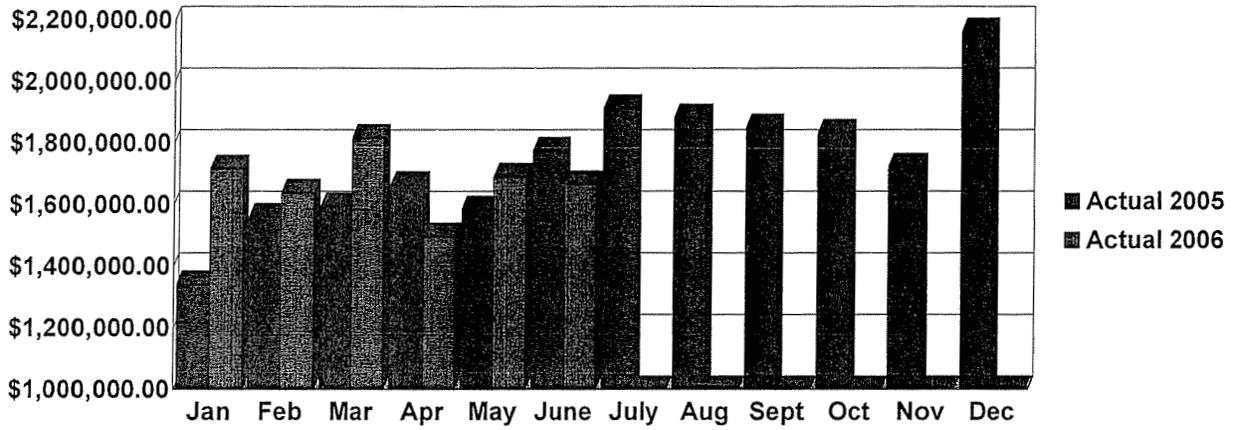
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Six Months Ending June 30, 2006**

Account	June 2006	June 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$660,347	\$555,510	18.9%	\$3,791,121	\$3,578,624	5.9%	Wages in 06 do not reflect entire month.
Employee Pension & Benefits	242,268	218,336	11.0%	\$1,375,327	\$1,148,673	19.9%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	45,428	40,466	12.3%	\$273,118	\$256,176	6.6%	
Purchased Power	186,838	126,320	47.9%	\$911,283	\$843,597	(3.4%)	Increase in Utilities cost at central facilities, and electric cost sat TWTP, Dudley.
Chemicals	86,245	75,973	13.5%	\$540,302	\$440,739	22.6%	
Materials & Supplies	165,248	162,843	1.5%	\$856,473	\$706,598	21.2%	
Contractual Services	93,687	447,199	(79.1%)	\$1,316,739	\$1,463,416	(10.0%)	Reservoir dredging costs transferred to prepaid account to be written off over 15 years.
Rent	-835	1,622	0.0%	\$2,506	\$5,677	(55.9%)	Space from Heritage no longer needed. May accrual reversed.
Transportation	39,324	32,448	21.2%	\$216,679	\$174,342	25.4%	
Insurance	49,029	57,201	(14.3%)	\$269,360	\$350,583	(23.2%)	Lower general liability insurance costs in 2006.
Advertising	408	785	(48.0%)	\$3,585	\$3,869	(7.4%)	
Bad Debt Expense	70,469	32,030	120.0%	\$240,141	\$293,981	(18.3%)	
Miscellaneous	5,636	3,563	58.2%	\$33,173	\$27,208	21.9%	
Regulatory Commission Assessment	21,730	21,322	1.9%	\$131,278	\$127,933	2.6%	
<b>Total O &amp; M Expenses</b>	<b>\$1,666,824</b>	<b>\$1,775,618</b>	<b>(6.2%)</b>	<b>\$9,963,083</b>	<b>\$9,519,418</b>	<b>4.7%</b>	

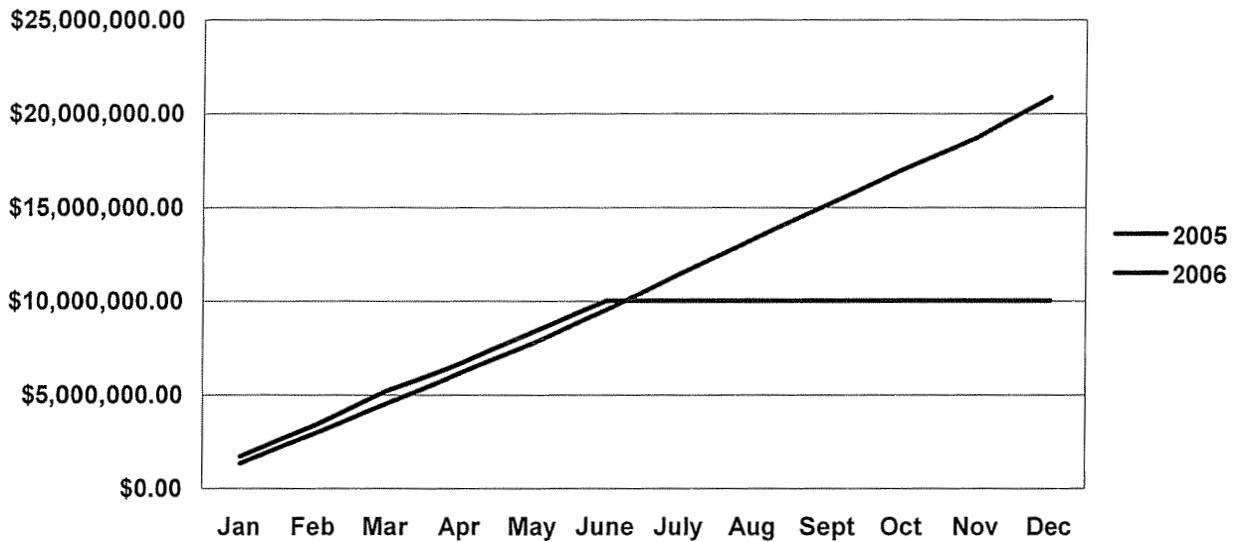
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Six Months Ending June 30, 2006**

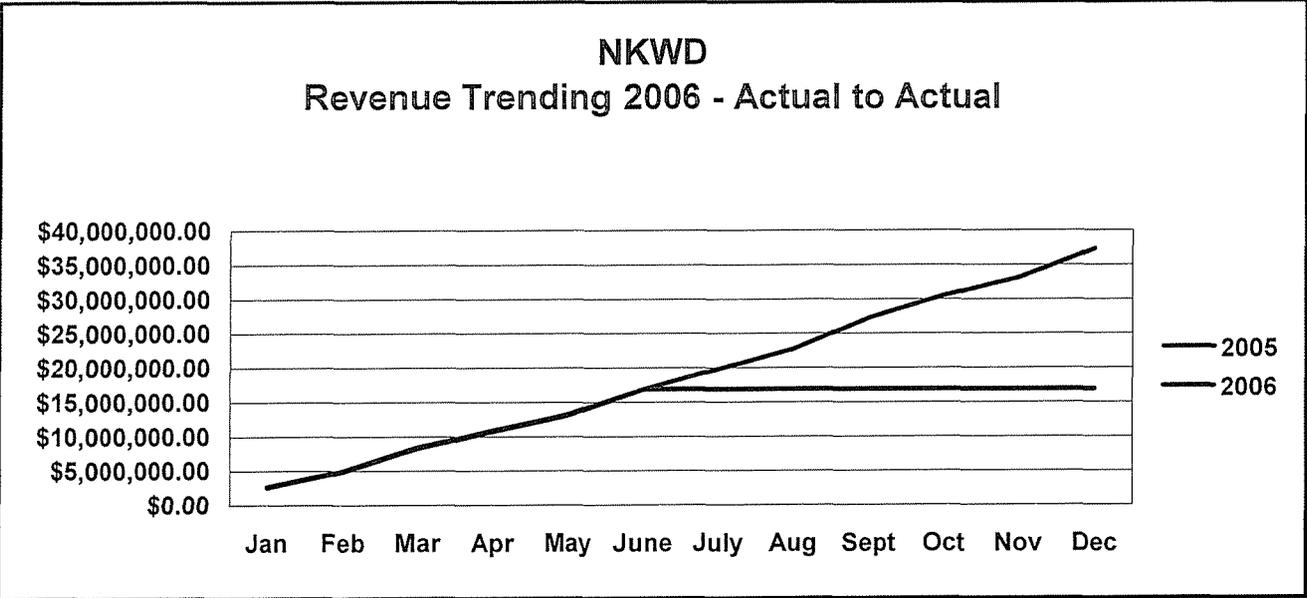
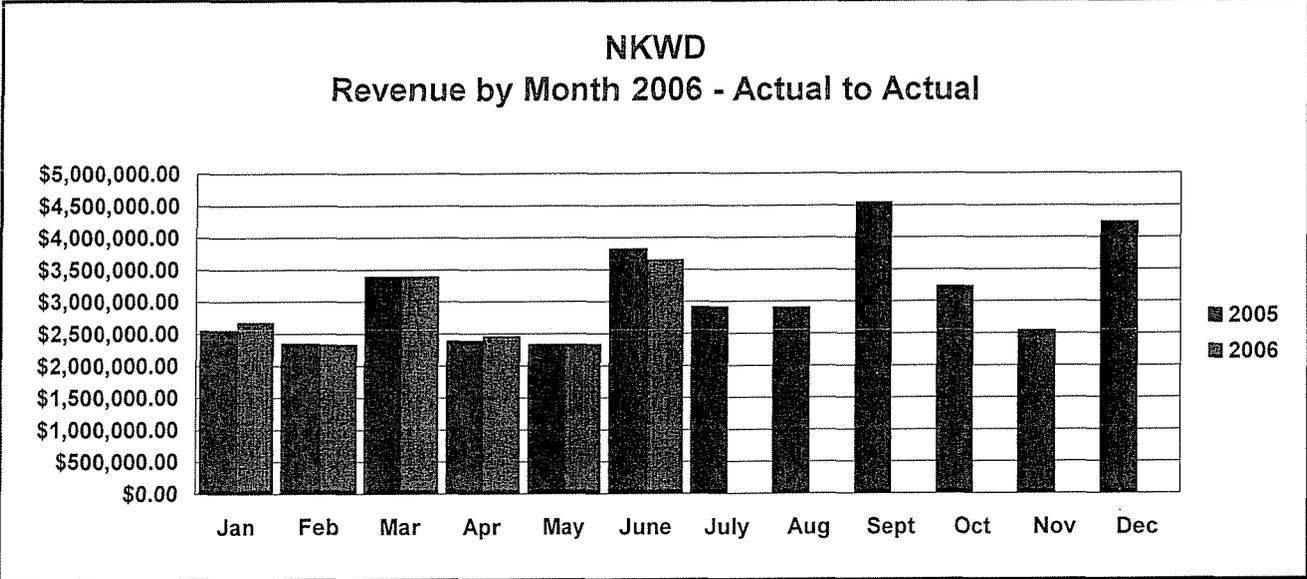
Description	June 2006	June 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 3,345,654	\$ 3,383,044	(1.1%)	\$ 14,996,229	\$ 15,014,818	(0.1%)	
Forfeited Discounts	53,458	67,603	(20.9%)	311,102	349,026	(10.9%)	
Rents from Water Property	38,784	47,749	(18.8%)	217,875	295,138	(26.2%)	
Other Water Revenues	23,800	23,470	1.4%	191,502	174,725	9.6%	
<b>Total Operating Revenues</b>	<b>\$3,461,696</b>	<b>\$3,521,866</b>	<b>(1.7%)</b>	<b>\$15,716,708</b>	<b>\$15,833,707</b>	<b>(0.7%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$179,520	\$243,227	(26.2%)	\$1,058,645	\$736,756	43.7%	Higher YTD interest income from better rates than anticipated.
Miscellaneous	13,708	\$26,152	(47.6%)	108,269	82,177	31.8%	
<b>Total Non-Operating Income</b>	<b>\$193,229</b>	<b>\$269,379</b>	<b>(28.3%)</b>	<b>\$1,166,914</b>	<b>\$818,933</b>	<b>42.5%</b>	
<b>TOTAL INCOME</b>	<b>\$3,654,925</b>	<b>\$3,791,245</b>	<b>(3.6%)</b>	<b>\$16,883,622</b>	<b>\$16,652,640</b>	<b>1.4%</b>	

**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**







	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$367,089.60	\$32,910.40	5
	Sub-Total		\$440,000.00	\$367,089.60	\$72,910.40	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$37,857.74	\$62,142.26	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00	\$9,987.00	\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingencies		\$95,300.00		\$95,300.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer	*	\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$52,554.74	\$389,932.26	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$419,644.34</b>	<b>\$462,842.66</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$52,074.96	\$47,925.04	21
2006	Inventory Bar Coding System (Distr)	*	\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00	\$14,086.00	\$20,914.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports XI Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$79,716.96	\$160,339.04	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$65,345.79	\$134,654.21	45
	Sub-Total		\$200,000.00	\$65,345.79	\$134,654.21	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$145,062.75</b>	<b>\$294,993.25</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00	\$975.00	\$525.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct.Services Area at Central Facility		\$4,000.00	\$2,536.40	\$1,463.60	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,110.00	\$1,890.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$10,609.54	\$48,590.46	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00	\$150,700.00	\$449,300.00	111
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00	\$15,306.00	\$3,694.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$175,704.28	\$630,295.72	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$186,313.82</b>	<b>\$685,986.18</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$127,990.55	\$18,888.20	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants & Mainline Cleaning Projects		\$950,000.00	\$372,653.54	\$577,346.46	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$1,183,000.00	\$372,653.54	\$810,346.46	
	<b>Mainline Improvement Sub-Total</b>		<b>\$1,329,878.75</b>	<b>\$500,644.09</b>	<b>\$829,234.66</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project		\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straitening					151
2006	KDOT - Ky. 17 @ Ky. 14					153
2006	KDOT - US27 to AA Highway KY 538 Extension	184-229				155
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)					
	Sub-Total		\$60,000.00	\$0.00	\$60,000.00	
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$0.00</b>	<b>\$203,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50		\$309,671.50	\$21,615.62	\$288,055.88	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization		\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening		\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$21,615.62	\$773,055.88	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road		\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)		\$80,000.00	\$2,502.14	\$77,497.86	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)		\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-178	\$145,000.00	\$79,207.57	\$65,792.43	05-224
	Sub-Total		\$599,328.50	\$263,431.14	\$335,897.36	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)	184-0194		\$2,502.13	\$102,502.13	161
2006	- Lake Street, Ludlow, 3" water main replacement		\$30,000.00		\$30,000.00	163
2006	- Western Ave. ????		\$250,000.00		\$250,000.00	165
2006	- Mary Ingles Highway 3" slide problem area		\$150,000.00		\$150,000.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky		\$40,000.00		\$40,000.00	169
2/13/2006	- Holiday Lane WMR	184-192		\$920.00	\$920.00	170
2006	- Unobligated		\$930,000.00	\$8,280.00	\$938,280.00	171
	-				\$0.00	171A
	- Henry Clay & Kyles Lane Water Main	184-0197		\$935.00	\$935.00	171B
	- Marcella & St Anthony Water Main	184-0198		\$16,055.00	\$16,055.00	171C
7/5/2006	- Huntington Ave WMR	184-0199		\$2,502.13	\$2,502.13	171D

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
7/5/2006	- Viewpoint Drive WMR	184-0605		\$297.42	\$297.42	171E
	Sub-Total		\$1,500,000.00	\$31,491.68	\$3,031,491.68	
	Water Main Replacement Sub-Total		\$2,942,700.47	\$316,538.44	\$4,189,145.39	
	2006					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00		\$4,000.00	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00		\$3,000.00	193
2006	A/C Recovery and Charger unit		\$3,000.00		\$3,000.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00	\$21,954.00	\$1,046.00	199
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	Distribution Capital Items Sub-Total		\$273,000.00	\$122,612.00	\$150,388.00	
	Distribution Total		\$4,749,187.57	\$939,794.53	\$5,372,376.40	
	ENGINEERING					
	Capital Purchases					
	2006					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213
	Sub-Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Engineering Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Distribution/Engineering Department Sub-Total		\$4,773,087.57	\$1,776,297.10	\$5,376,956.36	
	Water Quality & Production					
	Operations					
	2006					
	Security systems at MPTP and 7 pump stations		\$6,600	\$5,873.05	\$726.95	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$5,275.46	\$23,224.54	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	Modular cabinet for Taylor Mill standpipe instruments		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	Ford Taurus replace vehicle 435		\$20,000	\$12,748.00	\$7,252.00	233
	Operations Subtotal		\$135,100.00	\$26,671.51	\$108,428.49	
	LABORATORY					
	2006					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	Ford Taurus replace vehicle #430		\$20,000	\$12,748.00	\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	Laboratory Sub-Total		\$70,000.00	\$12,748.00	\$70,000.00	
	MAINTENANCE					
	2006					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$20,433.99	\$14,566.01	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$3,702.11	\$26,297.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line		\$110,000	\$4,469.40	\$105,530.60	261
	Replace LRPS traveling screen		\$80,000		\$80,000.00	263
	Replace vehicle #410		\$25,000	\$20,742.00	\$4,258.00	265
	Replacement Pump No 8		\$20,000		\$20,000.00	267
	Maintenance Sub-Total		\$333,500.00	\$55,806.18	\$277,693.82	
	Water Quality & Production Department Sub-Total		\$538,600.00	\$95,225.69	\$456,122.31	
	TOTAL of Departments		\$7,482,987.57	\$2,622,543.70	\$7,276,900.76	

**Northern Kentucky Water District  
Balance Sheet  
As of July 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,694,676	3,744,796
Accounts Receivable		
Customers	3,219,219	3,072,836
Unbilled Customers	4,900,000	4,900,000
Other	261,299	423,328
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,091,590	1,203,558
Prepaid Expenses	1,829,217	883,745
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 16,033,768</b>	<b>14,265,514</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 10,983,437	22,669,998
Debt Service Reserve Account	12,509,316	12,511,360
Debt Service Account	5,541,905	1,539,684
Improvement, Repair & Replacement Boone/Florence Settlement Account	1,533,145	4,140,970
	3,362,682	3,721,205
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 33,930,485</b>	<b>44,583,217</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,202,522	10,074,102
Capital Assets:		
Land, System, Buildings and Equipment	\$ 255,272,079	248,250,684
Construction in Progress	26,613,044	14,350,035
<b>Total Capital Assets before accumulated depreciation</b>	<b>\$ 281,885,123</b>	<b>262,600,719</b>
Less Accumulated Depreciation	(57,716,007)	(52,532,453)
<b>Total capital assets, net of accumulated depreciation</b>	<b>\$ 224,169,116</b>	<b>210,068,266</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 233,371,638</b>	<b>220,142,368</b>
<b>TOTAL ASSETS</b>	<b>\$ 283,335,891</b>	<b>278,991,099</b>
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**Northern Kentucky Water District  
Balance Sheet  
As of July 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,629,398	1,472,995
Accrued Payroll & Liabilities	326,505	290,544
Other Accrued Liabilities	86,944	91,532
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,009,847</b>	<b>6,661,071</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 708,668	354,575
Accrued Interest Payable	3,267,044	177,837
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 3,975,712</b>	<b>532,412</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,145,000
Bond Anticipation Notes Payable	21,585,000	21,585,000
Note Payable - Taylor Mill Purchase	2,125,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 163,238,000</b>	<b>167,955,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 174,223,559</b>	<b>175,148,483</b>
<b>RETAINED EARNINGS</b>	<b>\$ 109,112,332</b>	<b>103,842,616</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 283,335,891</b>	<b>278,991,099</b>
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Northern Kentucky Water District  
Income and Expense Report Summary  
For the Seven Months Ending July 31, 2006

Description	July 2005	July 2006	July Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$2,923,646	\$2,928,874	\$3,208,334	(8.7%)	\$19,795,580	\$20,031,790	\$22,458,338	(10.8%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,913,145	\$1,786,085	\$1,851,133	(3.5%)	\$11,432,563	\$11,749,168	\$12,957,932	(9.3%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$6,104,819	\$6,618,764	\$6,618,764	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$138,384	\$197,251	\$411,663	(52.1%)	\$2,258,198	\$1,663,858	\$2,881,642	(42.3%)	\$5,086,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Seven Months Ending July 31, 2006**

Description	July 2005	July 2006	July Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 2,604,018	\$ 2,554,501	\$2,880,118	(11.3%)	\$ 17,618,836	\$ 17,550,730	\$20,160,826	(12.9%)
Forfeited Discounts	61,311	59,190	60,417	(2.0%)	410,337	370,292	\$422,919	(12.4%)
Rents from Water Property	29,517	34,182	43,750	(21.9%)	324,655	252,057	\$306,250	(17.7%)
Other Water Revenues	35,380	68,415	29,167	134.6%	210,105	259,917	\$204,169	27.3%
<b>Total Operating Income</b>	<b>\$2,730,226</b>	<b>\$2,716,288</b>	<b>\$3,013,462</b>	<b>(9.9%)</b>	<b>\$18,563,933</b>	<b>\$18,432,996</b>	<b>\$21,094,164</b>	<b>(12.6%)</b>
Non-Operating Income								
Interest Income	\$136,498	\$166,892	\$133,333	25.2%	\$873,255	\$1,225,537	\$933,331	31.3%
Miscellaneous	\$20,373	9,145	25,000	(63.4%)	102,549	117,414	\$175,000	(32.9%)
<b>Total Non-Operating Income</b>	<b>\$156,871</b>	<b>\$176,037</b>	<b>\$158,333</b>	<b>11.2%</b>	<b>\$975,804</b>	<b>\$1,342,951</b>	<b>\$1,108,331</b>	<b>21.2%</b>
Boone Florence Settlement Transfer								
	\$36,549	\$36,549	\$36,549	0.0%	\$255,843	\$255,843	\$255,843	0.0%
<b>TOTAL INCOME</b>	<b>\$2,923,646</b>	<b>\$2,928,874</b>	<b>\$3,208,334</b>	<b>(8.7%)</b>	<b>\$19,795,580</b>	<b>\$20,031,790</b>	<b>\$22,458,338</b>	<b>(10.8%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water Treatment, Pumping & Storage	\$522,692	\$710,710	\$695,762	2.1%	\$4,613,293	\$4,639,929	\$4,870,333	(4.7%)
Engineering & Distribution	514,062	447,892	523,282	(14.4%)	3,128,327	3,103,040	\$3,662,975	(15.3%)
Customer Service	308,800	360,215	337,398	6.8%	1,985,852	2,008,318	\$2,361,784	(16.0%)
Administration	267,591	267,268	294,691	(9.3%)	1,705,091	1,997,881	\$2,062,840	(3.1%)
<b>Total O &amp; M Expenses</b>	<b>\$1,913,145</b>	<b>\$1,786,085</b>	<b>\$1,851,133</b>	<b>(3.5%)</b>	<b>\$11,432,563</b>	<b>\$11,749,168</b>	<b>\$12,957,932</b>	<b>(9.3%)</b>
Transfer to debt service	\$872,117	\$945,538	\$945,538	0.0%	\$6,104,819	\$6,618,764	\$6,618,764	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,785,262</b>	<b>\$2,731,623</b>	<b>\$2,796,671</b>	<b>(2.3%)</b>	<b>\$17,537,382</b>	<b>\$18,367,932</b>	<b>\$19,576,696</b>	<b>(6.2%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$138,384</b>	<b>\$197,251</b>	<b>\$411,663</b>	<b>(52.1%)</b>	<b>\$2,258,198</b>	<b>\$1,663,858</b>	<b>\$2,881,642</b>	<b>(42.3%)</b>

**Northern Kentucky Water District**  
**Expense Report by Division Actual to Budget**  
**For the Seven Months Ending July 31, 2006**

Division	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$710,710	\$695,762	2.1%	\$4,639,929	\$4,870,333	(4.7%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	447,892	523,282	(14.4%)	3,103,040	\$3,662,975	(15.3%)	6,279,386	
CUSTOMER SERVICE	360,215	337,398	6.8%	2,008,318	\$2,361,784	(15.0%)	4,048,773	
ADMINISTRATION	267,268	294,691	(9.3%)	1,997,881	\$2,062,840	(3.1%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,786,085</b>	<b>\$1,851,133</b>	<b>(3.5%)</b>	<b>\$11,749,168</b>	<b>\$12,957,932</b>	<b>(9.3%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Seven Months Ending July 31, 2006**

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$6,323	\$3,833	64.9%	\$40,891	\$26,833	52.4%	\$ 46,000	Hall's paving, asphalt repair.
Ohio River Pump Station # 1	40,765	44,083	(7.5%)	267,309	\$308,583	(13.4%)	529,000	
Ohio River Pump Station # 2	7,302	5,167	41.3%	36,868	\$36,167	1.9%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$54,390</b>	<b>\$63,083</b>	<b>2.5%</b>	<b>\$345,068</b>	<b>\$371,583</b>	<b>(7.1%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$222,568	\$275,395	(19.2%)	\$1,410,558	\$1,927,766	(26.8%)	\$ 3,304,742	
Taylor Mill Treatment Plant	79,444	50,421	57.6%	489,843	\$352,946	38.8%	\$605,050	Increased use of chemicals at TMTP. Electric cost up.
Memorial Parkway Treatment Plant	54,838	67,950	(19.3%)	431,938	\$475,650	(9.2%)	\$815,400	
Laboratory	57,406	60,950	(5.8%)	424,664	\$426,650	(0.5%)	\$731,400	
Instrumentation	23,543	27,821	(15.4%)	188,408	\$194,746	(3.3%)	\$333,850	
Sludge	13,927	13,958	(4.5%)	101,555	\$97,708	3.9%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$451,147</b>	<b>\$496,495</b>	<b>(9.1%)</b>	<b>\$3,046,967</b>	<b>\$3,475,466</b>	<b>(12.3%)</b>	<b>\$6,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$205,173</b>	<b>\$146,183</b>	<b>40.4%</b>	<b>\$1,247,894</b>	<b>\$1,023,283</b>	<b>22.0%</b>	<b>\$ 1,754,200</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$710,710</b>	<b>\$695,762</b>	<b>2.1%</b>	<b>\$4,639,929</b>	<b>\$4,870,333</b>	<b>(4.7%)</b>	<b>\$8,349,142</b>	

**Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Seven Months Ending July 31, 2006**

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$106,764	\$112,323	(4.9%)	\$701,099	\$786,261	(10.8%)	\$1,347,875	
Distribution	341,128	410,959	(17.0%)	2,401,941	\$2,876,715	(16.5%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$447,892</b>	<b>\$523,282</b>	<b>(14.4%)</b>	<b>\$3,103,040</b>	<b>\$3,662,976</b>	<b>(15.3%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$65,535	\$69,393	(5.6%)	\$452,185	\$485,750	(6.9%)	\$ 832,714	
Meter Shop	27,708	28,727	(3.5%)	195,139	\$201,086	(3.0%)	344,719	
Courier/Maintenance	4,971	5,108	(2.7%)	33,617	\$35,758	(6.0%)	61,300	
Account Service	146,686	128,642	14.0%	778,217	\$900,492	(13.6%)	1,543,700	Catch up on postage expense and also prepay.
Meter Reading	23,994	28,720	(16.5%)	194,061	\$201,038	(3.5%)	344,637	
Flushing	599	25,559	(97.7%)	3,224	\$178,910	(98.2%)	306,703	
Other	90,722	51,250	77.0%	351,874	\$358,750	(1.9%)	615,000	Sudden jump in bad debt in June and July.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$360,215</b>	<b>\$337,398</b>	<b>6.8%</b>	<b>\$2,008,318</b>	<b>\$2,361,784</b>	<b>(15.0%)</b>	<b>\$ 4,048,773</b>	

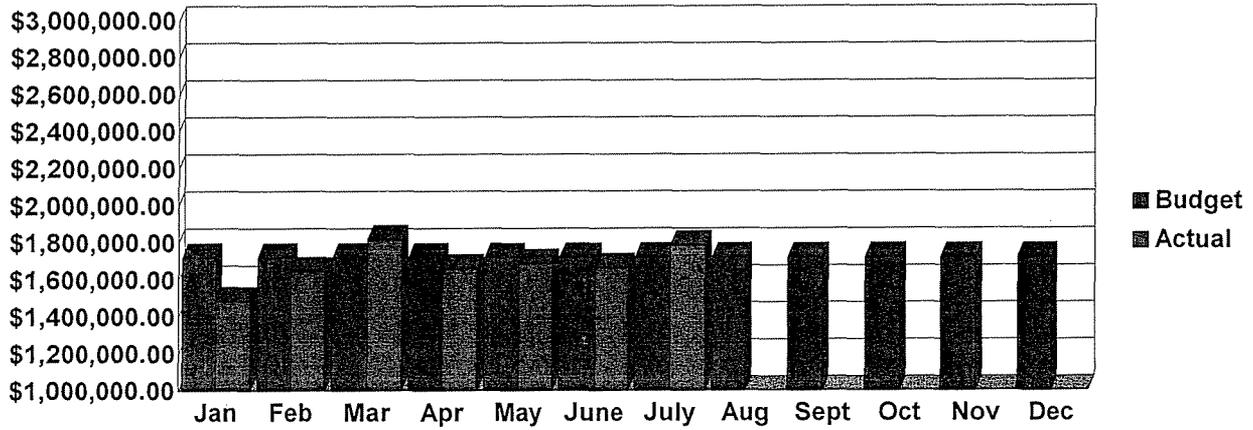
**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Seven Months Ending July 31, 2006**

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$38,448	\$44,392	(13.4%)	\$302,562	\$310,743	(2.6%)	\$ 532,703	
Board of Commissioners	9,793	9,447	3.7%	70,624	\$66,129	6.8%	113,364	
Accounting	22,752	29,850	(23.8%)	189,236	\$208,950	(9.4%)	358,200	
H. R. , Information Systems, Safety	108,624	117,611	(7.6%)	811,007	\$823,276	(1.5%)	1,411,330	
Other	87,651	93,392	(6.1%)	624,452	\$653,742	(4.5%)	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$267,268</b>	<b>\$294,691</b>	<b>(9.3%)</b>	<b>\$1,997,881</b>	<b>\$2,062,840</b>	<b>(3.1%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,786,085</b>	<b>\$1,851,133</b>	<b>(3.5%)</b>	<b>\$11,749,168</b>	<b>\$12,957,932</b>	<b>(9.3%)</b>	<b>\$22,213,598</b>	

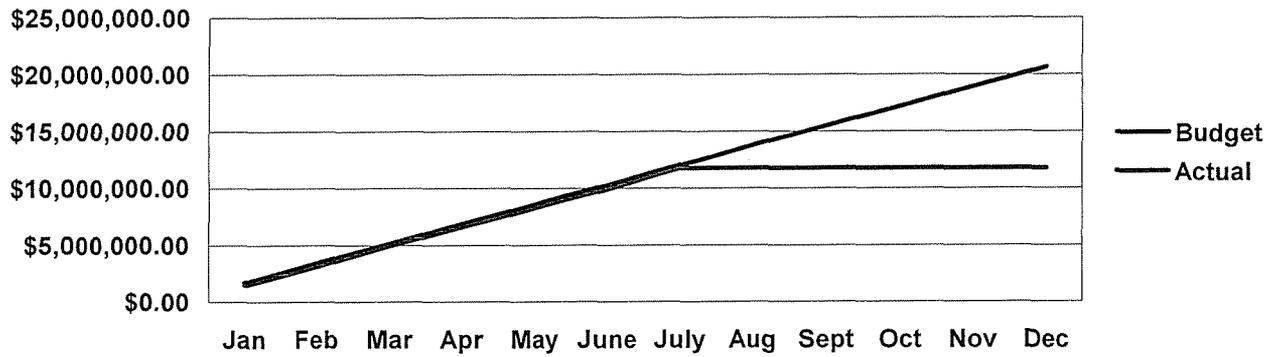
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Seven Months Ending July 31, 2006**

Account	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$621,327	\$677,403	(8.3%)	\$4,412,448	\$4,741,819	(7.5%)	
Employee Pension & Benefits	243,383	228,628	6.5%	\$1,618,710	\$1,600,394	1.1%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	43,376	49,047	(11.6%)	\$316,494	\$343,328	(8.5%)	
Purchased Power	165,043	143,275	15.2%	\$1,076,326	\$1,002,925	6.8%	Increase in Utilities cost at central facility.
Chemicals	118,271	70,208	68.5%	\$658,572	\$491,458	25.4%	Increased use of chemicals at TMTP and FTTP.
Materials & Supplies	166,811	137,029	21.7%	\$1,023,284	\$959,204	6.3%	
Contractual Services	222,605	384,106	(42.0%)	\$1,539,344	\$2,688,741	(74.7%)	Reservoir dredging costs transferred to prepaid account to be written off over 15 years.
Rent	0	708	(100.0%)	\$2,506	\$4,958	(97.9%)	Rental space from Heritage no longer needed.
Transportation	36,923	30,413	21.4%	\$255,602	\$212,888	16.7%	
Insurance	49,245	57,104	(13.8%)	\$318,605	\$399,729	(25.5%)	Lower general liability insurance costs in 2006.
Advertising	664	875	(24.1%)	\$4,248	\$6,125	(44.2%)	
Bad Debt Expense	86,359	45,833	88.4%	\$326,500	\$320,833	1.7%	June, July show sudden increase in Bad Debt.
Miscellaneous	22,134	5,421	308.3%	\$55,307	\$37,946	31.4%	
Regulatory Commission Assessment	9,944	21,083	(52.8%)	\$141,222	\$147,583	(4.5%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,786,085</b>	<b>\$1,851,133</b>	<b>(3.5%)</b>	<b>\$11,749,168</b>	<b>\$12,987,932</b>	<b>(9.3%)</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual

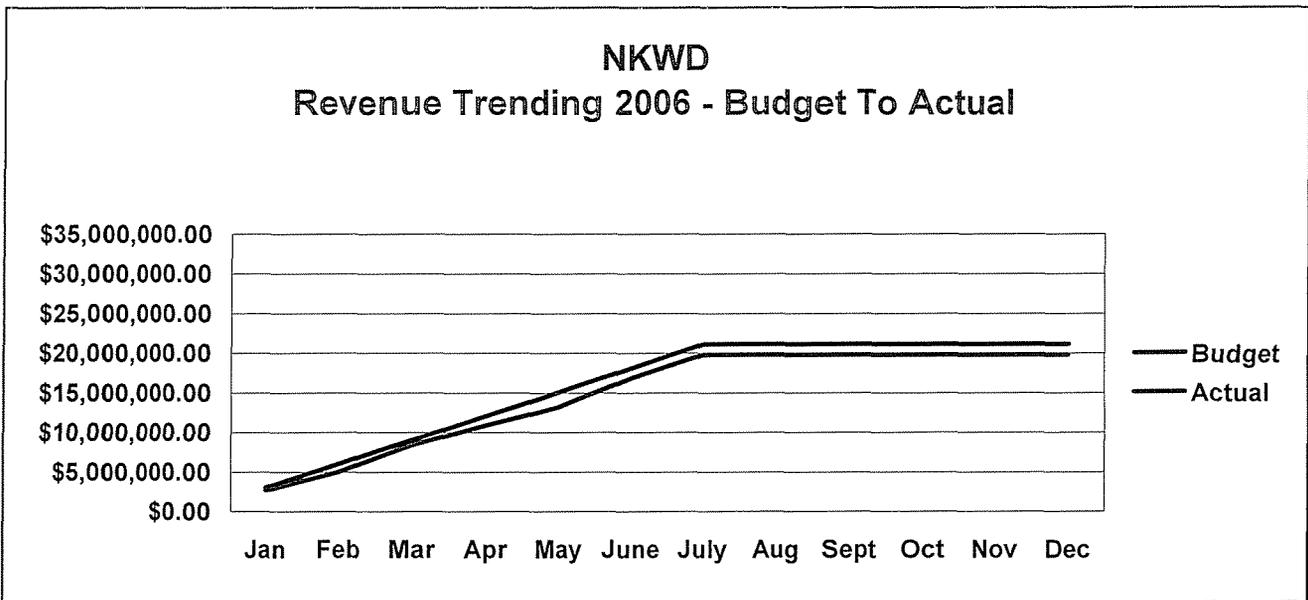
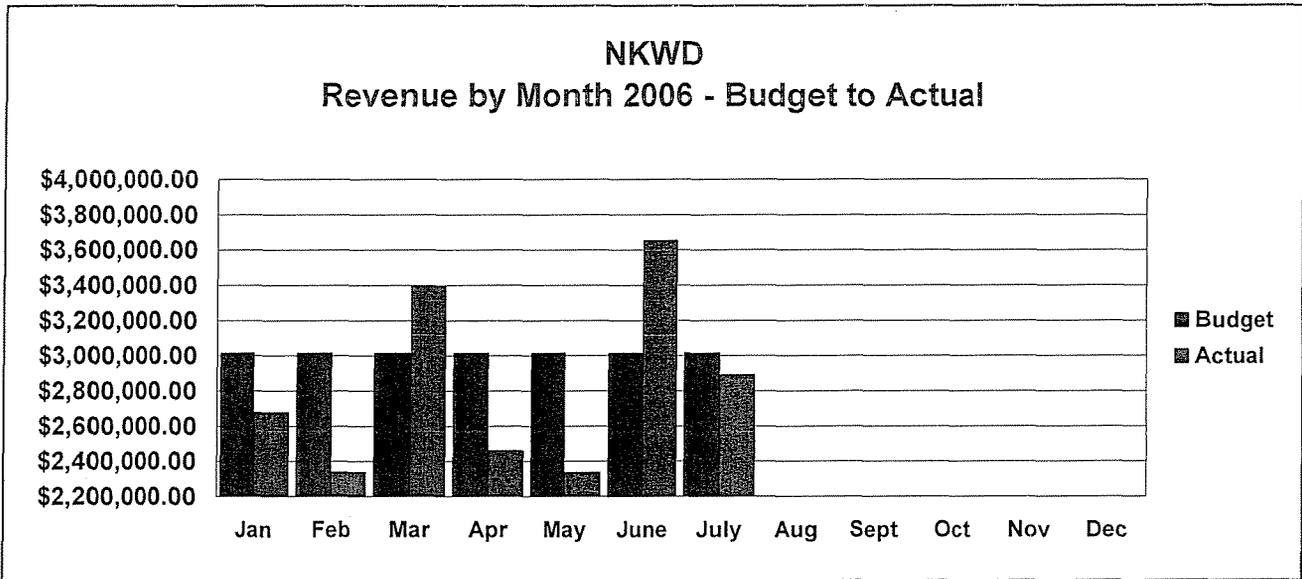


### NKWD O&M YTD Trending 2006 - Budget To Actual



**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Seven Months Ending July 31, 2006**

Description	July Actual	July Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,554,501	\$ 2,880,118	(11.3%)	\$ 17,550,730	\$ 20,160,826	(12.9%)	
Forfeited Discounts	59,190	60,417	(2.0%)	370,292	\$ 422,919	(12.4%)	
Rents from Water Property	34,182	43,750	(21.9%)	252,057	\$ 306,250	(17.7%)	
Other Water Revenues	68,415	29,167	134.6%	259,917	\$ 204,169	27.3%	
<b>Total Operating Revenues</b>	<b>\$2,716,288</b>	<b>\$3,013,452</b>	<b>(9.9%)</b>	<b>\$18,432,996</b>	<b>\$21,094,164</b>	<b>(12.6%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$166,892	\$133,333	25.2%	\$1,225,537	\$ 933,331	31.3%	Higher interest income from better rates than anticipated.
Miscellaneous	9,145	25,000	(63.4%)	117,414	\$ 175,000	(32.9%)	
<b>Total Non-Operating Income</b>	<b>\$176,037</b>	<b>\$158,333</b>	<b>11.2%</b>	<b>\$1,342,951</b>	<b>\$1,108,331</b>	<b>21.2%</b>	
<b>TOTAL INCOME</b>	<b>\$2,892,325</b>	<b>\$3,171,785</b>	<b>(8.8%)</b>	<b>\$19,775,947</b>	<b>\$22,202,495</b>	<b>(10.9%)</b>	



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Seven Months Ending July 31, 2006

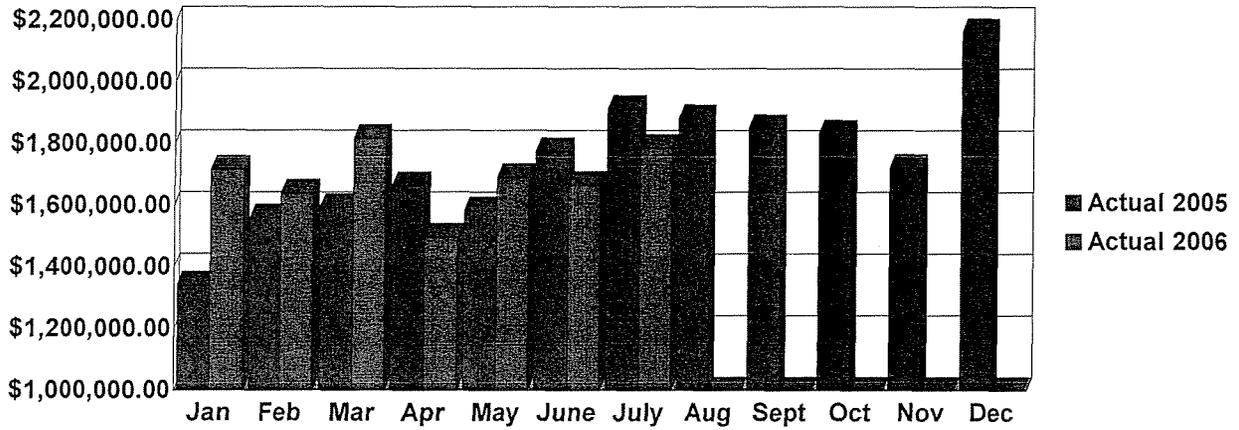
Division	July 2006	July 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$710,710	\$822,692	(13.6%)	\$4,639,929	\$4,613,293	0.6%	
ENGINEERING & DISTRIBUTION	447,892	514,062	(12.9%)	3,103,040	3,128,327	(0.8%)	
CUSTOMER SERVICE	360,215	308,800	16.6%	2,008,318	1,985,852	1.1%	Higher bad debt expense.
ADMINISTRATION	267,268	267,591	(0.1%)	1,997,881	1,705,091	17.2%	
<b>TOTAL O AND M</b>	<b>\$1,786,085</b>	<b>\$1,913,145</b>	<b>(6.6%)</b>	<b>\$11,749,168</b>	<b>\$11,432,563</b>	<b>2.8%</b>	

Northern Kentucky Water District Expense Report by Account Actual to Actual For the Seven Months Ending July 31, 2006							
Account	July 2006	July 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$621,327	\$720,924	(13.8%)	\$4,412,448	\$4,299,548	2.6%	
Employee Pension & Benefits	\$243,383	225,570	7.9%	\$1,618,710	\$1,372,243	18.0%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	43,376	51,623	(16.0%)	\$316,494	\$307,799	2.8%	
Purchased Power	165,043	236,715	(30.3%)	\$1,076,326	\$1,180,312	(8.8%)	Increase in Utilities cost at central facilities.
Chemicals	118,271	97,958	20.7%	\$658,572	\$538,698	22.3%	Increased use of chemicals at FTTP, TMTP.
Materials & Supplies	166,811	136,065	22.6%	\$1,023,284	\$842,662	21.4%	
Contractual Services	222,605	309,856	(28.2%)	\$1,539,344	\$1,773,272	(13.2%)	Reservoir dredging costs transferred to prepaid account to be written off over 15 years.
Rent	0	835	0.0%	\$2,506	\$6,513	(61.5%)	Space from Heritage no longer needed.
Transportation	36,923	33,724	9.5%	\$255,602	\$208,067	22.8%	
Insurance	49,245	56,853	(13.4%)	\$318,605	\$407,436	(21.8%)	Lower general liability insurance costs in 2006.
Advertising	664	810	(18.0%)	\$4,248	\$4,679	(9.2%)	
Bad Debt Expense	86,359	19,430	344.5%	\$326,500	\$313,410	4.2%	
Miscellaneous	22,134	1,037	2034.4%	\$55,307	\$28,246	95.8%	
Regulatory Commission Assessment	9,944	21,745	(54.3%)	\$141,222	\$149,678	(5.6%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,786,085</b>	<b>\$1,913,145</b>	<b>(6.6%)</b>	<b>\$11,749,168</b>	<b>\$11,432,563</b>	<b>2.8%</b>	

