





# Monthly Financial Reports 2004

# Monthly Financial Reports

## January 2004

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the One Month Ending January 31, 2004

Division	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$596,324	\$598,321	(0.3%)	\$596,324	\$598,321	(0.3%)	
ENGINEERING & DISTRIBUTION	382,522	520,375	(36.0%)	382,522	520,375	(36.0%)	
CUSTOMER SERVICE	252,118	290,687	(15.3%)	252,118	290,687	(15.3%)	
ADMINISTRATION	174,741	245,842	(40.7%)	174,741	245,842	(40.7%)	
<b>TOTAL O AND M</b>	<b>\$1,405,705</b>	<b>\$1,655,225</b>	<b>(17.8%)</b>	<b>\$1,405,705</b>	<b>\$1,655,225</b>	<b>(17.8%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the One Month Ending January 31, 2004

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$2,972	\$5,333	(79.4%)	\$2,972	\$5,333	(79.4%)	
Ohio River Pump Station # 1	48,951	46,083	6.2%	48,951	46,083	6.2%	
Ohio River Pump Station # 2	1,841	7,417	(302.8%)	1,841	7,417	(302.8%)	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$53,764</b>	<b>\$58,833</b>	<b>(9.4%)</b>	<b>\$53,764</b>	<b>\$58,833</b>	<b>(9.4%)</b>	
<b>WATER QUALITY</b>							
H. Thomas Treatment Plant	\$182,076	\$158,550	14.8%	\$182,076	\$158,550	14.8%	Five pay periods in January. Increased heating cost.
Taylor Mill Treatment Plant	42,124	51,096	(21.3%)	42,124	51,096	(21.3%)	
Memorial Parkway Treatment Plant	67,779	65,517	3.5%	67,779	65,517	3.5%	Increased heating cost.
Laboratory	54,944	57,004	(3.8%)	54,944	57,004	(3.8%)	
Instrumentation	20,471	20,504	(0.2%)	20,471	20,504	(0.2%)	
Sludge	7,123	14,167	(98.9%)	7,123	14,167	(98.9%)	
<b>TOTAL WATER QUALITY</b>	<b>\$374,517</b>	<b>\$366,838</b>	<b>2.1%</b>	<b>\$374,517</b>	<b>\$366,838</b>	<b>2.1%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$168,043</b>	<b>\$172,650</b>	<b>(2.7%)</b>	<b>\$168,043</b>	<b>\$142,650</b>	<b>(2.7%)</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$596,324</b>	<b>\$598,321</b>	<b>(0.3%)</b>	<b>\$596,324</b>	<b>\$568,321</b>	<b>(0.3%)</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the One Month Ending January 31, 2004**

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$107,023	\$103,875	3.1%	\$107,023	\$103,875	3.1%	Five pay periods in January.
Distribution	275,499	416,500	(51.2%)	275,499	416,500	(51.2%)	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$382,522</b>	<b>\$520,375</b>	<b>(36.0%)</b>	<b>\$382,522</b>	<b>\$520,375</b>	<b>(36.0%)</b>	
<b>CUSTOMER SERVICE</b>							
Field Service	\$58,224	\$56,125	3.7%	\$58,224	\$56,125	3.7%	Five pay periods in January.
Meter Shop	16,969	26,050	(53.5%)	16,969	26,050	(53.5%)	
Courier/Maintenance	4,573	4,625	(1.1%)	4,573	4,625	(1.1%)	
Account Service	90,063	119,183	(32.3%)	90,063	119,183	(32.3%)	
Meter Reading	27,216	26,725	1.8%	27,216	26,725	1.8%	Five pay periods in January
Flushing	24,204	24,329	(0.5%)	24,204	24,329	(0.5%)	
Other	30,869	33,650	(9.0%)	30,869	33,650	(9.0%)	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$252,118</b>	<b>\$290,687</b>	<b>(15.3%)</b>	<b>\$252,118</b>	<b>\$290,687</b>	<b>(15.3%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the One Month Ending January 31, 2004

Department	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
ADMINISTRATION							
Executive Management	\$41,530	\$42,275	(1.8%)	\$41,530	\$42,275	(1.8%)	
Board of Commissioners	7,363	8,700	(18.2%)	7,363	8,700	(18.2%)	
Accounting	23,133	23,808	(2.9%)	23,133	23,808	(2.9%)	
H. R., Information Systems, Safety	59,545	95,467	(60.3%)	59,545	95,467	(60.3%)	
Other	43,170	75,592	(75.1%)	43,170	75,592	(75.1%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$174,741</b>	<b>\$245,842</b>	<b>(40.7%)</b>	<b>\$174,741</b>	<b>\$245,842</b>	<b>(40.7%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,405,705</b>	<b>\$1,655,225</b>	<b>(17.8%)</b>	<b>\$1,405,705</b>	<b>\$1,625,225</b>	<b>(17.8%)</b>	



Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the One Month Ending January, 2004

