

JOHN N. HUGHES  
ATTORNEY AT LAW  
PROFESSIONAL SERVICE CORPORATION  
124 WEST TODD STREET  
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

[JNHUGHES@fewpb.net](mailto:JNHUGHES@fewpb.net)

April 16, 2015

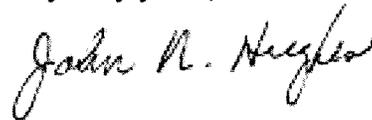
Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

Case No. 2015-00108

Dear Mr. Derouen:

Northern Kentucky Water District submits the executed affidavit of Jack Bragg, which was included in Exhibit B of the Application, but not notarized and the revised Schedule of Mortgages, Bonds and Other Indebtedness, Exhibit E and the revised Balance Sheet and Income Statement, Exhibit F of the Application. These exhibits replace the exhibits filed with the Application. I certify that the electronically filed documents are a true representation of the original documents.

Very truly yours,



John N. Hughes

Attorney for Northern Kentucky  
Water District

**AFFIDAVIT**

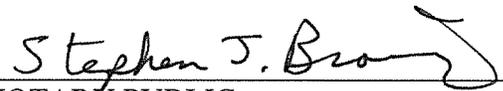
**Fort Thomas Treatment Plant Basin Improvements**

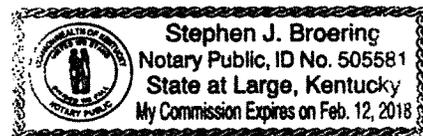
Affiant, Jack Bragg, Jr., being the first duly sworn, deposes and says that he is the Vice President of Finance and Support Services of the Northern Kentucky Water District, which he is the Applicant in the proceeding styled above; that he has read the foregoing "Fort Thomas Treatment Plant Basin Improvements" Application and knows the contents thereof, and that the same is true of his own knowledge, except as to matters which are therein stated on information or belief, and that is to those matters he believes them to be true.

  
\_\_\_\_\_  
Jack Bragg, Jr.  
Vice President, Finance & Support Services  
Northern Kentucky Water District

Subscribed and sworn to before me in said County to be his act and deed by Jack Bragg, Jr., Vice President of Finance and Support Services of the Northern Kentucky Water District, this

4<sup>th</sup> day of April 2015.

  
\_\_\_\_\_  
NOTARY PUBLIC  
Kenton County, Kentucky  
My commission expires 2-12-18



<b>Northern Kentucky Water District</b>		
<b>Bonds &amp; Notes</b>		
<b>2/28/2015</b>		
<b>Bonds</b>		
USDA 2000	\$1,913,000	
Series 2006	\$22,105,000	
Series 2009	\$24,030,000	
Series 2011	\$27,380,000	
Series 2012	\$49,440,000	
Series 2013A	\$25,155,000	
Series 2013B	\$20,200,000	
Series 2014B	\$13,805,000	
	<b>\$184,028,000</b>	
<b>KIA Currently Servicing</b>		
F06-03	\$2,958,784	
C08-01	\$3,716,267	
F08-07	\$3,634,945	
F9-02	\$22,512,420	
<b>Total KIA</b>	<b>\$32,822,416</b>	
<b>Notes</b>		
Taylor Mill	\$575,000	Non-Interest Note
Deferred Note	\$100,000	