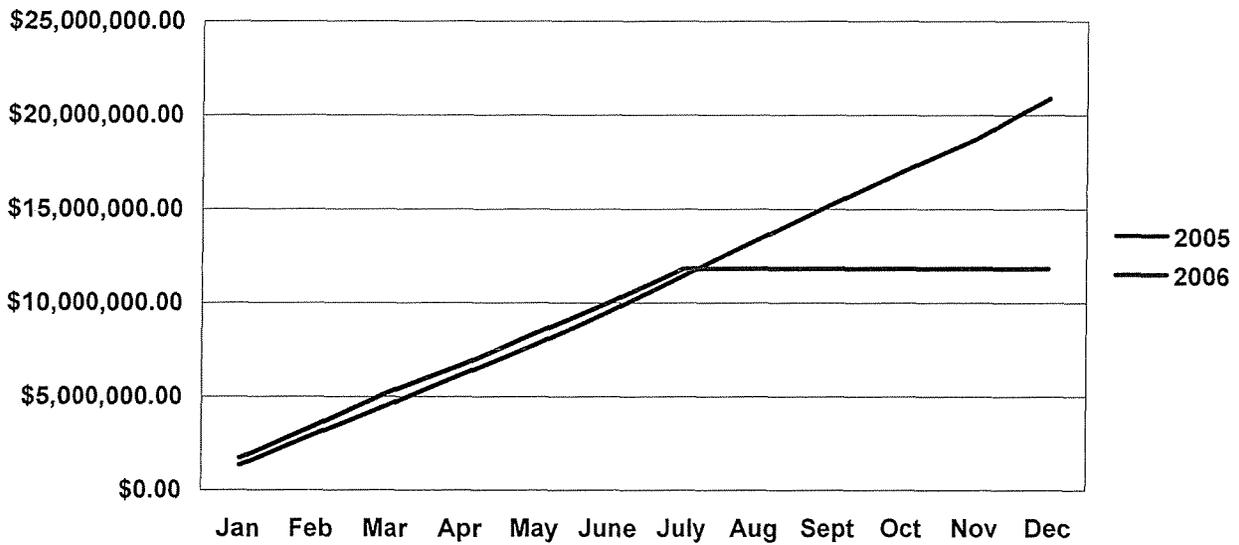
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Seven Months Ending July 31, 2006**

Description	July 2006	July 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 2,554,501	\$ 2,604,018	(1.9%)	\$ 17,550,730	\$ 17,618,836	(0.4%)	
Forfeited Discounts	59,190	61,311	(3.5%)	370,292	410,337	(9.8%)	
Rents from Water Property	34,182	29,517	15.8%	252,057	324,655	(22.4%)	
Other Water Revenues	68,415	35,380	93.4%	259,917	210,105	23.7%	
<b>Total Operating Revenues</b>	<b>\$2,716,288</b>	<b>\$2,730,226</b>	<b>(0.5%)</b>	<b>\$18,432,996</b>	<b>\$18,563,933</b>	<b>(0.7%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$166,892	\$136,498	22.3%	\$1,225,537	\$873,255	40.3%	Higher YTD interest income from better rates than anticipated.
Miscellaneous	9,145	\$20,373	(55.1%)	117,414	102,549	14.5%	
<b>Total Non-Operating Income</b>	<b>\$176,037</b>	<b>\$156,871</b>	<b>12.2%</b>	<b>\$1,342,951</b>	<b>\$975,804</b>	<b>37.6%</b>	
<b>TOTAL INCOME</b>	<b>\$2,892,325</b>	<b>\$2,887,097</b>	<b>0.2%</b>	<b>\$19,775,947</b>	<b>\$19,539,737</b>	<b>1.2%</b>	

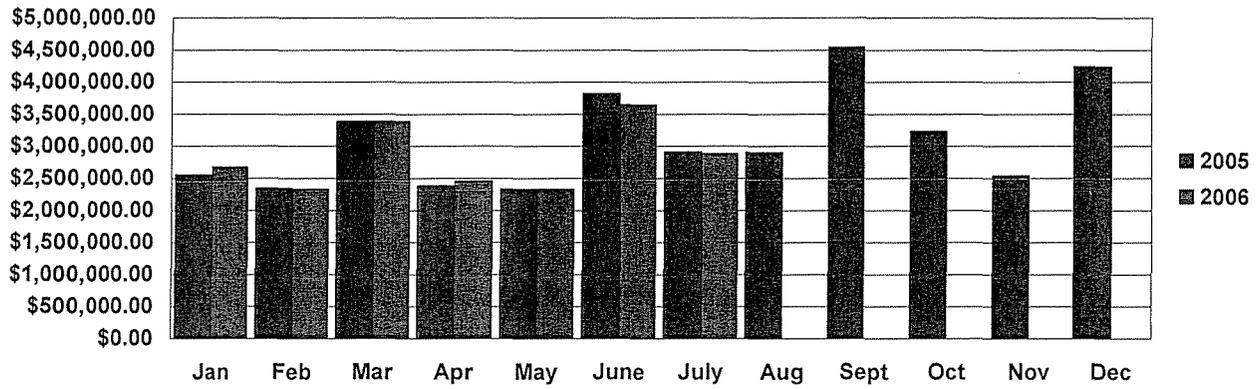
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



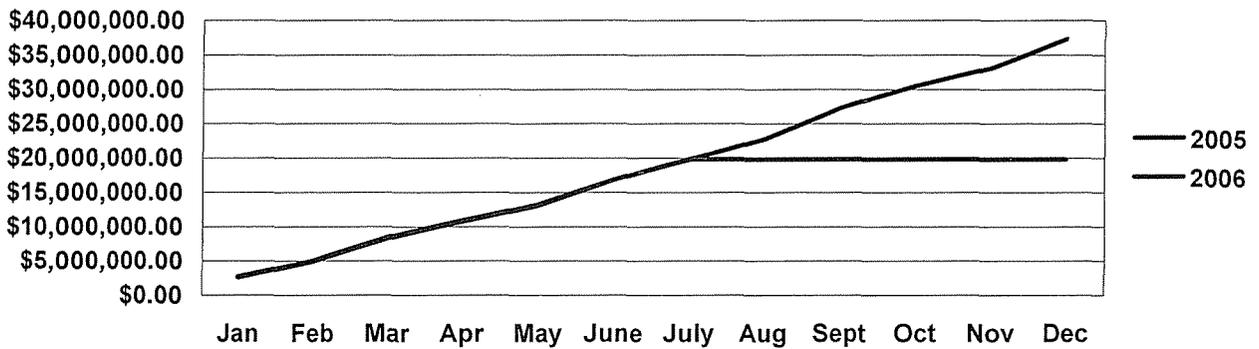
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$367,812.84	\$32,187.16	5
	Sub-Total		\$440,000.00	\$367,812.84	\$72,187.16	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$37,747.14	\$62,252.86	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00	\$9,987.00	\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00	\$19,950.00	\$75,350.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling; Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$72,394.14	\$370,092.86	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$440,206.98</b>	<b>\$442,280.02</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$52,494.96	\$47,505.04	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00	\$14,086.00	\$20,914.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$80,136.96	\$159,919.04	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$65,345.79	\$134,654.21	45
	Sub-Total		\$200,000.00	\$65,345.79	\$134,654.21	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$426,500.00</b>	<b>\$145,482.75</b>	<b>\$294,573.25</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00	\$975.00	\$525.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct.Services Area at Central Facility		\$4,000.00	\$2,536.40	\$1,463.60	55
2006	Electronic Message Center for Central Facility		\$18,000.00		\$18,000.00	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00		\$3,500.00	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,860.00	\$1,140.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$11,359.54	\$47,840.46	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00	\$150,700.00	\$449,300.00	111
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00	\$15,926.00	\$3,074.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$176,324.28	\$629,675.72	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$187,683.82</b>	<b>\$684,616.18</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wildier & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$127,990.55	\$18,888.20	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants & Mainline Cleaning Projects		\$950,000.00	\$373,164.29	\$576,835.71	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$1,183,000.00	\$373,164.29	\$809,835.71	
	<b>Mainline Improvement Sub-Total</b>		<b>\$1,329,878.75</b>	<b>\$501,154.84</b>	<b>\$828,723.91</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-0208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-0211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-0214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-0215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-0218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-0219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-0221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-0222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project	184-0224	\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-0226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	<b>Engineering Service for KDOT Projects (Upcoming)</b>		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straitening					151
2006	KDOT - Ky. 17 @ Ky. 14	184-0227	\$5,000.00		\$5,000.00	153
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)	184-0228	\$5,000.00			
2006	KDOT - US27 to AA Highway KY 538 Extension	184-0229	\$8,000.00		\$8,000.00	155
	Sub-Total		\$78,000.00	\$0.00	\$73,000.00	157
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$221,608.35</b>	<b>\$0.00</b>	<b>\$216,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-0151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-0151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50	184-0187	\$309,671.50	\$134,573.72	\$175,097.78	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization	184-	\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening	184-	\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$134,573.72	\$660,097.78	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-0179	\$129,000.00	\$56,412.00	\$72,588.00	05-210b
2005	Audubon Road	184-0186	\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)	184-0601	\$80,000.00	\$2,502.14	\$77,497.86	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-0176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)	194-0600	\$100,000.00		\$100,000.00	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-0178	\$145,000.00	\$79,207.57	\$65,792.43	05-224
	Sub-Total		\$599,328.50	\$263,431.14	\$335,897.36	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2006	- Carlise Water Main Replacement (Steel)	184-0194	\$100,000.00	\$2,502.13	\$102,502.13	161
2006	- Lake Street, Ludlow, 3" water main replacement	184-0195	\$30,000.00		\$30,000.00	163
2006	- Western Ave. ???? (Cancelled 8-3-2006 @ \$250,000.00)				\$0.00	165
2006	- Mary Ingles Highway 3" slide problem area (Cancelled 8-3-2006 @150,000.00)				\$0.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky	184-0196	\$40,000.00		\$40,000.00	169
2/13/2006	- Holiday Lane WMR	184-0192	\$210,000.00	\$920.00	\$210,920.00	170
2006	-				\$0.00	171A
2006	- Henry Clay & Kyles Lane Water Main	184-0197	\$26,000.00	\$935.00	\$26,935.00	171B
2006	- Marcella & St Anthony Water Main	184-0198	\$383,000.00	\$16,055.00	\$399,055.00	171C
7/5/2006	- Huntington Ave WMR	184-0199	\$200,000.00	\$2,502.13	\$202,502.13	171D

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
7/5/2006	- Viewpoint Drive WMR	184-0605	\$267,000.00	\$49,347.42	\$316,347.42	171E
8/3/2006	Transfer to ORPS #2 Project Line 263		\$90,000.00		\$90,000.00	171F
8/3/2006	- Aladrew	184-	\$8,000.00		\$8,000.00	171G
2006	Allocated		\$1,354,000.00			
2006	Un-Allocated		\$146,000.00	\$8,280.00	\$154,280.00	171
	Sub-Total		\$2,854,000.00	\$80,541.68	\$3,080,541.68	
	Water Main Replacement Sub-Total		\$4,296,700.47	\$478,546.54	\$4,125,237.29	
	2006					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00	\$3,782.35	\$217.65	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00	\$3,418.00	-\$418.00	193
2006	A/C Recovery and Charger unit		\$3,000.00	\$9,010.00	-\$6,010.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00	\$21,999.00	\$1,001.00	199
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	Distribution Capital Items Sub-Total		\$273,000.00	\$138,867.35	\$134,132.65	
	Distribution Total		\$6,121,187.57	\$1,118,568.73	\$5,304,702.20	
	ENGINEERING					
	Capital Purchases					
	2006					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213
	Sub-Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Engineering Total		\$23,900.00	\$19,320.04	\$4,579.96	
	Distribution/Engineering Department Sub-Total		\$6,145,087.57	\$2,117,590.15	\$5,309,282.16	
	Water Quality & Production Operations					
	2006					
	Security systems at MPTP and 7 pump stations		\$6,600	\$5,873.05	\$726.95	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$5,275.46	\$23,224.54	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	SCADA Computer/Processor		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	Ford Taurus replace vehicle 435		\$20,000	\$12,748.00	\$7,252.00	233
	Operations Subtotal		\$135,100.00	\$26,671.51	\$108,428.49	
	LABORATORY					
	2006					
	Distribution WQ monitors		\$45,000		\$45,000.00	241
	Ford Taurus replace vehicle #430		\$20,000	\$12,748.00	\$20,000.00	243
	Refrigerator for sample storage		\$5,000		\$5,000.00	245
	Laboratory Sub-Total		\$70,000.00	\$12,748.00	\$70,000.00	
	MAINTENANCE					
	2006					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$32,372.78	\$2,627.22	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$3,702.11	\$26,297.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line ( Line 263 - Line 171F)		\$280,000	\$4,469.40	\$275,530.60	261
8/3/2006	Traveling Screen - Canceled		\$0		\$0.00	263
	Replace vehicle #410		\$25,000	\$20,742.00	\$4,258.00	265
	Replacement Pump No 8		\$20,000	\$19,505.00	\$495.00	267
	Maintenance Sub-Total		\$423,500.00	\$87,249.97	\$336,250.03	
	Water Quality & Production Department Sub-Total		\$628,600.00	\$126,669.48	\$514,678.52	
	TOTAL of Departments		\$8,944,987.57	\$3,017,633.18	\$7,245,430.13	

Northern Kentucky Water District  
Balance Sheet  
As of August 31, 2006

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,536,164	1,545,045
Accrued Payroll & Liabilities	150,252	171,581
Other Accrued Liabilities	87,405	80,329
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 6,740,821</b>	<b>6,602,955</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 980,478	271,935
Accrued Interest Payable	786,390	762,075
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 1,766,868</b>	<b>1,034,010</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 139,428,000	144,145,000
Bond Anticipation Notes Payable	21,585,000	21,585,000
Note Payable - Taylor Mill Purchase	1,875,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 162,988,000</b>	<b>167,955,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 171,495,689</b>	<b>175,591,965</b>
<b>RETAINED EARNINGS</b>	<b>\$ 109,253,991</b>	<b>103,843,027</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 280,749,680</b>	<b>279,434,992</b>
	=====	=====

Northern Kentucky Water District  
Income and Expense Report Summary  
For the Eight Months Ending August 31, 2006

Description	Aug 2005	Aug 2006	Aug Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2006 Budget
TOTAL INCOME	\$2,911,843	\$2,771,194	\$3,208,334	(13.6%)	\$22,707,423	\$22,802,984	\$25,666,669	(11.2%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,882,412	\$1,760,600	\$1,851,133	(4.9%)	\$13,314,976	\$13,509,769	\$14,809,066	(8.8%)	\$20,664,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$6,976,936	\$7,564,301	\$7,564,301	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$167,314	\$65,056	\$411,663	(84.2%)	\$2,415,511	\$1,728,914	\$3,293,303	(47.5%)	\$5,085,179

Northern Kentucky Water District  
Income and Expense Report - Detail  
For the Eight Months Ending August 31, 2006

Description	Aug 2005	Aug 2006	Aug Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 2,525,453	\$ 2,417,623	\$2,880,118	(16.1%)	\$ 20,144,289	\$ 19,968,353	\$23,040,944	(13.3%)
Forfeited Discounts	73,016	75,713	60,417	25.3%	483,353	446,005	\$483,333	(7.7%)
Rents from Water Property	57,184	33,101	43,750	(24.3%)	381,839	285,158	\$350,000	(18.6%)
Other Water Revenues	35,390	40,690	29,167	39.5%	245,495	300,607	\$233,333	28.8%
<b>Total Operating Income</b>	<b>\$2,691,043</b>	<b>\$2,567,127</b>	<b>\$3,013,462</b>	<b>(14.8%)</b>	<b>\$21,254,976</b>	<b>\$21,000,123</b>	<b>\$24,107,610</b>	<b>(12.9%)</b>
Non-Operating Income								
Interest Income	\$176,162	\$160,700	\$133,333	20.6%	\$1,049,416	\$1,386,237	\$1,066,667	30.0%
Miscellaneous	\$8,089	6,818	25,000	(72.7%)	110,639	124,232	\$200,000	(37.9%)
<b>Total Non-Operating Income</b>	<b>\$184,251</b>	<b>\$167,518</b>	<b>\$158,333</b>	<b>5.8%</b>	<b>\$1,160,055</b>	<b>\$1,510,469</b>	<b>\$1,266,667</b>	<b>19.2%</b>
Boone Florence Settlement Transfer	\$36,549	\$36,549	\$36,549	0.0%	\$292,392	\$292,392	\$292,392	0.0%
<b>TOTAL INCOME</b>	<b>\$2,911,843</b>	<b>\$2,771,194</b>	<b>\$3,208,334</b>	<b>(13.6%)</b>	<b>\$22,707,423</b>	<b>\$22,802,984</b>	<b>\$25,666,669</b>	<b>(11.2%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water Treatment, Pumping & Storage	\$768,625	\$734,220	\$695,762	5.5%	\$5,381,919	\$5,374,149	\$5,566,094	(3.4%)
Engineering & Distribution	582,184	405,590	523,282	(22.5%)	3,710,511	3,508,631	\$4,186,258	(16.2%)
Customer Service	266,706	233,803	337,398	(30.7%)	2,252,558	2,242,120	\$2,699,182	(16.9%)
Administration	264,897	386,987	294,691	31.3%	1,969,988	2,384,869	\$2,357,531	1.2%
<b>Total O &amp; M Expenses</b>	<b>\$1,882,412</b>	<b>\$1,760,600</b>	<b>\$1,851,133</b>	<b>(4.9%)</b>	<b>\$13,314,976</b>	<b>\$13,509,769</b>	<b>\$14,809,065</b>	<b>(8.8%)</b>
Transfer to debt service	\$872,117	\$946,538	\$945,538	0.0%	\$6,976,936	\$7,664,301	\$7,564,301	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,754,529</b>	<b>\$2,706,138</b>	<b>\$2,796,671</b>	<b>(3.2%)</b>	<b>\$20,291,912</b>	<b>\$21,074,070</b>	<b>\$22,373,366</b>	<b>(5.8%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$167,314</b>	<b>\$65,056</b>	<b>\$411,663</b>	<b>(84.2%)</b>	<b>\$2,415,511</b>	<b>\$1,728,914</b>	<b>\$3,293,303</b>	<b>(47.5%)</b>

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Eight Months Ending August 31, 2006

Division	Aug Actual	Aug Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$734,220	\$695,762	5.5%	\$5,374,149	\$5,566,094	(3.4%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	406,590	523,282	(22.5%)	3,508,631	\$4,186,258	(16.2%)	6,279,386	
CUSTOMER SERVICE	233,803	337,398	(30.7%)	2,242,120	\$2,699,182	(16.9%)	4,048,773	
ADMINISTRATION	386,987	294,691	31.3%	2,384,869	\$2,357,531	1.2%	3,536,297	Prepaid payroll for one week included in August.
<b>TOTAL O AND M</b>	<b>\$1,760,600</b>	<b>\$1,851,133</b>	<b>(4.9%)</b>	<b>\$13,509,769</b>	<b>\$14,809,065</b>	<b>(8.8%)</b>	<b>\$22,213,597</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eight Months Ending August 31, 2006

Department	Aug Actual	Aug Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY								
Licking River Pump Station	\$4,469	\$3,833	16.6%	\$45,360	\$30,667	47.9%	\$ 46,000	
Ohio River Pump Station # 1	38,869	44,083	(11.8%)	306,178	\$352,667	(13.2%)	529,000	
Ohio River Pump Station # 2	4,826	5,167	(6.6%)	41,694	\$41,333	0.9%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$48,164</b>	<b>\$53,083</b>	<b>(9.3%)</b>	<b>\$393,232</b>	<b>\$424,667</b>	<b>(7.4%)</b>	<b>\$637,000</b>	
WATER QUALITY								
Ft. Thomas Treatment Plant	\$225,939	\$275,395	(18.0%)	\$1,636,497	\$2,203,161	(25.7%)	\$ 3,304,742	
Taylor Mill Treatment Plant	84,170	50,421	66.9%	574,013	\$403,367	42.3%	\$605,050	Increased use of chemicals at TMTP. Electric cost up.
Memorial Parkway Treatment Plant	56,260	67,950	(17.2%)	488,197	\$543,600	(10.2%)	\$815,400	
Laboratory	63,773	60,950	4.6%	488,437	\$487,600	0.2%	\$731,400	
Instrumentation	26,981	27,821	(3.0%)	215,389	\$222,567	(3.2%)	\$333,850	
Sludge	12,458	13,958	(10.7%)	114,013	\$111,667	2.1%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$469,579</b>	<b>\$496,485</b>	<b>(5.4%)</b>	<b>\$3,516,546</b>	<b>\$3,971,961</b>	<b>(11.6%)</b>	<b>\$5,967,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$216,477</b>	<b>\$146,183</b>	<b>48.1%</b>	<b>\$1,464,371</b>	<b>\$1,169,467</b>	<b>25.2%</b>	<b>\$ 1,754,200</b>	Higher electric cost at dudley, TM and US27 treatment plants.
<b>TOTAL SOS, WG, P &amp; S</b>	<b>\$734,220</b>	<b>\$695,762</b>	<b>5.5%</b>	<b>\$5,374,149</b>	<b>\$5,566,094</b>	<b>(3.4%)</b>	<b>\$8,349,142</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eight Months Ending August 31, 2006

Department	Aug Actual	Aug Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$95,584	\$112,323	(14.9%)	\$796,683	\$898,583	(11.3%)	\$1,347,875	
Distribution	310,006	410,959	(24.6%)	2,711,948	\$3,287,674	(17.5%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$405,590</b>	<b>\$523,282</b>	<b>(22.6%)</b>	<b>\$3,508,631</b>	<b>\$4,186,258</b>	<b>(16.2%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$59,943	\$69,393	(13.6%)	\$512,128	\$555,142	(7.7%)	\$ 832,714	
Meter Shop	25,705	28,727	(10.5%)	220,844	\$229,813	(3.9%)	344,719	
Courier/Maintenance	4,722	5,108	(7.6%)	38,339	\$40,867	(6.2%)	61,300	
Account Service	80,364	128,642	(37.5%)	858,580	\$1,029,133	(16.6%)	1,543,700	
Meter Reading	23,616	28,720	(17.8%)	217,677	\$229,758	(5.3%)	344,637	
Flushing	599	25,559	(97.7%)	3,823	\$204,469	(98.1%)	306,703	
Other	38,854	51,250	(24.2%)	390,728	\$410,000	(4.7%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$233,803</b>	<b>\$337,398</b>	<b>(30.7%)</b>	<b>\$2,242,120</b>	<b>\$2,699,182</b>	<b>(16.9%)</b>	<b>\$ 4,048,773</b>	

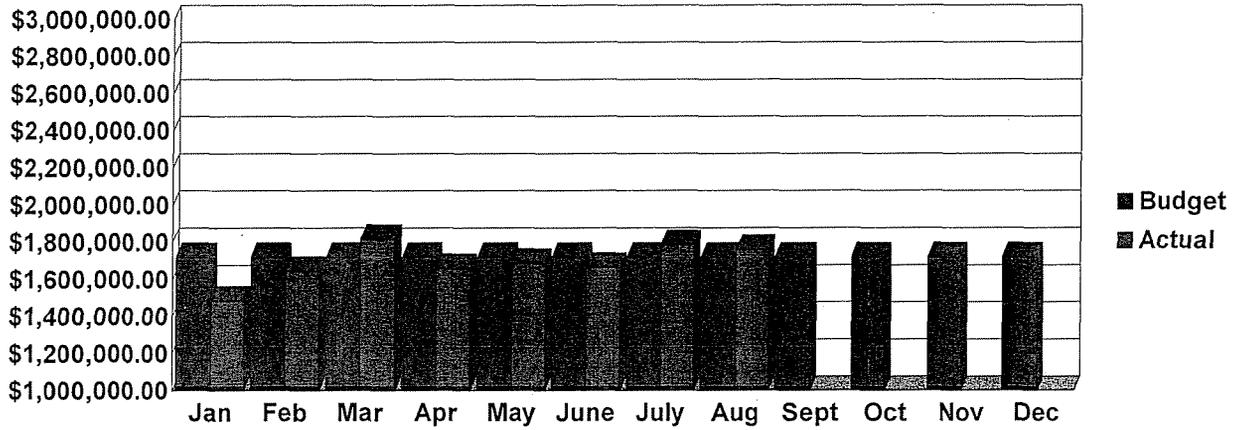
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eight Months Ending August 31, 2006

Department	Aug Actual	Aug Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
ADMINISTRATION								
Executive Management	\$35,169	\$44,392	(20.7%)	\$337,751	\$355,135	(4.9%)	\$ 532,703	
Board of Commissioners	9,274	9,447	(1.8%)	79,899	\$75,576	5.7%	113,364	
Accounting	25,213	29,850	(15.5%)	214,449	\$238,800	(10.2%)	358,200	
H. R., Information Systems, Safety	114,322	117,611	(2.8%)	925,329	\$940,886	(1.7%)	1,411,330	
Other	202,989	93,392	117.4%	827,441	\$747,133	10.7%	1,120,700	Includes one week prepaid payroll.
TOTAL ADMINISTRATION	\$386,987	\$294,691	31.3%	\$2,384,869	\$2,357,531	1.2%	\$ 3,536,297	
TOTAL O & M	\$1,760,600	\$1,851,133	(4.9%)	\$13,509,769	\$14,809,065	(9.8%)	\$22,213,598	

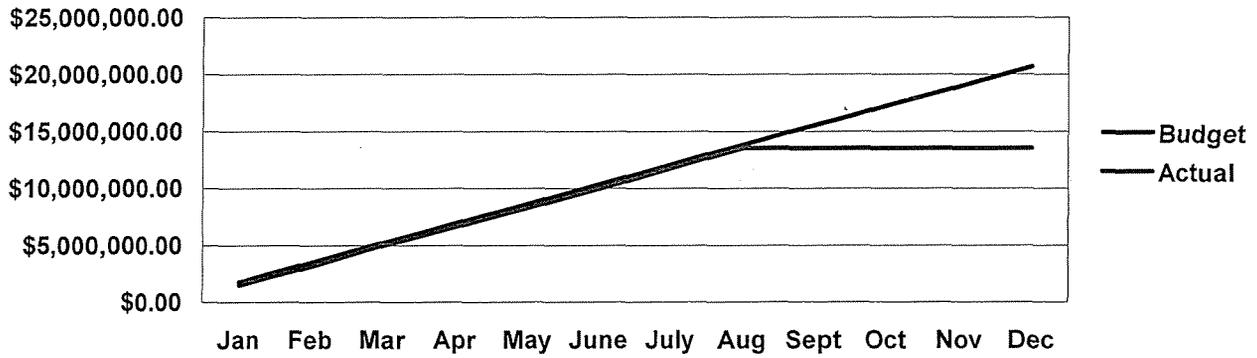
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Eight Months Ending August 31, 2006**

Account	Aug Actual	Aug Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$672,962	\$677,403	(0.7%)	\$5,085,410	\$5,419,222	(6.6%)	
Employee Pension & Benefits	246,696	228,628	7.9%	\$1,865,407	\$1,829,021	2.0%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	39,022	49,047	(20.4%)	\$355,517	\$392,375	(10.4%)	
Purchased Power	183,185	143,275	27.9%	\$1,259,511	\$1,146,200	9.0%	Higher purchases of power at Dudley Pike, US27, and TMTP.
Chemicals	131,884	70,208	87.8%	\$790,456	\$561,667	28.9%	Increased use of chemicals at TMTP and FTTP.
Materials & Supplies	106,102	137,029	(22.6%)	\$1,129,386	\$1,096,233	2.9%	
Contractual Services	232,945	384,106	(39.4%)	\$1,772,289	\$3,072,847	(73.4%)	
Rent	0	708	(100.0%)	\$2,506	\$5,667	(126.1%)	Rental space from Heritage no longer needed.
Transportation	47,351	30,413	55.7%	\$302,953	\$243,300	19.7%	Increase in gas prices, consumption in Distribution.
Insurance	49,143	57,104	(13.9%)	\$367,749	\$456,833	(24.2%)	Lower general liability insurance costs in 2006.
Advertising	1,903	875	117.4%	\$6,151	\$7,000	(13.8%)	
Bad Debt Expense	34,809	45,833	(24.1%)	\$361,309	\$366,667	(1.5%)	
Miscellaneous	4,652	5,421	(14.2%)	\$59,959	\$43,366	27.7%	
Regulatory Commission Assessment	9,944	21,063	(52.8%)	\$151,166	\$168,667	(11.6%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,760,600</b>	<b>\$1,851,133</b>	<b>(4.9%)</b>	<b>\$13,509,769</b>	<b>\$14,809,065</b>	<b>(8.8%)</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



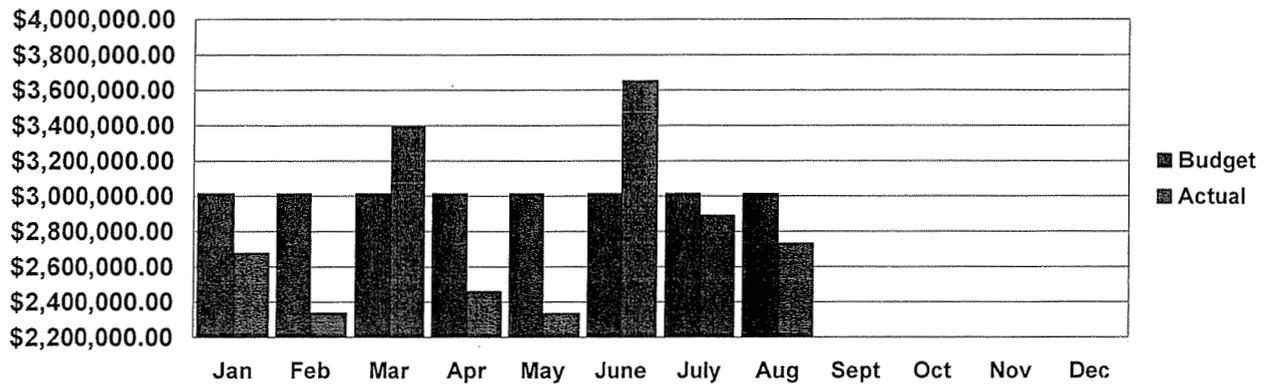
### NKWD O&M YTD Trending 2006 - Budget To Actual



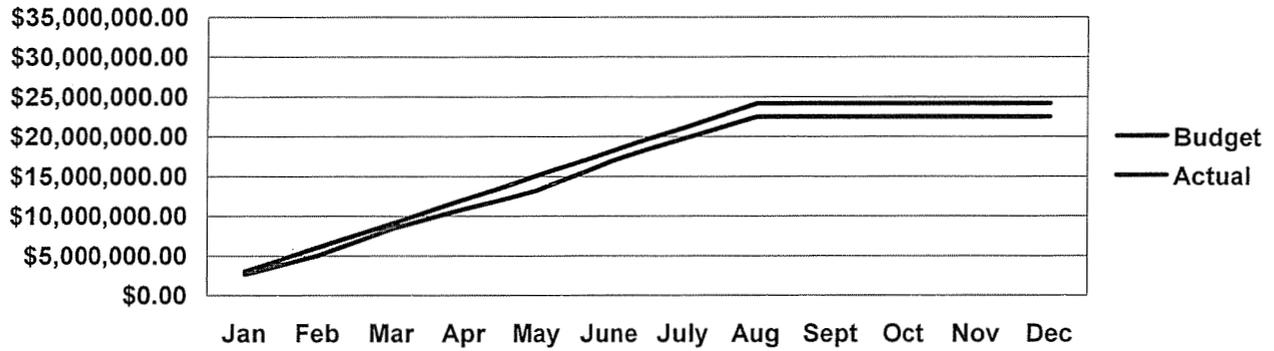
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Eight Months Ending August 31, 2006

Description	Aug Actual	Aug Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,417,623	\$ 2,880,118	(16.1%)	\$ 19,968,353	\$ 23,040,944	(13.3%)	Lower water revenue because of wet months.
Forfeited Discounts	75,713	60,417	25.3%	446,005	\$ 483,333	(7.7%)	
Rents from Water Property	33,101	43,750	(24.3%)	285,158	\$ 350,000	(18.5%)	
Other Water Revenues	40,690	29,167	39.5%	300,607	\$ 233,333	28.8%	
<b>Total Operating Revenues</b>	<b>\$2,567,127</b>	<b>\$3,013,452</b>	<b>(14.8%)</b>	<b>\$21,000,123</b>	<b>\$24,107,610</b>	<b>(12.9%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$160,700	\$133,333	20.5%	\$1,386,237	\$ 1,066,667	30.0%	Higher interest income because of increase in rates.
Miscellaneous	6,818	25,000	(72.7%)	124,232	\$ 200,000	(37.9%)	
<b>Total Non-Operating Income</b>	<b>\$167,518</b>	<b>\$158,333</b>	<b>5.8%</b>	<b>\$1,510,469</b>	<b>\$1,266,667</b>	<b>19.2%</b>	
<b>TOTAL INCOME</b>	<b>\$2,734,645</b>	<b>\$3,171,785</b>	<b>(13.8%)</b>	<b>\$22,510,592</b>	<b>\$25,374,277</b>	<b>(11.3%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District

Expense Report by Division Actual to Actual  
For the Eight Months Ending August 31, 2006

Division	Aug 2006	Aug 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$734,220	\$768,625	(4.5%)	\$5,374,149	\$5,381,919	(0.1%)	
ENGINEERING & DISTRIBUTION	405,590	582,184	(30.3%)	3,508,631	3,710,511	(5.4%)	
CUSTOMER SERVICE	233,803	266,706	(12.3%)	2,242,120	2,252,558	(0.5%)	
ADMINISTRATION	386,987	264,897	46.1%	2,384,869	1,969,988	21.1%	August includes one week prepaid wages.
<b>TOTAL O AND M</b>	<b>\$1,760,600</b>	<b>\$1,882,412</b>	<b>(6.5%)</b>	<b>\$13,509,769</b>	<b>\$13,314,976</b>	<b>1.5%</b>	

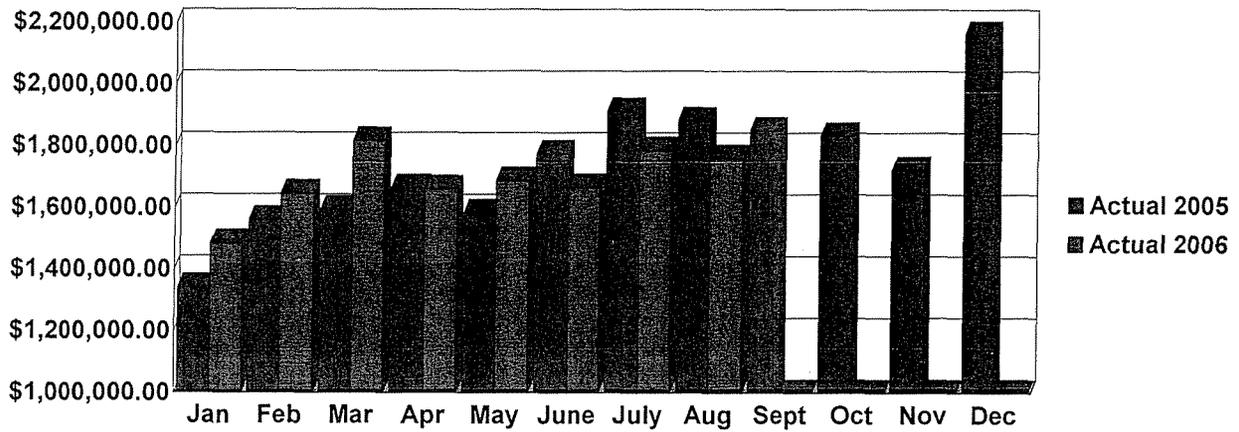
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Eight Months Ending August 31, 2006**

Account	Aug 2006	Aug 2006	Aug 2006	YTD 2006	YTD 2005	Variance Over (Under)	Variance Over (Under)	Explanation
O & M Expenses								
Salaries & Wages	\$672,962	\$580,064	16.0%	\$5,085,410	\$4,879,612	4.2%		05 wage expense does not reflect full month.
Employee Pension & Benefits	\$246,696	213,861	15.4%	\$1,865,407	\$1,588,104	17.8%		Higher pension and healthcare costs.
Taxes Other than Income Taxes	39,022	40,935	(4.7%)	\$355,517	\$348,735	1.9%		
Purchased Power	183,185	185,578	(1.3%)	\$1,259,511	\$1,365,890	(7.8%)		
Chemicals	131,884	117,540	12.2%	\$790,456	\$656,237	20.5%		
Materials & Supplies	106,102	167,129	(36.5%)	\$1,129,386	\$1,009,791	11.8%		
Contractual Services	232,945	410,366	(43.2%)	\$1,772,289	\$2,183,658	(18.8%)		
Rent	0	835	0.0%	\$2,506	\$7,348	(65.9%)		Space from Heritage no longer needed.
Transportation	47,351	41,998	12.7%	\$302,953	\$250,065	21.1%		
Insurance	49,143	55,263	(11.1%)	\$367,749	\$462,699	(20.5%)		Lower general liability insurance costs in 2006.
Advertising	1,903	1,927	(1.3%)	\$6,151	\$6,606	(6.9%)		
Bad Debt Expense	34,809	39,822	(12.6%)	\$361,309	\$353,233	2.3%		
Miscellaneous	4,652	5,329	(12.7%)	\$59,959	\$33,574	78.6%		
Regulatory Commission Assessment	9,944	21,745	(54.3%)	\$151,166	\$171,423	(11.8%)		2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,760,600</b>	<b>\$1,882,412</b>	<b>(6.5%)</b>	<b>\$13,509,769</b>	<b>\$13,314,976</b>	<b>1.5%</b>		

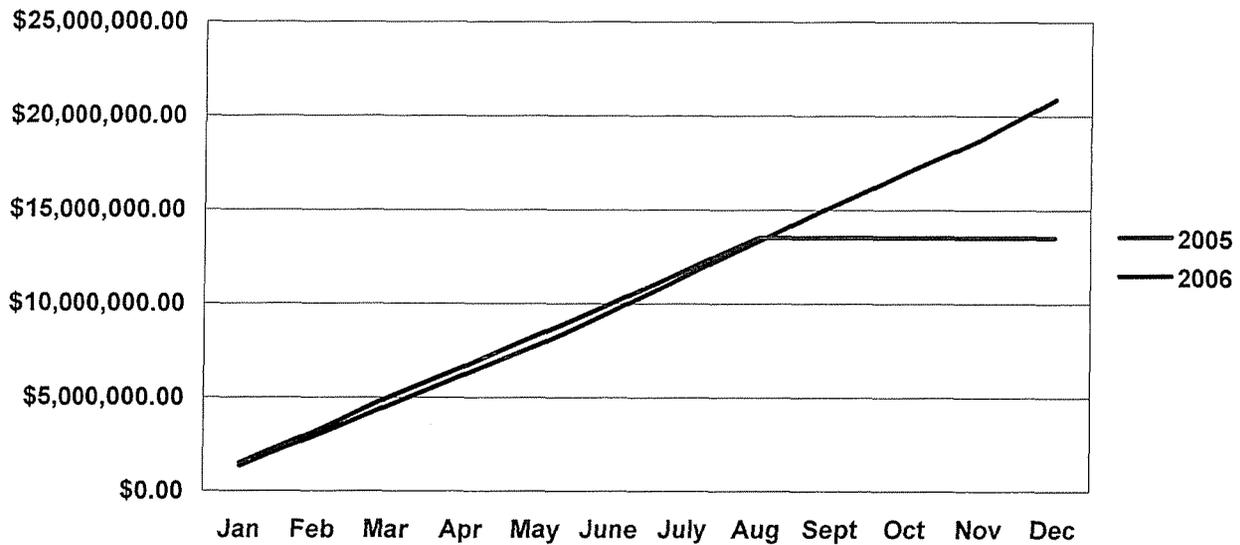
Northern Kentucky Water District  
Income Report Actual to Actual  
For the Eight Months Ending August 31, 2006

Description	Aug 2006	Aug 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 2,417,623	\$ 2,525,453	(4.3%)	\$ 19,968,353	\$ 20,144,289	(0.9%)	Lower water revenue because of wet months.
Forfeited Discounts	75,713	73,016	3.7%	446,005	483,353	(7.7%)	
Rents from Water Property	33,101	57,184	(42.1%)	285,158	381,839	(25.3%)	
Other Water Revenues	40,690	35,390	15.0%	300,607	245,495	22.4%	
<b>Total Operating Revenues</b>	<b>\$2,567,127</b>	<b>\$2,691,043</b>	<b>(4.6%)</b>	<b>\$21,000,123</b>	<b>\$21,254,976</b>	<b>(1.2%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$160,700	\$176,162	(8.8%)	\$1,386,237	\$1,049,416	32.1%	Higher YTD interest income because of increase in rates.
Miscellaneous	6,818	\$8,089	(15.7%)	124,232	110,639	12.3%	
<b>Total Non-Operating Income</b>	<b>\$167,518</b>	<b>\$184,251</b>	<b>(9.1%)</b>	<b>\$1,510,469</b>	<b>\$1,160,055</b>	<b>30.2%</b>	
<b>TOTAL INCOME</b>	<b>\$2,734,645</b>	<b>\$2,875,294</b>	<b>(4.9%)</b>	<b>\$22,510,592</b>	<b>\$22,415,031</b>	<b>0.4%</b>	

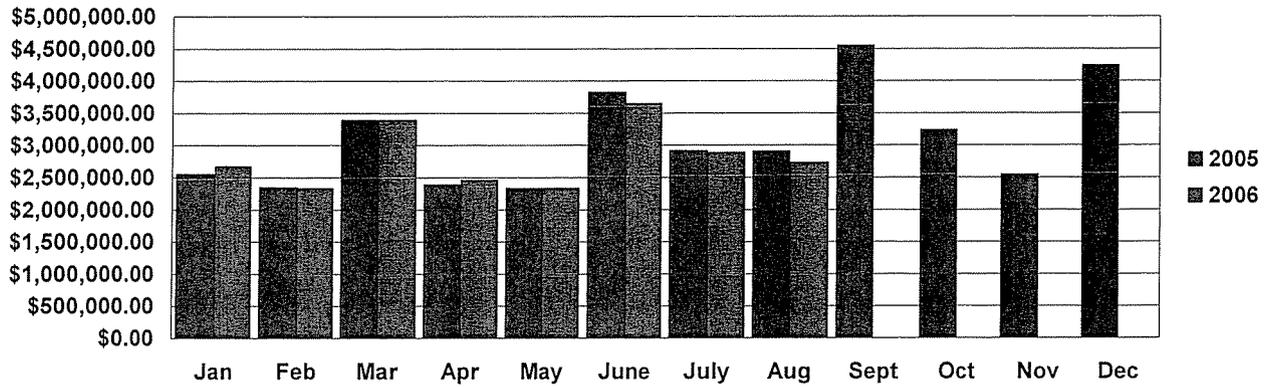
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