Account	January Actual	January Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$696,789	\$603,192	15.5%	\$696,789	\$603,192	15.5%	Five pay periods in January.
Employee Pension & Benefits	163,204	180,012	(10.3%)	163,204	180,012	(10.3%)	
Taxes Other than Income Taxes	50,129	46,142	8.6%	50,129	46,142	8.6%	Five pay periods in January
Purchased Power	167,915	153,542	9.4%	167,915	153,542	9.4%	Increase in heating costs.
Chemicals	30,065	51,250	(70.5%)	30,065	51,250	(70.5%)	
Materials & Supplies	85,477	131,388	(53.7%)	85,477	131,388	(53.7%)	
Contractual Services	109,518	357,225	(226.2%)	109,518	357,225	(226.2%)	Many projects not started to date.
Rent	787	958	(21.7%)	787	958	(21.7%)	
Transportation	6,061	22,212	(266.5%)	6,061	22,212	(266.5%)	
Insurance	53,550	55,792	(4.2%)	53,550	55,792	(4.2%)	
Advertising	123	458	(273.9%)	123	458	(273.9%)	
Bad Debt Expense	24,398	27,500	(12.7%)	24,398	27,500	(12.7%)	
Miscellaneous	1,338	6,896	(415.6%)	1,338	6,896	(415.6%)	
Regulatory Commission Assessment	16,351	18,658	(14.1%)	16,351	18,658	(14.1%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,405,705</b>	<b>\$1,655,225</b>	<b>(17.8%)</b>	<b>\$1,405,705</b>	<b>\$1,655,225</b>	<b>(17.8%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$410,000	\$410,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$475,000	\$475,000	0.0%	

Northern Kentucky Water District  
Income Report Actual to Projected  
For the One Month Ending January 31, 2004

Description	January Actual	January Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 1,721,264	\$ 2,750,000	(59.7%)	\$ 1,721,264	\$ 2,750,000	(59.7%)	
Forfeited Discounts	59,805	39,167	52.7%	59,805	39,167	52.7%	
Rents from Water Property	29,945	29,125	2.8%	29,945	29,125	2.8%	
Other Water Revenues	19,850	39,583	(99.4%)	19,850	39,583	(99.4%)	
<b>Total Operating Revenues</b>	<b>\$1,830,864</b>	<b>\$2,857,875</b>	<b>(56.1%)</b>	<b>\$1,830,864</b>	<b>\$2,857,875</b>	<b>(56.1%)</b>	Revenues lower in winter months.
Non-Operating Income (Expense)							
Interest Income	\$72,585	\$83,333	(14.8%)	\$72,585	\$83,333	(14.8%)	
Miscellaneous	2,362	16,667	(605.6%)	2,362	16,667	(605.6%)	
<b>Total Non-Operating Income</b>	<b>\$74,947</b>	<b>\$100,000</b>	<b>(33.4%)</b>	<b>\$74,947</b>	<b>\$100,000</b>	<b>(33.4%)</b>	
<b>TOTAL INCOME</b>	<b>\$1,905,811</b>	<b>\$2,957,875</b>	<b>(55.2%)</b>	<b>\$1,905,811</b>	<b>\$2,957,875</b>	<b>(55.2%)</b>	

# Monthly Financial Reports

February 2004

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Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Two Months Ending February 29, 2004

Division	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$653,642	\$598,321	9.3%	\$1,249,967	\$1,196,642	4.5%	Increased heating cost, large chemical purchase.
ENGINEERING & DISTRIBUTION	359,451	520,375	(44.8%)	741,972	1,040,750	(40.3%)	Many projects not to start until later in the year.
CUSTOMER SERVICE	268,576	290,687	(8.2%)	520,694	581,374	(11.7%)	
ADMINISTRATION	245,124	245,842	(40.7%)	419,865	491,684	(17.1%)	
<b>TOTAL O AND M</b>	<b>\$1,526,793</b>	<b>\$1,655,225</b>	<b>(8.4%)</b>	<b>\$2,932,498</b>	<b>\$3,310,450</b>	<b>(12.9%)</b>	

Northern Kentucky Water District

Expense Report by Department Actual to Budget  
For the Two Months Ending February 29, 2004

Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$5,147	\$5,333	(3.6%)	\$8,119	\$10,666	(31.4%)	
Ohio River Pump Station # 1	45,561	46,083	(1.2%)	94,512	92,166	2.5%	
Ohio River Pump Station # 2	10,416	7,417	40.5%	12,258	14,834	(21.0%)	Electric cost for two months in February.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$61,124</b>	<b>\$58,833</b>	<b>3.9%</b>	<b>\$114,889</b>	<b>\$117,666</b>	<b>(2.4%)</b>	
<b>WATER QUALITY</b>							
Ft. Thomas Treatment Plant	\$193,779	\$158,550	22.2%	\$375,855	317,100	18.5%	Increased heating cost, Large Chemical purchase in Feb.
Taylor Mill Treatment Plant	58,848	51,096	15.2%	100,972	102,192	(1.2%)	
Memorial Parkway Treatment Plant	82,231	65,517	25.5%	150,011	131,034	14.5%	Increased heating cost.
Laboratory	44,837	57,004	(27.2%)	99,780	114,008	(14.3%)	
Instrumentation	22,361	20,504	9.1%	42,832	41,008	4.5%	Frame relay monthly rental cost in February.
Sludge	14,981	14,167	5.8%	22,104	28,334	(28.2%)	
<b>TOTAL WATER QUALITY</b>	<b>\$417,037</b>	<b>\$366,838</b>	<b>13.7%</b>	<b>\$791,554</b>	<b>\$733,676</b>	<b>7.9%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$175,481</b>	<b>\$172,650</b>	<b>1.6%</b>	<b>\$343,524</b>	<b>\$ 345,300</b>	<b>(0.5%)</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$653,642</b>	<b>\$598,321</b>	<b>9.3%</b>	<b>\$1,249,967</b>	<b>\$1,196,642</b>	<b>4.5%</b>	