**Balance Sheet**  
**As of March 31, 2015**

<b>Assets</b>	<b>2015</b>	<b>2014</b>
<b>Current Assets</b>		
Cash and Cash Equivalents	\$21,402,836	\$21,790,412
Accrued Interest Receivable	\$3,189	\$4,848
Accounts Receivable Customers	\$4,657,751	\$5,268,793
Accounts Receivable Unbilled Customers	\$5,900,000	\$5,700,000
Accounts Receivable Other	\$67,463	\$71,726
Assessments Receivable	\$117,464	\$110,953
Inventory Supplies for New Installation and Maintenance, at Cost	\$1,515,295	\$1,399,343
Prepaid Expenses	<u>\$1,702,227</u>	<u>\$1,044,507</u>
<b>Total Current Assets</b>	<b>\$35,366,225</b>	<b>\$35,390,582</b>
<b>Restricted Assets</b>		
Bond Proceeds Fund	\$4,675,775	\$7,927,698
Debt Service Reserve Account	\$18,280,663	\$18,255,577
Debt Service Account	\$7,861,711	\$6,876,927
Improvement, Repair, & Replacement	\$3,242,282	\$10,951,091
Boone/Florence Settlement Account	<u>\$0</u>	<u>\$307,911</u>
<b>Total Restricted Assets</b>	<b>\$34,060,431</b>	<b>\$44,319,204</b>
<b>Non Current Assets</b>		
Miscellaneous Deferred Charges	(\$5,321,147)	(\$5,207,990)
<b>Capital Assets:</b>		
Land, System, Buildings, and Equipment	\$438,826,076	\$429,402,049
Construction in Progress	\$25,085,047	\$16,697,315
Total Capital Assets before Accumulated Depreciation	\$463,911,123	\$446,099,364
Less: Accumulated Depreciation	<u>(\$123,966,257)</u>	<u>(\$114,150,895)</u>
Capital Assets Net of Accumulated Depreciation	\$339,944,866	\$331,948,469
<b>Total Noncurrent Assets</b>	<b><u>\$334,623,719</u></b>	<b><u>\$326,740,479</u></b>
<b>Total Assets</b>	<b><u>\$404,050,375</u></b>	<b><u>\$406,450,265</u></b>



**Balance Sheet**  
**As of March 31, 2015**

<b>Liabilities and Retained Earnings</b>	<b>2015</b>	<b>2014</b>
<b>Current Liabilities</b>		
Current Portion of Long Term Debt	\$11,241,015	\$10,968,754
Accounts Payable	\$2,760,210	\$1,726,824
Accrued Payroll & Liabilities	\$286,963	\$372,914
Other Accrued Liabilities	<u>\$212,549</u>	<u>\$213,370</u>
<b>Total Current Liabilities</b>	<b>\$14,500,737</b>	<b>\$13,281,862</b>
<b>Current Liabilities From Restricted Assets</b>		
Accounts Payable	\$623,695	\$1,317,429
Accrued Interest Payable	<u>\$1,729,138</u>	<u>\$1,799,253</u>
<b>Total Current Liabilities From Restricted Assets</b>	<b>\$2,352,833</b>	<b>\$3,116,682</b>
<b>Long Term Debt</b>		
Long Term Portion of Bonded Indebtedness	\$207,306,062	\$217,932,344
Bond Anticipation Notes Payable	\$0	\$0
Note Payable-Taylor Mill Purchase	\$400,000	\$575,000
Deferred Note Payable	<u>\$100,000</u>	<u>\$100,000</u>
<b>Total Long Term Debt</b>	<b>\$207,806,062</b>	<b>\$218,607,344</b>
<b>Total Liabilities</b>	<b>\$224,659,632</b>	<b>\$235,005,888</b>
<b>Retained Earnings</b>	<b><u>\$179,390,743</u></b>	<b><u>\$171,444,377</u></b>
<b>Total Liabilities and Retained Earnings</b>	<b><u>\$404,050,375</u></b>	<b><u>\$406,450,265</u></b>



**Income and Expense Report Summary  
For the Three Months ending March 31, 2015**

<b>Current Period</b>	<b>March 2015</b>	<b>March 2014</b>	<b>March Budget</b>	<b>Variance Over (Under) %</b>
Total Income	\$5,170,007	\$5,274,749	\$5,414,305	-4.5%
Total O&M Expenses	\$1,907,095	\$1,997,300	\$2,141,214	-10.9%
Transfer to Debt Service	\$1,680,000	\$1,600,000	\$1,680,000	0.0%
Available for Transfer to Operating Capital	\$1,582,912	\$1,677,449	\$1,593,091	-0.6%
<b>Year to Date</b>	<b>YTD 2015</b>	<b>YTD 2014</b>	<b>YTD Budget</b>	<b>Variance Over (Under) %</b>
Total Income	\$12,097,432	\$12,272,108	\$12,587,218	-3.9%
Total O&M Expenses	\$6,137,667	\$6,281,829	\$6,647,308	-7.7%
Transfer to Debt Service	\$5,040,000	\$4,800,000	\$5,040,000	0.0%
Available for Transfer to Operating Capital	\$919,765	\$1,190,279	\$899,910	2.2%
			<b>2013 Annual Budget</b>	
			\$52,271,763	
			\$27,161,761	
			\$20,185,177	
			\$4,924,825	