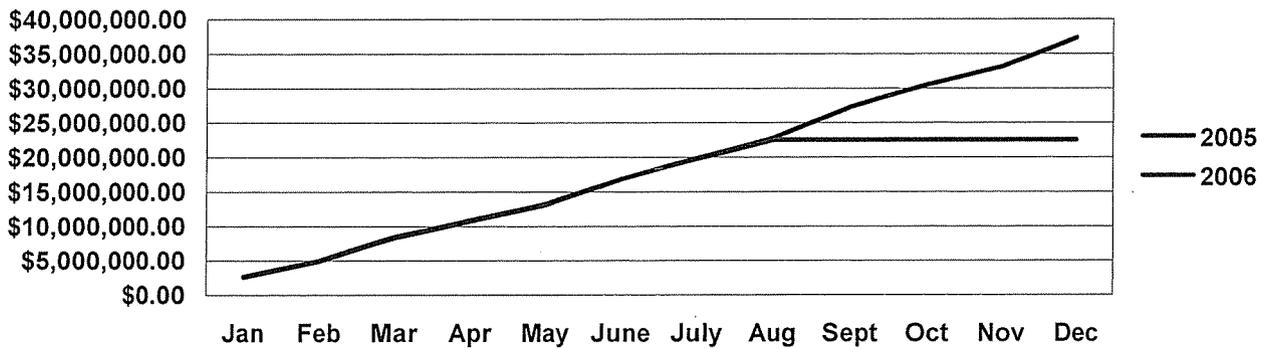
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$270,169.92	\$129,830.08	5
	Sub-Total		\$440,000.00	\$270,169.92	\$169,830.08	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$37,747.14	\$62,252.86	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00		\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00	\$19,950.00	\$75,350.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00		\$145,000.00	17
	Sub-Total		\$432,500.00	\$62,407.14	\$370,092.86	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$332,577.06</b>	<b>\$539,922.94</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$76,286.28	\$23,713.72	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00		\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00	\$14,086.00	\$20,914.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$103,928.28	\$136,127.72	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$67,245.91	\$132,754.09	45
	- For Chipper		-\$11,000.00		-\$11,000.00	
	Sub-Total		\$189,000.00	\$67,245.91	\$121,754.09	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$415,500.00</b>	<b>\$171,174.19</b>	<b>\$257,881.81</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00	\$975.00	\$525.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct. Services Area at Central Facility		\$4,000.00	\$2,536.40	\$1,463.60	55
2006	Electronic Message Center for Central Facility		\$18,000.00	\$3,085.06	\$14,914.94	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00	\$3,666.30	-\$166.30	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,860.00	\$1,140.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$18,110.90	\$41,089.10	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00	\$150,700.00	\$449,300.00	111
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00	\$16,211.00	\$2,789.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$806,000.00	\$176,609.28	\$629,390.72	
	<b>Customer Service Department Sub-Total</b>		<b>\$872,300.00</b>	<b>\$194,720.18</b>	<b>\$677,579.82</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$127,990.55	\$18,888.20	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants & Mainline Cleaning Projects		\$950,000.00	\$455,410.18	\$494,589.82	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$1,183,000.00	\$455,410.18	\$727,589.82	
	<b>Mainline Improvement Sub-Total</b>		<b>\$1,329,878.75</b>	<b>\$583,400.73</b>	<b>\$746,478.02</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-0208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-0211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-0214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-0215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-0218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-0219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-0221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-0222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project	184-0224	\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-0226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	<b>Engineering Service for KDOT Projects (Upcoming)</b>		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14	184-0227	\$5,000.00		\$5,000.00	153
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)	184-0228	\$5,000.00			
2006	KDOT - US27 to AA Highway KY 538 Extension	184-0229	\$8,000.00		\$8,000.00	155
	Sub-Total		\$78,000.00	\$0.00	\$73,000.00	157
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$221,608.35</b>	<b>\$0.00</b>	<b>\$216,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-0151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-0151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50	184-0187	\$309,671.50	\$222,224.12	\$87,447.38	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization	184-	\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening	184-	\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$222,224.12	\$572,447.38	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-0179	\$75,000.00	\$56,412.00	\$18,588.00	05-210b
2005	Audubon Road	184-0186	\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)	184-0601	\$80,000.00	\$5,971.63	\$74,028.37	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-0176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)	194-0600	\$100,000.00	\$3,006.66	\$96,993.34	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-0178	\$145,000.00	\$116,415.57	\$28,584.43	05-224
	Sub-Total		\$545,328.50	\$307,115.29	\$238,213.21	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlisle Water Main Replacement (Steel)	184-0194	\$100,000.00	\$5,971.61	\$105,971.61	161
2006	- Lake Street, Ludlow, 3" water main replacement	184-0195	\$30,000.00	\$3,006.67	\$33,006.67	163
2006	- Western Ave. ??? (Cancelled 8-3-2006 @ \$250,000.00))				\$0.00	165
2006	- Mary Ingles Highway 3" slide problem area (Cancelled 8-3-2006 @150,000.00)				\$0.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky	184-0196	\$40,000.00	\$3,006.67	\$43,006.67	169
2006	- Holiday Lane WMR	184-0192	\$210,000.00	\$89,823.80	\$299,823.80	171A
2006	- Henry Clay & Kyles Lane Water Main	184-0197	\$26,000.00	\$935.00	\$26,935.00	171B
2006	- Marcella & St Anthony Water Main	184-0198	\$383,000.00	\$16,900.00	\$399,900.00	171C
7/5/2006	- Huntington Ave WMR	184-0199	\$200,000.00	\$5,971.62	\$205,971.62	171D
7/5/2006	- Viewpoint Drive WMR	184-0605	\$267,000.00	\$59,515.27	\$326,515.27	171E

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
8/3/2006	Transfer to ORPS #2 Project Line 263		\$90,000.00		\$90,000.00	171F
8/3/2006	- Alldrew Drive - Cold Spring	184-0607	\$8,000.00	\$4,495.00	\$12,495.00	171G
2006	Allocated		\$1,354,000.00			
2006	Un-Allocated		\$146,000.00	\$8,280.00	\$154,280.00	171
8/31/2006	- Brookwood Drive - Landside Area (From Line 05-210B)	184-608	\$54,000.00		\$54,000.00	172
	Sub-Total		\$2,908,000.00	\$197,905.64	\$3,251,905.64	
	<b>Water Main Replacement Sub-Total</b>		<b>\$4,296,700.47</b>	<b>\$727,245.05</b>	<b>\$4,111,266.70</b>	
	<b>2006</b>					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00	\$3,782.35	\$217.65	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00		\$2,000.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00		\$12,000.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00	\$3,418.00	-\$418.00	193
2006	A/C Recovery and Charger unit		\$3,000.00	\$9,010.00	-\$6,010.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00	\$21,999.00	\$1,001.00	199
8/22/2006	Vermeer Chipper/Schredder -		\$11,000.00	\$6,350.00	\$4,650.00	200
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	<b>Distribution Capital Items Sub-Total</b>		<b>\$284,000.00</b>	<b>\$145,217.35</b>	<b>\$138,782.65</b>	
	<b>Distribution Total</b>		<b>\$6,132,187.57</b>	<b>\$1,455,863.13</b>	<b>\$5,213,135.72</b>	
	<b>ENGINEERING</b>					
	<b>Capital Purchases</b>					
	<b>2006</b>					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213
	Sub-Total		\$23,900.00	\$19,320.04	\$4,579.96	
	<b>Engineering Total</b>		<b>\$23,900.00</b>	<b>\$19,320.04</b>	<b>\$4,579.96</b>	
	<b>Distribution/Engineering Department Sub-Total</b>		<b>\$6,156,087.57</b>	<b>\$2,785,828.95</b>	<b>\$5,217,715.68</b>	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2006</b>					
	Security systems at MPTP and 7 pump stations		\$6,600	\$6,175.41	\$424.59	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$5,275.46	\$23,224.54	223
	Operator lab instruments		\$4,800	\$905.00	\$3,895.00	225
	SCADA Computer/Processor		\$6,500		\$6,500.00	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	Ford Taurus replace vehicle 435		\$20,000	\$12,748.00	\$7,252.00	233
	<b>Operations Subtotal</b>		<b>\$135,100.00</b>	<b>\$26,973.87</b>	<b>\$108,126.13</b>	
	<b>LABORATORY</b>					
	<b>2006</b>					
	Distribution WQ monitors		\$45,000	\$1,139.00	\$43,861.00	241
	Ford Taurus replace vehicle #430		\$20,000	\$12,748.00	\$20,000.00	243
	Refrigerator for sample storage		\$5,000	\$3,325.29	\$1,674.71	245
	<b>Laboratory Sub-Total</b>		<b>\$70,000.00</b>	<b>\$17,212.29</b>	<b>\$65,535.71</b>	
	<b>MAINTENANCE</b>					
	<b>2006</b>					
	Replace FTTP backwash pump		\$8,000		\$8,000.00	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$34,782.87	\$217.13	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$8,962.11	\$21,037.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line ( Line 263 - Line 171F)		\$280,000	\$11,173.50	\$268,826.50	261
8/3/2006	Traveling Screen - Canceled		\$0		\$0.00	263
	Replace vehicle #410		\$25,000	\$20,742.00	\$4,258.00	265
	Replacement Pump No 8		\$20,000	\$19,505.00	\$495.00	267
	<b>Maintenance Sub-Total</b>		<b>\$423,500.00</b>	<b>\$101,624.16</b>	<b>\$321,875.84</b>	
	<b>Water Quality &amp; Production Department Sub-Total</b>		<b>\$628,600.00</b>	<b>\$145,810.32</b>	<b>\$495,537.68</b>	
	<b>TOTAL of Departments</b>		<b>\$8,944,987.57</b>	<b>\$3,630,110.70</b>	<b>\$7,188,637.93</b>	



**Northern Kentucky Water District  
Balance Sheet  
As of September 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,118,813	4,069,759
Accounts Receivable		
Customers	4,675,255	4,198,004
Unbilled Customers	4,900,000	4,900,000
Other	242,598	432,640
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,174,267	1,169,967
Prepaid Expenses	1,997,236	898,111
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 17,145,936</b>	<b>15,705,732</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 16,061,935	20,836,087
Debt Service Reserve Account	12,931,959	12,297,269
Debt Service Account	4,973,793	3,998,195
Improvement, Repair & Replacement	798,840	3,660,296
Boone/Florence Settlement Account	3,397,795	3,727,822
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 38,164,322</b>	<b>44,519,669</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,408,388	9,889,704
Capital Assets:		
Land, System, Buildings and Equipment	\$ 255,504,662	248,626,498
Construction in Progress	28,869,816	16,643,587
Total Capital Assets before accumulated depreciation	\$ 284,374,478	265,270,085
Less Accumulated Depreciation	(58,649,527)	(53,445,973)
Total capital assets, net of accumulated depreciation	\$ 225,724,951	211,824,112
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 235,133,339</b>	<b>221,713,816</b>
<b>TOTAL ASSETS</b>	<b>\$ 290,443,597</b>	<b>281,939,217</b>
	=====	=====

**Northern Kentucky Water District  
Balance Sheet  
As of September 30, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 4,967,000	4,806,000
Accounts Payable	1,478,030	1,462,824
Accrued Payroll & Liabilities	299,261	292,543
Other Accrued Liabilities	205,565	190,073
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 6,949,856</b>	<b>6,751,440</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 916,988	271,935
Accrued Interest Payable	1,072,683	1,346,312
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 1,989,671</b>	<b>1,618,247</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 168,428,000	144,145,000
Bond Anticipation Notes Payable		21,585,000
Note Payable - Taylor Mill Purchase	1,875,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 170,403,000</b>	<b>167,955,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 179,342,527</b>	<b>176,324,687</b>
<b>RETAINED EARNINGS</b>	<b>\$ 111,101,073</b>	<b>105,614,530</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 290,443,597</b>	<b>281,939,217</b>

Northern Kentucky Water District  
Income and Expense Report Summary  
For the Nine Months Ending September 30, 2006

Description	Sept 2005	Sept 2006	Sept Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$4,552,243	\$4,645,334	\$3,208,334	44.8%	\$27,259,666	\$27,448,317	\$28,875,003	(4.9%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,850,786	\$1,879,645	\$1,851,133	1.5%	\$15,165,761	\$15,247,608	\$16,660,198	(8.5%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$7,849,053	\$8,509,839	\$8,509,839	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$1,829,341	\$1,820,151	\$411,663	342.1%	\$4,244,852	\$3,690,870	\$3,704,966	(0.4%)	\$5,085,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Nine Months Ending September 30, 2006**

Description	Sept 2005	Sept 2006	Sept Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 4,316,349	\$ 4,324,187	\$2,880,118	50.1% (14.1%)	\$ 24,460,638	\$ 24,292,540	\$25,921,062	(6.3%)
Forfeited Discounts	76,867	51,868	60,417		560,220	497,873	\$543,750	(8.4%)
Rents from Water Property	15,612	49,990	43,750	14.3%	397,451	335,147	\$393,750	(14.9%)
Other Water Revenues	19,805	10,155	29,167	(65.2%)	265,300	310,762	\$262,500	18.4%
<b>Total Operating Income</b>	<b>\$4,428,633</b>	<b>\$4,436,200</b>	<b>\$3,013,452</b>	<b>47.2%</b>	<b>\$25,683,609</b>	<b>\$25,436,322</b>	<b>\$27,121,062</b>	<b>(6.2%)</b>
Non-Operating Income								
Interest Income	\$80,476	\$156,883	\$133,333	17.7%	\$1,129,892	\$1,543,120	\$1,200,000	28.6%
Miscellaneous	\$6,585	15,702	25,000	(37.2%)	117,224	139,934	\$225,000	(37.8%)
<b>Total Non-Operating Income</b>	<b>\$87,061</b>	<b>\$172,585</b>	<b>\$158,333</b>	<b>9.0%</b>	<b>\$1,247,116</b>	<b>\$1,683,054</b>	<b>\$1,425,000</b>	<b>18.1%</b>
Boone Florence Settlement Transfer								
	\$36,549	\$36,549	\$36,549	0.0%	\$328,941	\$328,941	\$328,941	0.0%
<b>TOTAL INCOME</b>	<b>\$4,552,243</b>	<b>\$4,645,334</b>	<b>\$3,208,334</b>	<b>44.8%</b>	<b>\$27,259,666</b>	<b>\$27,448,317</b>	<b>\$28,875,003</b>	<b>(4.9%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water	\$695,216	\$721,526	\$695,762	3.7%	\$6,077,135	\$6,095,676	\$6,261,856	(2.7%)
Treatment, Pumping & Storage	570,839	556,901	523,282	6.4%	4,281,350	4,065,531	\$4,709,540	(13.7%)
Engineering & Distribution	312,800	323,289	337,398	(4.2%)	2,565,358	2,565,410	\$3,036,580	(16.6%)
Customer Service	271,930	277,929	294,691	(6.7%)	2,241,919	2,520,992	\$2,652,223	(4.9%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,850,785</b>	<b>\$1,879,645</b>	<b>\$1,851,133</b>	<b>1.5%</b>	<b>\$15,165,761</b>	<b>\$15,247,608</b>	<b>\$16,660,198</b>	<b>(8.6%)</b>
Transfer to debt service	\$872,117	\$945,538	\$945,538	0.0%	\$7,849,063	\$8,509,839	\$8,509,839	0.0%
<b>TOTAL EXPENSES</b>	<b>\$2,722,902</b>	<b>\$2,825,183</b>	<b>\$2,796,671</b>	<b>1.0%</b>	<b>\$23,014,814</b>	<b>\$23,757,447</b>	<b>\$25,170,037</b>	<b>(5.6%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$1,829,341</b>	<b>\$1,820,151</b>	<b>\$411,663</b>	<b>342.1%</b>	<b>\$4,244,852</b>	<b>\$3,690,870</b>	<b>\$3,704,966</b>	<b>(0.4%)</b>

**Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Nine Months Ending September 30, 2006**

Division	Sept Actual	Sept Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$721,526	\$695,762	3.7%	\$6,095,676	\$6,261,856	(2.7%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	556,901	523,282	6.4%	4,065,531	\$4,709,540	(13.7%)	6,279,386	
CUSTOMER SERVICE	323,289	337,398	(4.2%)	2,565,410	\$3,036,580	(15.5%)	4,048,773	
ADMINISTRATION	277,929	294,691	(5.7%)	2,520,992	\$2,652,223	(4.9%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,879,645</b>	<b>\$1,851,133</b>	<b>1.5%</b>	<b>\$15,247,608</b>	<b>\$16,660,198</b>	<b>(8.5%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Nine Months Ending September 30, 2006**

Department	Sept Actual	Sept Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$5,050	\$3,833	31.7%	\$50,410	\$34,500	46.1%	\$ 46,000	
Ohio River Pump Station # 1	41,360	44,083	(6.2%)	347,538	\$396,750	(12.4%)	529,000	
Ohio River Pump Station # 2	8,805	5,167	70.4%	50,500	\$46,500	8.6%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$55,215</b>	<b>\$53,083</b>	<b>4.0%</b>	<b>\$448,448</b>	<b>\$477,750</b>	<b>(6.1%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$226,322	\$275,395	(17.8%)	\$1,862,818	\$2,478,556	(24.8%)	\$ 3,304,742	
Taylor Mill Treatment Plant	60,713	50,421	20.4%	634,725	\$453,787	39.9%	\$605,050	
Memorial Parkway Treatment Plant	56,789	67,950	(16.4%)	544,986	\$611,550	(10.9%)	\$815,400	
Laboratory	80,742	60,950	32.5%	569,179	\$548,550	3.8%	\$731,400	Increase in purchases of materials and supplies (Trays for bacteria testing).
Instrumentation	37,392	27,821	34.4%	252,782	\$250,387	1.0%	\$333,850	Increase in Contractual services-On Site flow verification
Sludge	18,189	13,958	30.3%	132,202	\$125,625	5.2%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$480,145</b>	<b>\$496,495</b>	<b>(3.3%)</b>	<b>\$3,996,692</b>	<b>\$4,468,456</b>	<b>(10.6%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$186,165</b>	<b>\$146,183</b>	<b>27.4%</b>	<b>\$1,650,536</b>	<b>\$1,315,650</b>	<b>25.5%</b>	<b>\$ 1,754,200</b>	Increased electric costs at , Dudley, TMTP.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$721,526</b>	<b>\$695,762</b>	<b>3.7%</b>	<b>\$6,095,676</b>	<b>\$6,261,856</b>	<b>(2.7%)</b>	<b>\$8,349,142</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Nine Months Ending September 30, 2006

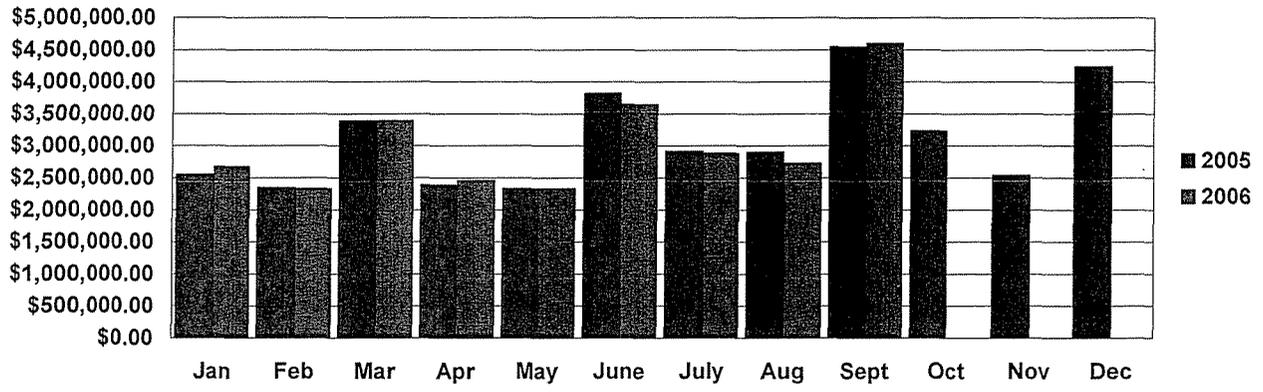
Department	Sept Actual	Sept Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$111,753	\$112,323	(0.5%)	\$908,436	\$1,010,906	(10.1%)	\$1,347,875	
Distribution	445,148	410,959	8.3%	3,157,095	\$3,698,633	(14.6%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$556,901</b>	<b>\$523,282</b>	<b>6.4%</b>	<b>\$4,065,531</b>	<b>\$4,709,540</b>	<b>(13.7%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$74,615	\$69,393	7.5%	\$586,744	\$624,535	(6.1%)	\$ 832,714	
Meter Shop	34,354	28,727	19.6%	255,199	\$258,540	(1.3%)	344,719	
Counter/Maintenance	7,732	5,108	51.4%	46,071	\$45,975	0.2%	61,300	
Account Service	134,244	128,642	4.4%	992,824	\$1,157,775	(14.2%)	1,543,700	
Meter Reading	28,789	28,720	0.2%	246,465	\$258,478	(4.6%)	344,637	
Flushing	599	25,559	(97.7%)	3,835	\$230,027	(98.3%)	306,703	Labor costs moved to different departments.
Other	42,956	51,250	(16.2%)	434,271	\$461,250	(5.8%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$323,289</b>	<b>\$337,398</b>	<b>(4.2%)</b>	<b>\$2,565,410</b>	<b>\$3,036,580</b>	<b>(15.5%)</b>	<b>\$ 4,048,773</b>	

Northern Kentucky Water District									
Expense Report by Department Actual to Budget									
For the Nine Months Ending September 30, 2006									
Department	Sept Actual	Sept Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation	
ADMINISTRATION									
Executive Management	\$42,584	\$44,392	(4.1%)	\$380,335	\$399,527	(4.8%)	\$ 532,703		
Board of Commissioners	9,656	9,447	2.2%	89,554	\$85,023	5.3%	113,364		
Accounting	25,659	29,850	(14.0%)	240,108	\$268,650	(10.6%)	358,200		
H. R. , Information Systems, Safety	118,197	117,611	0.5%	1,043,525	\$1,058,497	(1.4%)	1,411,330		
Other	81,833	93,392	(12.4%)	767,470	\$840,525	(8.7%)	1,120,700		
TOTAL ADMINISTRATION	\$277,929	\$294,691	(5.7%)	\$2,520,992	\$2,652,223	(4.9%)	\$ 3,636,297		
TOTAL O & M	\$1,879,645	\$1,851,133	1.5%	\$15,247,608	\$16,660,198	(8.5%)	\$22,213,598		

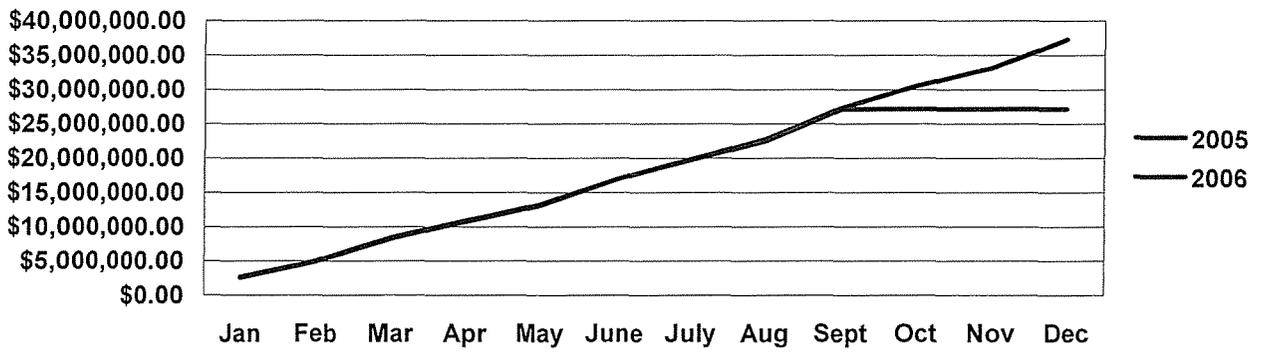
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Nine Months Ending September 30, 2006**

Account	Sept Actual	Sept Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$729,882	\$677,403	7.7%	\$5,673,485	\$6,096,625	(7.5%)	Higher labor costs for maintenance of Mains, FTTP, Information Systems in September.
Employee Pension & Benefits	256,702	228,628	12.3%	\$2,122,109	\$2,057,649	3.0%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	51,623	49,047	5.3%	\$407,140	\$441,422	(8.4%)	
Purchased Power	138,110	143,275	(3.6%)	\$1,397,621	\$1,289,475	7.7%	
Chemicals	64,353	70,208	(8.3%)	\$854,809	\$631,875	26.1%	
Materials & Supplies	215,473	137,029	57.2%	\$1,344,859	\$1,233,262	8.3%	Increased supplies for Cleaning and lining, Distribution Hydrants, Distribution Services.
Contractual Services	271,052	384,106	(29.4%)	\$2,043,342	\$3,456,953	(69.2%)	
Rent	0	708	(100.0%)	\$2,506	\$6,375	(154.4%)	Rental space from Heritage no longer needed.
Transportation	42,556	30,413	39.9%	\$345,509	\$273,713	20.8%	
Insurance	49,143	57,104	(13.9%)	\$416,892	\$513,937	(23.3%)	Lower general liability insurance costs in 2006.
Advertising	5,540	875	533.1%	\$11,691	\$7,875	32.6%	
Bad Debt Expense	39,969	45,833	(12.8%)	\$401,279	\$412,500	(2.8%)	
Miscellaneous	5,296	5,421	(2.3%)	\$65,255	\$48,787	25.2%	
Regulatory Commission Assessment	9,944	21,063	(52.8%)	\$161,110	\$189,750	(17.8%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,879,645</b>	<b>\$1,951,133</b>	<b>1.5%</b>	<b>\$16,247,608</b>	<b>\$16,660,198</b>	<b>(8.5%)</b>	

**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



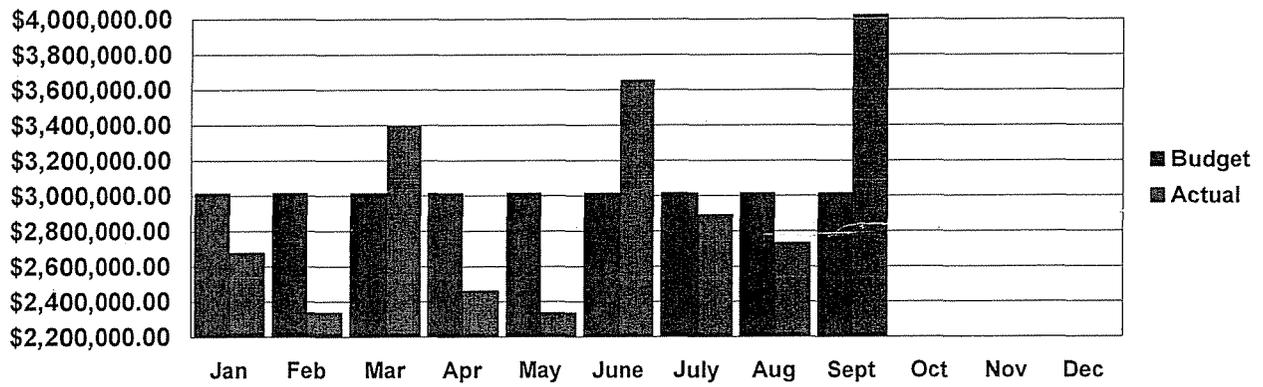
**NKWD**  
**Revenue Trending 2006 - Actual to Actual**



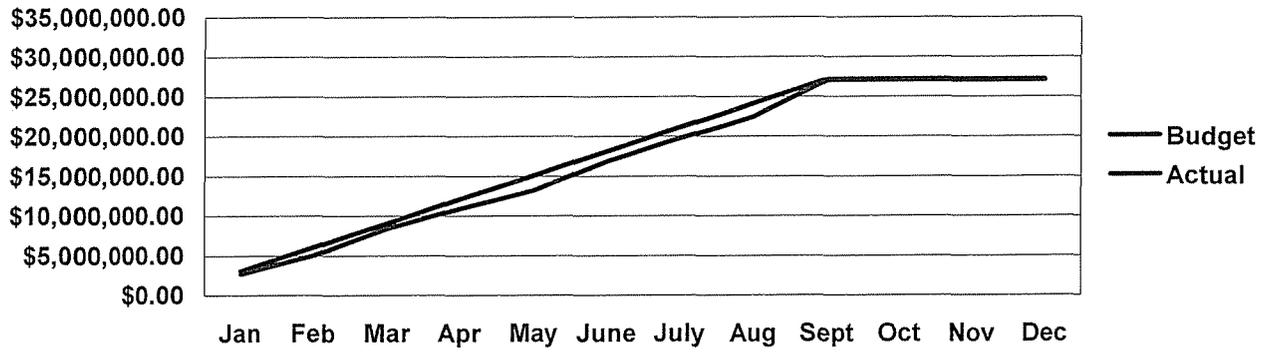
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Nine Months Ending September 30, 2006**

Description	Sept Actual	Sept Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 4,324,187	\$ 2,880,118	50.1%	\$ 24,292,540	\$ 25,921,062	(6.3%)	High Cycle, season driven big month. Budget represents average month.
Forfeited Discounts	51,868	60,417	(14.1%)	497,873	\$ 543,750	(8.4%)	
Rents from Water Property	49,990	43,750	14.3%	335,147	\$ 393,750	(14.9%)	
Other Water Revenues	10,155	29,167	(65.2%)	310,762	\$ 262,500	18.4%	
<b>Total Operating Revenues</b>	<b>\$4,436,200</b>	<b>\$3,013,452</b>	<b>47.2%</b>	<b>\$25,436,322</b>	<b>\$27,121,062</b>	<b>(6.2%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$156,883	\$133,333	17.7%	\$1,543,120	\$ 1,200,000	28.6%	Higher interest income because of increase in rates.
Miscellaneous	15,702	25,000	(37.2%)	139,934	\$ 225,000	(37.8%)	
<b>Total Non-Operating Income</b>	<b>\$172,585</b>	<b>\$158,333</b>	<b>9.0%</b>	<b>\$1,683,054</b>	<b>\$1,425,000</b>	<b>18.1%</b>	
<b>TOTAL INCOME</b>	<b>\$4,608,785</b>	<b>\$3,171,785</b>	<b>45.3%</b>	<b>\$27,119,376</b>	<b>\$28,546,062</b>	<b>(5.0%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Nine Months Ending September 30, 2006

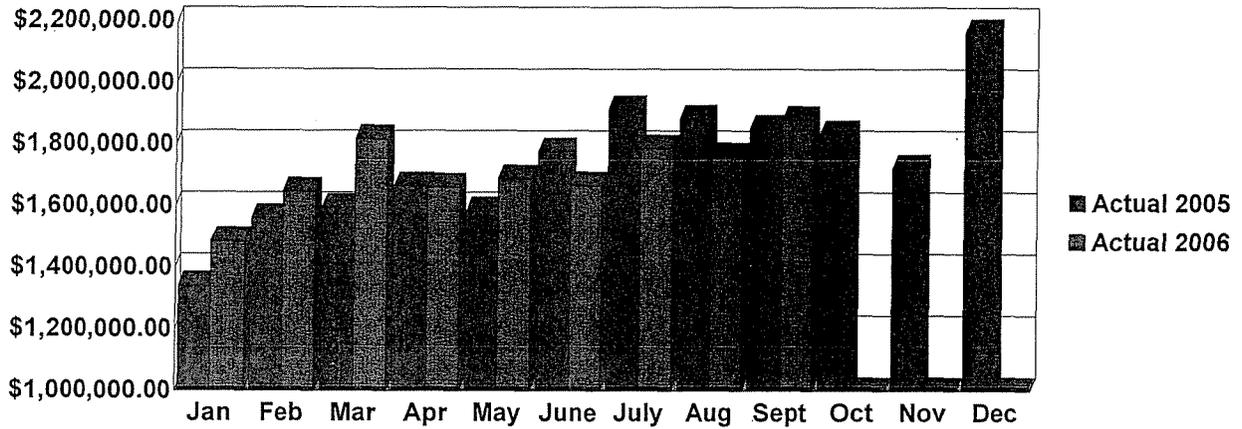
Division	Sept 2006	Sept 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$721,526	\$695,216	3.8%	\$6,095,676	\$6,077,135	0.3%	
ENGINEERING & DISTRIBUTION	556,901	570,839	(2.4%)	4,065,531	4,281,350	(5.0%)	
CUSTOMER SERVICE	323,289	312,800	3.4%	2,565,410	2,565,358	0.0%	
ADMINISTRATION	277,929	271,930	2.2%	2,520,992	2,241,919	12.4%	
<b>TOTAL O AND M</b>	<b>\$1,879,645</b>	<b>\$1,850,785</b>	<b>1.6%</b>	<b>\$15,247,608</b>	<b>\$15,165,761</b>	<b>0.5%</b>	

Northern Kentucky Water District							
Expense Report by Account Actual to Actual							
For the Nine Months Ending September 30, 2006							
Account	Sept 2006	Sept 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$729,882	\$728,267	0.2%	\$5,673,485	\$5,607,879	1.2%	
Employee Pension & Benefits	\$256,702	216,181	18.7%	\$2,122,109	\$1,802,285	17.7%	Higher pension and healthcare costs.
Taxes Other than Income Taxes	51,623	51,067	1.1%	\$407,140	\$399,802	1.8%	
Purchased Power	138,110	164,480	(16.0%)	\$1,397,621	\$1,530,370	(8.7%)	
Chemicals	64,353	88,161	(27.0%)	\$854,809	\$744,398	14.8%	
Materials & Supplies	215,473	149,926	43.7%	\$1,344,859	\$1,159,717	16.0%	Increased supplies for Cleaning and Lining, Distribution Hydrants, Distribution Services.
Contractual Services	271,052	290,963	(6.8%)	\$2,043,342	\$2,474,621	(17.4%)	
Rent	0	835	0.0%	\$2,506	\$8,183	(69.4%)	Space from Heritage no longer needed.
Transportation	42,556	38,870	9.5%	\$345,509	\$288,935	19.6%	
Insurance	49,143	58,410	(15.9%)	\$416,892	\$521,109	(20.0%)	Lower general liability insurance costs in 2006.
Advertising	5,540	357	1451.8%	\$11,691	\$6,963	67.9%	
Bad Debt Expense	39,969	38,209	4.6%	\$401,279	\$391,441	2.5%	
Miscellaneous	5,296	3,314	59.8%	\$65,255	\$36,888	76.9%	
Regulatory Commission Assessment	9,944	21,745	(54.3%)	\$161,110	\$193,169	(16.6%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,879,645</b>	<b>\$1,850,765</b>	<b>1.6%</b>	<b>\$15,247,608</b>	<b>\$15,166,761</b>	<b>0.5%</b>	

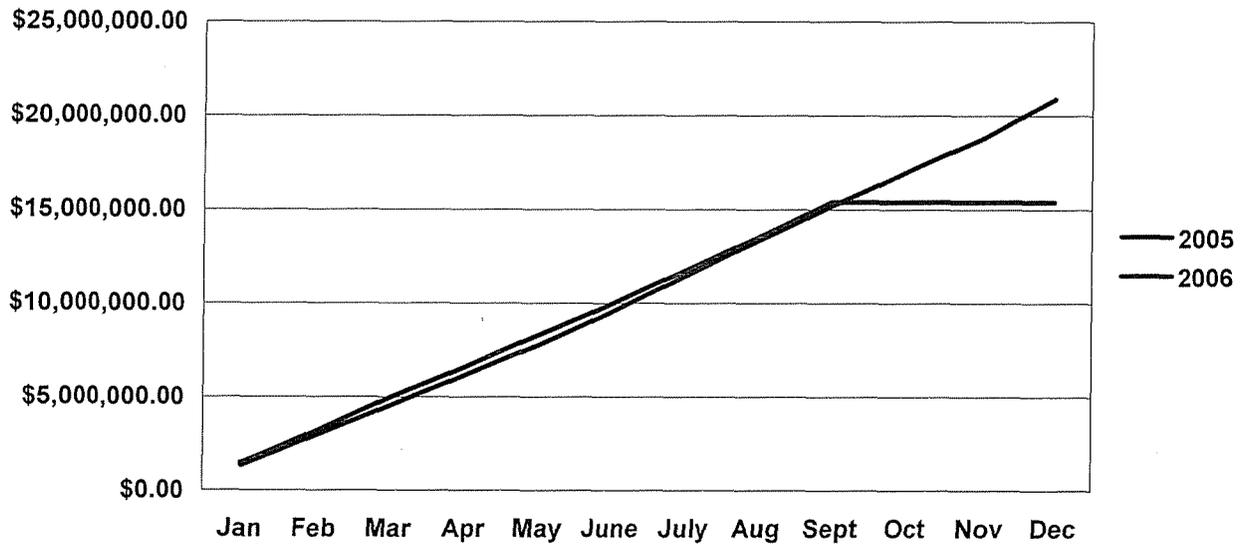
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Nine Months Ending September 30, 2006**

Description	Sept 2006	Sept 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 4,324,187	\$ 4,316,349	0.2%	\$ 24,292,540	\$ 24,460,638	(0.7%)	
Forfeited Discounts	51,868	76,867	(32.5%)	497,873	560,220	(11.1%)	
Rents from Water Property	49,990	15,612	220.2%	335,147	397,451	(15.7%)	
Other Water Revenues	10,155	19,805	(48.7%)	310,762	265,300	17.1%	
<b>Total Operating Revenues</b>	<b>\$4,436,200</b>	<b>\$4,428,633</b>	<b>0.2%</b>	<b>\$25,436,322</b>	<b>\$25,683,609</b>	<b>(1.0%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$156,883	\$80,476	94.9%	\$1,543,120	\$1,129,892	36.6%	Higher YTD interest income because of increase in rates.
Miscellaneous	15,702	\$6,585	138.5%	139,934	117,224	19.4%	
<b>Total Non-Operating Income</b>	<b>\$172,585</b>	<b>\$87,061</b>	<b>98.2%</b>	<b>\$1,683,054</b>	<b>\$1,247,116</b>	<b>35.0%</b>	
<b>TOTAL INCOME</b>	<b>\$4,608,785</b>	<b>\$4,515,694</b>	<b>2.1%</b>	<b>\$27,119,376</b>	<b>\$26,930,725</b>	<b>0.7%</b>	

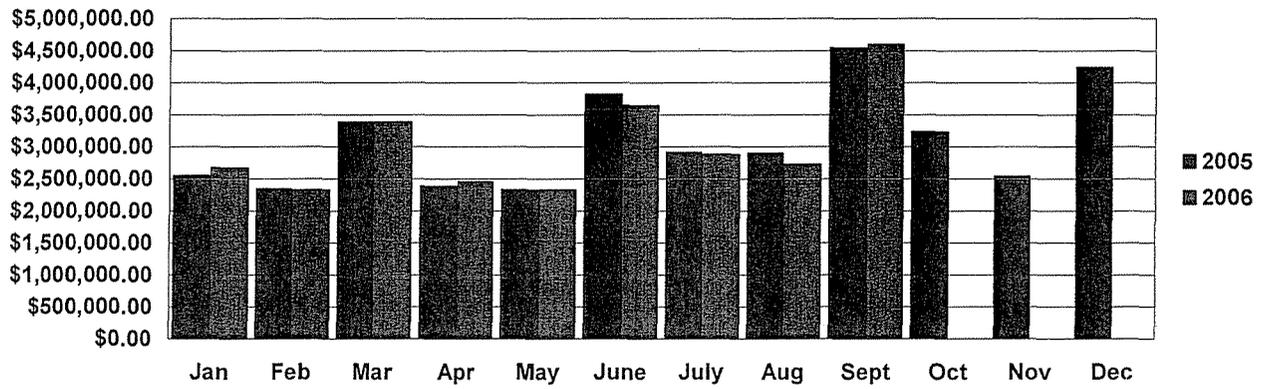
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



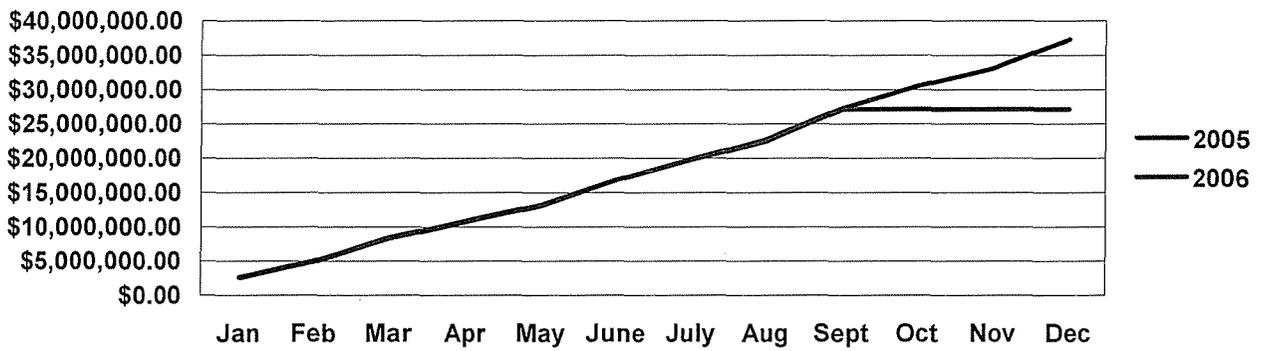
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2005</b>					
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$394,188.73	\$5,811.27	5
	Sub-Total		\$440,000.00	\$394,188.73	\$45,811.27	
	<b>2006</b>					
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$37,828.30	\$62,171.70	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00	\$19,455.49	\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00	\$24,660.00	\$70,640.00	15
1/31/2006	- Pilate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00	\$308.95	\$144,691.05	17
	Sub-Total		\$432,500.00	\$86,962.74	\$364,992.75	
	<b>Administration Department Sub-Total</b>		<b>\$872,500.00</b>	<b>\$481,151.47</b>	<b>\$410,804.02</b>	
	<b>HR/Security/Safety &amp; IT</b>					
	<b>INFO SYSTEMS</b>					
	<b>2006</b>					
2006	PC Hardware Replacement Program		\$100,000.00	\$93,137.60	\$6,862.40	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00	\$4,699.18	\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)		\$35,000.00	\$14,086.00	\$20,914.00	25
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports Xi Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$125,478.78	\$119,276.40	
	<b>Central Facility</b>					
	<b>2006</b>					
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$68,860.91	\$131,139.09	45
	- For Chipper		-\$11,000.00		-\$11,000.00	
	Sub-Total		\$189,000.00	\$68,860.91	\$120,139.09	
	<b>HR/Security/Safety/ IT Department Sub-total</b>		<b>\$415,500.00</b>	<b>\$194,339.69</b>	<b>\$239,415.49</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2006</b>					
2006	Drive Up Drop Box for Central Facility		\$1,500.00	\$975.00	\$525.00	51
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct Services Area at Central Facility		\$4,000.00	\$2,755.23	\$1,244.77	55
2006	Electronic Message Center for Central Facility		\$18,000.00	\$3,085.06	\$14,914.94	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00	\$3,666.30	-\$166.30	61
2006	Storage units for the archive storage room in Central Facility		\$6,000.00	\$4,860.00	\$1,140.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$18,329.73	\$40,870.27	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2006</b>					
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
	<b>CS - Field Services &amp; Flushing Sub-Total</b>		<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
	<b>Meter Shop</b>					
	<b>2006</b>					
2006	Water Meters - All Sizes		\$600,000.00	\$317,540.00	\$282,460.00	111
2004	Meter Radio Read Fesability Study		\$42,165.89		\$42,165.89	04-80
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St. Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213		\$19,000.00	\$16,256.00	\$2,744.00	121
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$848,165.89	\$343,494.28	\$504,671.61	
	<b>Customer Service Department Sub-Total</b>		<b>\$914,465.89</b>	<b>\$361,824.01</b>	<b>\$552,641.88</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$10,630.00	\$39,370.00	05-152
	Sub-Total		\$146,878.75	\$127,990.55	\$18,888.20	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00		\$40,000.00	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants & Mainline Cleaning Projects		\$950,000.00	\$457,710.79	\$492,289.21	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$1,183,000.00	\$457,710.79	\$725,289.21	
	<b>Mainline Improvement Sub-Total</b>		<b>\$1,329,878.75</b>	<b>\$585,701.34</b>	<b>\$744,177.41</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-0208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-0211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-0214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-0215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-0218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-0219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-0221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-0222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project	184-0224	\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-0226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$60,000.00		\$60,000.00	
2006	KDOT - Johns Hill Road Curve Straighting					151
2006	KDOT - Ky. 17 @ Ky. 14	184-0227	\$5,000.00		\$5,000.00	153
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)	184-0228	\$5,000.00			
2006	KDOT - US27 to AA Highway KY 538 Extension	184-0229	\$8,000.00		\$8,000.00	155
	Sub-Total		\$78,000.00	\$0.00	\$73,000.00	157
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$221,608.35</b>	<b>\$0.00</b>	<b>\$216,608.35</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-0151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-0151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50	184-0187	\$309,671.50	\$240,286.32	\$69,385.18	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization	184-	\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening	184-	\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$240,286.32	\$554,385.18	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-0179	\$75,000.00	\$56,412.00	\$18,588.00	05-210b
2005	Audubon Road	184-0186	\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)	184-0601	\$80,000.00	\$6,056.63	\$73,943.37	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-0176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)	194-0600	\$100,000.00	\$3,006.66	\$96,993.34	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-0178	\$145,000.00	\$116,415.57	\$28,584.43	05-224
	Sub-Total		\$545,328.50	\$307,200.29	\$238,128.21	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Carlise Water Main Replacement (Steel)	184-0194	\$100,000.00	\$5,971.61	\$105,971.61	161
2006	- Lake Street, Ludlow, 3" water main replacement	184-0195	\$30,000.00	\$3,006.67	\$33,006.67	163
2006	- Western Ave. ???? (Cancelled 8-3-2006 @ \$250,000.00)				\$0.00	165
2006	- Mary Ingles Highway 3" slide problem area (Cancelled 8-3-2006 @150,000.00)				\$0.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky	184-0196	\$40,000.00	\$3,006.67	\$43,006.67	169
2006	- Holiday Lane WMR	184-0192	\$210,000.00	\$99,103.80	\$309,103.80	171A
2006	- Henry Clay & Kyles Lane Water Main	184-0197	\$26,000.00	\$1,402.50	\$27,402.50	171B
2006	- Marcella & St Anthony Water Main	184-0198	\$383,000.00	\$108,620.07	\$491,620.07	171C
7/5/2006	- Huntington Ave WMR	184-0199	\$200,000.00	\$6,056.62	\$206,056.62	171D