Northern Kentucky Water District

Expense Report by Department Actual to Budget  
For the Two Months Ending February 29, 2004

Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$95,576	\$103,875	(8.7%)	\$202,598	\$ 207,750	(2.5%)	
Distribution	263,875	416,500	(57.8%)	539,374	833,000	(54.4%)	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$359,451</b>	<b>\$520,375</b>	<b>(44.8%)</b>	<b>\$741,972</b>	<b>\$1,040,750</b>	<b>(40.3%)</b>	
<b>CUSTOMER SERVICE</b>							
Field Service	\$54,825	\$56,125	(2.4%)	\$113,050	\$ 112,250	0.7%	
Meter Shop	21,930	26,050	(18.8%)	38,899	52,100	(33.9%)	
Courier/Maintenance	4,003	4,625	(15.5%)	8,576	9,250	(7.8%)	
Account Service	91,126	119,183	(30.8%)	181,189	238,366	(31.6%)	
Meter Reading	24,343	26,725	(3.7%)	51,559	53,450	(3.7%)	
Flushing	23,442	24,329	(2.1%)	47,645	48,658	(2.1%)	
Other	48,907	33,650	45.3%	79,776	67,300	18.5%	Bad debt write off in February higher then budget. Varies from month to month.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$268,576</b>	<b>\$290,687</b>	<b>(8.2%)</b>	<b>\$520,694</b>	<b>\$581,374</b>	<b>(11.7%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Two Months Ending February 29, 2004

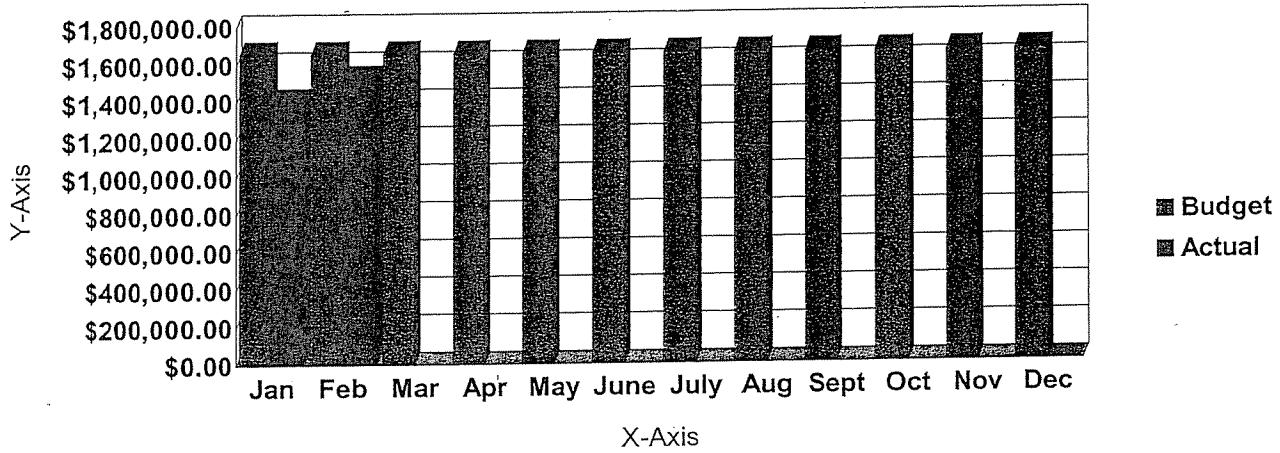
Department	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
ADMINISTRATION							
Executive Management	\$55,225	\$42,275	30.6%	\$96,756	\$84,550	14.4%	
Board of Commissioners	7,582	8,700	(14.7%)	14,945	17,400	(16.4%)	
Accounting	21,748	23,808	(9.5%)	44,881	47,616	(6.1%)	
H. R., Information Systems, Safety	79,047	95,467	(20.8%)	138,591	190,934	(37.8%)	
Other	81,522	75,592	7.8%	124,692	151,184	(21.3%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$245,124</b>	<b>\$245,842</b>	<b>(40.7%)</b>	<b>\$419,865</b>	<b>\$491,684</b>	<b>(17.1%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,526,793</b>	<b>\$1,655,225</b>	<b>(8.4%)</b>	<b>\$2,932,498</b>	<b>\$3,310,450</b>	<b>(12.9%)</b>	



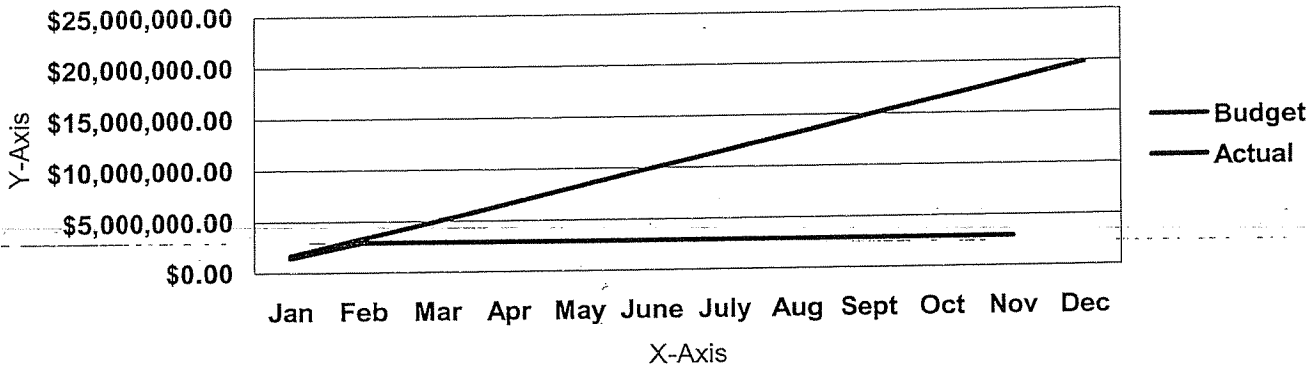
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Two Months Ending February, 2004

Account	February Actual	February Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$568,248	\$603,192	(6.2%)	\$1,265,037	\$1,206,384	4.9%	
Employee Pension & Benefits	161,146	180,012	(11.7%)	324,350	360,024	(11.0%)	
Taxes Other than Income Taxes	40,839	46,142	(13.0%)	90,968	92,284	(1.5%)	
Purchased Power	174,553	153,542	13.7%	342,468	307,084	11.5%	Increased heating costs.
Chemicals	73,098	51,250	42.6%	103,162	102,500	0.7%	
Materials & Supplies	112,800	131,388	(16.5%)	198,278	262,776	(32.5%)	
Contractual Services	256,274	357,225	(39.4%)	365,792	714,450	(95.3%)	Many projects not started to date.
Rent	788	958	(21.7%)	1,575	1,916	(21.7%)	
Transportation	25,071	22,212	12.9%	31,132	44,424	(42.7%)	
Insurance	53,550	55,792	(4.2%)	107,100	111,584	(4.2%)	
Advertising	1,689	458	268.6%	1,812	916	97.7%	Various Bids were advertised.
Bad Debt Expense	39,404	27,500	43.3%	63,802	55,000	16.0%	This expense fluctuates from month to month.
Miscellaneous	2,982	6,896	(131.3%)	4,319	13,792	(219.3%)	
Regulatory Commission Assessment	16,351	18,658	(14.1%)	32,703	37,316	(14.1%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,526,793</b>	<b>\$1,655,225</b>	<b>(8.4%)</b>	<b>\$2,932,498</b>	<b>\$3,310,450</b>	<b>(12.9%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$820,000	\$820,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$950,000	\$950,000	0.0%	