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
7/5/2006	- Viewpoint Drive WMR	184-0605	\$267,000.00	\$141,042.35	\$408,042.35	171E
8/3/2006	Transfer to ORPS #2 Project Line 263		\$90,000.00		\$90,000.00	171F
8/3/2006	- Aldrew Drive - Cold Spring	184-0607	\$8,000.00	\$4,495.00	\$12,495.00	171G
2006	Allocated		\$1,354,000.00			
2006	Un-Allocated		\$146,000.00	\$8,280.00	\$154,280.00	171
8/31/2006	- Brookwood Drive - Landside Area (From Line 05-210B)	184-608	\$54,000.00		\$54,000.00	172
	Sub-Total		\$2,908,000.00	\$380,985.29	\$3,434,985.29	
	<b>Water Main Replacement Sub-Total</b>		<b>\$4,296,700.47</b>	<b>\$928,471.90</b>	<b>\$4,276,199.15</b>	
	<b>2006</b>					
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181
2006	Replace Wheel Balancer		\$4,000.00	\$3,782.35	\$217.65	183
2006	Speed Shoring		\$10,000.00		\$10,000.00	185
2006	Quickie Saws (2)		\$2,000.00	\$1,918.00	\$82.00	187
2006	Replace 1- Hoe Ram (Huskey)		\$12,000.00	\$8,500.00	\$3,500.00	189
2006	GPS Hand Held/ Software/ Chargers (2)		\$15,000.00		\$15,000.00	191
2006	Tire Changer		\$3,000.00	\$3,418.00	-\$418.00	193
2006	A/C Recovery and Charger unit		\$3,000.00	\$9,010.00	-\$6,010.00	195
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196
2006	Replace Dump Truck 288		\$65,000.00		\$65,000.00	197
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00	\$21,999.00	\$1,001.00	199
8/22/2006	Vermeer Chipper/Schredder -		\$11,000.00	\$6,350.00	\$4,650.00	200
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203
	<b>Distribution Capital Items Sub-Total</b>		<b>\$284,000.00</b>	<b>\$155,635.35</b>	<b>\$128,364.65</b>	
	<b>Distribution Total</b>		<b>\$6,132,187.57</b>	<b>\$1,669,808.59</b>	<b>\$5,365,349.56</b>	
	<b>ENGINEERING</b>					
	<b>Capital Purchases</b>					
	<b>2006</b>					
2006	1-Locator		\$3,500.00		\$3,500.00	211
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213
	Sub-Total		\$23,900.00	\$19,320.04	\$4,579.96	
	<b>Engineering Total</b>		<b>\$23,900.00</b>	<b>\$19,320.04</b>	<b>\$4,579.96</b>	
	<b>Distribution/Engineering Department Sub-Total</b>		<b>\$6,156,087.57</b>	<b>\$3,203,301.87</b>	<b>\$5,369,929.52</b>	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2006</b>					
	Security systems at MPTP and 7 pump stations		\$6,600	\$4,993.03	\$1,606.97	221
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$7,035.59	\$21,464.41	223
	Operator lab instruments		\$4,800	\$2,870.50	\$1,929.50	225
	SCADA Computer/Processor		\$6,500	\$4,611.50	\$1,888.50	227
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229
	5 chemical flow meter and 17 turbidimeter replacements		\$42,000	\$1,870.00	\$40,130.00	231
1/31/2006	Palet Jack Unit		\$4,700		\$4,700.00	232
	Ford Taurus replace vehicle 435		\$20,000	\$12,748.00	\$7,252.00	233
	<b>Operations Subtotal</b>		<b>\$135,100.00</b>	<b>\$34,128.62</b>	<b>\$100,971.38</b>	
	<b>LABORATORY</b>					
	<b>2006</b>					
	Distribution WQ monitors		\$45,000	\$2,715.65	\$42,284.35	241
	Ford Taurus replace vehicle #430		\$20,000	\$12,748.00	\$20,000.00	243
	Refrigerator for sample storage		\$5,000	\$3,325.29	\$1,674.71	245
	<b>Laboratory Sub-Total</b>		<b>\$70,000.00</b>	<b>\$18,788.94</b>	<b>\$63,959.06</b>	
	<b>MAINTENANCE</b>					
	<b>2006</b>					
	Replace FTTP backwash pump		\$8,000	\$9,734.18	-\$1,734.18	251
	Replace permanganate pumps and lines at ORPS and LRPS		\$35,000	\$33,869.86	\$1,130.14	253
	Replace surge valves at Hands and ORPS 1		\$30,000	\$8,962.11	\$21,037.89	255
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259
	Replacement of ORPS 2 discharge line ( Line 263 - Line 171F)		\$280,000	\$12,548.70	\$267,451.30	261
8/3/2006	Traveling Screen - Canceled		\$0		\$0.00	263
	Replace vehicle #410		\$25,000	\$20,742.00	\$4,258.00	265
	Replacement Pump No 8		\$20,000	\$19,505.00	\$495.00	267
	<b>Maintenance Sub-Total</b>		<b>\$423,500.00</b>	<b>\$111,820.53</b>	<b>\$311,679.47</b>	
	<b>Water Quality &amp; Production Department Sub-Total</b>		<b>\$628,600.00</b>	<b>\$164,738.09</b>	<b>\$476,609.91</b>	

Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
TOTAL of Departments		\$8,987,153.46	\$4,405,355.13	\$7,049,400.82	



Northern Kentucky  
**Water District**

Totals					
Current Period					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
October Board Meeting					
September 2006 Results					
Total Revenues	\$4,552,243	\$4,455,344	\$3,208,334	-2.13%	38.87%
Total O&M	\$1,850,785	\$1,834,267	\$1,851,133	-0.89%	-0.91%
YTD					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Total Revenues	\$27,259,666	\$27,258,326	\$28,875,003	0.00%	-5.60%
Total O&M	\$15,165,762	\$15,202,231	\$16,660,198	0.24%	-8.75%
Detail					
Current Period					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Water Sales	\$4,316,349	\$4,136,851	\$2,880,118	-4.16%	43.63%
Forfeited Discounts	\$76,867	\$51,868	\$60,417	-32.52%	-14.15%
Rents Water Property	\$15,612	\$49,990	\$43,750	220.20%	14.26%
Other Water Revenue	\$19,805	\$10,155	\$29,167	-48.73%	-65.18%
Interest Income	\$80,476	\$154,229	\$133,333	91.65%	15.67%
Miscellaneous	\$6,585	\$15,702	\$25,000	138.45%	-37.19%
Transfer Boone Florence	\$36,549	\$36,549	\$36,549	0.00%	0.00%
	<b>\$4,552,243</b>	<b>\$4,455,344</b>	<b>\$3,208,334</b>	<b>-2.13%</b>	<b>38.87%</b>
YTD					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Water Sales	\$24,460,638	\$24,105,203	\$25,921,062	-1.45%	-7.01%
Forfeited Discounts	\$560,220	\$497,873	\$543,750	-11.13%	-8.44%
Rents Water Property	\$397,451	\$335,147	\$393,750	-15.68%	-14.88%
Other Water Revenue	\$265,300	\$310,762	\$262,500	17.14%	18.39%
Interest Income	\$1,129,892	\$1,540,466	\$1,200,000	36.34%	28.37%
Miscellaneous	\$117,224	\$139,934	\$225,000	19.37%	-37.81%
Transfer Boone Florence	\$328,941	\$328,941	\$328,941	0.00%	0.00%
	<b>\$27,259,666</b>	<b>\$27,258,326</b>	<b>\$28,875,003</b>	<b>0.00%</b>	<b>-5.60%</b>

Northern Kentucky  
**Water District**

October Board Meeting  
September 2006 Results  
See page 14 & 9

Detail  
Current Period

	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Salaries & Wages	\$728,267	\$729,486	\$677,403	0.17%	7.69%
Employee Pensions & Benefits	\$216,181	\$256,195	\$228,628	18.51%	12.06%
Taxes Other	\$51,067	\$51,623	\$49,047	1.09%	5.25%
Purchased Power	\$164,480	\$138,110	\$143,275	-16.03%	-3.60%
Chemicals	\$88,161	\$44,344	\$70,208	-49.70%	-36.84%
Materials & Supplies	\$149,926	\$208,611	\$137,029	39.14%	52.24%
Contractual Services	\$290,963	\$253,717	\$384,106	-12.80%	-33.95%
Rent	\$835	\$0	\$708	-99.95%	-99.94%
Transportation	\$38,870	\$42,951	\$30,413	10.50%	41.23%
Insurance	\$58,410	\$49,143	\$57,104	-15.86%	-13.94%
Advertising	\$357	\$5,354	\$875	1399.83%	511.93%
Bad Debt Expense	\$38,209	\$39,969	\$45,833	4.61%	-12.79%
Miscellaneous	\$3,314	\$4,818	\$5,421	45.38%	-11.12%
Regulatory Commission	\$21,745	\$9,944	\$21,083	-54.27%	-52.83%
	\$1,850,785	\$1,834,267	\$1,851,133	-0.89%	-0.91%

Detail  
YTD

See page 14 & 9	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Salaries & Wages	\$5,607,879	\$5,673,485	\$6,096,625	1.17%	-6.94%
Employee Pensions & Benefits	\$1,802,285	\$2,121,602	\$2,057,649	17.72%	3.11%
Taxes Other	\$399,802	\$407,140	\$441,422	1.84%	-7.77%
Purchased Power	\$1,530,370	\$1,397,621	\$1,289,475	-8.67%	8.39%
Chemicals	\$744,398	\$834,800	\$631,875	12.14%	32.11%
Materials & Supplies	\$1,159,717	\$1,337,997	\$1,233,262	15.37%	8.49%
Contractual Services	\$2,474,621	\$2,026,007	\$3,456,953	-18.13%	-41.39%
Rent	\$8,183	\$2,506	\$6,375	-69.38%	-60.69%
Transportation	\$288,935	\$345,509	\$273,713	19.58%	26.23%
Insurance	\$521,109	\$416,892	\$513,937	-20.00%	-18.88%
Advertising	\$6,963	\$11,505	\$7,875	65.23%	46.10%
Bad Debt Expense	\$391,441	\$401,279	\$412,500	2.51%	-2.72%
Miscellaneous	\$36,888	\$64,777	\$48,787	75.60%	32.78%
Regulatory Commission	\$193,169	\$161,110	\$189,750	-16.60%	-15.09%
	\$15,165,762	\$15,202,231	\$16,660,198	0.24%	-8.75%

Northern Kentucky  
**Water District**

November Board Meeting	Financial Statement Snapshot				
October 2006 Results	Totals				
	Current Period				
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Total Revenues	\$3,242,056	\$3,285,662	\$3,208,334	1.35%	2.41%
Total O&M	\$1,833,228	\$1,751,593	\$1,851,133	-4.45%	-5.38%
YTD					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Total Revenues	\$30,501,722	\$30,733,978	\$32,083,340	0.76%	-4.21%
Total O&M	\$16,998,990	\$16,999,742	\$18,511,331	0.00%	-8.17%
Detail					
	Current Period				
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Water Sales	\$2,831,995	\$2,836,549	\$2,880,118	0.16%	-1.51%
Forfeited Discounts	\$69,539	\$83,503	\$60,417	20.08%	38.21%
Rents Water Property	\$42,927	\$72,337	\$43,750	68.51%	65.34%
Other Water Revenue	\$22,525	\$27,005	\$29,167	19.89%	-7.41%
Interest Income	\$226,806	\$178,156	\$133,333	-21.45%	33.62%
Miscellaneous	\$11,715	\$51,563	\$25,000	340.15%	106.25%
Transfer Boone Florence	\$36,549	\$36,549	\$36,549	0.00%	0.00%
	<b>\$3,242,056</b>	<b>\$3,285,662</b>	<b>\$3,208,334</b>	<b>1.35%</b>	<b>2.41%</b>
YTD					
	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Water Sales	\$27,292,632	\$27,129,088	\$28,801,180	-0.60%	-5.81%
Forfeited Discounts	\$629,760	\$581,377	\$604,170	-7.68%	-3.77%
Rents Water Property	\$440,378	\$407,484	\$437,500	-7.47%	-6.86%
Other Water Revenue	\$287,825	\$337,767	\$291,670	17.35%	15.80%
Interest Income	\$1,356,698	\$1,721,276	\$1,333,330	26.87%	29.10%
Miscellaneous	\$128,939	\$191,496	\$250,000	48.52%	-23.40%
Transfer Boone Florence	\$365,490	\$365,490	\$365,490	0.00%	0.00%
	<b>\$30,501,722</b>	<b>\$30,733,978</b>	<b>\$32,083,340</b>	<b>0.76%</b>	<b>-4.21%</b>
Page 1					

Northern Kentucky  
**Water District**

November Board Meeting

October 2006 Results

Financial Statement Snapshot

See page 14 & 9

Detail

Current Period

	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Salaries & Wages	\$567,492	\$651,869	\$677,403	14.87%	-3.77%
Employee Pensions & Benefits	\$210,700	\$243,828	\$228,628	15.72%	6.65%
Taxes Other	\$39,980	\$45,735	\$49,047	14.39%	-6.75%
Purchased Power	\$147,177	\$174,821	\$143,275	18.78%	22.02%
Chemicals	\$101,254	\$95,356	\$70,208	-5.82%	35.82%
Materials & Supplies	\$134,947	\$165,901	\$137,029	22.94%	21.07%
Contractual Services	\$464,490	\$217,635	\$384,106	-53.15%	-43.34%
Rent	\$835	\$0	\$708	-99.95%	-99.94%
Transportation	\$42,216	\$33,841	\$30,413	-19.84%	11.27%
Insurance	\$55,511	\$72,584	\$57,104	30.76%	27.11%
Advertising	\$1,944	\$1,781	\$875	-8.38%	103.54%
Bad Debt Expense	\$40,476	\$36,119	\$45,833	-10.76%	-21.19%
Miscellaneous	\$4,463	\$2,178	\$5,421	-51.20%	-59.82%
Regulatory Commission	\$21,745	\$9,944	\$21,083	-54.27%	-52.83%
	<b>\$1,833,228</b>	<b>\$1,751,593</b>	<b>\$1,851,133</b>	<b>-4.45%</b>	<b>-5.38%</b>

Detail

YTD

See page 14 & 9

	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
Salaries & Wages	\$6,175,371	\$6,325,357	\$6,774,028	2.43%	-6.62%
Employee Pensions & Benefits	\$2,012,985	\$2,365,937	\$2,286,277	17.53%	3.48%
Taxes Other	\$439,781	\$452,875	\$490,469	2.98%	-7.66%
Purchased Power	\$1,677,547	\$1,572,442	\$1,432,750	-6.27%	9.75%
Chemicals	\$845,652	\$950,165	\$702,083	12.36%	35.34%
Materials & Supplies	\$1,294,664	\$1,510,760	\$1,370,291	16.69%	10.25%
Contractual Services	\$2,939,111	\$2,261,518	\$3,841,059	-23.05%	-41.12%
Rent	\$9,019	\$2,506	\$7,083	-72.21%	-64.62%
Transportation	\$331,151	\$379,351	\$304,125	14.56%	24.74%
Insurance	\$576,620	\$489,476	\$571,042	-15.11%	-14.28%
Advertising	\$8,907	\$13,472	\$8,750	51.25%	53.97%
Bad Debt Expense	\$431,918	\$437,397	\$458,333	1.27%	-4.57%
Miscellaneous	\$41,352	\$67,432	\$54,208	63.07%	24.39%
Regulatory Commission	\$214,914	\$171,054	\$210,833	-20.41%	-18.87%
	<b>\$16,998,992</b>	<b>\$16,999,742</b>	<b>\$18,511,331</b>	<b>0.00%</b>	<b>-8.17%</b>

**Northern Kentucky Water District  
Balance Sheet  
As of October 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 5,280,413	4,886,410
Accounts Receivable		
Customers	3,502,932	3,522,333
Unbilled Customers	4,900,000	4,900,000
Other	260,680	422,228
Assessments Receivable	37,767	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,168,193	1,272,703
Prepaid Expenses	1,996,947	900,762
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 17,146,932</b>	<b>15,941,687</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 15,610,736	19,772,422
Debt Service Reserve Account	12,985,387	12,361,848
Debt Service Account	5,905,435	5,063,958
Improvement, Repair & Replacement	730,031	3,366,905
Boone/Florence Settlement Account	3,406,370	3,734,395
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 38,637,959</b>	<b>44,299,528</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,420,673	9,785,766
Capital Assets:		
Land, System, Buildings and Equipment	\$ 255,733,821	248,760,154
Construction in Progress	29,489,607	17,940,699
Total Capital Assets before accumulated depreciation	\$ 285,223,428	266,700,853
Less Accumulated Depreciation	(59,116,287)	(53,902,733)
Total capital assets, net of accumulated depreciation	\$ 226,107,141	212,798,120
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 235,527,814</b>	<b>222,583,886</b>
<b>TOTAL ASSETS</b>	<b>\$ 291,312,705</b>	<b>282,825,101</b>
	=====	=====

Northern Kentucky Water District  
Balance Sheet  
As of October 31, 2006

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 5,267,000	4,806,000
Accounts Payable	1,709,624	1,513,736
Accrued Payroll & Liabilities	334,181	269,862
Other Accrued Liabilities	96,028	102,434
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,406,833</b>	<b>6,692,032</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 582,034	271,935
Accrued Interest Payable	1,651,151	1,930,550
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 2,233,185</b>	<b>2,202,485</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 168,128,000	144,145,000
Bond Anticipation Notes Payable		21,585,000
Note Payable - Taylor Mill Purchase	1,875,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 170,103,000</b>	<b>167,955,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 179,743,018</b>	<b>176,849,517</b>
<b>RETAINED EARNINGS</b>	<b>\$ 111,569,690</b>	<b>105,975,584</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 291,312,705</b>	<b>282,825,101</b>

Northern Kentucky Water District  
 Income and Expense Report Summary  
 For the Ten Months Ending October 31, 2006

Description	Oct 2005	Oct 2006	Oct Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2005 Budget
TOTAL INCOME	\$3,242,056	\$3,285,662	\$3,208,334	2.4%	\$30,501,722	\$30,733,978	\$32,083,340	(4.2%)	\$36,204,584
TOTAL O & M EXPENSES	\$1,833,228	\$1,751,593	\$1,851,133	(5.4%)	\$16,998,990	\$16,999,742	\$18,511,331	(8.2%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$8,721,170	\$9,455,377	\$9,455,377	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$536,711	\$588,531	\$411,663	43.0%	\$4,781,562	\$4,278,859	\$4,116,632	3.9%	\$5,085,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Ten Months Ending October 31, 2006**

Description	Oct 2005	Oct 2006	Oct Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 2,831,995	\$ 2,836,549	\$2,880,118	(1.5%)	\$ 27,292,632	\$ 27,129,088	\$28,801,180	(5.8%)
Forfeited Discounts	69,539	83,503	60,417	38.2%	629,760	581,377	\$604,170	(3.8%)
Rents from Water Property	42,927	72,337	43,750	65.3%	440,378	407,484	\$437,500	(6.9%)
Other Water Revenues	22,525	27,005	29,167	(7.4%)	287,825	337,767	\$291,670	15.8%
<b>Total Operating Income</b>	<b>\$2,966,986</b>	<b>\$3,019,394</b>	<b>\$3,013,452</b>	<b>0.2%</b>	<b>\$28,650,595</b>	<b>\$28,455,716</b>	<b>\$30,134,520</b>	<b>(5.6%)</b>
<b>Non-Operating Income</b>								
Interest Income	\$226,806	\$178,156	\$133,333	33.6%	\$1,356,698	\$1,721,276	\$1,333,330	29.1%
Miscellaneous	\$11,715	51,563	25,000	106.3%	128,939	191,496	\$250,000	(23.4%)
<b>Total Non-Operating Income</b>	<b>\$238,521</b>	<b>\$229,719</b>	<b>\$158,333</b>	<b>45.1%</b>	<b>\$1,485,637</b>	<b>\$1,912,772</b>	<b>\$1,583,330</b>	<b>20.8%</b>
<b>Boone Florence Settlement Transfer</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>\$36,549</b>	<b>0.0%</b>	<b>\$365,490</b>	<b>\$365,490</b>	<b>\$365,490</b>	<b>0.0%</b>
<b>TOTAL INCOME</b>	<b>\$3,242,056</b>	<b>\$3,285,662</b>	<b>\$3,208,334</b>	<b>2.4%</b>	<b>\$30,501,722</b>	<b>\$30,733,978</b>	<b>\$32,083,340</b>	<b>(4.2%)</b>
<b>EXPENSES</b>								
<b>O &amp; M Expenses</b>								
Source of Supply, Water	\$672,573	\$696,877	\$695,762	0.2%	\$6,749,708	\$6,792,553	\$6,957,618	(2.4%)
Treatment, Pumping & Storage	606,624	475,809	523,282	(9.1%)	4,887,974	4,541,339	\$5,232,822	(13.2%)
Engineering & Distribution	296,225	285,701	337,398	(15.3%)	2,861,583	2,851,110	\$3,373,978	(15.5%)
Customer Service	257,807	293,207	294,691	(0.5%)	2,499,726	2,814,740	\$2,946,914	(4.5%)
Administration								
<b>Total O &amp; M Expenses</b>	<b>\$1,833,228</b>	<b>\$1,751,593</b>	<b>\$1,851,133</b>	<b>(5.4%)</b>	<b>\$16,998,990</b>	<b>\$16,999,742</b>	<b>\$18,511,331</b>	<b>(8.2%)</b>
<b>Transfer to debt service</b>	<b>\$872,117</b>	<b>\$945,538</b>	<b>\$945,538</b>	<b>0.0%</b>	<b>\$8,721,170</b>	<b>\$9,455,377</b>	<b>\$9,455,377</b>	<b>0.0%</b>
<b>TOTAL EXPENSES</b>	<b>\$2,705,345</b>	<b>\$2,697,131</b>	<b>\$2,796,671</b>	<b>(3.6%)</b>	<b>\$25,720,160</b>	<b>\$26,455,119</b>	<b>\$27,966,708</b>	<b>(5.4%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$536,711</b>	<b>\$588,531</b>	<b>\$411,663</b>	<b>43.0%</b>	<b>\$4,781,562</b>	<b>\$4,278,859</b>	<b>\$4,116,632</b>	<b>3.9%</b>

**Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Ten Months Ending October 31, 2006**

Division	Oct Actual	Oct Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$696,877	\$695,762	0.2%	\$6,792,553	\$6,957,618	(2.4%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	475,809	523,282	(9.1%)	4,541,339	\$5,232,822	(13.2%)	6,279,386	Cleaning of Mains to be capitalized, expensed over time for 2006.
CUSTOMER SERVICE	285,701	337,398	(15.3%)	2,851,110	\$3,373,978	(15.5%)	4,048,773	
ADMINISTRATION	293,207	294,691	(0.5%)	2,814,740	\$2,946,914	(4.5%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,751,593</b>	<b>\$1,851,133</b>	<b>(5.4%)</b>	<b>\$16,999,742</b>	<b>\$18,511,331</b>	<b>(8.2%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Ten Months Ending October 31, 2006**

Department	Oct Actual	Oct Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$3,553	\$3,833	(7.3%)	\$53,963	\$38,333	40.8%	\$ 46,000	
Ohio River Pump Station # 1	40,376	44,083	(8.4%)	387,914	\$440,833	(12.0%)	529,000	
Ohio River Pump Station # 2	11,807	5,167	128.5%	62,307	\$51,667	20.6%	62,000	Consultation services on 2007 Capital budget.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$55,736</b>	<b>\$53,083</b>	<b>5.0%</b>	<b>\$504,184</b>	<b>\$530,833</b>	<b>(5.0%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$244,043	\$275,395	(11.4%)	\$2,106,861	\$2,753,951	(23.5%)	\$ 3,304,742	
Taylor Mill Treatment Plant	48,024	50,421	(4.8%)	682,749	\$504,208	35.4%	\$605,050	
Memorial Parkway Treatment Plant	49,074	67,950	(27.8%)	594,061	\$679,500	(12.6%)	\$815,400	
Laboratory	74,834	60,950	22.8%	644,013	\$609,500	5.7%	\$731,400	Increase in purchases of materials and supplies.
Instrumentation	24,999	27,821	(10.1%)	277,780	\$278,208	(0.2%)	\$333,850	
Sludge	1,603	13,958	(88.5%)	133,806	\$139,583	(4.1%)	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$442,577</b>	<b>\$496,495</b>	<b>(10.9%)</b>	<b>\$4,439,269</b>	<b>\$4,964,952</b>	<b>(10.6%)</b>	<b>\$5,957,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$198,564</b>	<b>\$146,183</b>	<b>35.8%</b>	<b>\$1,849,100</b>	<b>\$1,461,833</b>	<b>26.5%</b>	<b>\$ 1,754,200</b>	Increased electric costs at , Dudley, US27, and TMTP.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$696,877</b>	<b>\$695,762</b>	<b>0.2%</b>	<b>\$6,792,553</b>	<b>\$6,957,618</b>	<b>(2.4%)</b>	<b>\$8,349,142</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Ten Months Ending October 31, 2006

Department	Oct Actual	Oct Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$107,169	\$112,323	(4.6%)	\$1,015,605	\$1,123,229	(9.6%)	\$1,347,875	
Distribution	368,640	410,959	(10.3%)	3,525,735	\$4,109,593	(14.2%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$475,809</b>	<b>\$523,282</b>	<b>(9.1%)</b>	<b>\$4,541,339</b>	<b>\$5,232,822</b>	<b>(13.2%)</b>	<b>\$ 6,279,386</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$67,653	\$69,393	(2.5%)	\$654,397	\$693,928	(5.7%)	\$ 832,714	
Meter Shop	44,097	28,727	53.5%	299,296	\$287,266	4.2%	344,719	Purchase of meter repair parts.
Courier/Maintenance	7,195	5,108	40.8%	53,267	\$51,083	4.3%	61,300	
Account Service	95,404	128,642	(25.8%)	1,088,228	\$1,286,417	(15.4%)	1,543,700	
Meter Reading	28,335	28,720	(1.3%)	274,801	\$287,197	(4.3%)	344,637	
Flushing	3,157	25,559	(87.6%)	6,992	\$255,586	(97.3%)	306,703	Labor costs moved to different departments.
Other	39,860	51,250	(22.2%)	474,131	\$512,500	(7.5%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$285,701</b>	<b>\$337,398</b>	<b>(15.3%)</b>	<b>\$2,851,110</b>	<b>\$3,373,978</b>	<b>(15.5%)</b>	<b>\$ 4,048,773</b>	

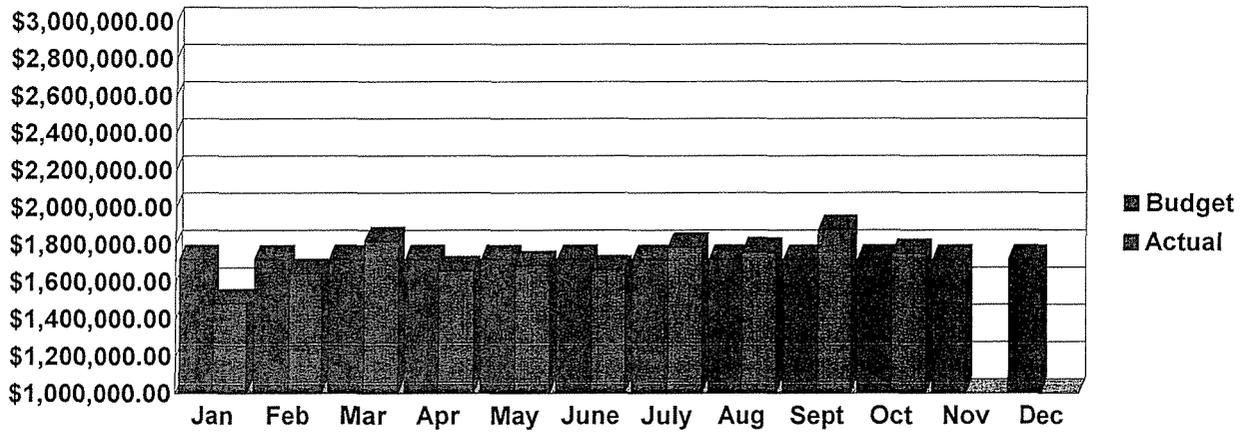
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Ten Months Ending October 31, 2006

Department	Oct Actual	Oct Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$48,525	\$44,392	9.3%	\$428,860	\$443,919	(3.4%)	\$ 532,703	
Board of Commissioners	9,312	9,447	(1.4%)	98,867	\$94,470	4.7%	113,364	
Accounting	21,513	29,850	(27.9%)	261,621	\$298,500	(12.4%)	358,200	
H. R., Information Systems, Safety	102,486	117,611	(12.9%)	1,146,011	\$1,176,108	(2.6%)	1,411,330	
Other	111,372	93,392	19.3%	879,381	\$933,917	(5.8%)	1,120,700	
<b>TOTAL ADMINISTRATION</b>	<b>\$293,207</b>	<b>\$294,691</b>	<b>(0.5%)</b>	<b>\$2,814,740</b>	<b>\$2,946,914</b>	<b>(4.5%)</b>	<b>\$ 3,536,297</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,751,593</b>	<b>\$1,851,133</b>	<b>(5.4%)</b>	<b>\$16,999,742</b>	<b>\$18,511,331</b>	<b>(8.2%)</b>	<b>\$22,213,598</b>	

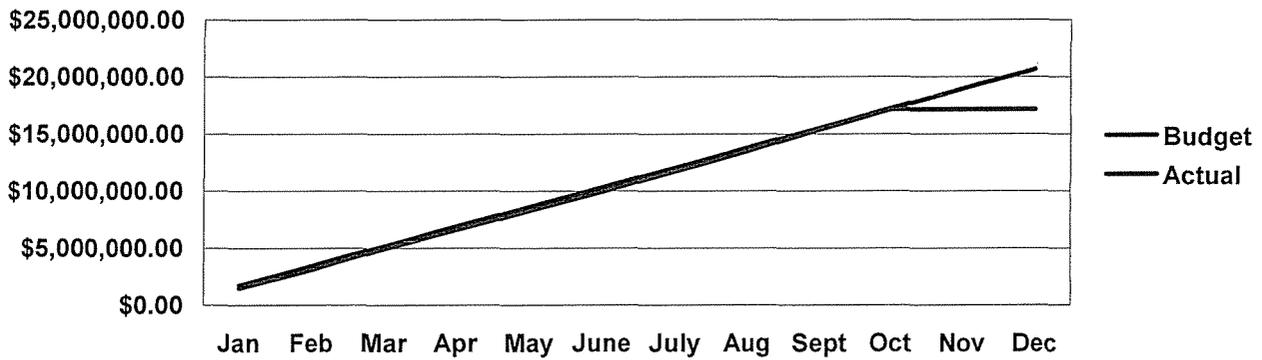
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Ten Months Ending October 31, 2006**

Account	Oct Actual	Oct Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$651,869	\$677,403	(3.8%)	\$6,325,357	\$6,774,028	(7.1%)	
Employee Pension & Benefits	243,828	228,628	6.6%	\$2,365,937	\$2,286,277	3.4%	Increased employer Contribution to employee retirement.
Taxes Other than Income Taxes	45,735	49,047	(6.8%)	\$452,875	\$490,469	(8.3%)	
Purchased Power	174,821	143,275	22.0%	\$1,572,442	\$1,432,750	8.9%	Increased electric cost at Dudley, US27, and TMTP plants.
Chemicals	95,356	70,208	35.8%	\$950,165	\$702,083	26.1%	Higher chemical purchases at FTTP.
Materials & Supplies	165,901	137,029	21.1%	\$1,510,760	\$1,370,291	9.3%	
Contractual Services	217,635	384,106	(43.3%)	\$2,261,518	\$3,841,059	(69.8%)	Cleaning of Mains expensed in 2005 vs capitalized in 2006.
Rent	0	708	(100.0%)	\$2,506	\$7,083	(182.7%)	
Transportation	33,841	30,413	11.3%	\$379,351	\$304,125	19.8%	
Insurance	72,584	57,104	27.1%	\$489,476	\$571,042	(16.7%)	
Advertising	1,781	875	103.5%	\$13,472	\$8,750	35.1%	Audit adjustment to workers compensation expense.
Bad Debt Expense	36,119	45,833	(21.2%)	\$437,397	\$458,333	(4.8%)	
Miscellaneous	2,178	5,421	(59.8%)	\$67,432	\$54,208	19.6%	
Regulatory Commission Assessment	9,944	21,083	(52.8%)	\$171,054	\$210,833	(23.3%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,751,593</b>	<b>\$1,851,133</b>	<b>(5.4%)</b>	<b>\$16,999,742</b>	<b>\$18,511,331</b>	<b>(8.2%)</b>	

### NKWD O&M Monthly Comparison 2006 Budget to Actual



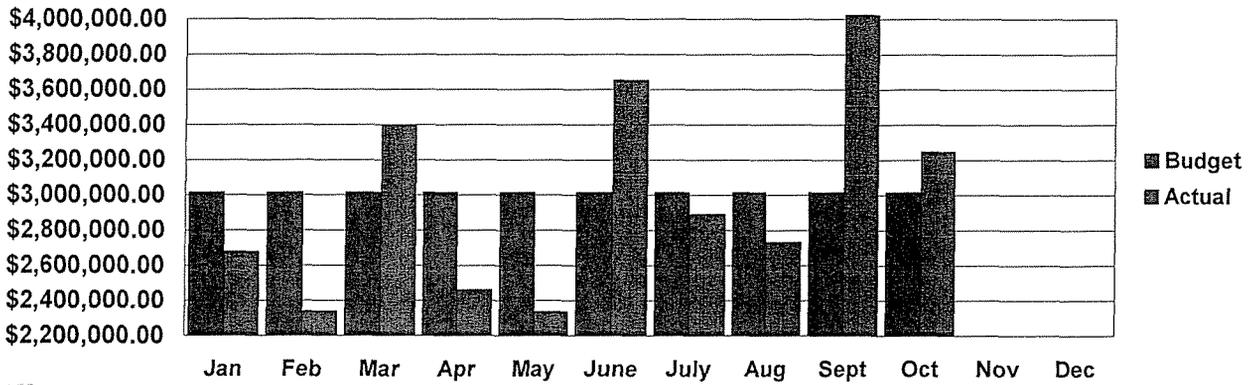
### NKWD O&M YTD Trending 2006 - Budget To Actual



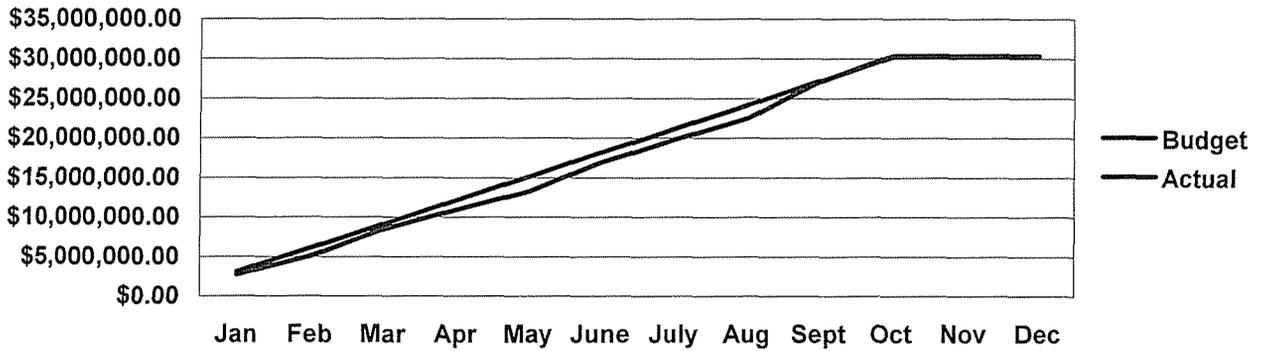
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Ten Months Ending October 31, 2006**

Description	Oct Actual	Oct Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,836,549	\$ 2,880,118	(1.5%)	\$ 27,129,088	\$ 28,801,180	(5.8%)	
Forfeited Discounts	83,503	60,417	38.2%	581,377	\$ 604,170	(3.8%)	
Rents from Water Property	72,337	43,750	65.3%	407,484	\$ 437,500	(6.9%)	
Other Water Revenues	27,005	29,167	(7.4%)	337,767	\$ 291,670	15.8%	
<b>Total Operating Revenues</b>	<b>\$3,019,394</b>	<b>\$3,013,452</b>	<b>0.2%</b>	<b>\$28,455,716</b>	<b>\$30,134,520</b>	<b>(5.6%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$178,156	\$133,333	33.6%	\$1,721,276	\$ 1,333,330	29.1%	Higher interest income because of increase in rates.
Miscellaneous	51,563	25,000	106.3%	191,496	\$ 250,000	(23.4%)	
<b>Total Non-Operating Income</b>	<b>\$229,719</b>	<b>\$158,333</b>	<b>45.1%</b>	<b>\$1,912,772</b>	<b>\$1,583,330</b>	<b>20.8%</b>	
<b>TOTAL INCOME</b>	<b>\$3,249,113</b>	<b>\$3,171,785</b>	<b>2.4%</b>	<b>\$30,368,488</b>	<b>\$31,717,850</b>	<b>(4.3%)</b>	

**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Ten Months Ending October 31, 2006

Division	Oct 2006	Oct 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$696,877	\$672,573	3.6%	\$6,792,553	\$6,749,708	0.6%	
ENGINEERING & DISTRIBUTION	475,809	606,624	(21.6%)	4,541,339	4,887,974	(7.1%)	
CUSTOMER SERVICE	285,701	296,225	(3.6%)	2,851,110	2,861,583	(0.4%)	Cleaning of Mains to be capitalized, expensed over time for 2006.
ADMINISTRATION	293,207	257,807	13.7%	2,814,740	2,499,726	12.6%	
<b>TOTAL O AND M</b>	<b>\$1,751,594</b>	<b>\$1,833,229</b>	<b>(4.5%)</b>	<b>\$16,999,742</b>	<b>\$16,998,990</b>	<b>0.0%</b>	

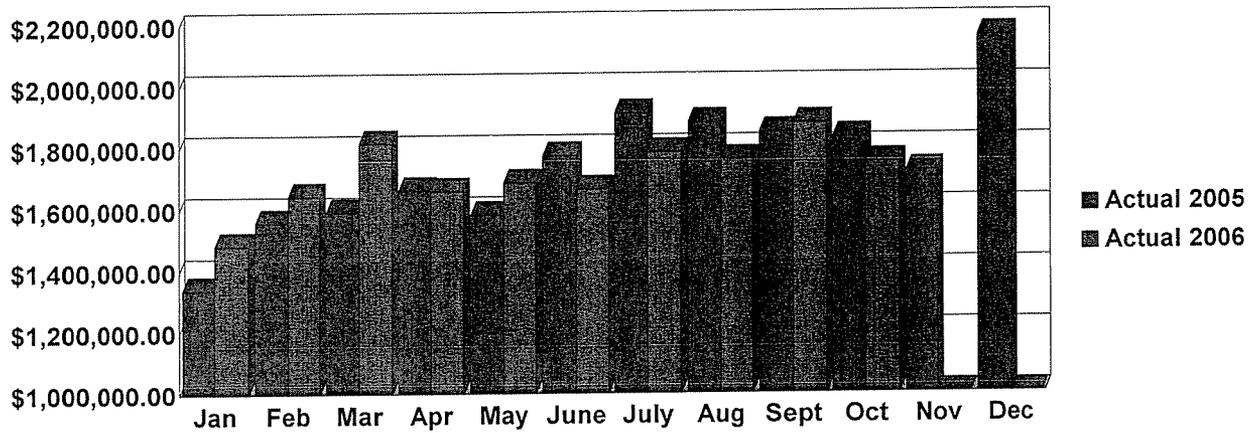
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Actual**  
**For the Ten Months Ending October 31, 2006**

Account	Oct 2006	Oct 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$651,869	\$567,492	14.9%	\$6,325,357	\$6,175,371	2.4%	
Employee Pension & Benefits	\$243,828	210,700	15.7%	\$2,365,937	\$2,012,985	17.5%	Increased Employer contribution to employee retirement.
Taxes Other than Income Taxes	45,735	39,980	14.4%	\$452,875	\$439,781	3.0%	
Purchased Power	174,821	147,177	18.8%	\$1,572,442	\$1,677,547	(6.3%)	Increase in Utilities cost for Central Facility, electric cost at US27, and FTTP
Chemicals	95,356	101,254	(5.8%)	\$950,165	\$845,652	12.4%	
Materials & Supplies	165,901	134,947	22.9%	\$1,510,760	\$1,294,664	16.7%	
Contractual Services	217,635	464,490	(53.1%)	\$2,261,518	\$2,939,111	(23.1%)	Cleaning of Mains capitalized in 2006, to be written off over time.
Rent	0	835	0.0%	\$2,506	\$9,019	(72.2%)	
Transportation	33,841	42,216	(19.8%)	\$379,351	\$331,151	14.6%	
Insurance	72,584	55,511	30.8%	\$489,476	\$576,620	(15.1%)	Audit adjustment to workers compensation assessment.
Advertising	1,781	1,944	(8.4%)	\$13,472	\$8,907	51.3%	
Bad Debt Expense	36,119	40,476	(10.8%)	\$437,397	\$431,918	1.3%	
Miscellaneous	2,178	4,463	(51.2%)	\$67,432	\$41,352	63.1%	
Regulatory Commission Assessment	9,944	21,745	(54.3%)	\$171,054	\$214,914	(20.4%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,751,593</b>	<b>\$1,833,228</b>	<b>(4.5%)</b>	<b>\$16,999,742</b>	<b>\$16,998,990</b>	<b>0.0%</b>	

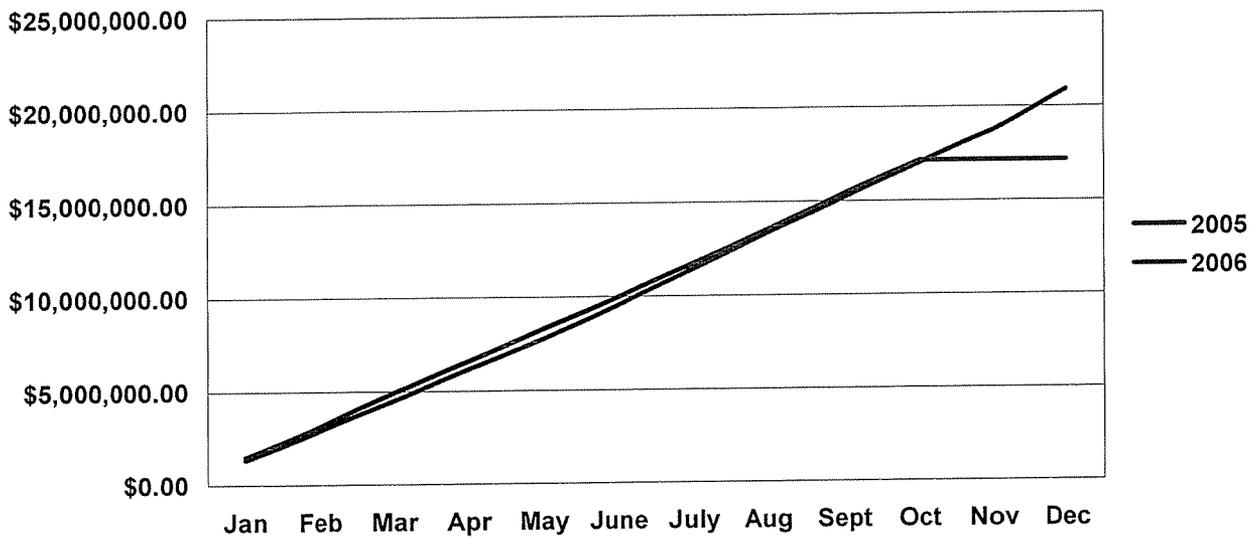
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Ten Months Ending October 31, 2006**

Description	Oct 2006	Oct 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 2,836,549	\$ 2,831,995	0.2%	\$ 27,129,088	\$ 27,292,632	(0.6%)	
Forfeited Discounts	83,503	69,539	20.1%	581,377	629,760	(7.7%)	
Rents from Water Property	72,337	42,927	68.5%	407,484	440,378	(7.5%)	
Other Water Revenues	27,005	22,525	19.9%	337,767	287,825	17.4%	
<b>Total Operating Revenues</b>	<b>\$3,019,394</b>	<b>\$2,966,986</b>	<b>1.8%</b>	<b>\$28,455,716</b>	<b>\$28,650,595</b>	<b>(0.7%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$178,156	\$226,806	(21.5%)	\$1,721,276	\$1,355,698	26.9%	Higher interest income because of increase in rates.
Miscellaneous	51,563	\$11,715	340.1%	191,496	128,939	48.5%	
<b>Total Non-Operating Income</b>	<b>\$229,719</b>	<b>\$238,521</b>	<b>(3.7%)</b>	<b>\$1,912,772</b>	<b>\$1,485,637</b>	<b>28.8%</b>	
<b>TOTAL INCOME</b>	<b>\$3,249,113</b>	<b>\$3,205,507</b>	<b>1.4%</b>	<b>\$30,368,488</b>	<b>\$30,136,232</b>	<b>0.8%</b>	