### NKWD O&M Monthly Comparison 2004



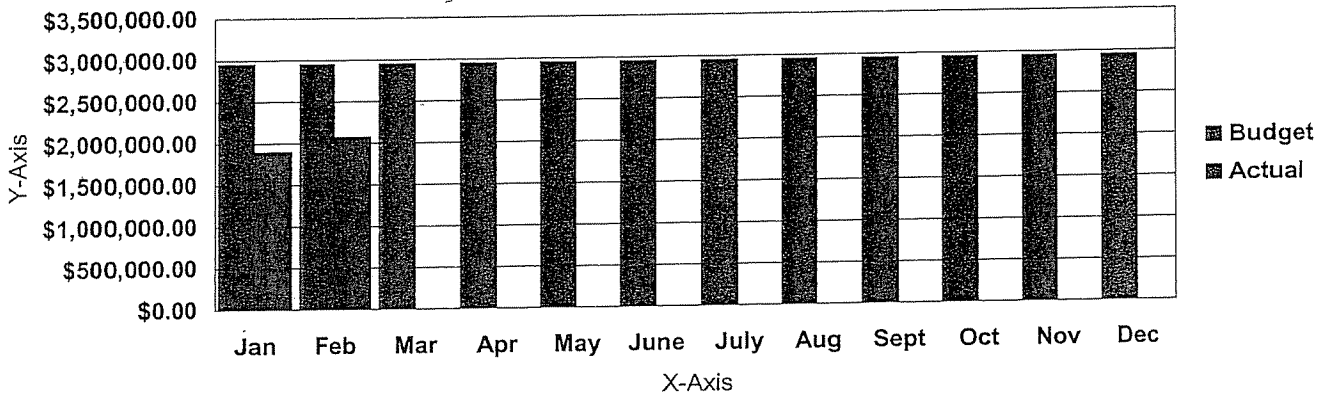
### NKWD O&M YTD Trending 2004



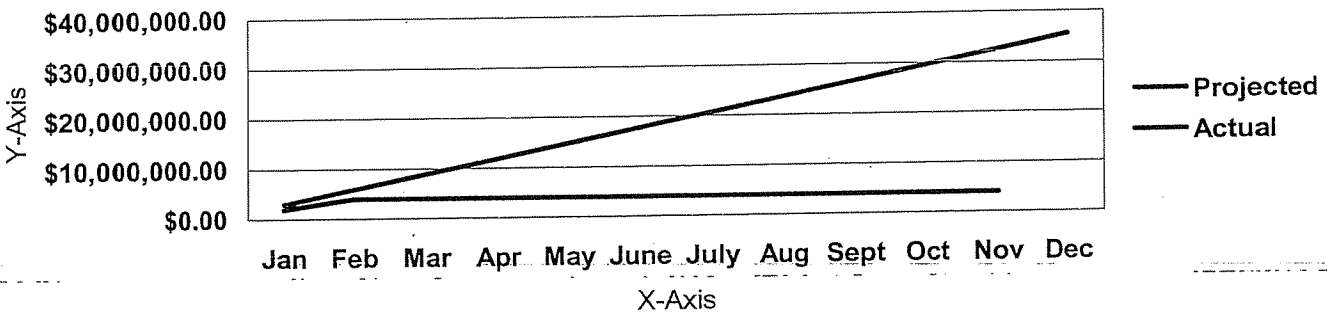
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Two Months Ending February 29, 2004

Description	February Actual	February Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 1,911,024	\$ 2,750,000	(43.9%)	\$ 3,632,288	\$ 5,500,000	(51.4%)	Revenue increased in February.
Forfeited Discounts	45,926	39,167	17.3%	105,731	78,334	35.0%	
Rents from Water Property	18,158	29,125	(60.4%)	48,103	58,250	(21.1%)	
Other Water Revenues	19,125	39,583	(107.0%)	38,975	79,166	(103.1%)	
<b>Total Operating Revenues</b>	<b>\$1,994,233</b>	<b>\$2,857,875</b>	<b>(43.3%)</b>	<b>\$3,825,097</b>	<b>\$5,715,750</b>	<b>(49.4%)</b>	Revenues lower in winter months.
Non-Operating Income (Expense)							
Interest Income:	\$63,021	\$83,333	(454.8%)	\$135,606	\$166,666	(90.3%)	
Miscellaneous	23,937	15,667	43.6%	26,299	33,334	(26.8%)	
<b>Total Non-Operating Income</b>	<b>\$86,958</b>	<b>\$100,000</b>	<b>(156.7%)</b>	<b>\$161,905</b>	<b>\$200,000</b>	<b>(75.6%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,081,191</b>	<b>\$2,957,875</b>	<b>(45.5%)</b>	<b>\$3,987,002</b>	<b>\$5,915,750</b>	<b>(48.4%)</b>	

### NKWD Revenue by Month 2004



### NKWD Revenue Trending 2004



Northern Kentucky Water District							
Operational Capital Budget for 2004							
Projected Available for Capital Expenditures:							
			Budget		Transferred	Date	
	Cash Balance 1/1/2004 - Operating Capital		\$2,167,636.35		\$500,000.00	02/24/2004	
	From Operations		\$5,540,095.00				
	<b>Total Cash Available</b>		<b>\$7,707,731.35</b>				
	Executive Adm		\$132,500.00				
	IT, Safety, Security		\$1,375,271.95				
	Customer Service		\$838,300.00				
	Distribution - Mains		\$2,611,921.75				
	Distribution - Other		\$227,800.00				
	Engineering		\$9,000.00				
	Water Q & P		\$129,000.00				
	Laboratory		\$15,000.00		500,000.00		
	Plant and Pump Station Maintenance		\$315,000.00				
	<b>Total Request</b>		<b>\$5,653,793.70</b>				
	<b>Net Coverage/Lost</b>		<b>\$2,053,937.65</b>				
	Actual YTD Cost						
	Funds Remaining						
	Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004	Latonia 24" Steel - Phase I	184-103	\$433,650.00	\$474.00		\$474.00	808
Bond 2004	Ryland Heights Project (RC:2003)	184-122	\$172,000.00	\$103,724.77	\$148,608.87	\$252,333.64	730
BAN 2004	Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$365.00	\$38,217.30	\$38,582.30	803
Bond 2004	Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,642.04	\$7,063.54	801
Bond 2004	Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$1,421.50	\$2,104.75	\$3,526.25	802
Bond 2004	Klette/Rice Roads - RC2003 - Sub District	184-142	\$626,000.00		\$45,017.87	\$45,017.87	744
Bond 2004	Jefferson/Euclid/Highland (RC:2003)	184-157	\$535,866.80	\$131,850.54	\$163,183.38	\$295,033.92	722
BAN 2004	Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,500.00		\$5,500.00	807
BAN 2004	Latonia 24" Steel - Phase II	184-164	\$302,250.00	\$474.00		\$474.00	809
Bond 2004	UIM/CIS System	184-310	\$2,900,000.00	\$100,508.31	\$223,707.86	\$324,216.17	800
	Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
	Ultra Violet TMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004	US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$312.56		\$312.56	805
Bond 2004	TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
	<b>TOTAL</b>		<b>\$9,748,945.80</b>	<b>\$345,578.18</b>	<b>\$1,057,926.19</b>	<b>\$1,403,504.37</b>	

Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>Administrative Dept</b>					
<b>2004</b>					
Office Furniture and Other					
- Storage Units		\$2,000.00		\$2,000.00	1
- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
Bottle Machine Caping Unit		\$15,000.00		\$15,000.00	5
Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
Contingency: Emergency/Unknown		\$100,000.00		\$100,000.00	9
<b>Department Sub-Total</b>		<b>\$132,500.00</b>	<b>\$1,354.00</b>	<b>\$131,146.00</b>	
<b>Information Systems, Safety, Security</b>					
<b>INFO SYSTEMS</b>					
<b>2003</b>					
2003 Network Security		\$9,597.79	\$0.00	\$9,597.79	10-03
2003 Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
<b>2004</b>					
2004 PC Hardware Replacement Program		\$100,000.00	\$20,236.93	\$79,763.07	20
2004 Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004 AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004 Aqua Dr. Great Plains Server					26
- Server Hardware		\$10,000.00		\$10,000.00	28
- Windows Server 2003 & 15cals		\$1,200.00		\$1,200.00	30
- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004 Cisco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004 Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004 Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004 LaserFiche United Server		\$8,260.00		\$8,260.00	40
2004 File Servers for MPTP & TMTP		\$19,000.00		\$19,000.00	42
2004 Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
<b>Sub-Total</b>		<b>\$290,220.24</b>	<b>\$20,972.33</b>	<b>\$269,247.91</b>	
<b>SECURITY</b>					
<b>2003</b>					
2003 Fencing at FTTP		\$173,032.65	\$0.00	\$173,032.65	32-03
2003 Vulnerability Assessment Improvements		\$87,019.06	\$3,602.05	\$83,417.01	36-03
2003 1 Access Control - Phase II		\$150,000.00		\$150,000.00	
<b>2004</b>					
2004 VA Fencing (Barrington, LRPS, S. Nept. Tank, ORPSZ, FTTP 2)		\$200,000.00	\$0.00	\$200,000.00	50
2004 VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$4,830.82	\$195,169.18	54
2004 Vulnerability Assessment Improvements - Phase II		\$275,000.00		\$275,000.00	56
<b>Sub-Total</b>		<b>\$1,085,051.71</b>	<b>\$8,432.87</b>	<b>\$1,076,618.84</b>	
<b>SAFETY</b>					
<b>2004</b>					
<b>Sub-Total</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>60</b> <b>62</b>
<b>Department Sub-total</b>		<b>\$1,375,271.95</b>	<b>\$29,405.20</b>	<b>\$1,345,866.75</b>	
<b>CUSTOMER SERVICE</b>					
<b>Billing</b>					
<b>2004</b>					
2004 Miscellaneous Office Furniture				\$1,000.00	70
2004 - 2 Office Chairs		\$1,000.00		\$1,000.00	72
2004 - 2 Counter Chairs		\$1,000.00		\$1,000.00	74
2004 - Check Endorser		\$2,300.00		\$2,300.00	76
2004 Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	
<b>Sub-Total</b>		<b>\$9,300.00</b>	<b>\$0.00</b>	<b>\$4,971.00</b>	
<b>CS - Field Services &amp; Flushing</b>					
<b>2004</b>					
2004 Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004 Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004 Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	86
2004 Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	88
2004 Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$0.00	\$25,500.00	90
2004 Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	92
2004 Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	94
2004 Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00		\$20,000.00	96
<b>Meter Shop</b>					
2004 Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00		\$28,500.00	100
2004 Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00		\$25,500.00	102
2004 Small Water Meters 5/8" to 2"		\$400,000.00	\$2,940.00	\$397,060.00	104
2004 Large Water Meters >2"		\$6,000.00		\$6,000.00	106

Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004 Meters for New Services <1"		\$100,000.00		\$100,000.00	108
2004 Meters for New Services >1"		\$15,000.00		\$15,000.00	110
2004 Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
<b>Sub-Total</b>		\$829,000.00	\$2,940.00	\$826,060.00	
<b>Department Sub-Total</b>		\$838,300.00	\$2,940.00	\$835,360.00	
<b>DISTRIBUTION</b>					
<b>Mainlines</b>					
<b>Mainline Improvement</b>					
2004 2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004 City Street Projects		\$50,000.00		\$50,000.00	130
2004 Airport/BCWD Emergency Interconnection		\$50,000.00	\$2,923.50	\$47,076.50	132
2004 Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004 50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003 Sub-District D - Phase 5 (funds by Grants & leftover from origin)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
<b>Sub-Total</b>		\$679,059.00	\$2,923.50	\$676,135.50	
<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002 KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004 KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$728.55	\$34,271.45	146
<b>Sub-Total</b>		\$178,162.75	\$11,281.95	\$166,880.80	
<b>2003 Water Main Replacement Program</b>					
<b>Unobligated Water Main Replacement Fund</b>					
2003 Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$0.00	\$50,000.00	03-108
2003 Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$33,637.58	\$9,362.42	03-110
2003 Highland Ave. Water Main Replacement	184-163	\$161,700.00	\$0.00	\$161,700.00	03-106C
<b>Sub-Total</b>		\$254,700.00	\$33,637.58	\$221,062.42	
<b>2004 Water Main Replacement Program</b>					
<b>Unobligated Water Main Replacement Fund</b>					
2004 - Engineering Services.		\$60,000.00		\$60,000.00	151
1/27/2004 - Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00		\$100,000.00	150A
1/27/2004 - Barbara Circle - Ft. Wirght	184-166	\$100,000.00		\$100,000.00	150B
2004 Craig		\$0.00	\$0.00	\$0.00	152
2004 42nd		\$0.00	\$0.00	\$0.00	154
2004 Russell		\$0.00	\$0.00	\$0.00	156
2004 E 18th		\$0.00	\$0.00	\$0.00	158
2004 Shinkle Alley		\$0.00	\$0.00	\$0.00	160
<b>Sub-Total</b>		\$1,500,000.00	\$0.00	\$1,500,000.00	
<b>Sub-Total Mainlines</b>		\$2,611,921.75	\$47,843.03	\$2,564,078.72	
<b>Distribution</b>					
<b>Capital Purchases</b>					
2/26/2004 Tap Machine		\$2,000.00		\$2,000.00	170
2/26/2004 Quick Saw		\$1,200.00		\$1,200.00	172
2/26/2004 Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004 Locator		\$2,500.00		\$2,500.00	176
2004 Allied Hoe Ram		\$12,000.00	\$0.00	\$12,000.00	180
2004 96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$0.00	\$1,000.00	182
2004 Stanley Impact Wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004 Refabricate old seat wrench to fit new wrench		\$1,500.00	\$0.00	\$1,500.00	188
2004 Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$2,500.00	\$0.00	\$2,500.00	190
2004 2- Concrete quickie Saws		\$2,100.00	\$0.00	\$2,100.00	192
2004 5- 2" dewatering pumps and Hoses (replace)		\$134,500.00	\$0.00	\$134,500.00	194
2004 2-Medium Duty Dump Trucks (Replace 283 & 284)		\$21,000.00	\$0.00	\$21,000.00	196
2004 3/4 Ton Extended Cab Pick Up (Replace 229)		\$11,500.00	\$0.00	\$11,500.00	198
2004 10 Ton Air Brake Drag		\$25,000.00	\$0.00	\$25,000.00	200
2004 Dead End Flushing Devices-Campbell Service Area		\$227,800.00	\$0.00	\$227,800.00	
<b>Sub-Total</b>		\$227,800.00	\$0.00	\$227,800.00	
<b>ENGINEERING</b>					
<b>2004</b>					
<b>Capital Purchases</b>					
2004 Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004 Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004 Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
-Shelving for project files (\$300)		\$9,000.00	\$0.00	\$9,000.00	
<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	
<b>Department Sub-Total</b>		\$2,848,721.75	\$47,843.03	\$2,800,878.72	
<b>Water Quality &amp; Production</b>					
<b>Operations</b>					
<b>2004</b>					





NKWD Summary	Water Produced/Purchased v. Sold												
	2002 February	2002 March	2002 April	2002 May	2002 June	2002 July	2002 August	2002 September	2002 October	2002 November	2002 December	2003 January	2003 February
<b>Produced</b>	11,468,747	11,462,045	11,414,725	11,322,113	11,492,724	12,050,105	12,359,206	12,950,522	13,064,961	13,187,862	13,376,428	13,539,161	13,440,284
<b>Prurchased</b>	675,143	700,353	667,576	661,177	647,609	620,409	547,969	500,819	462,970	400,290	335,780	272,430	272,430
<b>TOTAL</b>	12,143,890	12,162,398	12,082,301	11,983,290	12,140,333	12,670,514	12,907,175	13,451,341	13,527,931	13,588,152	13,712,208	13,811,591	13,712,714
<b>Sold</b>	10,896,449	10,855,007	10,091,032	10,375,701	10,660,083	10,829,449	11,139,222	11,418,365	11,631,689	11,844,224	12,100,563	11,828,576	11,811,012
<b>Loss</b>	1,247,441	1,307,391	1,991,269	1,607,589	1,480,250	1,841,065	1,767,953	2,032,976	1,896,242	1,743,928	1,611,645	1,983,015	1,901,702
<b>% of Water Loss</b>	10.3%	10.7%	16.5%	13.4%	12.2%	14.5%	13.7%	15.1%	14.0%	12.8%	11.8%	14.4%	13.9%
<b>% of Water Sold</b>	89.7%	89.3%	83.5%	86.6%	87.8%	85.5%	86.3%	84.9%	86.0%	87.2%	88.2%	85.6%	86.1%
<b>Produced</b>	13,440,284	13,485,600	13,419,124	13,407,079	13,332,022	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414
<b>Prurchased</b>	272,430	215,951	153,961	92,841	29,830								
<b>TOTAL</b>	13,712,714	13,701,551	13,573,085	13,499,920	13,361,852	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414
<b>Sold</b>	11,811,012	11,796,222	11,637,156	11,499,468	11,274,402	10,994,014	10,468,599	10,101,119	9,489,978	9,170,760	8,897,251	8,694,730	8,457,893
<b>Loss</b>	1,901,702	1,905,329	1,935,929	2,000,452	2,087,451	2,114,725	1,905,785	1,570,300	1,639,131	1,622,300	1,695,548	1,628,419	1,690,522
<b>% of Water Loss</b>	13.9%	13.9%	14.3%	14.8%	15.6%	16.1%	15.4%	13.5%	14.7%	15.0%	16.0%	15.8%	16.7%
<b>% of Water Sold</b>	86.1%	86.1%	85.7%	85.2%	84.4%	83.9%	84.6%	86.5%	85.3%	85.0%	84.0%	84.2%	83.3%