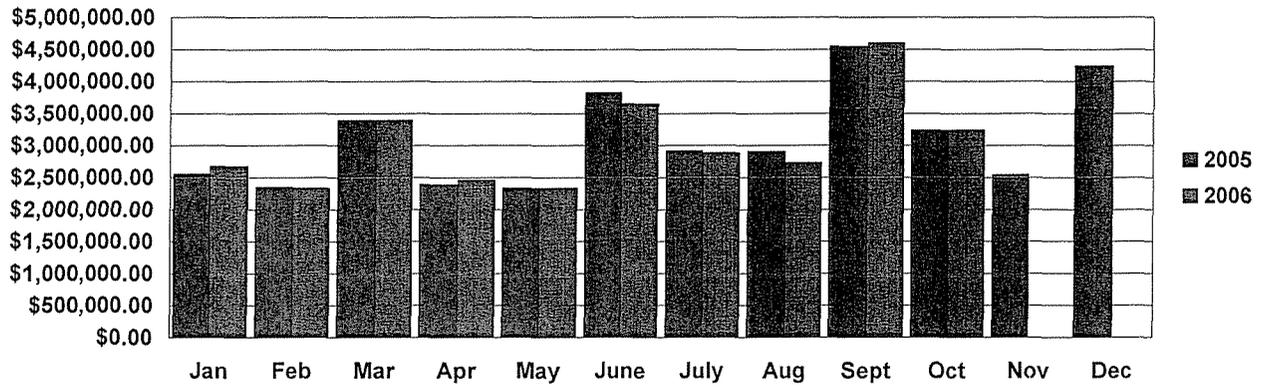
### NKWD O&M Monthly Comparison 2006 - Actual to Actual



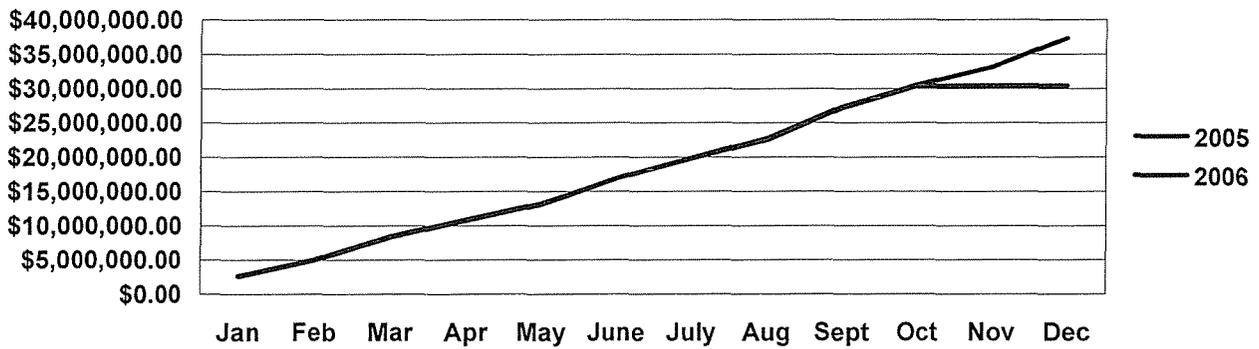
### NKWD O&M YTD Trending 2006 - Actual to Actual



NKWD  
Revenue by Month 2006 - Actual to Actual



NKWD  
Revenue Trending 2006 - Actual to Actual





	Description	Project #/FA#	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>Administrative Dept.</b>						
<b>2005</b>						
2005	Water Bottle Rinsing Unit		\$40,000.00		\$40,000.00	3
2005	Furniture for New Office Building		\$400,000.00	\$397,386.52	\$2,613.48	5
	Sub-Total		\$440,000.00	\$397,386.52	\$42,613.48	
<b>2006</b>						
2006	Software Updates		\$2,500.00		\$2,500.00	7
2006	Misc Needs at NCF		\$100,000.00	\$38,496.29	\$61,503.71	9
2006	Replace HVAC Unit 2 and Unit 6 at Central Facility		\$75,000.00	\$19,455.49	\$75,000.00	11
2006	File Cabinets - Finance & Adm		\$10,000.00		\$10,000.00	13
2006	Contingences		\$95,300.00	\$24,660.00	\$70,640.00	15
1/31/2006	- Pplate Jack for FTTP \$4,700.00		\$4,700.00	\$4,710.00	-\$10.00	15A
2006	Water Bottling: Conveyor, Automatic Filler, Bottle Spacer, auto Capper, Centrifugal Sorter, Cap Feeder and printer		\$145,000.00	\$308.95	\$144,691.05	17
	Sub-Total		\$432,500.00	\$87,630.73	\$364,324.76	
<b>Administration Department Sub-Total</b>			<b>\$872,500.00</b>	<b>\$485,017.25</b>	<b>\$406,938.24</b>	
<b>HR/Security/Safety &amp; IT</b>						
<b>INFO SYSTEMS</b>						
<b>2006</b>						
2006	PC Hardware Replacement Program		\$100,000.00	\$94,065.03	\$5,934.97	21
2006	Inventory Bar Coding System (Distr)		\$50,000.00	\$4,699.18	\$50,000.00	23
2006	Lg. Format Copier/Scanner/Plotter (Engineering)	FA8110	\$35,000.00	\$14,086.00	\$20,914.00	25 Posted FA
2006	Network Security IDS Software		\$10,000.00		\$10,000.00	27
2006	Crystal Reports XI Server Software		\$15,000.00	\$13,556.00	\$15,000.00	29
2006	Training Lab Computers & Printer		\$16,500.00		\$16,500.00	31
	Sub-Total		\$226,500.00	\$126,406.21	\$118,348.97	
<b>Central Facility</b>						
<b>2006</b>						
2006	Access Control, Cameras, Fire-Proof Storage \$75,000 (184)		\$0.00		\$0.00	41
2006	Gates, Fences, etc \$75,000 (184)		\$0.00		\$0.00	43
2006	IT switches, etc		\$200,000.00	\$68,860.91	\$131,139.09	45
	- For Chipper		-\$11,000.00		-\$11,000.00	
	Sub-Total		\$189,000.00	\$68,860.91	\$120,139.09	
<b>HR/Security/Safety/ IT Department Sub-total</b>			<b>\$415,500.00</b>	<b>\$195,267.12</b>	<b>\$238,488.06</b>	
<b>CUSTOMER SERVICE</b>						
<b>Billing</b>						
<b>2006</b>						
2006	Drive Up Drop Box for Central Facility	FA6146	\$1,500.00	\$975.00	\$525.00	51 Posted FA
2006	Copier, Fax, Scanner Equipment for Customer Service Area (1st Fl)		\$15,000.00		\$15,000.00	53
2006	6 - 4-drawer File Cabinets for Acct.Services Area at Central Facility		\$4,000.00	\$2,755.23	\$1,244.77	55
2006	Electronic Message Center for Central Facility		\$18,000.00	\$3,085.06	\$14,914.94	57
2006	Safe for Cashiers for Central Facility		\$6,000.00	\$2,988.14	\$3,011.86	59
2006	15 Wireless Phone Headsets		\$3,500.00	\$3,666.30	-\$166.30	61
2006	Storage units for the archive storage room in Central Facility	FA6213	\$6,000.00	\$4,860.00	\$1,140.00	63
2006	13 Printers for the Acct. Services Area		\$1,700.00		\$1,700.00	65
2006	5 OCR Scanners		\$3,500.00		\$3,500.00	67
	Billing Sub-Total		\$59,200.00	\$18,329.73	\$40,870.27	
<b>CS - Field Services &amp; Flushing</b>						
<b>2006</b>						
2006	3 Metal Locators (Field Service)		\$2,700.00		\$2,700.00	101
2006	2 Pocket Pro-Readers (Field Service)		\$1,400.00		\$1,400.00	103
2006	5 Digital Cameras (Field Service)		\$3,000.00		\$3,000.00	105
	Sub-Total		\$7,100.00	\$0.00	\$7,100.00	
<b>CS - Field Services &amp; Flushing Sub-Total</b>			<b>\$7,100.00</b>	<b>\$0.00</b>	<b>\$7,100.00</b>	
<b>Meter Shop</b>						
<b>2006</b>						
2006	Water Meters - All Sizes		\$600,000.00	\$317,540.00	\$282,460.00	111
2004	Meter Radio Read Fesability Study		\$42,165.89		\$42,165.89	04-80
2006	Shelving - NCF		\$10,000.00	\$9,698.28	\$301.72	113
2006	Meter Pit England's Water Haul		\$35,000.00		\$35,000.00	115
2006	Meter Pit at Governor's Point 2nd St, Covington		\$35,000.00		\$35,000.00	117
2006	3/4 Ton 4x4 Pick-up Replacing Vehicle 240		\$27,000.00		\$27,000.00	119
2006	Compact Pick-up 4x4 Replacing Vehicle 213	FA6080	\$19,000.00	\$16,256.00	\$2,744.00	121 Post FA
2006	AMR Develop/Project		\$80,000.00		\$80,000.00	123
	Meter Shop Sub-Total		\$848,165.89	\$343,494.28	\$504,671.61	
<b>Customer Service Department Sub-Total</b>			<b>\$914,465.89</b>	<b>\$361,824.01</b>	<b>\$552,641.88</b>	
<b>DISTRIBUTION</b>						
<b>Mainline Improvement</b>						

	Description	Project #/FA#	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>2004-2005</b>						
2004	Riley Road Water Main Extension (Redstone Road)		\$71,878.75	\$98,710.55	-\$26,831.80	04-134
2005	1- Pressure Reducing Pit		\$25,000.00	\$18,650.00	\$6,350.00	05-150
2005	2 Water Fill Stations (Wilder & Cold Spring, Campbell Co.)		\$50,000.00	\$41,122.00	\$8,878.00	05-152
	Sub-Total		\$146,878.75	\$158,482.55	-\$11,603.80	
<b>2006</b>						
2006	1 - Pressure Reducing Pit		\$35,000.00		\$35,000.00	131
2006	City Street Projects		\$50,000.00		\$50,000.00	133
2006	50' Extension Fund		\$40,000.00	\$1,934.50	\$38,065.50	135
2006	32nd St. Milling with the City of Covington		\$8,000.00		\$8,000.00	137
2006	Replacement of old services/Mainline Cleaning Projects		\$50,000.00		\$50,000.00	139
2006	Replacement of old fire hydrants & Mainline Cleaning Projects	18/4-606	\$950,000.00	\$458,384.04	\$491,615.96	141
2006	1 Water Fill Stations		\$50,000.00		\$50,000.00	143
	Sub-Total		\$1,183,000.00	\$460,318.54	\$722,681.46	
	<b>Mainline Improvement Sub-Total</b>		<b>\$1,329,878.75</b>	<b>\$618,801.09</b>	<b>\$711,077.66</b>	
<b>KDOT Engineering Work</b>						
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-0208	\$27,978.75	\$0.00	\$27,978.75	00-618
2004	KDOT - Madison from Pelle to Nicholson	184-0211	\$2,396.60	\$0.00	\$2,396.60	04-142
12/2/2002	KDOT - Turkeyfoot Phase II (Dudley - Lindenwood)	184-0214	\$30,000.00	\$0.00	\$30,000.00	02-100D
6/24/2002	KDOT - Turkeyfoot Road (Lindenwood - Spring Valley)	184-0215	\$12,500.00	\$0.00	\$12,500.00	04-144
6/26/2002	KDOT - 10th Street Bridge - Newport	184-0218	\$10,000.00	\$0.00	\$10,000.00	02-109A
12/2/2002	KDOT - Fidelity Connector	184-0219	\$15,000.00		\$15,000.00	02-100E
6/23/2003	KDOT - Ky 8 Bridge Replacement Ludlow	184-0221	\$6,000.00	\$0.00	\$6,000.00	03-114A
9/3/2003	KDOT - E. Alexandria Pike at Owl Creek	184-0222	\$3,635.00	\$0.00	\$3,635.00	03-114B
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00		\$18,049.00	03-114C
9/3/2003	KDOT - Relocation Kahns-KY10	184-0223	\$18,049.00	\$0.00	\$18,049.00	03-114C
2005	KDOT - 12th Street Project	184-0224	\$15,000.00		\$15,000.00	05-170a
2005	KDOT - Turkeyfoot Rd III (Spring Valley to West Richardson)	184-0226	\$45,000.00		\$45,000.00	05-170b
	Sub-Total		\$143,608.35	\$0.00	\$143,608.35	
<b>2006</b>						
	Engineering Service for KDOT Projects (Upcoming)		\$37,000.00		\$37,000.00	
2006	KDOT - Johns Hill Road Curve Straitening					151
2006	KDOT - Ky. 17 @ Ky. 14	184-0227	\$5,000.00		\$5,000.00	153
2006	KDOT - Buttermilk Pike (I-75 to Anderson Road)	184-0228	\$5,000.00		\$5,000.00	
2006	Don Street	184-0156	\$5,000.00	\$3,515.03	\$1,484.97	156
2006	KDOT - US27 to AA Highway KY 538 Extension	184-0229	\$8,000.00		\$8,000.00	155
	Sub-Total		\$60,000.00	\$3,515.03	\$56,484.97	157
	<b>KDOT Engineering Work Sub-Total</b>		<b>\$203,608.35</b>	<b>\$3,515.03</b>	<b>\$200,093.32</b>	
<b>2003 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2003	Waterworks Road Water Main Replacement	184-0151	\$48,700.47		\$48,700.47	03-108
	Sub-Total		\$48,700.47	\$0.00	\$48,700.47	
<b>2004 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2004	Waterworks Road Water Main Replacement - Additional Cost	184-0151	\$200,000.00		\$200,000.00	03-108
2004	Shinkle Alley 5-18-2006 - \$15,328.50	184-0187	\$309,671.50	\$240,286.32	\$69,385.18	04-160
2004	Orphanage Road 16" Erosion Problem Stabilization	184-	\$235,000.00		\$235,000.00	04-150I
2004	Industrial Road Widening	184-	\$50,000.00		\$50,000.00	04-150K
	Sub-Total		\$794,671.50	\$240,286.32	\$554,385.18	
<b>2005 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
2005	Brookwood Circle	184-0179	\$75,000.00	\$56,412.00	\$18,588.00	05-210b
2005	Audubon Road	184-0186	\$37,500.00	\$72,784.43	-\$35,284.43	05-214
2005	Maine	184-0182	\$57,500.00	\$2,196.50	\$55,303.50	05-216
2005	Decoursey Pike (Switch services to 12" water main)	184-0601	\$80,000.00	\$6,056.63	\$73,943.37	05-218
2005	Garvey Avenue Phase II 5-18-2006 + \$15,328.50	184-0176	\$50,328.50	\$50,328.50	\$0.00	05-220
2005	US HWY 27 (Switch services to 16" water main)	194-0600	\$100,000.00	\$3,006.66	\$96,993.34	05-222
2005	Lawton Rd. (City of Park Hills Street Project)	184-0178	\$145,000.00	\$116,415.57	\$28,584.43	05-224
	Sub-Total		\$545,328.50	\$307,200.29	\$238,128.21	
<b>2006 Water Main Replacement Program</b>						
<b>Unobligated Water Main Replacement Fund</b>						
			\$1,500,000.00		\$1,500,000.00	
2006	- Cariise Water Main Replacement (Steel)	184-0194	\$100,000.00	\$5,971.61	\$105,971.61	161
2006	- Lake Street, Ludlow, 3" water main replacement	184-0195	\$30,000.00	\$3,006.67	\$33,006.67	163
2006	- Western Ave. ??? (Cancelled 8-3-2006 @ \$250,000.00)				\$0.00	165
2006	- Mary Ingles Highway 3" slide problem area (Cancelled 8-3-2006 @150,000.00)				\$0.00	167
2006	- Moore Street (Switch Services to 20" water main) Bromley, Kentucky	184-0196	\$40,000.00	\$5,101.67	\$45,101.67	169
2006	- Holiday Lane WMR	184-0192	\$210,000.00	\$99,103.80	\$309,103.80	171A
2006	- Henry Clay & Kyles Lane Water Main	184-0197	\$26,000.00	\$1,402.50	\$27,402.50	171B
2006	- Marcella & St Anthony Water Main	184-0198	\$383,000.00	\$109,211.07	\$492,211.07	171C
7/5/2006	- Huntington Ave WMR	184-0199	\$200,000.00	\$6,056.62	\$206,056.62	171D
7/5/2006	- Viewpoint Drive WMR	184-0605	\$267,000.00	\$141,042.35	\$408,042.35	171E
8/3/2006	Transfer to ORPS #2 Project Line 263		\$90,000.00		\$90,000.00	171F
8/3/2006	- Alidrew Drive - Cold Spring	184-0607	\$8,000.00	\$4,495.00	\$12,495.00	171G
5	Allocated		\$1,354,000.00			
3	Un-Allocated		\$146,000.00	\$8,280.00	\$154,280.00	171
8/3/2006	- Brookwood Drive - Landside Area (From Line 05-210B)	184-608	\$54,000.00		\$54,000.00	172
	Sub-Total		\$2,908,000.00	\$383,671.29	\$3,437,671.29	

	Description	Project #/FA#	AS Budgeted	Actual Cost	Under/(Over)	Line #	
	<b>Water Main Replacement Sub-Total</b>		<b>\$4,296,700.47</b>	<b>\$931,157.90</b>	<b>\$4,278,885.15</b>		
	<b>2006</b>						
2006	New Mechanic Rack for C.F		\$12,000.00		\$12,000.00	181	
2006	Replace Wheel Balancer	AF6105	\$4,000.00	\$3,782.35	\$217.65	183	Post FA
2006	Speed Shoring		\$10,000.00		\$10,000.00	185	
2006	Quickie Saws (2)	FA6122 & 6123	\$2,000.00	\$1,918.00	\$82.00	187	Post FA
2006	Replace 1- Hoe Ram (Huskey)	FA6125	\$12,000.00	\$8,500.00	\$3,500.00	189	Post FA
2006	GPS Hand Held/ Software/ Chargers (2)	FA8171 & 8172	\$15,000.00	\$9,888.85	\$5,111.15	191	Post FA
2006	Tire Changer	FA6104	\$3,000.00	\$3,418.00	-\$418.00	193	Post FA
2006	A/C Recovery and Charger unit	614,161,426,143.00	\$3,000.00	\$9,010.00	-\$6,010.00	195	Post FA
4/11/2006	Bobcat Excavator Model 325		\$28,000.00	\$27,858.00	\$142.00	196	
2006	Replace Dump Truck 288	FA6187	\$65,000.00	\$68,946.00	-\$3,946.00	197	Post FA
2006	Replace 3/4 ton P.U. truck 244		\$23,000.00	\$21,999.00	\$1,001.00	199	Post FA
10/30/2006	Replace Truck hit by Train	FA6189	\$19,848.70	\$19,848.70	\$0.00	199A	Post FA
8/22/2006	Vermeer Chipper/Schredder -		\$11,000.00	\$6,350.00	\$4,650.00	200	
2006	Replace Backhoe K-2		\$70,000.00	\$72,800.00	-\$2,800.00	201	
2006	Replace Backhoe K-3 with Mini Excavator (For small work orders)		\$26,000.00		\$26,000.00	203	
	<b>Distribution Capital Items Sub-Total</b>		<b>\$303,848.70</b>	<b>\$254,318.90</b>	<b>\$49,529.80</b>		
				<b>\$116,415.57</b>			
	<b>Distribution Total</b>		<b>\$6,134,036.27</b>	<b>\$1,807,792.92</b>	<b>\$5,239,585.93</b>		
	<b>ENGINEERING</b>						
	<b>Capital Purchases</b>						
	<b>2006</b>						
2006	1-Locator		\$3,500.00		\$3,500.00	211	
2006	Steel Flat Files		\$20,400.00	\$19,320.04	\$1,079.96	213	
	<b>Sub-Total</b>		<b>\$23,900.00</b>	<b>\$19,320.04</b>	<b>\$4,579.96</b>		
	<b>Engineering Total</b>		<b>\$23,900.00</b>	<b>\$19,320.04</b>	<b>\$4,579.96</b>		
	<b>Distribution/Engineering Department Sub-Total</b>		<b>\$6,157,936.27</b>	<b>\$3,380,586.98</b>	<b>\$5,244,165.89</b>		
	<b>Water Quality &amp; Production</b>						
	<b>Operations</b>						
	<b>2006</b>						
	Security systems at MPTP and 7 pump stations		\$6,600	\$4,993.03	\$1,606.97	221	
	DVR, valves, level indicators and filter actuator replacements at 3 plants		\$28,500	\$12,855.16	\$15,644.84	223	
	Operator lab instruments		\$4,800	\$3,065.71	\$1,734.29	225	
	SCADA Computer/Processor		\$6,500	\$4,611.50	\$1,888.50	227	
	Access hatch and lab improvements at MPTP		\$22,000		\$22,000.00	229	
	5 chemical flow meter and 17 turbidimeter replacements	6,188.00	\$42,000	\$9,438.09	\$32,561.91	231	
2006	Palet Jack Unit		\$4,700		\$4,700.00	232	
	Ford Taurus replace vehicle 435	FA6078	\$20,000	\$12,748.00	\$7,252.00	233	Post FA
	<b>Operations Subtotal</b>		<b>\$135,100.00</b>	<b>\$47,711.49</b>	<b>\$87,388.51</b>		
	<b>LABORATORY</b>						
	<b>2006</b>						
	Distribution WQ monitors		\$45,000	\$2,715.65	\$42,284.35	241	
	Ford Taurus replace vehicle #430	FA6079	\$20,000	\$12,748.00	\$20,000.00	243	Post FA
	Refrigerator for sample storage		\$5,000	\$3,325.29	\$1,674.71	245	
	<b>Laboratory Sub-Total</b>		<b>\$70,000.00</b>	<b>\$18,788.94</b>	<b>\$63,959.06</b>		
	<b>MAINTENANCE</b>						
	<b>2006</b>						
	Replace FTTP backwash pump		\$8,000	\$9,734.18	-\$1,734.18	251	Post FA
	Replace permanganate pumps and lines at ORPS and LRPS	6138	\$35,000	\$37,157.86	-\$2,157.86	253	
	Replace surge valves at Hands and ORPS 1		\$30,000	\$8,962.11	\$21,037.89	255	
	Replace tanks and pump drives at FTTP sludge		\$19,000		\$19,000.00	257	
	Welding equipment		\$6,500	\$6,458.68	\$41.32	259	
	Replacement of ORPS 2 discharge line ( Line 263 - Line 171F)		\$280,000	\$12,548.70	\$267,451.30	261	
8/3/2006	Traveling Screen - Canceled		\$0		\$0.00	263	
	Replace vehicle #410	FA6081	\$25,000	\$20,742.00	\$4,258.00	265	Post FA
	Replacement Pump No 8	FA6106	\$20,000	\$19,505.00	\$495.00	267	Post FA
	<b>Maintenance Sub-Total</b>		<b>\$423,500.00</b>	<b>\$115,108.53</b>	<b>\$308,391.47</b>		
	<b>Water Quality &amp; Production Department Sub-Total</b>		<b>\$628,600.00</b>	<b>\$181,608.96</b>	<b>\$459,739.04</b>		
	<b>TOTAL of Departments</b>		<b>\$8,989,002.16</b>	<b>\$4,604,304.32</b>	<b>\$6,901,973.11</b>		

Northern Kentucky  
**Water District**

Financial Statement Snapshot					
January Board Meeting					
December 2006 Results Prelim.					
<b>Current Period Totals</b>					
<b>Section 1</b>	<b>2005</b>	<b>2006</b>	<b>2006 Budget</b>	<b>% Difference Prior Year</b>	<b>% Difference Budget</b>
Total Revenues	\$4,097,059	\$4,247,604	\$3,208,334	3.67%	32.39%
Total O&M	\$2,301,522	\$1,942,825	\$1,851,133	-15.59%	4.95%
<b>YTD Period Totals</b>					
<b>Section 2</b>	<b>2005</b>	<b>2006</b>	<b>2006 Budget</b>	<b>% Difference Prior Year</b>	<b>% Difference Budget</b>
Total Revenues	\$37,159,303	\$37,844,528	\$38,500,000	1.84%	-1.70%
Total O&M	\$21,023,284	\$20,576,252	\$22,213,597	-2.13%	-7.37%
<b>Detail</b>					
<b>Detailed Revenues Current</b>					
<b>Current Period</b>					
<b>Section 3</b>	<b>2005</b>	<b>2006</b>	<b>2006 Budget</b>	<b>% Difference Prior Year</b>	<b>% Difference Budget</b>
Water Sales	\$3,723,485	\$3,826,353	\$2,880,118	2.76%	32.85%
Forfeited Discounts	\$68,651	\$51,132	\$60,417	-25.52%	-15.37%
Rents Water Property	\$16,438	\$38,273	\$43,750	132.83%	-12.52%
Other Water Revenue	\$42,132	\$33,490	\$29,167	-20.51%	14.82%
Interest Income	\$345,925	\$254,571	\$133,333	-26.41%	90.93%
Miscellaneous	-\$136,121	\$7,236	\$25,000	-105.32%	-71.06%
Transfer Boone Florence	\$36,549	\$36,549	\$36,549	0.00%	0.00%
<b>Total Revenues Current</b>	<b>\$4,097,059</b>	<b>\$4,247,604</b>	<b>\$3,208,334</b>	<b>3.67%</b>	<b>32.39%</b>
<b>YTD</b>					
<b>Detailed Revenues YTD</b>					
<b>Section 4</b>	<b>2005</b>	<b>2006</b>	<b>2006 Budget</b>	<b>% Difference Prior Year</b>	<b>% Difference Budget</b>
Water Sales	\$33,229,279	\$33,369,999	\$34,561,416	0.42%	-3.45%
Forfeited Discounts	\$752,736	\$713,273	\$725,000	-5.24%	-1.62%
Rents Water Property	\$505,126	\$492,595	\$525,000	-2.48%	-6.17%
Other Water Revenue	\$358,282	\$413,202	\$350,000	15.33%	18.06%
Interest Income	\$1,862,615	\$2,185,711	\$1,600,000	17.35%	36.61%
Miscellaneous	\$12,681	\$231,164	\$300,000	1722.92%	-22.95%
Transfer Boone Florence	\$438,584	\$438,584	\$438,584	0.00%	0.00%
<b>Total Revenues YTD</b>	<b>\$37,159,303</b>	<b>\$37,844,528</b>	<b>\$38,500,000</b>	<b>1.84%</b>	<b>-1.70%</b>
Page 1					

Northern Kentucky  
**Water District**

January Board Meeting

December 2006 Results Prelim.

**Financial Statement Snapshot**

Detailed Expenses O&M Current

Section 5

Detail

Current Period

	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
See page 16 & 11					
Salaries & Wages	\$649,028	\$734,080	\$677,403	13.10%	8.37%
Employee Pensions & Benefits	\$195,419	\$278,160	\$228,628	42.34%	21.66%
Taxes Other	\$64,459	\$50,853	\$49,047	-21.11%	3.68%
Purchased Power	\$323,792	\$158,425	\$143,275	-51.07%	10.57%
Chemicals	\$121,460	\$71,138	\$70,208	-41.43%	1.32%
Materials & Supplies	\$274,317	\$153,676	\$137,029	-43.98%	12.15%
Contractual Services	\$457,502	\$363,749	\$384,106	-20.49%	-5.30%
Rent	\$835	\$0	\$708	-99.95%	-99.94%
Transportation	\$42,730	\$33,469	\$30,413	-21.67%	10.05%
Insurance	\$89,542	\$49,143	\$57,104	-45.12%	-13.94%
Advertising	\$754	\$53	\$875	-92.97%	-93.94%
Bad Debt Expense	\$55,381	\$33,636	\$45,833	-39.26%	-26.61%
Miscellaneous	\$4,558	\$6,499	\$5,421	42.58%	19.89%
Regulatory Commission	\$21,745	\$9,944	\$21,083	-54.27%	-52.83%
<b>Total O&amp;M Expenses Current</b>	<b>\$2,301,522</b>	<b>\$1,942,825</b>	<b>\$1,851,133</b>	<b>-15.59%</b>	<b>4.95%</b>

Detailed Expenses O&M YTD

Section 6

Detail

YTD

	2005	2006	2006 Budget	% Difference Prior Year	% Difference Budget
See page 14 & 9					
Salaries & Wages	\$7,468,284	\$7,688,200	\$8,128,833	2.94%	-5.42%
Employee Pensions & Benefits	\$2,413,137	\$2,893,030	\$2,743,532	19.89%	5.45%
Taxes Other	\$544,011	\$547,525	\$588,562	0.65%	-6.97%
Purchased Power	\$2,121,220	\$1,855,411	\$1,719,300	-12.53%	7.92%
Chemicals	\$1,035,885	\$1,115,294	\$842,500	7.67%	32.38%
Materials & Supplies	\$1,680,127	\$1,773,163	\$1,644,350	5.54%	7.83%
Contractual Services	\$3,770,963	\$2,876,948	\$4,609,270	-23.71%	-37.58%
Rent	\$10,689	\$2,506	\$8,500	-76.56%	-70.52%
Transportation	\$414,604	\$444,815	\$364,950	7.29%	21.88%
Insurance	\$721,425	\$587,763	\$685,250	-18.53%	-14.23%
Advertising	\$10,743	\$13,866	\$10,500	29.07%	32.06%
Bad Debt Expense	\$524,536	\$509,700	\$550,000	-2.83%	-7.33%
Miscellaneous	\$49,257	\$77,088	\$65,050	56.50%	18.51%
Regulatory Commission	\$258,404	\$190,942	\$253,000	-26.11%	-24.53%
<b>Total O&amp;M Expenses YTD</b>	<b>\$21,023,284</b>	<b>\$20,576,252</b>	<b>\$22,213,597</b>	<b>-2.13%</b>	<b>-7.37%</b>

**Northern Kentucky Water District  
Balance Sheet  
As of December 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,618,092	6,478,053
Accounts Receivable		
Customers	4,390,760	3,681,014
Unbilled Customers	4,900,000	4,900,000
Other	283,155	259,169
Assessments Receivable	37,767	37,767
Inventory Supplies for New Installation and Maintenance, at Cost	1,302,933	1,150,975
Prepaid Expenses	2,161,969	842,700
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 17,694,676</b>	<b>17,349,678</b>
<b>RESTRICTED ASSETS</b>		
Bond Proceeds Fund	\$ 13,147,409	17,242,047
Debt Service Reserve Account	13,149,312	12,472,874
Debt Service Account	7,713,194	6,547,631
Improvement, Repair & Replacement Boone/Florence Settlement Account	1,928,288	3,074,102
	3,023,965	3,344,622
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 38,962,168</b>	<b>42,681,276</b>
<b>NONCURRENT ASSETS</b>		
Miscellaneous Deferred Charges	\$ 9,355,219	9,821,617
Capital Assets:		
Land, System, Buildings and Equipment	\$ 256,289,362	253,634,326
Construction in Progress	32,233,477	19,738,958
Total Capital Assets before accumulated depreciation	\$ 288,522,839	273,373,284
Less Accumulated Depreciation	(60,089,807)	(54,448,687)
Total capital assets, net of accumulated depreciation	\$ 228,433,032	218,924,597
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 237,788,251</b>	<b>228,746,214</b>
<b>TOTAL ASSETS</b>	<b>\$ 294,445,095</b>	<b>288,777,168</b>

**Northern Kentucky Water District  
Balance Sheet  
As of December 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>LIABILITIES AND RETAINED EARNINGS</b>		
<b>CURRENT LIABILITIES</b>		
Current Portion of Long Term Debt	\$ 5,267,000	4,806,000
Accounts Payable	1,880,934	2,005,332
Accrued Payroll & Liabilities	340,186	273,867
Other Accrued Liabilities	187,198	161,957
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 7,675,318</b>	<b>7,247,156</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Accounts Payable	\$ 946,600	2,870,554
Accrued Interest Payable	2,944,301	2,737,097
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 3,890,901</b>	<b>5,607,651</b>
<b>LONG-TERM DEBT</b>		
Long-Term Portion of Bonded Indebtedness	\$ 168,128,000	144,145,000
Bond Anticipation Notes Payable		21,585,000
Note Payable - Taylor Mill Purchase	1,875,000	2,125,000
Deferred Note Payable	100,000	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 170,103,000</b>	<b>167,955,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 181,669,219</b>	<b>180,809,807</b>
<b>RETAINED EARNINGS</b>	<b>\$ 112,775,876</b>	<b>107,967,361</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 294,445,095</b>	<b>288,777,168</b>

Northern Kentucky Water District  
 Income and Expense Report Summary  
 For the Twelve Months Ending December 31, 2006

Description	Dec 2006	Dec 2006	Dec Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)	2006 Budget
TOTAL INCOME	\$4,097,059	\$4,224,816	\$3,208,334	31.7%	\$37,159,303	\$37,821,739	\$38,600,000	(1.8%)	\$36,204,584
TOTAL O & M EXPENSES	\$2,301,522	\$1,846,217	\$1,851,133	(0.3%)	\$21,023,284	\$20,478,644	\$22,213,597	(7.8%)	\$20,654,000
TRANSFER TO DEBT SERVICE	\$872,117	\$945,538	\$945,538	0.0%	\$10,465,404	\$11,346,452	\$11,346,452	0.0%	\$10,465,405
AVAILABLE FOR TRANSFER TO OPERATING CAPITAL	\$923,419	\$1,434,060	\$411,663	248.4%	\$5,670,615	\$5,996,643	\$4,939,950	21.4%	\$6,086,179

**Northern Kentucky Water District**  
**Income and Expense Report - Detail**  
**For the Twelve Months Ending December 31, 2006**

Description	Dec 2005	Dec 2006	Dec Budget	Variance Over (Under)	YTD 2005	YTD 2006	YTD Budget	Variance Over (Under)
<b>INCOME</b>								
Operating Income								
Water Sales	\$ 3,723,485	\$ 3,826,345	\$2,880,118	32.9%	\$ 33,229,279	\$ 33,369,991	\$34,561,416	(3.4%)
Forfeited Discounts	68,651	51,132	60,417	(15.4%)	752,736	713,273	\$725,000	(1.6%)
Rents from Water Property	16,438	38,123	43,750	(12.9%)	505,126	492,445	\$525,000	(6.2%)
Other Water Revenues	42,132	16,205	29,167	(44.4%)	368,282	395,917	\$350,000	13.4%
<b>Total Operating Income</b>	<b>\$3,850,706</b>	<b>\$3,931,805</b>	<b>\$3,013,452</b>	<b>30.5%</b>	<b>\$34,845,423</b>	<b>\$34,971,626</b>	<b>\$36,161,416</b>	<b>(3.3%)</b>
Non-Operating Income								
Interest Income	\$345,925	\$251,952	\$133,933	89.0%	\$1,862,615	\$2,183,092	\$1,600,000	36.4%
Miscellaneous	-\$136,121	4,509	25,000	(82.0%)	12,681	228,437	\$300,000	(23.9%)
<b>Total Non-Operating Income</b>	<b>\$209,804</b>	<b>\$256,461</b>	<b>\$158,933</b>	<b>62.0%</b>	<b>\$1,875,296</b>	<b>\$2,411,529</b>	<b>\$1,900,000</b>	<b>26.9%</b>
Boone Florence Settlement Transfer								
	\$36,549	\$36,549	\$36,549	0.0%	\$438,584	\$438,584	\$438,584	0.0%
<b>TOTAL INCOME</b>	<b>\$4,097,059</b>	<b>\$4,224,815</b>	<b>\$3,208,334</b>	<b>31.7%</b>	<b>\$37,169,303</b>	<b>\$37,821,739</b>	<b>\$38,500,000</b>	<b>(1.8%)</b>
<b>EXPENSES</b>								
O & M Expenses								
Source of Supply, Water Treatment, Pumping & Storage	\$883,304	\$755,145	\$695,762	8.5%	\$8,434,122	\$8,261,119	\$8,349,141	(1.1%)
Engineering & Distribution	786,932	468,403	523,282	(10.5%)	6,056,743	5,426,945	\$6,279,386	(13.6%)
Customer Service	348,525	306,318	337,398	(9.2%)	3,498,216	3,504,185	\$4,048,773	(13.5%)
Administration	282,761	315,351	294,691	7.0%	3,034,204	3,286,395	\$3,536,297	(7.1%)
<b>Total O &amp; M Expenses</b>	<b>\$2,301,522</b>	<b>\$1,845,217</b>	<b>\$1,851,133</b>	<b>(0.3%)</b>	<b>\$21,023,284</b>	<b>\$20,478,644</b>	<b>\$22,213,587</b>	<b>(7.8%)</b>
Transfer to debt service	\$872,117	\$945,538	\$945,538	0.0%	\$10,465,404	\$11,346,452	\$11,346,452	0.0%
<b>TOTAL EXPENSES</b>	<b>\$3,173,639</b>	<b>\$2,790,754</b>	<b>\$2,796,671</b>	<b>(0.2%)</b>	<b>\$31,488,688</b>	<b>\$31,825,096</b>	<b>\$33,560,049</b>	<b>(5.2%)</b>
<b>AVAILABLE FOR TRANSFER TO OPERATING CAPITAL</b>	<b>\$923,419</b>	<b>\$1,434,060</b>	<b>\$411,663</b>	<b>248.4%</b>	<b>\$5,670,615</b>	<b>\$5,996,643</b>	<b>\$4,939,950</b>	<b>21.4%</b>

**Northern Kentucky Water District**  
**Expense Report by Division Actual to Budget**  
**For the Twelve Months Ending December 31, 2006**

Division	Dec Actual	Dec Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$755,145	\$695,762	8.5%	\$8,261,119	\$8,349,141	(1.1%)	\$8,349,141	
ENGINEERING & DISTRIBUTION	468,403	523,282	(10.5%)	5,426,945	\$6,279,386	(13.6%)	6,279,386	
CUSTOMER SERVICE	306,318	337,398	(9.2%)	3,504,185	\$4,048,773	(13.5%)	4,048,773	Cleaning of Mains to be capitalized, expensed over time for 2006.
ADMINISTRATION	315,351	294,691	7.0%	3,286,395	\$3,536,297	(7.1%)	3,536,297	
<b>TOTAL O AND M</b>	<b>\$1,845,217</b>	<b>\$1,851,133</b>	<b>(0.3%)</b>	<b>\$20,478,644</b>	<b>\$22,213,597</b>	<b>(7.8%)</b>	<b>\$22,213,597</b>	

**Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Twelve Months Ending December 31, 2006**

Department	Dec Actual	Dec Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$3,824	\$3,833	(0.3%)	\$61,181	\$46,000	33.0%	\$ 46,000	
Ohio River Pump Station # 1	36,557	44,063	(17.1%)	463,594	\$529,000	(12.4%)	529,000	
Ohio River Pump Station # 2	13,779	5,167	166.7%	81,554	\$62,000	31.5%	62,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$54,160</b>	<b>\$53,063</b>	<b>2.0%</b>	<b>\$606,329</b>	<b>\$637,000</b>	<b>(4.8%)</b>	<b>\$637,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$191,728	\$275,395	(30.4%)	\$2,569,598	\$3,304,742	(22.2%)	\$ 3,304,742	
Taylor Mill Treatment Plant	51,791	50,421	2.7%	786,651	\$605,050	30.0%	\$605,050	
Memorial Parkway Treatment Plant	63,680	67,950	(6.3%)	719,814	\$815,400	(11.7%)	\$815,400	
Laboratory	69,510	60,950	14.0%	768,905	\$731,400	5.1%	\$731,400	
Instrumentation	31,310	27,821	12.5%	337,490	\$333,850	1.1%	\$333,850	
Sludge	56,642	13,958	305.8%	217,504	\$167,500	29.9%	\$167,500	
<b>TOTAL WATER QUALITY</b>	<b>\$464,661</b>	<b>\$496,495</b>	<b>(6.4%)</b>	<b>\$5,399,962</b>	<b>\$6,967,942</b>	<b>(9.4%)</b>	<b>\$5,967,942</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$236,324</b>	<b>\$146,183</b>	<b>61.7%</b>	<b>\$2,254,828</b>	<b>\$1,754,200</b>	<b>28.6%</b>	<b>\$ 1,754,200</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$755,145</b>	<b>\$696,762</b>	<b>8.6%</b>	<b>\$8,261,119</b>	<b>\$8,349,142</b>	<b>(1.1%)</b>	<b>\$8,349,142</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Twelve Months Ending December 31, 2006

Department	Dec Actual	Dec Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$118,851	\$112,323	5.8%	\$1,254,258	\$1,347,875	(6.9%)	\$1,347,875	
Distribution	349,552	410,959	(14.9%)	4,172,688	\$4,931,511	(15.4%)	4,931,511	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$468,403</b>	<b>\$523,282</b>	<b>(10.5%)</b>	<b>\$5,426,946</b>	<b>\$6,279,386</b>	<b>(13.8%)</b>	<b>\$ 6,279,386</b>	Decrease in Mainline cleaning and lining, being capitalized in 2006.
<b>CUSTOMER SERVICE</b>								
Field Service	\$76,588	\$69,393	10.4%	\$798,239	\$832,714	(4.1%)	\$ 832,714	
Meter Shop	29,511	28,727	2.7%	355,796	\$344,719	3.2%	344,719	
Courier/Maintenance	7,571	5,108	48.2%	67,464	\$61,300	10.1%	61,300	
Account Service	128,006	128,642	(0.5%)	1,392,407	\$1,543,700	(9.8%)	1,543,700	
Meter Reading	27,798	28,720	(3.2%)	329,710	\$344,637	(4.3%)	344,637	
Flushing	599	25,559	(97.7%)	9,447	\$306,703	(96.9%)	306,703	Labor costs moved to different departments.
Other	36,245	51,250	(29.3%)	551,122	\$615,000	(10.4%)	615,000	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$306,318</b>	<b>\$337,398</b>	<b>(9.2%)</b>	<b>\$3,504,186</b>	<b>\$4,048,773</b>	<b>(13.5%)</b>	<b>\$ 4,048,773</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Twelve Months Ending December 31, 2006

Department	Dec Actual	Dec Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2006 Budget 12 Months	Explanation
ADMINISTRATION	\$51,999	\$44,392	17.1%	\$519,631	\$592,703	(2.5%)	\$ 532,703	
Executive Management	10,543	9,447	11.6%	119,058	\$113,364	5.0%	113,364	
Board of Commissioners	32,875	29,850	10.1%	317,708	\$358,200	(11.3%)	358,200	
Accounting	121,613	117,811	3.4%	1,369,012	\$1,411,330	(3.0%)	1,411,330	
H. R., Information Systems, Safety	98,321	93,392	5.3%	960,986	\$1,120,700	(14.3%)	1,120,700	
Other	\$315,351	\$294,691	7.0%	\$3,286,395	\$3,536,297	(7.1%)	\$ 3,536,297	
TOTAL ADMINISTRATION	\$1,845,217	\$1,851,133	(0.3%)	\$20,478,644	\$22,213,697	(7.8%)	\$22,213,698	
TOTAL O & M								

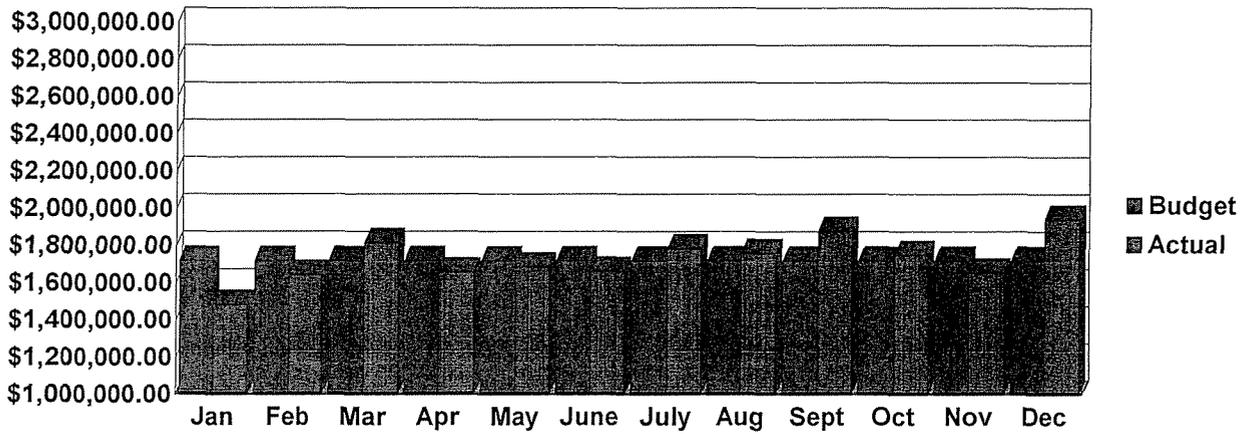
**Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Twelve Months Ending December 31, 2006**

Account	Dec Actual	Dec Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$734,080	\$677,403	8.4%	\$7,688,200	\$8,128,833	(5.7%)	
Employee Pension & Benefits	278,160	228,628	21.7%	2,893,030	2,743,532	5.2%	
Taxes Other than Income Taxes	50,853	49,047	3.7%	547,525	588,562	(7.5%)	
Purchased Power	158,425	143,275	10.6%	1,855,411	1,719,300	7.3%	
Chemicals	67,042	70,208	(4.5%)	1,111,198	842,500	24.2%	
Materials & Supplies	108,193	197,029	(21.0%)	1,727,680	1,644,350	4.8%	
Contractual Services	915,771	384,106	(17.8%)	2,828,971	4,609,270	(62.9%)	
Rent	0	708	(100.0%)	2,506	8,500	(239.2%)	Rental space from Heritage no longer needed.
Transportation	33,434	30,413	9.9%	444,780	364,850	17.9%	
Insurance	49,143	57,104	(13.9%)	587,763	685,250	(16.6%)	Lower general liability insurance costs in 2006.
Advertising	53	875	(93.9%)	13,866	10,500	24.3%	
Bad Debt Expense	33,636	45,833	(26.6%)	509,700	550,000	(7.9%)	
Miscellaneous	6,483	5,421	19.6%	77,072	65,050	15.6%	
Regulatory Commission Assessment	9,944	21,083	(52.8%)	190,942	253,000	(32.5%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,845,217</b>	<b>\$1,851,133</b>	<b>(0.3%)</b>	<b>\$20,478,844</b>	<b>\$22,213,597</b>	<b>(7.8%)</b>	

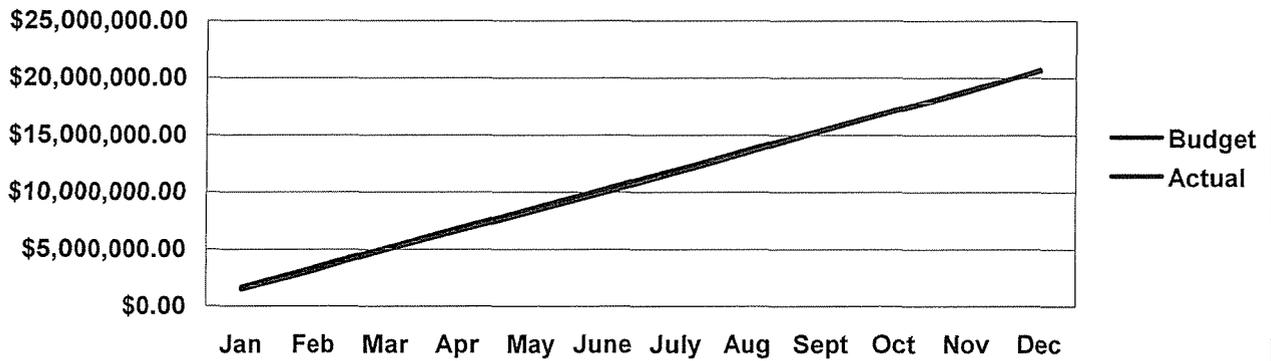
Northern Kentucky Water District  
 Income Report Actual to Projected  
 For the Twelve Months Ending December 31, 2006

Description	Dec Actual	Dec Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 3,826,345	\$ 2,880,118	32.9%	\$ 33,369,991	\$ 34,561,416	(3.4%)	
Forfeited Discounts	51,132	60,417	(15.4%)	713,273	\$ 725,000	(1.6%)	
Rents from Water Property	38,123	43,750	(12.9%)	492,445	\$ 525,000	(6.2%)	
Other Water Revenues	16,205	29,167	(44.4%)	395,917	\$ 350,000	13.1%	
<b>Total Operating Revenues</b>	<b>\$3,931,805</b>	<b>\$3,013,452</b>	<b>30.5%</b>	<b>\$34,971,626</b>	<b>\$36,161,416</b>	<b>(3.3%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$251,952	\$133,333	89.0%	\$2,183,092	\$ 1,600,000	36.4%	
Miscellaneous	4,509	25,000	(82.0%)	228,437	\$ 300,000	(23.9%)	Higher interest income because of increase in rates, Bond 06.
<b>Total Non-Operating Income</b>	<b>\$256,461</b>	<b>\$158,333</b>	<b>62.0%</b>	<b>\$2,411,529</b>	<b>\$1,900,000</b>	<b>26.9%</b>	
<b>TOTAL INCOME</b>	<b>\$4,188,266</b>	<b>\$3,171,785</b>	<b>32.0%</b>	<b>\$37,383,155</b>	<b>\$38,061,416</b>	<b>(1.8%)</b>	

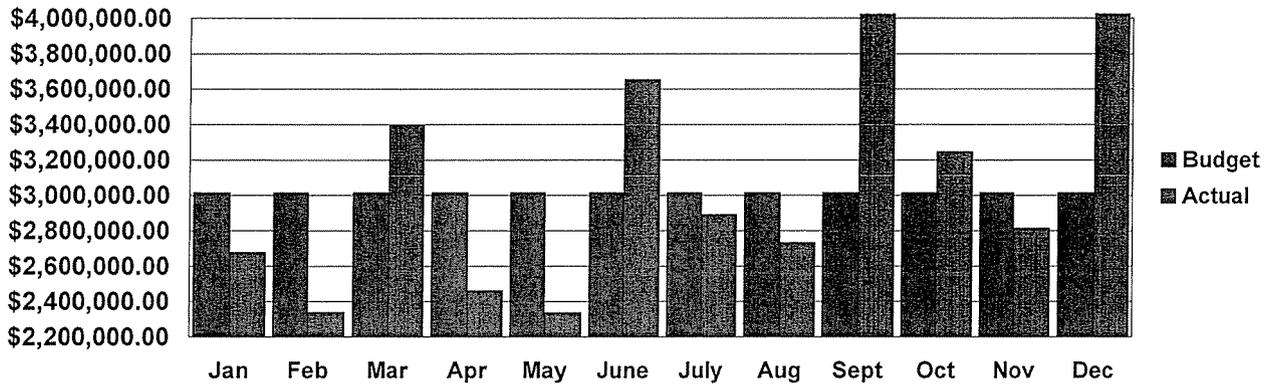
### NKWD O&M Monthly Comparison 2006 Budget to Actual



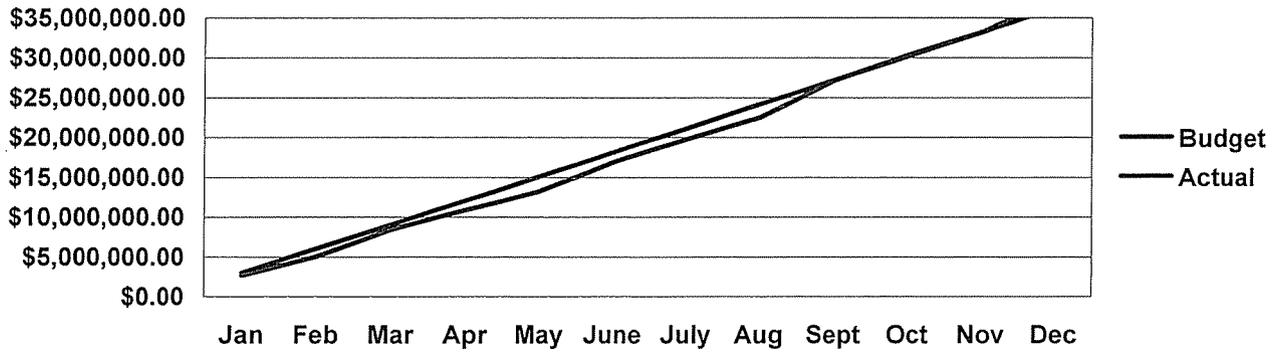
### NKWD O&M YTD Trending 2006 - Budget To Actual



**NKWD**  
**Revenue by Month 2006 - Budget to Actual**



**NKWD**  
**Revenue Trending 2006 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Twelve Months Ending December 31, 2006

Division	Dec 2006	Dec 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$755,145	\$883,304	(14.5%)	\$8,261,119	\$8,434,122	(2.1%)	
ENGINEERING & DISTRIBUTION	468,403	786,932	(40.5%)	5,426,945	6,056,743	(10.4%)	
CUSTOMER SERVICE	306,318	348,525	(12.1%)	3,504,185	3,498,216	0.2%	
ADMINISTRATION	315,351	282,761	11.5%	3,286,395	3,034,204	8.3%	
<b>TOTAL O AND M</b>	<b>\$1,845,217</b>	<b>\$2,301,522</b>	<b>(19.8%)</b>	<b>\$20,478,644</b>	<b>\$21,023,284</b>	<b>(2.6%)</b>	

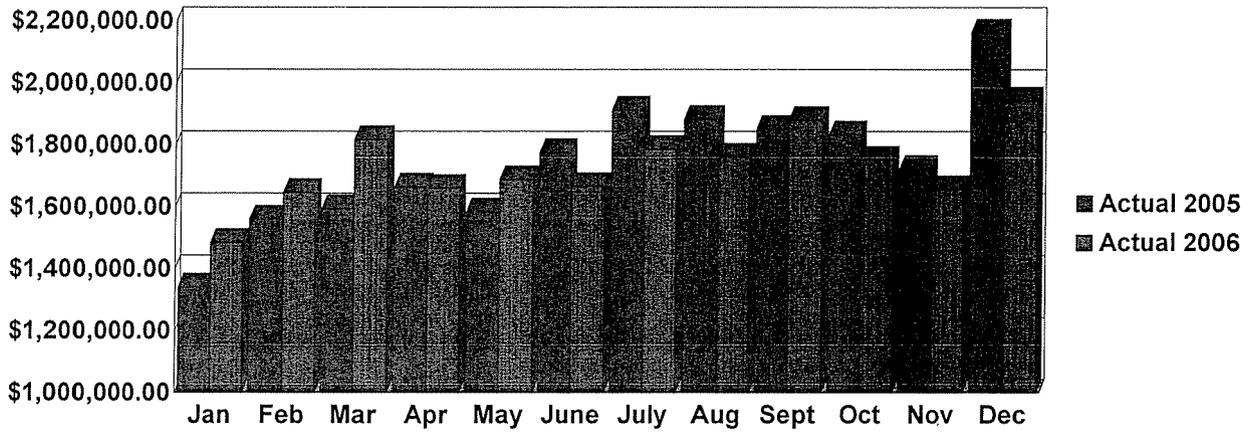
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Twelve Months Ending December 31, 2006

Account	Dec 2006	Dec 2005	Variance Over (Under)	YTD 2006	YTD 2005	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$734,080	\$649,028	13.1%	\$7,688,200	\$7,468,284	2.9%	
Employee Pension & Benefits	\$278,160	195,419	42.3%	\$2,893,030	\$2,413,137	19.9%	Increased Employer contribution to employee retirement.
Taxes Other than Income Taxes	50,853	64,459	(21.1%)	\$547,525	\$544,011	0.6%	
Purchased Power	158,425	323,792	(51.1%)	\$1,855,411	\$2,121,220	(12.5%)	
Chemicals	67,042	121,460	(44.8%)	\$1,111,198	\$1,035,885	7.3%	
Materials & Supplies	108,193	274,317	(60.6%)	\$1,727,680	\$1,680,127	2.8%	
Contractual Services	315,771	457,502	(31.0%)	\$2,828,971	\$3,770,963	(25.0%)	Cleaning of Mains capitalized in 2006, to be written off over time.
Rent	0	835	0.0%	\$2,506	\$10,689	(76.6%)	
Transportation	33,434	42,730	(21.8%)	\$444,780	\$414,604	7.3%	
Insurance	49,143	89,542	(45.1%)	\$587,763	\$721,425	(18.5%)	Lower general liability insurance costs in 2006.
Advertising	53	754	(93.0%)	\$13,866	\$10,743	29.1%	
Bad Debt Expense	33,636	55,981	(39.3%)	\$509,700	\$524,536	(2.8%)	
Miscellaneous	6,483	4,658	42.2%	\$77,072	\$49,257	56.5%	
Regulatory Commission Assessment	9,944	21,745	(54.3%)	\$190,942	\$258,404	(26.1%)	2003 rate case expense completely written off.
<b>Total O &amp; M Expenses</b>	<b>\$1,845,217</b>	<b>\$2,301,522</b>	<b>(19.8%)</b>	<b>\$20,478,644</b>	<b>\$21,023,285</b>	<b>(2.6%)</b>	

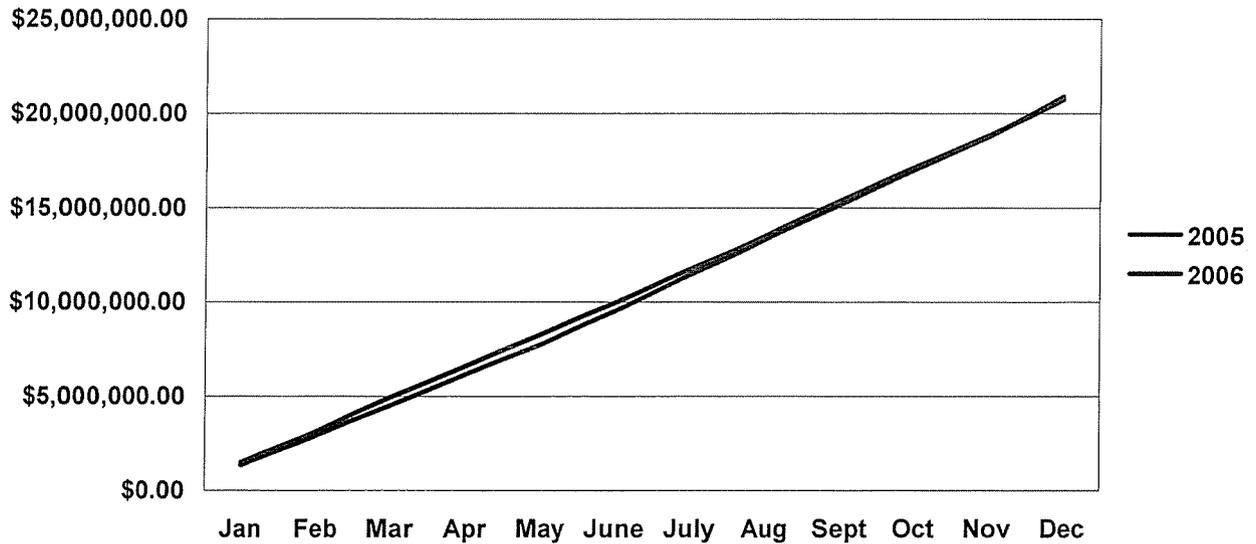
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Twelve Months Ending December 31, 2006**

Description	Dec 2006	Dec 2005	Variance	YTD 2006	YTD 2005	Variance	Explanation
Water Sales	\$ 3,826,345	\$ 3,723,485	2.8%	\$ 33,369,991	\$ 33,229,279	0.4%	
Forfeited Discounts	51,132	68,651	(25.5%)	713,273	752,736	(5.2%)	
Rentals from Water Property	38,123	16,438	131.9%	492,445	505,126	(2.5%)	
Other Water Revenues	16,205	42,132	(61.5%)	395,917	358,282	10.5%	
<b>Total Operating Revenues</b>	<b>\$3,931,805</b>	<b>\$3,850,706</b>	<b>2.1%</b>	<b>\$34,971,626</b>	<b>\$34,845,423</b>	<b>0.4%</b>	
Non-Operating Income (Expense)							
Interest Income	\$251,952	\$345,925	(27.2%)	\$2,183,092	\$1,862,615	17.2%	Higher YTD Interest income because of increase in rates.
Miscellaneous	4,509	-\$136,121	(103.3%)	228,437	12,681	1701.4%	
<b>Total Non-Operating Income</b>	<b>\$256,461</b>	<b>\$209,804</b>	<b>22.2%</b>	<b>\$2,411,529</b>	<b>\$1,875,296</b>	<b>28.6%</b>	
<b>TOTAL INCOME</b>	<b>\$4,188,266</b>	<b>\$4,060,510</b>	<b>3.1%</b>	<b>\$37,383,155</b>	<b>\$36,720,719</b>	<b>1.8%</b>	

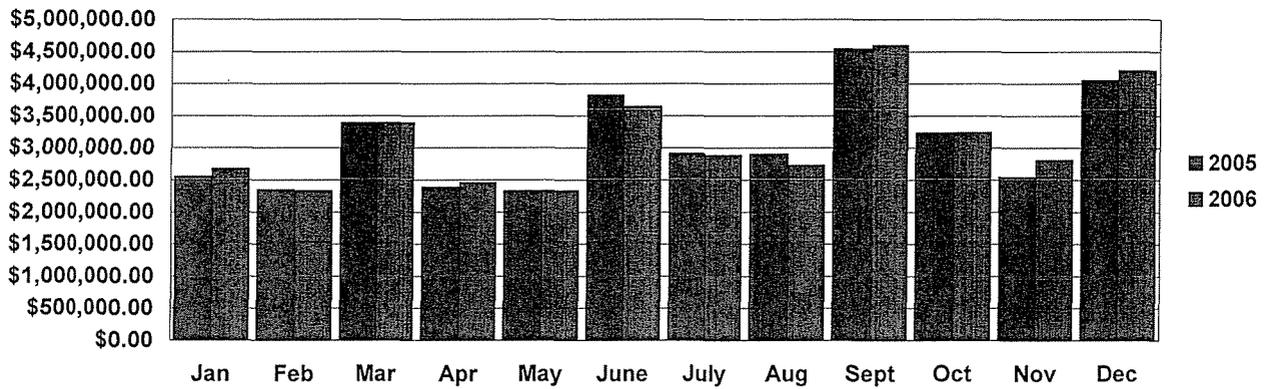
**NKWD**  
**O&M Monthly Comparison 2006 - Actual to Actual**



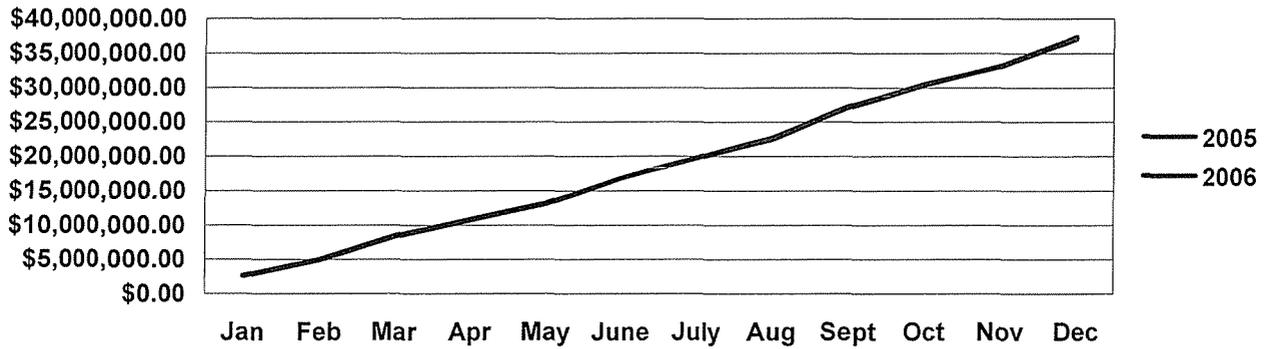
**NKWD**  
**O&M YTD Trending 2006 - Actual to Actual**



**NKWD**  
**Revenue by Month 2006 - Actual to Actual**



**NKWD**  
**Revenue Trending 2006 - Actual to Actual**





**Please refer to Exhibit N.**



**NORTHERN KENTUCKY WATER DISTRICT**

**DECEMBER 31, 2006**

*PROFORMA FINANCIAL STATEMENTS AND ACCOUNTANTS'  
REPORT*

**NORTHERN KENTUCKY WATER DISTRICT  
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Financial Statements	
Balance Sheets – Proforma	1
Statements of Income – Proforma	2
Notes to the Proforma Financial Statements	3



To the Board of Commissioners  
Northern Kentucky Water District  
2835 Crescent Springs Road  
Erlanger, Kentucky 41018

We have compiled the accompanying proforma balance sheet of the Northern Kentucky Water District as of December 31, 2006, and the related statement of proforma income for the year then ended with the application of Public Service Commission's required Exhibit N, under PSC regulations.

The accompanying presentation and this report were prepared for the Water District's application to the Commonwealth of Kentucky before the Public Service Commission to increase rates to fund improvements to existing facilities.

A compilation is limited to presenting in the form of proforma financial statements information that is the representation of management and does not include an evaluation of the assumptions underlying the proforma transactions. We have not audited or reviewed the accompanying proforma financial statements and accordingly do not express an opinion or any other form of assurance on them.

Management has elected to omit the statement of retained earnings, cash flows, and a complete summary of significant accounting policies. If the omitted proforma financial statement and disclosures were included in the proforma presentation, they might influence the user's conclusions about the District's results of operations for the period. Accordingly, this proforma is not designed for those who are not informed about such matters.

*VonLehman & Company Inc.*

Fort Mitchell, Kentucky  
May 21, 2007

## LIABILITIES AND RETAINED EARNINGS

	Proforma December 31, 2006	Application of Exhibits A & N	Extension After Application of Exhibits
<b>Current Liabilities</b>			
Current Portion of Long-term Debt	\$ 5,017,000	\$ -	\$ 5,017,000
Note Payable	250,000	-	250,000
Accounts Payable	2,535,094	-	2,535,094
Accrued Payroll & Liabilities	339,778	-	339,778
Other Accrued Liabilities	187,673	-	187,673
Total Current Liabilities	8,329,545	-	8,329,545
<b>Current Liabilities Payable From Restricted Assets</b>			
Accounts Payable	762,498	-	762,498
Accrued Interest Payable	2,944,301	-	2,944,301
Total Current Liabilities Payable From Restricted Assets	3,706,799	-	3,706,799
<b>Long-term Debt</b>			
Long-term Portion of Bonded Indebtedness	168,128,000	-	168,128,000
Bond Anticipation Notes Payable		-	
Note Payable - Taylor Mill Purchase	1,875,000	-	1,875,000
Deferred Note Payable	100,000	-	100,000
Total Long-term Debt	170,103,000	-	170,103,000
Total Liabilities	182,139,344	-	182,139,344
<b>Net Assets</b>	114,183,710	(996,440)	113,187,270
<b>Total Liabilities and Retained Earnings</b>	\$ 296,323,054	\$ (996,440)	\$ 295,326,614

**NORTHERN KENTUCKY WATER DISTRICT  
NOTES TO THE PROFORMA FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2006**

**NOTE 1 - SUMMARY OF SIGNIFICANT ASSUMPTIONS UNDERLYING THE PROFORMA**

The December 31, 2006 proforma financial information is based upon actual income and expenses for the year ended December 31, 2006 and financial information extracted from Exhibit A and Exhibit N, stated on a proforma basis.

Operating and maintenance expense was adjusted for the twelve months ended December 31, 2006 for the following known costs:

Salaries	\$ 309,960
Employee Insurance	210,229
Pension	168,372
Electric Cost	289,264
Gas Cost	26,156
Amortization of prior rate case	<u>(7,541)</u>
	<u>\$ 996,440</u>



NKWD  
Rate Case 2007-000135  
Exhibit L  
Witness: Bragg

Public Notice Statement

I verify that the attached public notice was submitted to the local papers of record to be published on May 31, June 7, and June 14 of 2007 in the Kentucky Post and Campbell County Recorder (this publication is only once a week). Affidavits will be forward to the Commission, upon their receipt from the publications.

  
\_\_\_\_\_  
Jack Bragg, CPA, CMA  
Vice-President - Finance

5/21/07  
Date

**NORTHERN KENTUCKY WATER DISTRICT**  
**NOTICE TO CUSTOMERS**  
**WATER RATE ADJUSTMENT**

Pursuant to the regulations of the Public Service Commission (Commission), the Northern Kentucky Water District gives notice that it intends to adopt an increase in its water rates. The rates listed below, which are approximately a 15% average increase over the current rates, are to be effective July 1, 2007, or sooner if approved by the Commission. The average customer bill will increase from \$83.69 per quarter to \$96.27 per quarter. Please note that the rates our stated in hundred cubic feet. Further information may be obtained from the Commission or the NKWD. The rates proposed in this Notice may be modified by the Commission. Such action by the Commission may result in the rates being higher or lower than those proposed by the NKWD.

Any corporation, association, body politic or person may by timely motion, within 30 days of this Notice, request intervention in this case. Intervention beyond the 30 day period may be granted for good cause shown. The Motion must be submitted to the Public Service Commission, 211 Sower Blvd., Box 615, Frankfort, Ky. 40602 and should state the grounds for the request, including the interest and status of the party. Interveners may obtain copies of the Application and any testimony filed by contacting the NKWD at the address below. A copy of the Application is available for public review at the office of the NKWD and at the Public Service Commission, 211 Sower Blvd., Frankfort, Ky. 40601, and (502) 564-3940.

Jack Bragg  
Northern Kentucky Water District  
2835 Crescent Spring Road  
P.O. Box 18640  
Erlanger, Kentucky 41018-0640  
Cold Spring, KY 41076  
(859) 426-2758

**Current Rates:**

**Service Charge** for the following meter sizes; 5/8" meter \$10.63 monthly and \$16.09 quarterly, 3/4" meter \$10.99 monthly and \$16.95 quarterly, 1" meter \$12.00 monthly and \$19.49 quarterly, 1 1/2" meter \$13.51 monthly and \$22.96 quarterly, 2" meter \$17.07 monthly and \$32.28 quarterly, 3" meter \$41.22 monthly and \$100.44 quarterly, 4" meter \$51.63 monthly and \$126.09 quarterly, 6" meter \$76.45 monthly and \$186.08 quarterly, 8" meter \$103.24 monthly and \$254.22 quarterly, and 10" or larger meter \$137.30 monthly and \$331.96 quarterly.

**Commodity Charges:** Monthly first 15ccf at \$2.81 per ccf, next 1,635ccf at \$2.43 per ccf, over 1,650ccf at \$2.16 ccf. Quarterly first 45ccf at \$2.81 per ccf, next 4,905 ccf at @2.43, and over 4,950 at \$2.16 per ccf. Wholesale rate at \$1.89 per ccf.

**Proposed Rates: This is a 15% across the board rate increase.**

**Service Charge** for the following meter sizes; 5/8" meter \$12.22 monthly and \$18.50 quarterly, 3/4" meter \$12.64 monthly and \$19.49 quarterly, 1" meter \$13.80 monthly and \$22.41 quarterly, 1 1/2" meter \$15.54 monthly and \$26.40 quarterly, 2" meter \$19.63 monthly and \$37.12 quarterly, 3" meter \$47.40 monthly and \$115.51 quarterly, 4" meter \$59.37 and \$145.00 quarterly, 6" meter \$87.92 monthly and \$213.99 quarterly, 8" meter \$118.73 and \$292.35 quarterly, and 10" or larger meter \$157.90 monthly and \$381.75 quarterly.

**Commodity Charges:** Monthly first 15ccf at \$3.23 per ccf, next 1,635ccf at \$2.79 per ccf, over 1,650ccf at \$2.48 ccf. Quarterly first 45ccf at \$3.23 per ccf, next 4,905 ccf at \$2.79, and over 4,950 at \$2.48 per ccf. Wholesale rate at \$2.17 per ccf.

**Conversion factor:** 1 cubic foot = 7.48gallon  
ccf = 100 Cubic



## Current Rate Tariffs of NKWD

**SECTION II – RETAIL WATER RATES**

**Northern Kentucky Water District Service Area**

1. Monthly Service Rate

First	1,500 cubic feet	\$2.81 per 100 cubic feet
Next	163,500 cubic feet	\$2.43 per 100 cubic feet
Over	165,000 cubic feet	\$2.16 per 100 cubic feet

**Customers in Subdistrict A** \*shall be assessed a monthly surcharge in the amount of \$9.84

**Customers in Subdistrict B** \*shall be assessed a monthly surcharge in the amount of \$19.46

**Customers in Subdistrict C** \*shall be assessed a monthly surcharge in the amount of \$20.33

**Customer in Subdistrict D** \*shall be assessed a monthly surcharge in the amount of \$30.00

**Customers in Subdistrict E** \*shall be assessed a monthly surcharge in the amount of \$30.00

**Customers in Subdistrict R** \*shall be assessed a monthly surcharge in the amount of \$18.89

**Customers in Subdistrict RF** \*shall be assessed a monthly surcharge in the amount of \$25.47

**Customers in Subdistrict RL** \*shall be assessed a monthly surcharge in the amount of \$37.50

\*Subdistrict charges are reviewed annually.

\*Detailed street listing within each Subdistrict can be found under Appendix A.

\*Service connections on extensions or laterals from a Subdistrict street will be assessed the appropriate Subdistrict charge.

2. Quarterly Rates

First	4,500 cubic feet	\$2.81 per 100 cubic feet
Next	490,500 cubic feet	\$2.43 per 100 cubic feet
Next	495,000 cubic feet	\$2.16 per 100 cubic feet

3. Fixed Service Charge

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>Quarterly Charge</u>
5/8"	\$10.63	\$16.09
3/4"	\$10.99	\$16.95
1"	\$12.00	\$19.49
1 1/2"	\$13.51	\$22.96

Date of Issue: May 26, 2006

Date Effective: April 28, 2006

Issued by: \_\_\_\_\_  
 Officer & Title Jack Bragg, Jr. CPA, CMA  
 Vice President - Finance

2835 Crescent Springs Road, Erlanger, Ky 41018

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2"	\$17.07	\$32.28
3"	\$41.22	\$100.44
4"	\$51.63	\$126.09
6"	\$76.45	\$186.08
8"	\$103.24	\$254.22
10" and Larger	\$137.30	\$331.96

**SECTION III – WHOLESALE WATER SALES**

Bullock Pen Water District	\$2.54 per 1,000 gallons (or) \$1.89 per 100 cubic feet
City of Walton	\$2.54 per 1,000 gallons (or) \$1.89 per 100 cubic feet
Pendleton County	\$2.54 per 1,000 gallons (or) \$1.89 per 100 cubic feet

**SECTION IV – MISCELLANEOUS SERVICE FEES**

Returned Check Charge	\$ 20.00
Water Hauling Station	3.50 per 1,000 gallons
Service Charge	25.00 (See Definitions in Section 1-A)
Overtime Charge	40.00

**SECTION V – CUSTOMER BILL OF RIGHTS**

As a residential customer of a regulated public utility in Kentucky, you are guaranteed the following rights subject to the Kentucky Revised Statutes and the provisions of the Kentucky Administrative Regulations:

- You have the right to service, provided you (or a member of your household whose debt was accumulated at your address) are not indebted to the utility.
- You have the right to inspect and review the utility's rates and tariff operating procedures during the utility's normal office hours. (8:00 AM to 5:00 PM, Monday through Friday).
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
- You have the right to dispute the reasons for any announced termination of your service.
- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment. If the outstanding arrears is less than \$150.00, you may apply for a payment plan not to exceed 30 days from the date of original cut-off date. If your arrears is over \$150,000, a payment for longer than 30 days can be arranged, but not to exceed 180 days in length. In

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Date of Issue: May 26, 2006

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Officer & Title Jack Bragg, Jr. CPA, CMA  
Vice President - Finance

2835 Crescent Springs Road, Erlanger, Ky 41018

## Proposed Rate Tariffs of NKWD

**SECTION II – RETAIL WATER RATES**

**Northern Kentucky Water District Service Area**

**1. Monthly Service Rate**

First	1,500 cubic feet	\$3.23 per 100 cubic feet
Next	163,500 cubic feet	\$2.79 per 100 cubic feet
Over	165,000 cubic feet	\$2.48 per 100 cubic feet

**Comment:** Increase

**Comment:** Increase

**Comment:** Increase

**Comment:** Reduction

**Customers in Subdistrict A** \*shall be assessed a monthly surcharge in the amount of \$ 9.30

**Comment:** Reduction

**Customers in Subdistrict B** \*shall be assessed a monthly surcharge in the amount of \$18.96

**Comment:** Reduction

**Customers in Subdistrict C** \*shall be assessed a monthly surcharge in the amount of \$19.84

**Comment:** Reduction

**Customer in Subdistrict D** \*shall be assessed a monthly surcharge in the amount of \$30.00

**Customers in Subdistrict E** \*shall be assessed a monthly surcharge in the amount of \$30.00

**Customers in Subdistrict K** \*shall be assessed a monthly surcharge in the amount of \$30.00

**Customers in Subdistrict R** \*shall be assessed a monthly surcharge in the amount of \$18.81

**Comment:** Reduction

**Customers in Subdistrict RF** \*shall be assessed a monthly surcharge in the amount of \$25.47

**Comment:** Reduction

**Customers in Subdistrict RL** \*shall be assessed a monthly surcharge in the amount of \$37.50

\*Subdistrict charges are reviewed annually.

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\*Service connections on extensions or laterals from a Subdistrict street will be assessed the appropriate Subdistrict charge.

**2. Quarterly Rates**

First	4,500 cubic feet	\$3.23 per 100 cubic feet
Next	490,500 cubic feet	\$2.79 per 100 cubic feet
Next	495,000 cubic feet	\$2.48 per 100 cubic feet

**Comment:** Increase

**Comment:** Increase

**Comment:** Increase

**3. Fixed Service Charge**

<u>Meter Size</u>	<u>Monthly Service Charge</u>	<u>Quarterly Charge</u>
5/8"	\$12.22	\$18.50
3/4"	\$12.64	\$19.49
1"	\$13.80	\$22.41

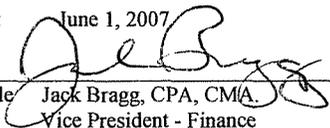
**Comment:** Increase

**Comment:** Increase

**Comment:** Increase

Date of Issue: June 1, 2007

Date Effective: July 1, 2007

Issued by:   
 Officer & Title: Jack Bragg, CPA, CMA.  
 Vice President - Finance

2835 Crescent Springs Road  
 Erlanger, Kentucky 41018

1 1/2"	\$ 15.54	\$ 26.40
2"	\$ 19.63	\$ 37.12
3"	\$ 47.40	\$115.51
4"	\$ 59.37	\$145.00
6"	\$ 87.92	\$213.99
8"	\$ 118.73	\$292.35
10" and Larger	\$ 157.90	\$381.75

- Comment: Increase

**SECTION III – WHOLESALE WATER SALES**

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Pendleton County	\$2.90 per 1,000 gallons (or) \$2.17 per 100 cubic feet

- Comment: Increase
- Comment: Increase

**SECTION IV – MISCELLANEOUS SERVICE FEES**

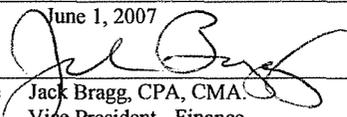
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Overtime Charge	40.00

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- You have the right to inspect and review the utility's rates and tariff operating procedures during the utility's normal office hours. (8:00 AM to 5:00 PM, Monday through Friday).
- You have the right to be present at any routine utility inspection of your service conditions.
- You must be provided a separate, distinct disconnect notice alerting you to a possible disconnection of your service if payment is not received.
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- You have the right to negotiate a partial payment plan when your service is threatened by disconnection for non-payment. If the outstanding arrears is less than \$150.00, you may apply for a payment plan not to exceed 30 days from the date of original cut-off date. If your arrears is over \$150,000, a payment for longer than 30 days can be arranged, but not to exceed 180 days in length. In

Date of Issue: June 1, 2007

Issued by:   
Officer & Title: Jack Bragg, CPA, CMA.  
Vice President - Finance

Date Effective: July 1, 2007

2835 Crescent Spring Road  
Erlanger, Kentucky 41018



**Please See Attached Exhibit N Binder**



Exhibit O

**PSC 2007 Rate Case Project List**

Page No.	PSC Ref. No.	PROJECT	Previous Funding	Funding thru SRF Loan	Total Cost 2007 Rate Case	FUNDING
1	127	184-0439 TMTP (old FTTP) Ultraviolet Disinfection (Construction)	\$500,000		\$1,150,000	BAN 2007
2	86	184-0435 MPPT Chemical Building/Raw Water PS/Transfer Pipe - 3	\$500,000	\$4,000,000	\$2,365,000	BAN 2007
3	84	184-0437 Standby Generator at ORPS1	\$95,000		\$1,705,000	BAN 2007
4	119	184-0441 TMTP Backwash Handling System	\$200,000		\$1,189,000	BAN 2007
5	8	FTTP Pre-treatment Imp. (SCADA upgrade Phase 3) Eng.			\$250,000	BAN 2007
6	91	Standby Generator at Dudley			\$1,500,000	BAN 2007
7	131	184-0450 Pump #4 at ORPS 1			\$350,000	BAN 2007
8	134	184-0451 (Gravity Thickner) at FTTP Residuals Handling - Engineering			\$200,000	BAN 2007
9	111	184-0447 FTTP Post-Filtration GAC - Engineering.			\$821,966	BAN 2007
10	37-a	184-0113 Four & Twelve Mile Road - Stonehouse (unfunded)	\$670,000		\$305,000	BAN 2007
11	29-a	184-0107 Orphanage Road 24" & 16"			\$910,000	BAN 2007
12	184-0188	Sub-District F - Upgrade Cost & Surcharge	\$955,000		\$276,653	BAN 2007
13	184-0193	Sub-District G - Upgrade Cost & Surcharge	\$750,000		\$1,721,381	BAN 2007
14	40	184-0115 KY 9 (36" Moock Rd to Newport Steel Entrance)			\$1,611,000	BAN 2007
15	55	Water Main Replacement Program 2006			\$21,006	BAN 2007
	184-0189	36" Phase II Water Main Replacement			\$1,414,251	BAN 2007
	184-0602	Montrose Street Water Main Replacement			\$59,743	BAN 2007
	184-0603	2nd St./Uhl Road/Four Mile to Lafarge M.R. - Lafarge			\$185,000	BAN 2007
	184-0612	36" behind Eaton Asphalt Repair			\$300,000	BAN 2007
	184-0611	Mt. Allen Ave., Park Hills Street Project			\$120,000	BAN 2007
16	56	Mains into Unserved Areas 2006			\$250,000	BAN 2007
17	57-a	U.S.27 From Ripple Creek BPS under AA Highway, Ph.1			\$575,000	BAN 2007
18	20	U.S.27 From State Route 824 to Pendleton Co. Meter Pit			\$885,000	BAN 2007
19	57	AA Highway from U.S. 27 to East Alex. Pike			\$891,000	BAN 2007
20	140	Lower Tug Fork 3" Water Main Replacement - Hydraulic			\$328,000	BAN 2007
21	78	Four Mile Pike (Poplar Ridge to Nine Mile)			\$996,000	BAN 2007
22	77	Ky. 547 from Washington Street to Nelson Road, Phase 1			\$570,000	BAN 2007
23	80	Water Main Replacement Program 2007 - \$2,900,000			\$304,300	BAN 2007
	184-0613	Dixie Highway - Lytle Ave. to Boone County Line			\$285,000	BAN 2007
	184-0614	McCullum/Oliver/Cox Road Water Main Replacement			\$990,000	BAN 2007
	184-0615	U.S. 27 - Lickert to Riley School			\$712,500	BAN 2007
	184-0616	N. Ft. Thomas Ave.			\$390,000	BAN 2007
	184-0617	St. Agnes Circle			\$130,000	BAN 2007
	184-0618	Stevenson Road Main Replacement			\$72,000	BAN 2007
	184-0610	Banklick Street Main Replacement			\$16,200	BAN 2007
24	81	Mains into Unserved Areas 2007			\$250,000	BAN 2007
25	105	Year 2007 Systematic WMR (Gov. Match) Part 1 - Design			\$400,000	BAN 2007
26	106	Radio Read Meters for Kenton & Campbell Areas 2006			\$800,000	BAN 2007
27	126	42" Transmission Main From FTTP-Moock Road 36" - Design			\$400,000	BAN 2007
		<b>Total</b>	<b>\$3,670,000</b>	<b>\$4,000,000</b>	<b>\$25,700,000</b>	

Exhibit O

Page No.	PSC Ref. No.	PROJECT	Construction Start	Completion Date	In-Service Date	Number of potential customer	Certificate of Need
1	184-0439	TMTP (old FTTP) Ultraviolet Disinfection (Construction)	Apr-07	Jun-08	Jun-08	0	2007-00052
2	184-0435	MPTP Chemical Building/Raw Water PS/Transfer Pipe - 3	Dec-06	Dec-07	Dec-07	0	2006-00400
3	184-0437	Standby Generator at ORPS1	Nov-06	Sep-07	Sep-07	0	2006-00372
4	184-0441	TMTP Backwash Handling System	Jun-07	Jun-08	Jun-08	0	Pending
5	8	FTTP Pre-treatment Imp. (SCADA upgrade Phase 3) Eng.	n/a	n/a	n/a	0	Ord. Course of Bus.
6	91	Standby Generator at Dudley	Feb-07	Jan-08	Jan-08	0	2006-00506
7	131	Pump #4 at ORPS 1	Aug-07	Jan-08	Jan-08	0	Ord. Course of Bus.
8	134	(Gravity Thickner) at FTTP Residuals Handling - Engineering	n/a	n/a	n/a	0	Ord. Course of Bus.
9	111	FTTP Post-Filtration GAC - Engineering.	n/a	n/a	n/a	0	Ord. Course of Bus.
10	37-a	Four & Twelve Mile Road - Stonehouse (unfunded)	Jul-07	Jan-08	Jan-07	8	Ord. Course of Bus.
11	29-a	Orphanage Road 24" & 16"	Sep-07	Feb-08	Feb-08	0	Ord. Course of Bus.
12	184-0188	Sub-District F - Upgrade Cost & Surcharge	Dec-06	Jun-07	Jun-07	136	2006-00315
13	184-0193	Sub-District G - Upgrade Cost & Surcharge	Jun-07	Dec-07	Dec-07	243	Pending
13	40	KY 9 (36" Mook Rd to Newport Steel Entrance)	Aug-07	Nov-07	Nov-07	2	Pending
15	55	Water Main Replacement Program 2006					
	184-0189	36" Phase II Water Main Replacement	Jan-06	Sep-06	Sep-06	0	2005-00148
	184-0602	Montrose Street Water Main Replacement	Jul-06	Oct-06	Oct-06	0	Ord. Course of Bus.
	184-0603	2nd St./Uhl Road/Four Mile to Lafarge M.R. - Lafarge	Feb-07	May-07	May-07	0	Ord. Course of Bus.
	184-0612	36" behind Eaton Asphalt Repair	Aug-07	Nov-07	Nov-07	0	Ord. Course of Bus.
	184-0611	Mt. Allen Ave., Park Hills Street Project	Aug-07	Nov-07	Nov-07	0	Ord. Course of Bus.
16	56	Mains into Unserved Areas 2006	n/a	n/a	n/a	?	Ord. Course of Bus.
17	57-a	U.S.27 From Ripple Creek BPS under AA Highway, Ph.1	Aug-07	Nov-07	Nov-07	0	Ord. Course of Bus.
18	20	U.S.27 From State Route 824 to Pendleton Co. Meter Pit	Sep-07	Oct-08	Oct-08	0	Ord. Course of Bus.
19	57	AA Highway from U.S. 27 to East Alex. Pike	Nov-07	Jun-08	Jun-08	0	Ord. Course of Bus.
20	140	Lower Tug Fork 3" Water Main Replacement - Hydraulic	May-07	Aug-07	Aug-07	0	Ord. Course of Bus.
21	78	Four Mile Pike (Poplar Ridge to Nine Mile)	Aug-07	Dec-07	Dec-07	0	Ord. Course of Bus.
22	77	Ky. 547 from Washington Street to Nelson Road, Phase 1	Sep-07	Feb-08	Feb-07	4	Ord. Course of Bus.
23	80	Water Main Replacement Program 2007					
	184-0613	Dixie Highway - Lytle Ave. to Boone County Line	Aug-07	Oct-07	Oct-07	0	Ord. Course of Bus.
	184-0614	McCullum/Oliver/Cox Road Water Main Replacement	Jul-07	Sep-07	Sep-07	0	Ord. Course of Bus.
	184-0615	U.S. 27 - Lickert to Riley School	Oct-07	Mar-08	Mar-08	0	Ord. Course of Bus.
	184-0616	N. Ft. Thomas Ave.	Nov-07	Apr-08	Apr-08	0	Ord. Course of Bus.
	184-0617	St. Agnes Circle	Jun-07	Sep-07	Sep-07	0	Ord. Course of Bus.
	184-0618	Stevenson Road Main Replacement	Aug-07	Oct-07	Oct-07	0	Ord. Course of Bus.
	184-0610	Banklick Street Main Replacement	Feb-07	Apr-07	Apr-07	0	Ord. Course of Bus.
24	81	Mains into Unserved Areas 2007	n/a	n/a	n/a	?	Ord. Course of Bus.
25	105	Year 2007 Systematic WMR (Cov. Match) Part 1 - Design	n/a	n/a	n/a	0	Ord. Course of Bus.
26	106	Radio Read Meters for Kenton & Campbell Areas 2006	n/a	n/a	n/a	0	Ord. Course of Bus.
27	184-0076	42" Transmission Main From FTTP-Mook Road 36" - Design	n/a	n/a	n/a	0	Ord. Course of Bus.

**TMTP UV 184-0439**

Water Quality and Production Project

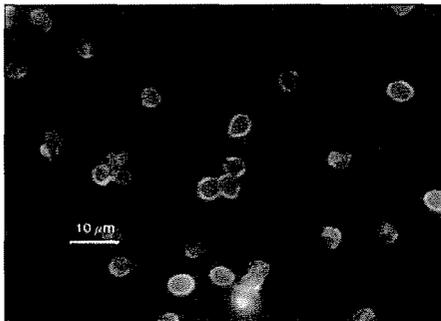
PROJECT TYPE: Plant Upgrade

FUNDING SOURCE		
\$	500000	Bond 2006
\$	1,150,000	BAN 2007
\$	1,650,000	<b>Total Cost</b>

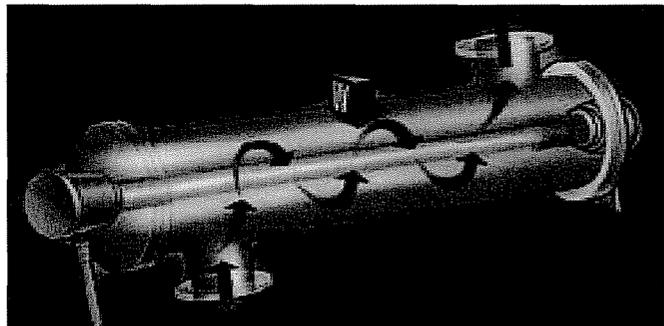
BUDGET BY YEAR		
2006	Design	500,000
2007	Const.	1,150,000
<b>TOTAL COSTS</b>		<b>\$ 1,650,000</b>

**PROJECT DESCRIPTION**

The Taylor Mill Treatment Plant (TMTP) produces about 10% of NKWD's annual water supply. UV was pilot tested at the TMTP for more than 2 years and was found to be effective in meeting some treatment challenges at that plant. UV will serve as an additional disinfection barrier to pathogens and will allow the plant to meet CT regulations during all times of the year. This project provides for one on-line reactor with a redundant reactor for backup. It also provides an uninterrupted power supply and a new transformer for the UV equipment.



*cryptosporidium*



UV reactor

**Memorial Parkway Treatment Plant Chemical Building Improvements**

184-0435

Water Quality and Production Project

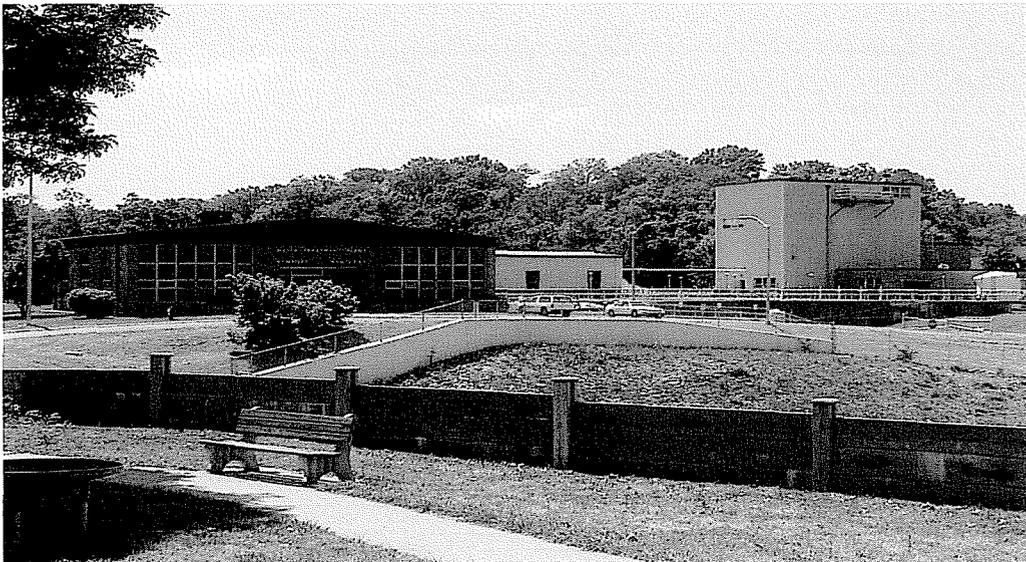
PROJECT TYPE: Water Treatment Plant Upgrade

FUNDING SOURCE	
\$4,000,000	DWSRF
\$500,000	BAN 05/Bond 06
<u>\$2,365,000</u>	BAN 07
\$6,865,000	<b>Total Cost</b>

BUDGET BY YEAR	
2006	500,000
2007	6,365,000
<b>TOTAL COSTS</b>	<b>\$ 6,865,000</b>

**PROJECT DESCRIPTION**

The need for renovation of the chemical building and reservoir pumping station at the Memorial Parkway Treatment Plant were noted in Black & Veatch's report in May 2002 and the Asset Management Plan in May 2004. The Board approved an engineering evaluation of the chemical building and reservoir pumping station at the April, 2004 Board meeting. The CH2MHill Engineering Evaluation proposed 3 alternatives to remedy the chemical building shortcomings: build a new building, rehabilitate the existing chemical building or build a building in the existing, empty sedimentation basins. A "do nothing" alternative was also investigated but was eliminated because it did not address any of the problems at the facility. The Evaluation recommended replacement of the pumps and other minor building improvements at the reservoir pumping station.



**Standby Generator at Ohio River Pump Station 1**

184-0437

Water Quality and Production Project

PROJECT TYPE: Pump Station Upgrade

**FUNDING SOURCE**

\$	95,000	Bond 2006
\$	1,705,000	BAN 2007
\$	1,800,000	<b>Total Cost</b>

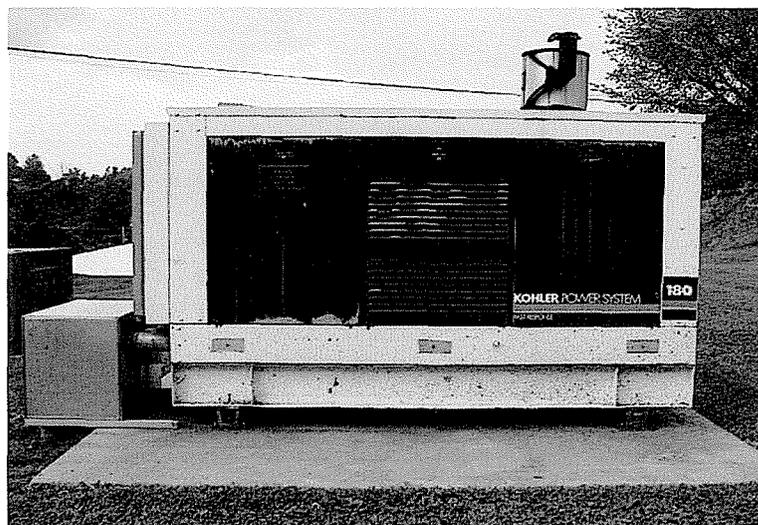
**BUDGET BY YEAR**

2006	\$	95,000
2007		1,705,000

**TOTAL COSTS** \$ 1,800,000

**PROJECT DESCRIPTION**

The Ohio River Pump Station (ORPS) supplies raw water to the Fort Thomas Treatment Plant (FTTP). Because water flows by gravity to the FTTP from the raw water reservoirs and then by gravity from the FTTP to parts of the distribution system, and because the FTTP has a generator, a generator at the ORPS will be valuable in that it will allow us to keep water flowing to many customers in the face of an area-wide power outage. This back-up generator will power two pumps. The cost of a generator sized to power the entire ORPS is not cost effective. Back-up power was recommended in the District's 2003 "Vulnerability Assessment".



*Back-up Generator located at FTTP*

**Taylor Mill Treatment Plant Backwash Handling System**

184-0441

Water Quality and Production Project

PROJECT TYPE: Plant Upgrade

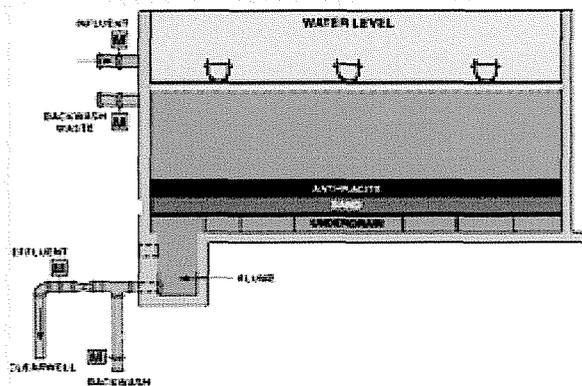
FUNDING SOURCE	
\$200,000	Bond 06
\$1,189,000	BAN 07
\$1,389,000	<b>Total Cost</b>

BUDGET BY YEAR	
2006	\$200,000
2007	\$1,189,000
<b>TOTAL COSTS</b>	<b>\$1,389,000</b>

**PROJECT DESCRIPTION**

During the water treatment process, sedimentation basins and filters collect dirt and must then be cleaned by flushing. From 1955 to 1995, solids from the Taylor Mill Treatment Plant were discharged to Banklick Creek. With the implementation of new regulations in 1995, NKWD sent any liquid found in the solids to the sanitary sewer. Annual costs for discharge to the sanitary sewer have increased each year reaching a projected high of \$300,000 in 2004. A present worth analysis conducted by Black & Veatch in October, 2002 and again in August, 2004 showed that installing a clarifier to treat the backwash discharge at a 20 year present worth value of \$1,389,000 vs. \$2,884,000 for continuing to discharge to the sanitary sewer would be the best value for the District. Payback for the clarifier installation is estimated at 5 years.

**Filter Backwash**



**Fort Thomas Treatment Plant Pretreatment Improvements**

Water Quality and Production Project

PROJECT TYPE: Plant and Pump Station Control Upgrade

FUNDING SOURCE		
\$	250,000	BAN 2007
\$	<u>2,150,000</u>	BAN 2008
	2,400,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	250,000
2008	\$	2,150,000
<b>TOTAL COSTS</b>	\$	2,400,000

**PROJECT DESCRIPTION**

This project provides for the upgrade of the plant computer control system by incorporating automatic feed of potassium permanganate, copper, and carbon at FTTP. The project includes the construction of a new copper sulfate/potassium permanganate chemical building at the head of the north reservoir to replace the current 1881 building that has reached the end of its useful life. The project adds an additional carbon silo to the current one at the head of the north reservoir in order to provide additional storage capacity for use in emergency spill conditions on the Ohio River. The copper sulfate, potassium permanganate and carbon feed system will be tied into the existing master control system and will allow plant operators to monitor and control these systems from any of the 3 water treatment plants. The project also ties in several key valves in the 3 water plants and the distribution system in order to provide for quick shutdown in cases of main breaks and provides for the integration of the Maintenance Software System into the master control system.

**Standby Generator at Dudley Pump Station**

184-0445

**Water Quality and Production Project**

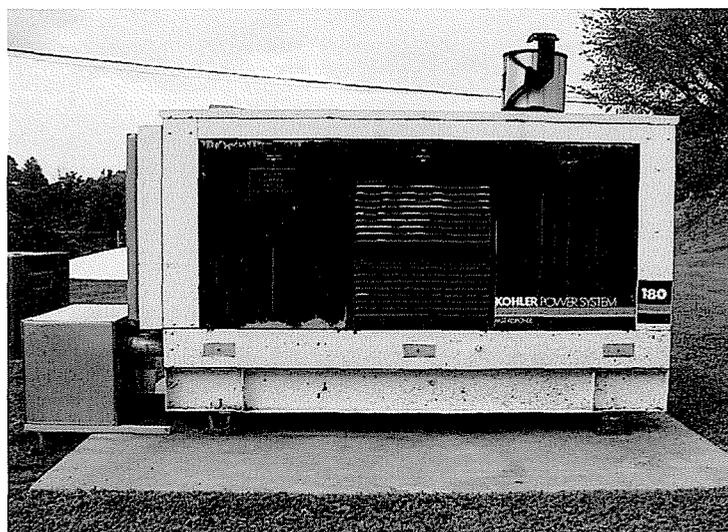
**PROJECT TYPE: Pump Upgrade**

FUNDING SOURCE		
\$	1,500,000	BAN 2007
\$	1,500,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007		1,500,000
<b>TOTAL COSTS</b>	\$	1,500,000

**PROJECT DESCRIPTION**

The Dudley Pump Station (DPS) supplies finished water to about 45% of our customers. The station houses 8 pumps ranging in size from producing 3 to 9 million gallons per day. The station also houses a sodium hypochlorite feed system which allows us to add disinfectant into the system at that location to keep the chlorine residual at an acceptable level. Although it is not cost-effective to try to provide emergency power through a generator to all 8 pumps located at the DPS, a generator that can supply two pumps will assist us in maintaining some water flow into our system in case of a long term electrical outage. This back-up generator was recommended in the District's 2003 "Vulnerability Assessment".



*Back up generator located at Fort Thomas Treatment Plant.*

**Pump 4 Replacement at Ohio River Pump Station**

184-0450

Water Quality and Production Project

PROJECT TYPE: Pump Upgrade

FUNDING SOURCE		
\$	350,000	BAN 2007
\$	350,000	<b>Total Cost</b>

BUDGET BY YEAR		
	2007	350,000
<b>TOTAL COSTS</b>	<b>\$</b>	<b>350,000</b>

**PROJECT DESCRIPTION**

The Ohio River Pump Station (ORPS 1) houses 6 pumps. Pumps 1, 2 and 6 were replaced in 2005, giving us a firm capacity of 48 MGD at that station. GRW was hired to assist us in making future plans for pump replacement. Because their estimated pump life at ORPS 1 is 10 year and because pump 4 will be 10 years old in 2007 and because it is currently problematic and unreliable, GRW recommended that pump 4 be replaced.

**Fort Thomas Treatment Plant Gravity Thickener Upgrade**

Water Quality and Production Project

PROJECT TYPE: Plant Upgrade

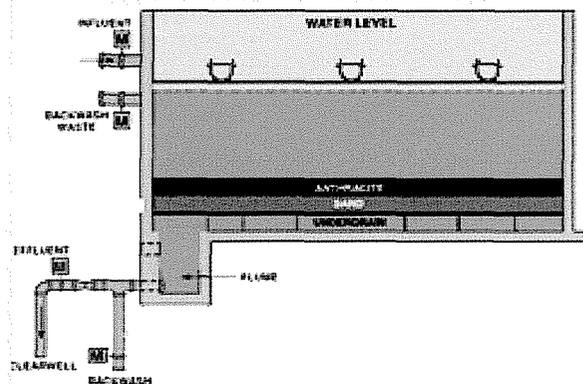
FUNDING SOURCE	
\$200,000	BAN 2007
<u>\$1,200,000</u>	BAN 2008
\$1,400,000	<b>Total Cost</b>

BUDGET BY YEAR	
2007	\$200,000
2008	1,200,000
2009	
2010	
2011	
2012	
<b>TOTAL COSTS</b>	<b>\$1,400,000</b>

**PROJECT DESCRIPTION**

During the water treatment process, sedimentation basins and filters collect dirt and must then be cleaned by flushing. From 1955 to 1995, solids from the Fort Thomas Treatment Plant were discharged to Mook Creek. With the implementation of new regulations in 1995, NKWD sent any liquid found in the solids to the north reservoir. In 2006, NKWD spent \$1 million to remove 10,000 tons of solids from the north reservoir. It is estimated that there are an additional 100,000 tons still remaining to be treated. Not only does returning the plant solids to the north reservoir add to the solids in that reservoir, but additionally the Kentucky Division of Water frowns on concentrating and returning sludge supernatant. The construction of an additional gravity thickener at Fort Thomas will be the first phase of a process to eliminate all recycled water to the north reservoir. The other phases will be developed after they are more thoroughly examined in the 2007 Asset Management Plan.

**Filter Backwash**



**FOTP Post-Filtration GAC**

184-0447

Water Quality and Production Project

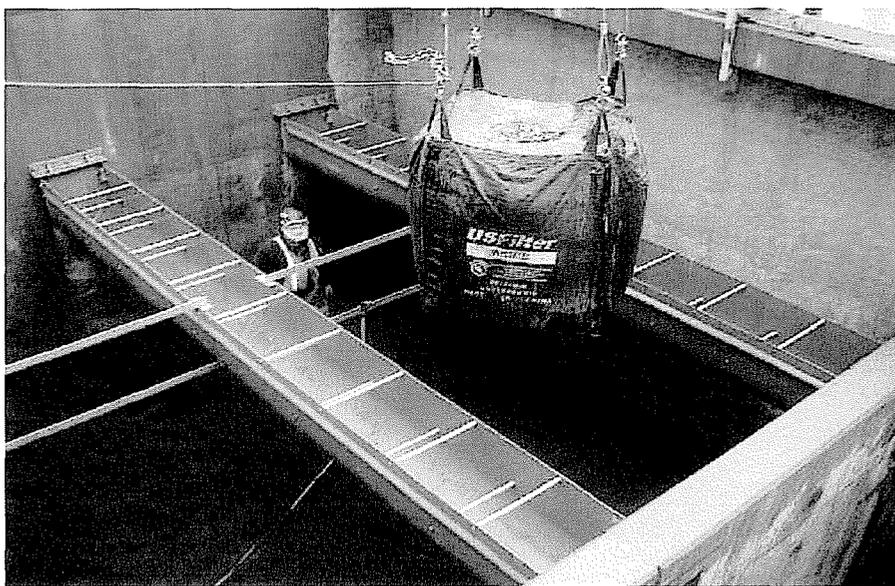
PROJECT TYPE: Water Treatment Plant Upgrade

FUNDING SOURCE		
\$	821,966	BAN 2007
\$	6,843,034	BAN 2008
\$	44,800,000	BAN 2010
\$	52,465,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007		821,966
2008		6,843,034
2009		
2010		44,800,000
2011		
2012		
<b>TOTAL COSTS</b>	<b>\$</b>	<b>52,465,000</b>

**PROJECT DESCRIPTION**

NKWD must comply with Stage 2 of the Disinfection By-Product Rule (DBPR) in January 2012. The DBPR will require all water systems to comply with a local running annual average of 80 ug/L and 60 ug/L for THM and HAA5 respectively at worst-case sampling points in the distribution system. According to the May 2004 "Asset Management Program Final Report": "it will be difficult for the District to (meet DBPR Stage 2) using current treatment/disinfection practices". Along with nanofiltration, Granular Activated Carbon (GAC) is identified by the EPA as the Best Available Technology to treat THM and HAA5. Staff has prepared an action plan to develop alternatives and cost estimates for all processes that could be utilized. It is expected that GAC will be the best technology to allow NKWD to meet compliance by 2012.



**CAPITAL ITEM NAME Four and Twelve Mile Rd.(from Nelson to Hwy 1566)**

184-0113

Engineering and Distribution Project

PROJECT TYPE: Hydraulic Master Plan

FUNDING SOURCE		
\$	670,000	Bond 2006
\$	<u>305,000</u>	BAN 2007
\$	975,000	<b>Total Cost</b>

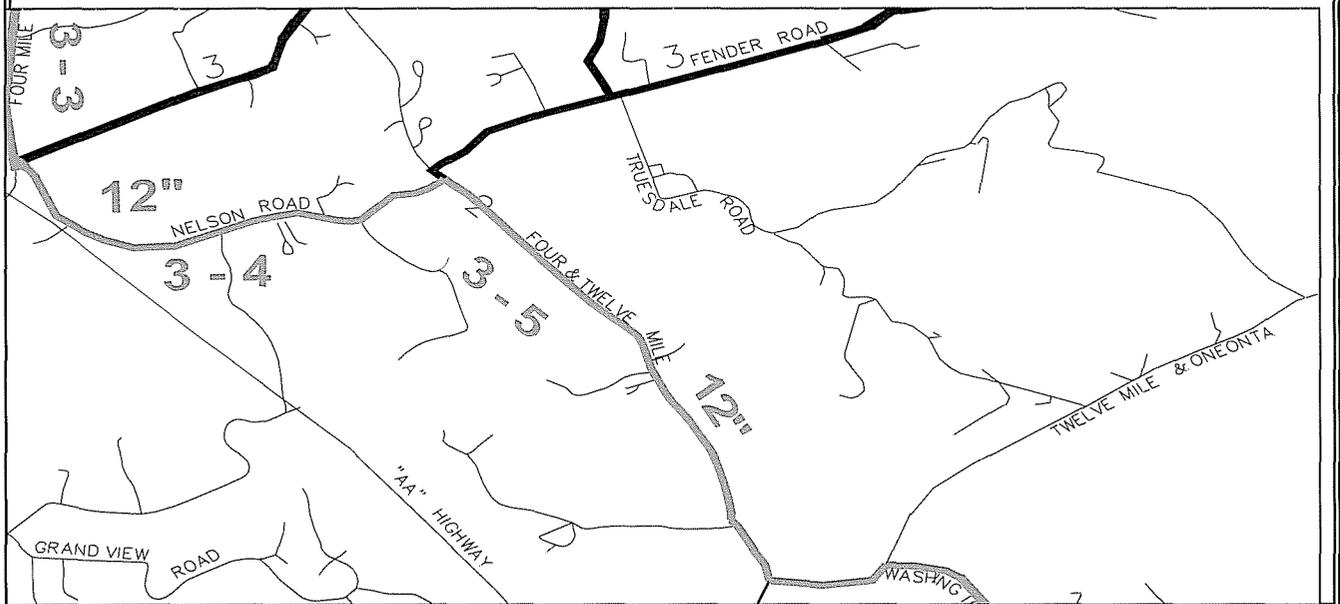
BUDGET BY YEAR		
2007	\$	975,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	<u>0</u>
<b>TOTAL COSTS</b>	\$	975,000

**PROJECT DESCRIPTION (184-0113)**

The proposed project involves constructing a new 12 inch water main along Four & Twelve Mile Road from Nelson Road to Ky. Hwy. 1566 in southern Campbell County, Kentucky. The length of this project is approx. 7,700 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to extend water service to additional customers, support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 3-5



**CAPITAL ITEM NAME Orphanage Rd., (from Dudley 1040 Pump Station)**

184-0107

**Engineering and Distribution Project**

**PROJECT TYPE: Hydraulic Master Plan**

FUNDING SOURCE		
\$	910,000	BAN 2007
\$	910,000	<b>Total Cost</b>

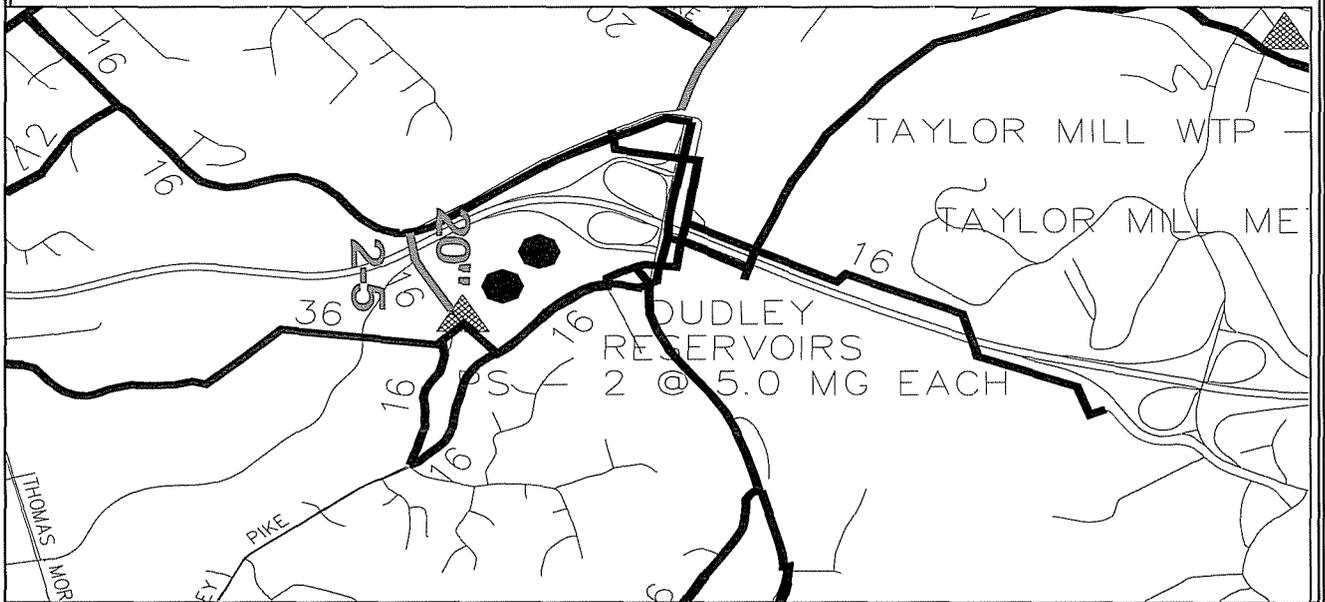
BUDGET BY YEAR		
2007	\$	910,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	<b>910,000</b>

**PROJECT DESCRIPTION (184-0107)**

The proposed project involves constructing a new 20 inch water main from the Dudley Road Pump Station to Orphanage Road, Edgewood, Kenton County, Kentucky. The length of this project is approx. 1,500 LF. A new right-of-ways of easements will be needed. The estimated cost for the project is \$450,000. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 2-5



**CAPITAL ITEM NAME Sub-District F - Upgrade Cost Only (Campbell County)**

184-0188

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Extension**

FUNDING SOURCE		
\$	455,000	Bond 2006
\$	500,000	Bond 2003
\$	1368000	Grant Funds
\$	<u>276,653</u>	BAN 2007
\$	2,599,653	<b>Total</b>

BUDGET BY YEAR		
2007	\$	2,599,653
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	<u>0</u>
<b>TOTAL COSTS</b>	<b>\$</b>	<b>2,599,653</b>

**PROJECT DESCRIPTION**

These funds will be utilized to extend water mains into unserved areas for Sub-District F. The total project funding will include these funds along with grant funds, county funds and surcharges. The streets which are part of Sub-District F include: Grandview Road, Heck Road, West Main Street, Steffen Road, Licking Pike and Flagg Springs Road.

**MAPS/GRAPHICS**

N/A

**CAPITAL ITEM NAME Sub-district G - Upgrade Cost Only (Kenton County)**

184-0193

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Extension**

FUNDING SOURCE		
\$	250,000	Bond 2006
\$	500,000	Bond 2004
\$	1,721,381	BAN 2007
\$	<u>3,050,000</u>	<b>Grant Funds</b>
\$	5,521,381	

BUDGET BY YEAR		
2007	\$	5,521,381
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	<u>0</u>
<b>TOTAL COSTS</b>	<b>\$</b>	<b>5,521,381</b>

**PROJECT DESCRIPTION**

These funds will be utilized to extend water mains into unserved areas for Sub-District G. The total project funding will include these funds along with grant funds, county funds and surcharges. The streets which are part of the Sub-District G project include: Banklick Road, Bramlage Road, Independence Road, Klein Road, Petty Road, Estate Lane, Pleasure Isle Drive, Bullock Pen Road, Misty Lane, Cody Roads, Webster Road, Upton Drive, Holly Hock, Wolf Road, Fowler Creek Road, Lieberman Drive, and Sugar Camp Road. The approx. length of the project is 10.98 miles.

**MAPS/GRAPHICS**

N/A

**CAPITAL ITEM NAME KY 9 ( 30" main from Moock Rd. to Newport Steel entrance)**

184-0115

Engineering and Distribution Project

PROJECT TYPE: Hydraulic Master Plan

FUNDING SOURCE		
\$	1,611,000	BAN 2007
\$	1,611,000	<b>Total Cost</b>

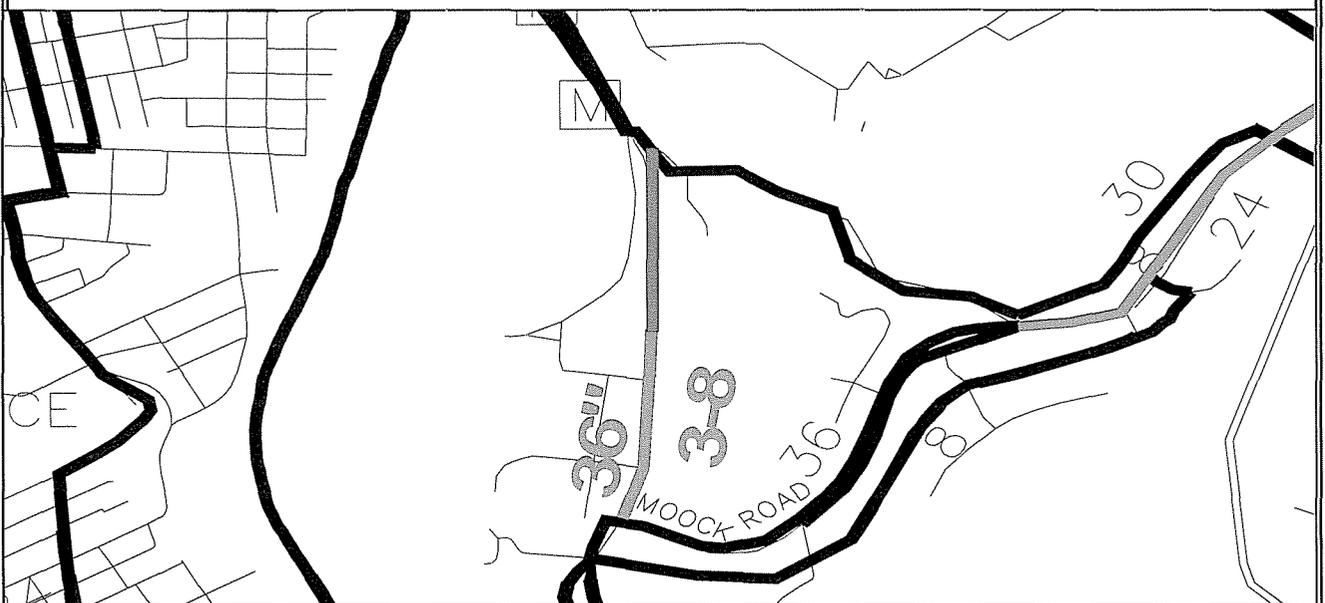
BUDGET BY YEAR		
2007	\$	1,611,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	1,611,000

**PROJECT DESCRIPTION (184-0115)**

The proposed project involves constructing a new 36 inch water main along Ky. 9 from Moock Road to existing 30" water main in the City of Wilder, Campbell County, Kentucky. The length of this project is approx. 4,000 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 3-8





**CAPITAL ITEM NAME Water Main Replacement Program 2006**

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Replacement**

FUNDING SOURCE		
\$	2,100,000	BAN 2007
\$	2,100,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	2,100,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	<b>2,100,000</b>

**PROJECT DESCRIPTION**

This proposed program involves working with various cities in the District's service area to replace old water mains which are deteriorating. The District plans to replace the existing water mains in conjunction with City Street Replacement Programs. Working together with Cities saves the District restoration cost and coordinates our work with the street work. This program is designed to replace existing 4", 6" or 8" unlined cast iron water mains, which the District has experienced some problems with. These funds are part of the District's proposed program designed to replace or rehabilitate 1% of the District's distribution system annually. The 2006 program includes the following projects: 36" Phase II Water Main Replacement, Montrose Street Water Main Replacement, 2nd St./Uhl Road/Four Mile to Lafarge M.R. - Lafarge, 36" behind Eaton Asphalt Repair, & Mt. Allen Ave., Park Hill Street Project.

**MAPS/GRAPHICS**

N/A

**CAPITAL ITEM NAME Mains into Unserved Areas 2006**

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Extension**

FUNDING SOURCE		
\$	250,000	BAN 2007
\$	250,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	250,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	<b>250,000</b>

**PROJECT DESCRIPTION**  
 These funds will be utilized to extend water mains into unserved areas. The total project funding may include these funds along with grant funds, county funds and surcharges.

**MAPS/GRAPHICS**  
 N/A

**CAPITAL ITEM NAME U.S. 27, from Ripple Creek BPS under AA Highway Ph. 1**

184-0133

Engineering and Distribution Project

PROJECT TYPE: Hydraulic Master Plan

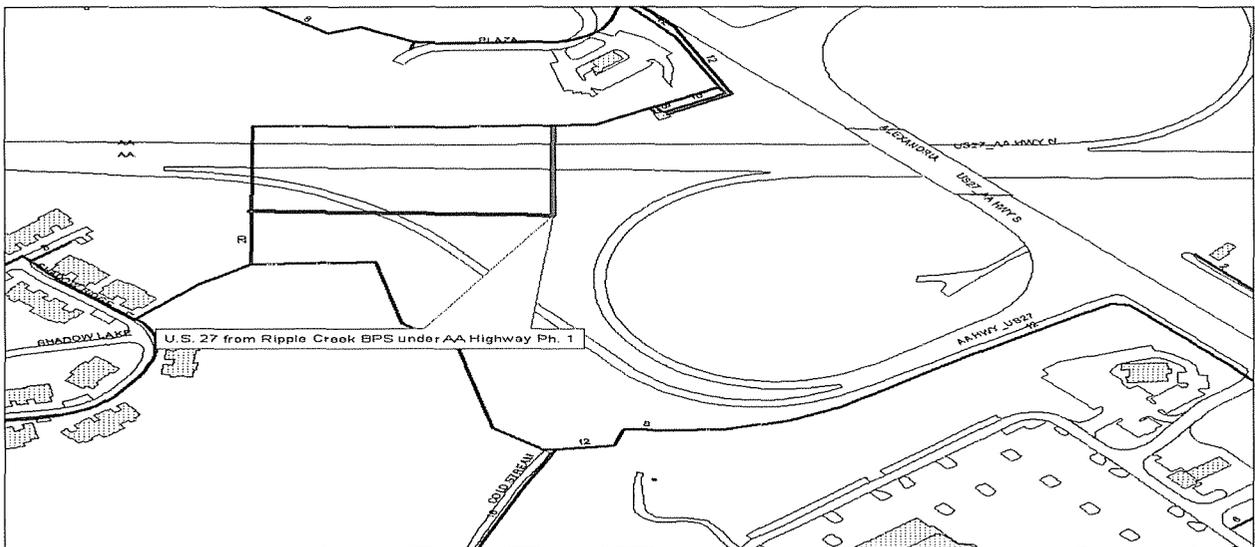
FUNDING SOURCE		
\$	575,000	BAN 2007
\$	575,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	575,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	<b>\$</b>	<b>575,000</b>

**PROJECT DESCRIPTION (184-133)**

The proposed project involves constructing a new 30 inch water main from the Ripple Creek Pump Station under AA Highway and interconnecting to existing 20" in the City of Alexandria, Campbell County, Kentucky. The length of this project is approx. 600 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**



**CAPITAL ITEM NAME U.S. 27 from S.R.824 to Pendleton Co. meter**

Proposed project in conjunction with KDOT Road Improvement Project

**Engineering and Distribution Project**

**PROJECT TYPE: Hydraulic Master Plan**

FUNDING SOURCE		
\$	885,000	BAN 2007
\$	885,000	<b>Total Cost</b>

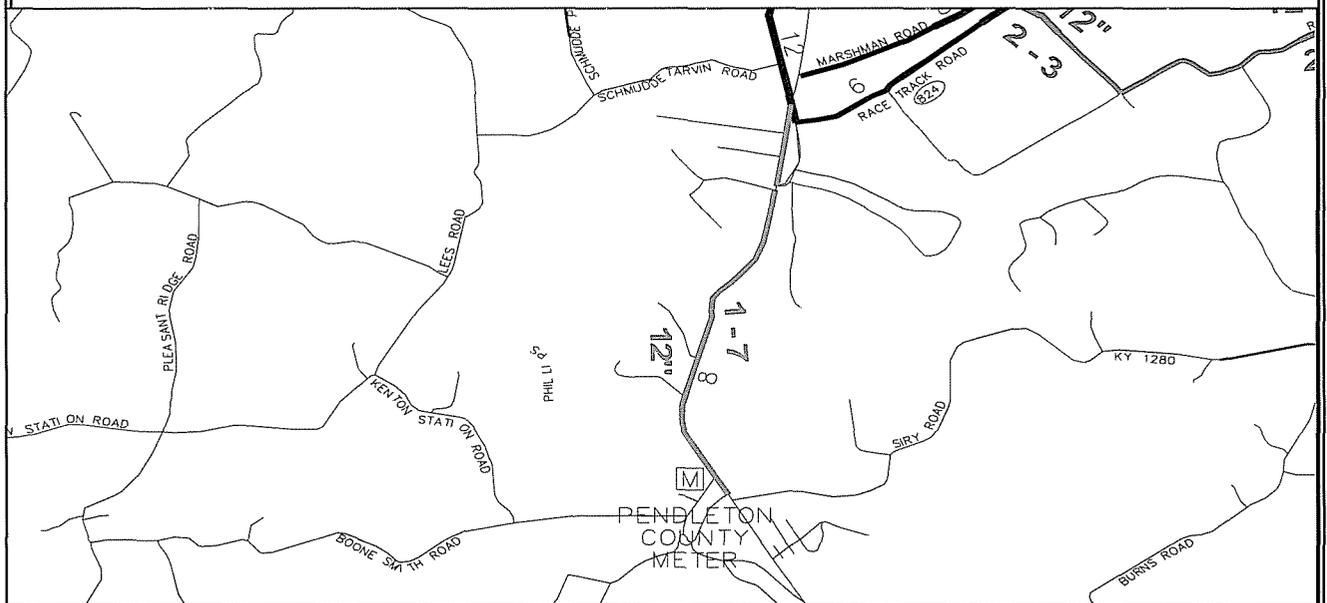
BUDGET BY YEAR		
2007	\$	885,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	<b>\$</b>	<b>885,000</b>

**PROJECT DESCRIPTION (184-0033)**

The proposed project involves constructing a new 12 inch water main along U.S. 27 from Racetrack Road to Pendleton County Meter Pit, southern Campbell County, Kentucky. The length of this project is approx. 10,000 LF. No new right-of-ways or easements will be needed. This project will be built with the KDOT road improvement project. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 1-7





**CAPITAL ITEM NAME Lower Tug Fork 3" Water Main Replacement - Hydraulic**

Engineering and Distribution Project

PROJECT TYPE: Hydraulic Master Plan

FUNDING SOURCE		
\$	328,000	BAN 2007
\$	328,000	<b>Total Cost</b>

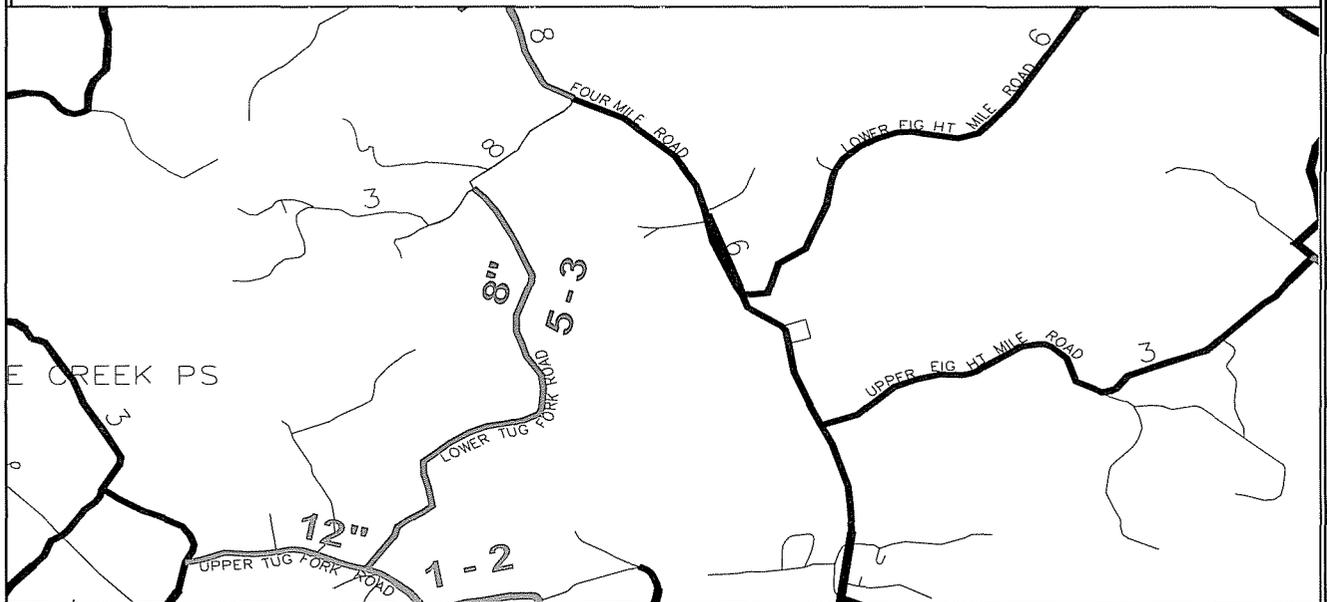
BUDGET BY YEAR			
2007	\$		328,000
2008	\$		0
2009	\$		0
2010	\$		0
2011	\$		0
2012	\$		0
<b>TOTAL COSTS</b>	\$		<b>328,000</b>

**PROJECT DESCRIPTION**

The proposed project involves constructing a new 8 inch water main along Lower Tug Fork to replace the existing 3" water main, located in Camp Springs, Campbell County, Kentucky. The length of this project is approx. 5,000 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to extend water service to additional customers, support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 5-3



**CAPITAL ITEM NAME Four Mile Pk. (from Poplar Rdg. Rd to Nine Mile)**

**Engineering and Distribution Project**

**PROJECT TYPE: Hydraulic Master Plan  
/Replacement**

FUNDING SOURCE		
\$	996,000	BAN 2007
\$	996,000	<b>Total Cost</b>

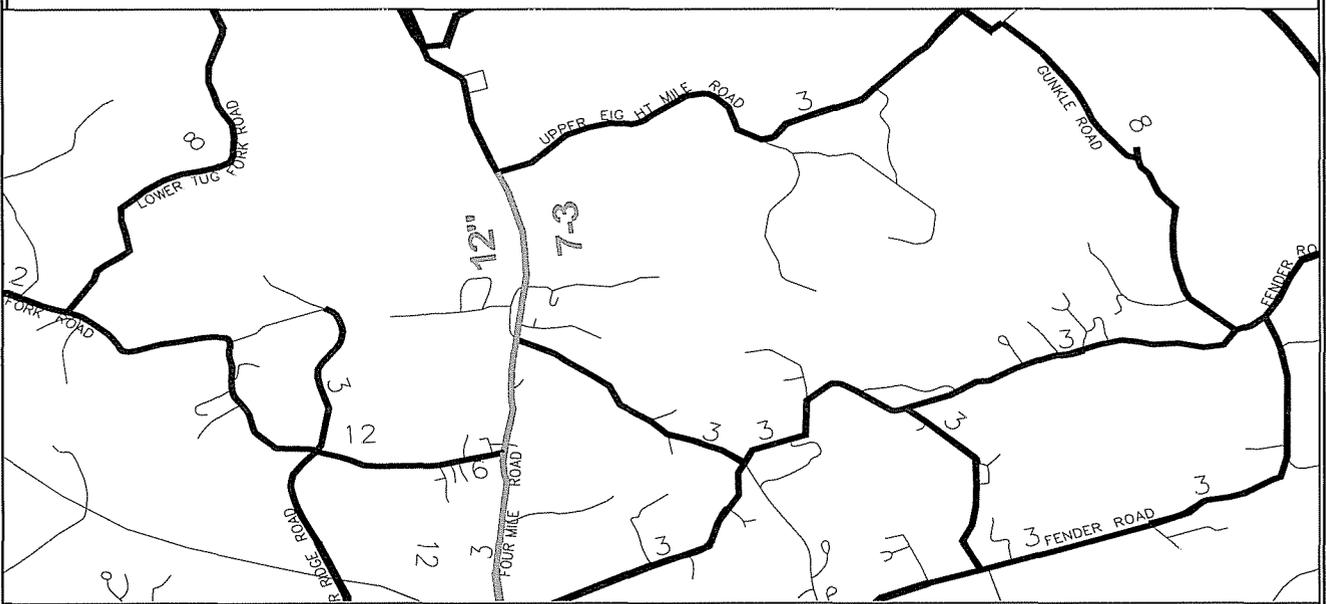
BUDGET BY YEAR		
2007	\$	996,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	<b>\$</b>	<b>996,000</b>

**PROJECT DESCRIPTION (184-147)**

The proposed project involves constructing a new 12 inch water main along Four Mile Pike from Poplar Ridge to Upper 8 Mile Road in Campbell County, Kentucky. The length of this project is approx. 5,600 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is also designed to replace the existing 6" water main along Four Mile Pike, support other existing water mains, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as 7-3



**CAPITAL ITEM NAME Ky. 547 (from Washington St. to Nelson Rd. @ 4 Mile Pike)**

Phase 1

Engineering and Distribution Project

PROJECT TYPE: Hydraulic Master Plan

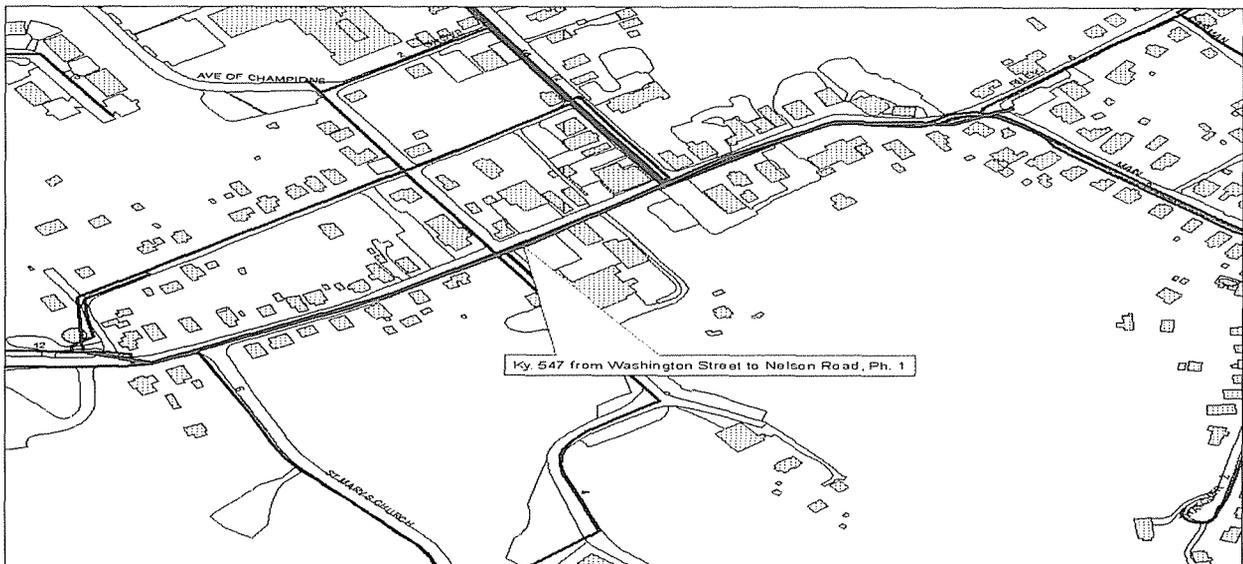
FUNDING SOURCE		
\$	570,000	BAN 2007
\$	570,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	0
2008	\$	570,000
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	<b>570,000</b>

**PROJECT DESCRIPTION (184-146)**

The proposed project involves constructing a new 24 inch water main along Main Street from from Main Street Tank to Riley Road in Alexandria, Campbell County, Kentucky. The length of this project is approx. 2,050 LF. No new right-of-ways or easements will be needed. This project is designed to strengthen and improve the transmission system and local distribution system to meet population growth and commercial development needs. This project is designed to extend water service to additional customers, support existing water systems, improve water quality, and improve fire protection in the area. The District's Master Plan identified this as a needed hydraulic improvement.

**MAPS/GRAPHICS**





**CAPITAL ITEM NAME Water Main Replacement Program 2007**

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Replacement**

FUNDING SOURCE		
\$	2,900,000	BAN 2007
\$	2,900,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	2,900,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	<b>\$</b>	<b>2,900,000</b>

**PROJECT DESCRIPTION**

This proposed program involves working with various cities in the District's service area to replace old water mains which are deteriorating. The District plans to replace the existing water mains in conjunction with City Street Replacement Programs. Working together with Cities saves the District restoration cost and coordinates our work with the street work. This program is designed to replace existing 4", 6" or 8" unlined cast iron water mains, which the District has experienced some problems with. These funds are part of the District's proposed program designed to replace or rehabilitate 1% of the District's distribution system annually. The 2007 Program includes the following projects: Dixie Highway - Lytle Ave. to Boone County Line, McCullum/Oliver/Cox Road Water Main Replacement, U.S. 27 - Lickert to Riley School, N. Ft. Thomas Ave., St Agnes Circle, Stevenson Road Main Replacement, Banklick Street Main Replacement.

**MAPS/GRAPHICS**

N/A

**CAPITAL ITEM NAME Mains into Unserved Areas 2007**

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Extension**

FUNDING SOURCE		
\$	250,000	BAN 2007
\$	250,000	<b>Total Cost</b>

BUDGET BY YEAR		
2007	\$	250,000
2008	\$	0
2009	\$	0
2010	\$	0
2011	\$	0
2012	\$	0
<b>TOTAL COSTS</b>	\$	<b>250,000</b>

**PROJECT DESCRIPTION**  
 These funds will be utilized to extend water mains into unserved areas. The total project funding may include these funds along with grant funds, county funds and surcharges.

**MAPS/GRAPHICS**  
 N/A

**CAPITAL ITEM NAME 2007 Systematic WMR (Cov. Match) Ph. 1 - Design**

**Engineering and Distribution Project**

**PROJECT TYPE: Water Main Replacement**

<b>FUNDING SOURCE</b>			
\$	400,000	Design	BAN 2007
\$	2,100,000	Const.	BAN 2008
\$	3,500,000	Const.	Grant Funds
\$	6,000,000		<b>Total Cost</b>

<b>BUDGET BY YEAR</b>			
2007	\$	400,000	
2008	\$	5,600,000	
2009	\$	0	
2010	\$	0	
2011	\$	0	
2012	\$	0	
<b>TOTAL COSTS</b>	\$	6,000,000	

**PROJECT DESCRIPTION**

This proposed program involves the systematic replacement of old water mains in the City of Covington which the District has experienced some problems with - main breaks, poor flows, discolored water complaints and deteriorating water quality. The replacement of these 4", 6" or 8" unlined cast iron water mains will help to improve the overall area water system. The District has been able to secure grants monies to help fund the project.

**MAPS/GRAPHICS**

N/A



**CAPITAL ITEM NAME** Kenton & Campbell Meter Change-Out

**Customer Service Project**

**PROJECT TYPE:** Meter Change Out

FUNDING SOURCE	
\$ 800,000	BAN 2007
\$ 800,000	<b>Total Cost</b>

BUDGET BY YEAR	
2007	\$ 800,000
2008	\$ 0
2009	\$ 0
2010	\$ 0
2011	\$ 0
<b>TOTAL COSTS</b>	<b>\$ 800,000</b>

**PROJECT DESCRIPTION**  
 The project encompasses the systematic replacement of existing water meters with an AMR system.

**CAPITAL ITEM NAME 42" Transmission FTTP to Moock Road**

184-0076

Engineering and Distribution Project

PROJECT TYPE: Redundancy Water Main

FUNDING SOURCE		
\$	400,000	BAN 2007
\$	5,500,000	BAN 2008
	<u>5,900,000</u>	<b>Total Cost</b>

BUDGET BY YEAR			
2007	\$	400,000	
2008	\$	5,500,000	
2009	\$	0	
2010	\$	0	
2011	\$	0	
2012	\$	0	
<b>TOTAL COSTS</b>	\$	<u>5,900,000</u>	

**PROJECT DESCRIPTION**

This project involves constructing a new 42" water main along U.S. 27 from FTTP to Moock Road, along Moock Road from U.S. 27 to Joe's Lake Road to connect into existing 36" water main. This project is designed to replace a 30" - 100 year old water main, and strengthen the District's water transmission system and provide additional redundancy for the District's other 24" cast iron water main. The District's Master Plan Addendum for Reliability and Redundancy Analyses identified this as a needed improvement.

**MAPS/GRAPHICS**

Proposed improvements shown as #11-5





NKWD  
Case No. 2007-000135  
Exhibit P  
Witness: Bragg

## REASONS FOR RATE INCREASE

The reason for the rate case is provide funding for capital projects and pro forma adjustments to operating expenses and revenues.

Jack Bragg, CPA, CMA  
Vice President, Finance



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NORTHERN )  
KENTUCKY WATER DISTRICT (A) FOR )  
AN ADJUSTMENT OF RATES; (B) )  
A CERTIFICATE OF CONVENIENCE ) Case No. 2007-00135  
AND NECESSITY FOR IMPROVEMENTS )  
TO WATER FACILITIES IF NECESSARY )  
AND (C) ISSUANCE OF BONDS )

PREFILED TESTIMONY OF C. RONALD LOVAN, P.E.

Q.1 State your name and address.

A. My name is C. Ronald Lovan, 2835 Crescent Spring Drive, Erlanger, Kentucky 41018.

Q.2 What is your position with Northern Kentucky Water District?

A. I am President/CEO of the District. I was appointed to this position on January 31, 2001.

Q. 3 Briefly, what is your professional experience and background?

A. I am currently President/CEO for the District. I have experience in all aspects of the water and wastewater field including management, operation, design and regulatory affairs. I earned both a Bachelor of Science and a Masters of Science in Civil Engineering from the University of Kentucky. I am a licensed Professional Engineer in Kentucky and previously registered engineer in the state of Colorado. Previously, I spent 15 years as General Manager of a water/wastewater utility serving a large suburb of Denver, Colorado. Prior to that, I spent 11 years

in the consulting engineering business in Lexington. I began my career with the Kentucky Water Pollution Control Commission.

Q. 4 Describe the District's operations.

A. Northern Kentucky Water District serves retail customers in Campbell and Kenton Counties, Campbell, and part of Boone County, and sells water at wholesale to non-affiliated water distribution systems in Pendleton, Grant, and Boone Counties. NKWD's current customer base is just over 80,000 retail accounts and three wholesale customers. The total population base served by the District is approximately 300,000 people. Northern owns and operates three water treatment plants with a total capacity of approximately 64 million gallons per day. The District's net plant is approximately \$231,461,252.

Q.5 What is the purpose of this application?

A. The District has a number of capital construction projects that need approval. Those projects are more specifically discussed in Richard Harrison's testimony. To finance those projects the District needs to issue bonds. The amount and costs of those bonds is described by Mr. Gabbert in his testimony. Additionally, there are other pro forma adjustments to reflect actual test year expenses and revenues, which are reflected in the testimony of Mr. Bragg and Ms. White. As a result of the additional financing and the pro forma adjustments, our customers' rates will have to be increased.

Q. 6. Why has the District proposed a flat 15 percentage increase for all customers?

A. The primary factor in the rate increase being proposed is the capital projects as referenced in Mr. Harrison's testimony. These projects allow the District to continue to provide high quality service and drinking water. These projects also allow us to expand our service to additional areas that do not currently have access to potable water. Consequently, all customers benefit from these projects and all customers should equally share the costs.

The only other increases proposed relate to pro forma adjustments to operating expenses as discussed in Mr. Fritz's testimony. These, too, generally apply across the board to customer classes and should be shared equally.

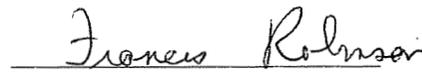
Q. 7 Does this conclude your testimony?

A. Yes.



C. Ronald Lovan, P.E.

This instrument was produced, signed and declared by C. Ronald Lovan, P.E. to be his act and deed the 24 day of May, 2007.



Notary Public

My Commission expires: 1-3-2010

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN )  
KENTUCKY WATER DISTRICT (A) FOR )  
AN ADJUSTMENT OF RATES; (B) A )  
CERTIFICATE OF CONVENIENCE AND ) Case No. 2007-00135  
NECESSITY FOR IMPROVEMENTS TO )  
WATER FACILITIES IF NECESSARY )  
AND (C) ISSUANCE OF BONDS )

PREFILED TESTIMONY OF JACK BRAGG

Q 1 Please state your name and address.

A. Jack Bragg, 2835 Crescent Spring Road, Box 18640, Erlanger, KY 41018-0640.

Q 2 By whom and in what capacity are you employed?

A. I am currently vice president of finance for the District. Previously, I was employed by Owen Electric Cooperative, Inc. as CFO.

Q 3 What is the purpose of your testimony?

A. As vice president of finance, I am responsible for all accounting and financial information involved in this case and supplied to other witnesses for use in the preparation of the pro-forma balance sheet and income statement and the cost of service study.

Q 4 Did you also prepare a determination of the District=s revenue requirements?

A. Yes. Among other exhibits.

Q 5 Would you explain and briefly describe the exhibits that you have prepared or which have been prepared subject to your supervision?

A. Exhibit C is the statement that the most current annual report has been filed with the PSC. Exhibit D is a current listing of bonds, notes and other indebtedness. Exhibit F is the chart of accounts used by the District. Exhibit G is the District=s most

recent depreciation study. Exhibit H is a listing of the software used by the District and its consultants. Exhibit I is the monthly budget and management reports. Exhibit J is the revenue requirement determination and pro-forma adjustments. Exhibit L is the customer notice and the District certification of publication of the notice. Exhibit M is the proposed rate tariffs showing the comparative tariffs, the affect on the customer=s monthly bill and the percentage increase on the average bill of each customer class. Exhibit R is the current construction budget with pro-forma adjustments. This was prepared in conjunction with information supplied by the District=s staff engineer, Richard Harrison. Finally, Exhibit S is the Affidavit that the information in the application is accurate and complete.

Q 6 Can you briefly summarize the reasons for this application?

A. Yes. The primary issue involves construction projects related to replacement and improvement of our existing infrastructure. As explained in more detail by Richard Harrison, the District is continually expanding its facilities to meet the needs of our customers both as to growth in number of customers and growth in demand for water. We are also faced with increasingly stringent water quality standards which necessitate a number of improvements to our treatment plan and related facilities. These projects require funding in the approximate amount of \$25,700,000 for the years 2006 and 2007. The total financing needed to cover issuance costs, debt service and pro forma adjustments to operating expenses is approximately \$29,580,000.

Q 7 What is the District=s need as far as the financing for the \$25,700,000 of construction projects?

A. The District has submitted a five year construction program of approximately \$191,000,000, which includes approximately \$ 25,700,000 of projects to be completed or at least begun in this year, 2007. Because the District needs to permanent financing for these projects, as explained by our financial advisor, Vince

Gabbert, we have included the cost of that financing along with prior Bond Anticipation Notes in this application.

We have also included a list of the projects we anticipate to be constructed over the next five years in order to alert the Commission to the future needs of the system and the need for the District to fund these projects over the next few years. Because of the number of projects and the amount of funding involved, it will be necessary for the District to file a series of rate increases to reflect the financing of these projects.

Q 8 What is the status of the depreciation study that the Commission directed the District to undertake?

A. We are reviewing the depreciation report prepared by the District's consultant, Black & Veatch, and the comments made by the Commission staff and the Attorney General. We had intended to include the revised depreciation information in this case, but because of several issues that were disclosed in our meetings with the staff and Attorney General, we are reevaluating the options to make sure that the study that is filed is the best for the District and consistent with the objectives and concerns of the Commission and Attorney General.

Q. 11. Is the District proposing any change to its depreciation rates in this case?

A. No, rather than file an incomplete study, we have chosen not to propose any new depreciation rates in this case. However, we have made an adjustment to our total depreciation expense to reflect the addition of plant since the last rate case. This is consistent with our recent cases.

Q. 12. Does that conclude your testimony?

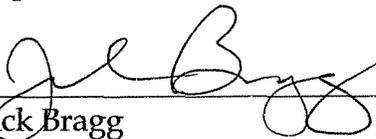
A. Yes.

AFFIDAVIT

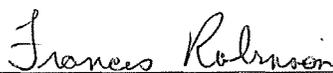
COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Jack Bragg, after being first sworn, deposes and says that the foregoing prepared testimony is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
\_\_\_\_\_  
Jack Bragg

This instrument was produced, signed and declared by Jack Bragg to be his act and deed the 24 day of May, 2007.

  
\_\_\_\_\_  
Notary Public

My Commission expires: 1-3-2010

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR (A) FOR )  
AN ADJUSTMENT OF RATES (B) A )  
CERTIFICATE OF CONVENIENCE AND ) CASE NO.  
NECESSITY FOR IMPROVEMENTS TO ) 2007-00135  
WATER FACILITIES IF NECESSARY )  
AND (C) ISSUANCE OF BONDS )

PREFILED TESTIMONY OF RICHARD HARRISON, P.E.

Q 1 Please state your name and business address.

A. Richard Harrison, 2835 Crescent Spring Drive, Erlanger, Kentucky.

Q 2 Where are you employed?

A I am vice president of engineering/distribution for the Northern Kentucky Water District.

Q 3 State your professional education and background.

A I have a Bachelor of Science degree in Civil Engineering from the University of Kentucky and have been responsible for the operation of the Engineering and Distribution Department for the Northern Kentucky Water District from 1997 to the present.

Q 4 Are you a registered engineer in Kentucky?

A. Yes. My state board of registration for professional engineers and land surveyors registration number is 16,203.

Q 5 Generally, what are your duties with the District?

A. I provide general supervision for all construction and design for distribution systems and treatment and hydraulic matters for the District. I am responsible for the construction, maintenance, repairs, replacement and planning for the District

as far as the distribution systems of the District.

Q 6 Have you prepared an exhibit which details the projects the District is proposing to finance and construct in this case?

A. Yes. Exhibit O.

Q 7 Could you generally explain the purpose of Exhibit O?

A. This exhibit contains the initial engineer=s report explaining the need for a project, its description, its estimated cost, location, map and specifications. There is also included for each project a preliminary cost estimate and source of funds, a description of the facilities and the need for each as well as any permits that may be required for the projects.

Q 8 Can you explain briefly the number of projects and the total amount of projects that the District is requesting in this case?

A. Yes. The District is requesting approximately \$27,500,000 in permanent financing for projects which are scheduled for the year 2006 and 2007. Those projects are summarized in Exhibit O.

Q 9 Is the District requesting a Certificate of Convenience and Necessity for these projects?

A. No. The District has already obtained certificates for projects, has filed a separate application for the project or they are ordinary extensions, which fall within the scope of projects previously recognized by the Commission as ordinary.

Q 10 Have these projects been previously identified to the Commission?

A Yes. The District has provided the most up to date list of projects in exhibit R during the past two rate cases. The current exhibit R reflects the current projected 5 year project list.

Q 11 Did that notification to the Commission indicate which projects the District considered to be ordinary extensions and which the District considered to require a certificate?

A. Yes.

Q 12 Have there been any material changes in the project list?

A. Yes, as with any ongoing business, the projects change from time to time based on immediate needs, changes in priorities and unforeseen events. But in the last several years we have identified a number of additional projects that will need to be added to the capital project list. Many of these projects relate to modifications to our treatment facilities to meet more stringent EPA standards. Consequently our projected capital budget for the next five years is estimated to be \$191,051,000.

Q 13 In addition to the projects contained in Exhibit O, the District has also submitted Exhibit R, which is a five year construction program. Could you explain the purpose of this exhibit?

A. Yes, the District has an ongoing construction program for extension of new service and repairs and replacements of existing facilities. While the District is requesting \$25,700,000 in permanent financing for the projects listed in Exhibit O, for the next five years there is approximately \$191,051,000 of projects which will need to be funded and constructed. The purpose of Exhibit R is to inform the Commission of the need for these projects and to put the Commission on notice that over the next several years the District will be filing additional rate cases and requests for approval of these projects as they become due.

Q 14 Why is it necessary for the District to come before the Commission for rate increases related to this construction?

A Because the District is growing so fast and because it has such a large infrastructure which needs constant maintenance, repairs and upgrades, there is an ongoing need for a substantial amount of funding each year to address those needs. It simply is not possible for current rates to fund the substantial construction budget that is associated with the projects listed in the five year construction budget. Additionally, as I mentioned earlier, the EPA has adopted

standards that require additional expenditures.

Q. 15 What is the status of the District's depreciation study?

A. We have progressed through several attempts to develop a study that accurately reflects the District's facilities and financial recovery of its plant in service. However, as we have attempted to refine the information in the study to make it as complete and as useful as possible, we have found a number of issues that still need to be resolved.

We have met with the Commission staff and the Attorney General to discuss the progress, but have not been able to satisfy all parties or ourselves that we have developed the best study. We continue to review our available data to improve on the accuracy and completeness of the information that will be included in the final report. It is expected that we can have all issues resolved no later than the end of this year at which time the report will be submitted to the Commission for approval.

Q. 16 Does that conclude your testimony?

A. Yes.

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Richard Harrison, after being first sworn, deposes and says that the foregoing prepared testimony is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Richard Harrison

This instrument was produced, signed and declared by Richard Harrison to be his act and deed the 23 day of May, 2007.

  
Notary Public

My Commission expires: 1-3-2010

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR AUTHORITY TO )  
ISSUE REVENUES BONDS, )  
FOR APPROVAL OF ) 2007-00135  
FINANCING, FOR APPROVAL OF )  
CONSTRUCTION, AND FOR ADJUSTMENT )  
IN WATER RATES )

PREFILED TESTIMONY OF VINCE GABBERT

Q 1 Please state your name and address.

A. Vince Gabbert, Ross Sinclair and Associates, 400 Democrat Drive, Frankfort, Kentucky 40601.

Q 2 By whom and in what capacity are you employed?

A I am employed by Ross, Sinclair and Associates, Inc. a regional investment banking firm as Financial Advisor.

Q 3 How long have you held your present position?

A. Two and a half years.

Q 4 Briefly state your professional background.

A In my capacity as Financial Advisor for Ross, Sinclair & Associates, I am responsible for debt structuring and issuance for various cities, counties and special districts all over the Commonwealth. Prior to joining Ross, Sinclair, I obtained my law degree and worked with the state legislature through several sessions as a lobbyist and various public relations efforts.

Q 5 Have you previously testified before the Kentucky Public Service Commission?

A. No, I have not but, our firm has prepared testimony and exhibits before the

Commission in connection with other rate cases of Northern Kentucky Water District. Additionally, our firm represents other utility districts whose rates and tariffs are subject to PSC approval.

Q 6 In what way are you associated with the pending case for Northern Kentucky Water District?

A. Our firm has been retained as financial advisor for this case.

Q 7 Did you prepare Exhibit A for this case?

A. Yes.

Q 8 Please explain the purpose of Exhibit A.

A. The exhibit shows the total gross debt service of all bond issues currently outstanding for the District. It also shows the proposed bond debt in connection with this case. The exhibit also shows projected schedules in connection with the bonds currently outstanding, the projected sources and uses of funds required in order to deposit the construction fund, pay for all cost of issuance, deposit into the debt service reserve in accordance with the trust indenture, the interest rates and maturity schedules for the bonds, the average interest rate based on current rates of financing, the total projected annual principle and interest requirements of all the bonds outstanding and the projected series bonds which are to be issued in this case.

Q 9 Are these projections based up on information provided to you by the District?

A. Yes. We were provided a description of the projects, the anticipated cost of the projects and the current outstanding bonds and other indebtedness by the District.

Q 10 Based on your study, what is the principal amount of parity revenue bonds that the

District should issue to cover the cost of financing its current revenue needs?

A Approximately \$30,000,000.

Q 11 Why is the amount of bonds "approximate"?

A Because, the actual cost of issuance, interest rate and other factors will not be known until the bonds are sold. These costs will affect the total amount of the bonds. That is why the District needs approval for an approximate range of bonds, not a specific dollar amount.

Q 12 Does that conclude your testimony?

A. Yes.

AFFIDAVIT

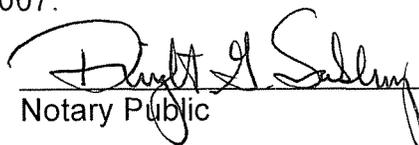
COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Vince Gabbert, after being first sworn, deposes and says that the foregoing prepared testimony is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Vince Gabbert

This instrument was produced, signed and declared by Vince Gabbert to be his act and deed the 24 day of May, 2007.

  
Notary Public

My Commission expires: 5/23/10

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR AUTHORITY TO )  
ISSUE REVENUES BONDS, FOR )  
APPROVAL OF FINANCING, )  
FOR APPROVAL OF CONSTRUCTION, )  
AND FOR ADJUSTMENT IN WATER RATES )

PREFILED TESTIMONY OF ROGER L. PETERMAN

Q1 Please state your name and address

A. My name is Roger L. Peterman of the firm Peck, Shaffer & Williams LLP, 118 West Fifth Street, Covington, Kentucky 41011.

Q2 What is your affiliation with the Northern Kentucky Water District?

A. Our firm serves as bond counsel for the District and is responsible for the bond resolutions and related matters associated with the issuance of the bonds proposed in this case.

Q3 Did you prepare Exhibit B to the application?

A. Yes

Q4 Explain what Exhibit B is.

A. Exhibit B consists of the general bond resolution of the District which sets out the general terms for all bonds issued by the District. Also included is the series bond resolution authorizing the issuance of water district revenue bonds Series 2009, approving the maximum principal amount of the bonds proposed to be issued, the authorization for establishing maturities, the redemption provisions, the disposition of the proceeds of those bonds, the terms and conditions of the sale of those bonds and the conditions for their delivery.

Q5 Do you have any further comments?

A. Yes. Although the series bond resolution has been adopted as a part of the process of issuing bond anticipation notes, it is subject to amendment based upon the actions of the Commission regarding this matter, as well as market conditions and tax law considerations existing at the time the bonds are proposed to be sold.

AFFIDAVIT

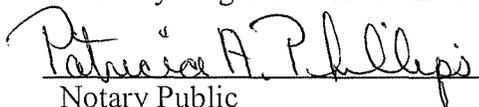
COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Roger L. Peterman, after being first sworn, deposes and states that the foregoing prepared testimony is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
\_\_\_\_\_  
Roger L. Peterman

This instrument was produced, signed and declared by Roger L. Peterman to be his act and deed the 17th day of April, 2007.

  
\_\_\_\_\_  
Notary Public

My Commission expires: January 17, 2010

36569\1.DOC

DIRECT TESTIMONY OF  
JENNINGS ROWE MCKINLEY II  
BLACK & VEATCH CORPORATION

Q. Please state your name and business address.

A. My name is Jennings Rowe McKinley II, 11401 Lamar, Overland Park, Kansas 66211.

Q. What is your occupation?

A. I am a Vice President in the Enterprise Management Solutions Division of Black & Veatch Corporation.

Q. How long have you been associated with the firm of Black & Veatch?

A. I have been with Black & Veatch continuously since 1970.

Q. What is your educational background?

A. I am a graduate of the University of Kansas with a Bachelor of Science Degree in Civil Engineering and a Bachelor of Science Degree in Business and Industrial Administration. I was elected to membership in the engineering honorary societies of Tau Beta Pi and Chi Epsilon and the business honorary society of Beta Gamma Sigma. I am currently a member of the American Society of Civil Engineers, the Water Environment Federation, and the American Water Works Association, and have recently completed a three-year term as the Chairman of the latter organization's Rates and Charges Committee.

Q. Are you registered as a Professional Engineer?

A. Yes, I am a registered Professional Engineer in the states of Illinois, Kansas, Massachusetts, Michigan, Ohio, and Pennsylvania.

Q. What is your professional experience?

A. I have been associated with the Enterprise Management Solutions Division of the firm of Black & Veatch since graduation from the University of Kansas in 1970. During this period I have been involved in various studies related to water and wastewater utility financial feasibility and rates and the issuance of municipal revenue bonds, serving in increasing levels of responsibility from staff engineer, to project engineer, to project manager, and to Vice President. Among the clients for which I have been involved in studies regarding water and wastewater rates and related matters are the cities of Hopkinsville Water Environment Authority, Kentucky; Philadelphia, Pennsylvania; Lawrence and Water District No. 1 of Johnson County, Kansas; Norfolk, Virginia; New Orleans, Louisiana; Orange Water and Sewer, North Carolina; Denver, Colorado; Lee's Summit, Missouri; Washington, D.C.; Austin, Dallas, Ft. Worth, and San Antonio, Texas; the Massachusetts Water Resources Authority located in Boston, Massachusetts; Fayetteville and Little Rock, Arkansas; and Charleston Water System and Greenville, South Carolina.

Q. Mr. McKinley, did any of the studies referenced above involve providing testimony before a public service commission or appearing before a decision making body such as a city council or utility board?

A. Yes, the vast majority of the utility clients with which I have worked are municipally-owned utilities. Approval of rates for these utilities typically requires a presentation of proposed rates to the appropriate rate making body such as city councils and utility boards or commissions. With regards to the most recent rate

study conducted for the City of Philadelphia Water Department, I participated in a formal utility rate proceeding before a Hearing Officer appointed by the City.

This proceeding, which essentially follows the rules and procedures of a public service commission hearing, involved extensive discovery, preparation of direct testimony, cross examination by the consumer advocate and commercial/industrial customer interveners, as well as the Hearing Officer, rebuttal testimony, and filings of findings of fact. I participated in similar hearing procedures for each of the past three rate increases for the Water Department.

Q. Please describe the Enterprise Management Solutions Division of Black & Veatch.

A. Black & Veatch has specialized in providing financial and management consulting services to public and investor-owned utilities, government agencies and private industry, both domestic and international, since the firm was founded. These services are provided through the Enterprise Management Solutions Division, which employs a full-time staff of about 220, including personnel with undergraduate and advanced degrees in finance, accounting, engineering, economics, business administration, and computer science. Division services include utility cost of service and rate design studies, property inventory and valuation for rate base or other purposes, depreciation expense studies, organization and management studies, financial advisory services, and many other related areas of study. Clients served include water, wastewater, stormwater, electric, natural gas, telephone, and solid waste management utilities; private industry; and governmental agencies. The Division has broad experience in the

area of utility rates, including water rates with which we are concerned in this hearing, and in all aspects of utility financial management services. These engagements often encompass studies of total utility revenue requirements, cost of service allocations, water rate design and, in many instances, include appearances before regulatory commissions or other governing bodies.

Q. Will you please state briefly the nature of your firm's engagement in this matter for the Northern Kentucky Water District (NKWD or the District)?

A. NKWD asked our firm to conduct a review of the adequacy of the water utility's revenue in meeting its revenue requirements. We were retained to study the utility's overall costs of providing water service and to recommend appropriate rates to recover the total cost of service. The results of that study are included as Petitioner's Exhibit N and the detailed calculations are provided as Appendix C of Exhibit N.

Q. Does your firm specialize in water utility cost of service rate studies?

A. Yes, as stated above, the Enterprise Management Solutions Division of our firm specializes in, among other things, water utility cost of service rate studies, and I have specifically been involved in such studies during my 37 year career with Black & Veatch.

Q. Please describe the purpose of a cost of service water rate study.

A. The purpose of a cost of service rate study is the development of an equitable water rate structure that recovers the cost of providing water service from various customer classes served by the utility in proportion to the service received.

Q. Have you been requested to perform a cost of service rate study for purposes of

this filing?

A. No, we have been asked only to review the annual revenue requirements or cost of service from rates as proposed by the District and to develop rates which would recover the total annual cost of service.

Q. Please describe how a study of revenue requirements is different from a cost of service rate study.

A. While the development of the annual test year revenue requirements or total cost of service from water rates is identical under both studies, a review of revenue requirements study is generally finished once the revenue under existing rates and the revenue requirements and overall percentage increase in water rates has been determined. A review of revenue requirements does not include identification of test year cost of service by customer class or the associated development of an equitable water rate structure that recovers the cost of providing water service from customer classes in proportion to the service received.

Q. In performing your study in this case, have you become familiar with NKWD's water utility system and its costs?

A. Yes.

Q. Does this filing substantially differ from previous filings for NKWD in which Black & Veatch has been involved?

A. Yes.

Q. What are the primary differences?

A. A cost of service rate study was not performed as part of this filing, whereas such as study has been a part of the previous studies in which Black & Veatch was

involved.

Q. Please describe how you went about your review of revenue requirements in this case.

A. We began by determining the District's test year 2007 Total Revenue Requirements which consist of Operation & Maintenance Expense, Debt Service Requirements, Depreciation Expense, and Debt Service Coverage. Test year Operation & Maintenance Expense consists of 2006 actual operating expenses plus adjustments for known and measurable changes as shown on Page 5, Schedule 2 of Exhibit N. Debt Service Requirements consist of the five-year average debt service on existing revenue bonds, the proposed 2008 revenue bonds, the proposed 2007 Drinking Water State Revolving Fund Loan, and the Taylor Mill Purchase Financing as shown on Page 6, Schedule 3. Depreciation Expense, as shown on Page 8, Schedule 4, consists of annual depreciation as of December 31, 2006 plus adjustments for changes in current assets. Debt Service Coverage is shown on Page 6, Schedule 3 and is equal to 20 percent of the five-year average debt service on existing and proposed revenue bonds. Total Revenue Requirements are \$44,856,324 and are shown on Page 4, Schedule 1, Line 5.

We deducted revenues from Operating Revenue not Subject to Rate Increase, Non-Operating Income, and the Boone & Florence reserve and early termination payment amortized over 10 years on Lines 6, 7, and 8 of Schedule 1. Revenues Not Subject to Rate Increase include charges for services such as forfeited discounts, turning meters on, rents from property, and surcharge revenues and are shown on Page 9, Schedule 5. Non-Operating Income, shown on Page 10,

Schedule 6, includes gains or losses on the disposition of property, interest income, and other miscellaneous revenues. The Boone & Florence settlement reserve and early termination payment are also considered non-operating income and is shown in Schedule 6.

The remaining Net Revenue Requirements of \$40,502,054 need to be recovered through the water rates of the District. Revenues Under Existing Rates, shown on Line 10 of Schedule 1 consist of 2006 audited revenues plus adjustments for weather volume normalization, new connections, and the prior rate increase approved in the 2005 Order. These adjustments are shown on Page 11, Schedule 7. As shown on Lines 11 and 12 of Schedule 1, an increase of \$5,287,415 or 15.0 percent is indicated to be required in 2007.

Q. Please explain the general procedures that you used to develop proposed water rates.

A. We applied the indicated percentage increases in revenue of 15.0 percent as shown on Page 4, Schedule 1, Line 12 to the existing rate schedule that was approved in case 2005-00148.

Q. Have you designed water rates that will recover the overall system test year cost of service?

A. Yes, the water rates are shown on Page 14 of Exhibit N in Schedule 8.

Q. Do the proposed rates for water service adequately recover the cost of service from customers?

A. Yes, as shown in Schedule 9, Page 15 of Exhibit N, the proposed rates for customers recover 100 percent of the total overall system cost of service.

Q. For the initial test year, is it your opinion that the proposed level of revenues shown in your report is reasonable and necessary to meet the projected revenue requirements of the utility and that the proposed rates recover the total annual system revenue requirements?

A. Yes.

Q. Is it your opinion that it is appropriate and reasonable in this filing to apply across-the-board increases to the existing rate structure in lieu of performing a cost of service rate study?

A. Yes, given the absence of any significant increases or changes to revenue requirements other than normal system growth and pro forma adjustments, it is not unreasonable to apply an across-the-board to the cost of service rates developed in case 2005-00148.

Q. Does this conclude your prepared direct testimony in this matter?

A. Yes, it does.



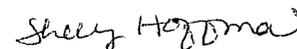
Jennings Rowe McKinley II  
Vice President, Black & Veatch Corporation

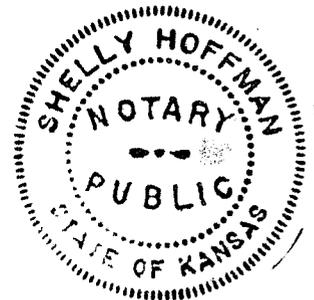
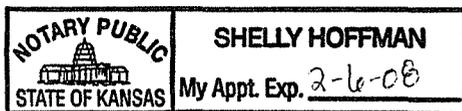
State of Kansas\  
County of Johnson \

Before me a Notary Public in and for the State of Kansas this date appeared Jennings Rowe McKinley II, Vice President, Black & Veatch Corporation, and acknowledged this Prepared Direct Testimony to be his voluntary act and deed and to be true and accurate to the best of his knowledge, information and belief formed after a reasonable inquiry.

Witnessed my hand and Notary Seal this 21 day of May, 2007

My Commission expires: 2-6-08

  
Notary Public



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter Of:

APPLICATION OF NORTHERN KENTUCKY )  
WATER DISTRICT FOR AUTHORITY TO )  
ISSUE REVENUE BONDS ) CASE NO.  
FOR APPROVAL OF FINANCING ) 2007-00135  
FOR APPROVAL OF CONSTRUCTION )  
AND FOR ADJUSTMENT OF )  
WATER RATES )

PREFILED TESTIMONY OF DONALD C. FRITZ

Q 1 Please state your name and address.

A Donald C. Fritz, CPA, CVA, ABV

Q 2 By whom and in what capacity are you employed?

A I am employed by Von Lehman and Company, Inc.

Q 3 How long have you held your present position?

A I have been a shareholder in the firm since 1993.

Q 4 Briefly state your professional background.

A I have been a certified public accountant since 1976 and have served in an auditing capacity since that time. I am currently a member of my firm's Quality Control Committee.

Q 5 Have you previously testified before the Public Service Commission of Kentucky?

A No.

Q 6 What service did you and your firm provide to the District in relation to the present case?

A Our firm was retained to provide consulting services and to provide certain exhibits requested by the Public Service Commission on behalf of the District.

Q 7 Was one of those exhibits the audited financial statement of Northern Kentucky Water District to the year ended December 31, 2006?

A Yes.

Q 8 And is that filed with the application as Exhibit E?

A Yes.

Q 9 Did you also prepare Exhibit K?

A Yes, Exhibit K is the pro-forma income statement and balance sheet of Northern Kentucky Water District for the pro-forma period ended December 31, 2006. This exhibit is an attempt to portray the adjustments and pro-forma changes which are reflected in Exhibit A and Exhibit J.

Q 10 Does this complete your prefiled testimony?

A Yes.

AFFIDAVIT

COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Donald C. Fritz, after being first sworn, deposes and says that the foregoing prepared testimony is true and correct to the best of his knowledge and belief except as to those matters that are based on information provided to him and as to those he believes to be true and correct.

  
Donald C. Fritz

This instrument was produced, signed and declared by Donald C. Fritz to be his act and deed the 24<sup>th</sup> day of May, 2007.

*Carol Canaday*  
Notary Public

My Commission expires: 11-13-2010



Exhibit R  
2007 - 2011 Project List

PSC Ref No.	Water Quality	2007	2008	2009	2010	2011	
8	FTTP Pre-Treatment Imp. (SCADA Upgrade Phase 3)	\$250,000	\$2,150,000				\$2,400,000   BAN 07/08
91	Standby Generator at Dudley PS	\$1,500,000					\$1,500,000   BAN 2007
134	Gravity Thickener at FTTP	\$200,000	\$1,200,000				\$1,400,000   BAN 07/08
111	FTTP Post-Filtration GAC - Advanced Treatment	\$821,966	\$6,843,034		\$44,800,000		\$52,465,000   BAN 07/08/10
131	Pump #4 at ORPS 1	\$350,000					\$350,000   BAN 2007
20	US27 from State Rt 824 to Pendleton Co Meter KDOT	\$885,000					\$885,000   BAN 2007
57a	Ripple Creek PS under AA Hwy. 30" Redundancy Main-Ph. 1	\$575,000					\$575,000   BAN 2007
57b	AA Highway from U.S. 27 to East Alex. Pike	\$891,000					\$891,000   BAN 2007
77	Ky. 547, from Washington St. to Nelson Road - Phase 1	\$570,000					\$570,000   BAN 2007
78	Four Mile Pk. (Poplar Rdg. To Nine Mile)	\$996,000					\$996,000   BAN 2007
81	Mains into Unserved Areas 2007	\$250,000					\$250,000   BAN 2007
80	Mains into Unserved Areas 2007	\$2,900,000					\$2,900,000   BAN 2007
141	Water Main Replacement Program 2007 - \$2,900,000	\$400,000					\$400,000   BAN 2007
	Year 2007 Systematic Water Main Replacement (Cov. Match) - Des.		\$2,100,000				\$2,100,000   BAN 2008
	Year 2007 Systematic Water Main Replacement (Cov. Match) - Const.						\$400,000   BAN 2007
126	42" Transmission Main from FTTP to Moock Road 36" - Design	\$400,000	\$5,500,000				\$5,500,000   BAN 2008
	42" Transmission Main from FTTP to Moock Road 36" - Construction		\$278,000				\$278,000   BAN 2008
133	Licking River VFD		\$1,890,000		\$6,830,000		\$8,720,000   BAN 08/10
135	Actiflo at FTTP		\$1,776,000				\$1,776,000   BAN 2008
38	Washington Trace Rd. (12Mile Rd to Hwy 1996)		\$202,000				\$202,000   BAN 2008
43	Low Gap Rd. (Ky9 to Existing Dead End)		\$2,210,000				\$2,210,000   BAN 2008
58	U.S. 27 From E. Alexandria Pike to Main		\$976,000				\$976,000   BAN 2008
	Ky. 547, from Washington St. to Nelson Road - Phase 2		\$570,000				\$570,000   BAN 2008
79a	Dudley Discharge Redundancy Imp. Ph. 1 - 36" on hillside		\$570,000				\$570,000   BAN 2008
79b	Dudley Discharge Redundancy Imp. Ph. 2 - 36" Interconnect		\$1,439,000	\$2,977,000			\$1,439,000   BAN 2008
79c	Dudley Discharge Redundancy Imp. Ph. 3 - Final Interconn.						\$2,977,000   BAN 2009
100	Twelve Mile Rd., KY 10 to KY 1566		\$1,064,000				\$1,064,000   BAN 2008
101	Year 2008 Water Main Replacement Program		\$3,000,000				\$3,000,000   BAN 2008
103	Mains into Unserved Areas 2008		\$250,000				\$250,000   BAN 2008
142	Year 2008 Systematic Water Main Replacement		\$1,000,000				\$1,000,000   BAN 2008
107	Radio Read Meters for Kenton & Campbell Areas 2007		\$1,700,000				\$1,700,000   BAN 2008
108	Radio Read Meters for Kenton & Campbell Areas 2008		\$3,150,000				\$3,150,000   BAN 2008
112	Standby Generator at TMTP PS		\$3,150,000				\$3,150,000   BAN 2009
113	Standby Generator at TMTP PS		\$1,654,000				\$1,654,000   BAN 2009
136	TMTP Improvements (replace basins) + Advance Treat.-GAC		\$2,205,000		\$12,734,000		\$14,939,000   BAN 09/10
110	FTTP Ultraviolet Disinfection - Advanced Treatment		\$1,102,500		\$10,419,000		\$11,521,500   BAN 09/10
149	MPTP GAC and UV - Advanced Treatment		\$2,205,000		\$10,419,000		\$12,624,000   BAN 09/10
109	Radio Read Meters for Kenton & Campbell Areas 2009		\$3,307,500				\$3,307,500   BAN 2009
113	Ky 536, US 27 to Pond Creek Road - 12"		\$2,433,000				\$2,433,000   BAN 2009
114	Interconnect 1080/1017 12"		\$346,000				\$346,000   BAN 2009
116	Year 2009 Water Main Replacement Program		\$3,100,000				\$3,100,000   BAN 2009
118	Mains into Unserved Areas 2009		\$250,000				\$250,000   BAN 2009
143	Year 2009 Systematic Water Main Replacement		\$1,000,000				\$1,000,000   BAN 2009

Exhibit R  
2007 - 2011 Project List

NKWD  
Rate Case 2007-00135  
Exhibit R  
Witness: Harrison

132	MPTP Suction Piping					\$579,000		\$579,000	BAN 2010	
95	New Water Tank, Rossford; retire Lumley & Rossford tanks					\$2,547,000		\$2,547,000	BAN 2010	
128	Licking River Crossing					\$2,710,000		\$2,710,000	BAN 2010	
121	Independence Road, Ky. 17 to Existing 12"					\$100,000		\$100,000	BAN 2010	
122	Burns Road, Persimmon Grove to Flatwoods					\$1,334,000		\$1,334,000	BAN 2010	
123	KY 1280, U.S. 27 to Burns Road					\$1,791,000		\$1,791,000	BAN 2010	
124	Year 2010 Water Main Replacement Program					\$3,200,000		\$3,200,000	BAN 2010	
125	Mains into Unserved Areas 2010					\$250,000		\$250,000	BAN 2010	
130	Year 2010 Systematic Water Main Replacement					\$1,000,000		\$1,000,000	BAN 2010	
129	Radio Read Meters for Kenton & Campbell Areas 2010					\$2,547,000		\$2,547,000	BAN 2010	
137	LRPS - TMTP Raw water main relocation						\$365,000	\$365,000	BAN 2011	
138	ORPS2 Replacement (32MGD) & 36" Raw Water Main (Part 1)						\$13,371,000	\$13,371,000	BAN 2011	
139	Standby Generator at Ripple Creek PS						\$1,216,000	\$1,216,000	BAN 2011	
51	Gunkel Rd (Upper Eight Mile to Fender Rd)						\$608,000	\$608,000	BAN 2011	
144	Hands Pike from Ky 16 to Edwin Drive						\$182,000	\$182,000	BAN 2011	
145	Ky. 16, from Hands Pike to Klette Road						\$182,000	\$182,000	BAN 2011	
146	Year 2011 Water Main Replacement Program						\$3,750,000	\$3,750,000	BAN 2011	
147	Mains into Unserved Areas 2011						\$250,000	\$250,000	BAN 2011	
148	Year 2011 Systematic Water Main Replacement						\$1,000,000	\$1,000,000	BAN 2011	
<b>Total</b>								<b>\$101,260,000</b>	<b>\$20,924,000</b>	<b>\$191,051,000</b>
								<b>\$10,988,966</b>	<b>\$37,298,034</b>	<b>\$20,580,000</b>



NKWD  
Case No. 2005-00148  
Exhibit S  
Witness: Lovan

AFFIDAVIT OF C. RONALD LOVAN

County of Campbell                    )  
Commonwealth of Kentucky        )

C. Ronald Lovan, after being sworn, states that he is the President/CEO of the Northern Kentucky Water District and that the statements contained in the Petition are true and correct to the best of his information and knowledge.

Sworn and acknowledged before me by C. Ronald Lovan on 21<sup>st</sup> day of May, 2007.

  
C. Ronald Lovan, P.E.  
  
Notary Public

My Commission Expires on: 1-3-2010