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# Monthly Financial Reports

March 2004

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Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Three Months Ending March 31, 2004

Division	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$629,741	\$598,321	5.3%	\$1,879,708	\$1,794,962	4.7%	
ENGINEERING & DISTRIBUTION	391,743	520,375	(32.8%)	1,133,716	1,561,125	(37.7%)	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
CUSTOMER SERVICE	284,835	290,687	(2.0%)	805,530	872,063	(8.3%)	Many projects not to start until later in the year.
ADMINISTRATION	168,849	245,842	(45.6%)	588,713	737,525	(25.3%)	
TOTAL O AND M	\$1,475,168	\$1,655,225	(12.2%)	\$4,407,667	\$4,965,675	(12.7%)	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March 31, 2004

Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$3,777	\$5,333	(41.2%)	\$11,897	\$16,000	(34.5%)	
Ohio River Pump Station # 1	41,714	46,083	(10.5%)	136,225	138,250	(1.5%)	
Ohio River Pump Station # 2	9,536	7,417	23.8%	21,794	22,250	(3.8%)	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$55,027</b>	<b>\$58,833</b>	<b>(6.9%)</b>	<b>\$169,916</b>	<b>\$176,500</b>	<b>(3.9%)</b>	
<b>WATER QUALITY</b>							
Ft. Thomas Treatment Plant	\$147,543	\$158,550	(7.5%)	\$523,398	475,650	10.0%	Winter heating cost, chemicals purchased & repair to clearwell.
Taylor Mill Treatment Plant	63,658	51,096	24.6%	164,630	153,288	7.4%	Winter heating costs & chemicals purchased.
Memorial Parkway Treatment Plant	81,972	65,517	25.1%	231,982	196,550	18.0%	Winter heating costs, chemicals purchased & repairs.
Laboratory	46,985	57,004	(21.3%)	146,766	171,012	(16.5%)	
Instrumentation	20,969	20,504	2.3%	63,801	61,512	3.7%	
Sludge	77,918	14,167	450.0%	100,022	42,500	135.4%	Discharge to sanitary paid in March (\$ 70,000).
<b>TOTAL WATER QUALITY</b>	<b>\$439,045</b>	<b>\$366,838</b>	<b>19.7%</b>	<b>\$1,230,599</b>	<b>\$1,100,512</b>	<b>11.8%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$135,669</b>	<b>\$172,650</b>	<b>(27.3%)</b>	<b>\$479,193</b>	<b>\$ 517,950</b>	<b>(8.1%)</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$629,741</b>	<b>\$598,321</b>	<b>5.3%</b>	<b>\$1,879,708</b>	<b>\$1,794,962</b>	<b>4.7%</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March 31, 2004

Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$92,159	\$103,875	(12.8%)	\$294,758	\$ 311,625	(5.7%)	
Distribution	299,584	416,500	(39.0%)	838,958	1,249,500	(48.9%)	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$391,743</b>	<b>\$520,375</b>	<b>(32.8%)</b>	<b>\$1,133,716</b>	<b>\$1,561,125</b>	<b>(37.7%)</b>	Cleaning & lining to start later in the year, other contract svcs. under budget for the year.
<b>CUSTOMER SERVICE</b>							
Field Service	\$49,338	\$56,125	(13.8%)	\$162,388	\$ 168,375	(3.7%)	
Meter Shop	25,904	26,050	(0.6%)	64,802	78,150	(20.6%)	
Courier/Maintenance	4,598	4,625	(0.6%)	13,174	13,875	(5.3%)	
Account Service	124,204	119,183	4.2%	305,393	357,550	(17.1%)	
Meter Reading	22,983	26,725	(16.3%)	74,542	80,175	(7.6%)	
Flushing	23,174	24,329	(5.0%)	70,820	72,988	(3.1%)	
Other	34,634	33,650	2.9%	114,411	100,950	13.3%	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$284,835</b>	<b>\$290,687</b>	<b>(2.0%)</b>	<b>\$805,530</b>	<b>\$872,063</b>	<b>(8.3%)</b>	Bad debt write off and legal fees slightly higher than budget.

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Three Months Ending March 31, 2004

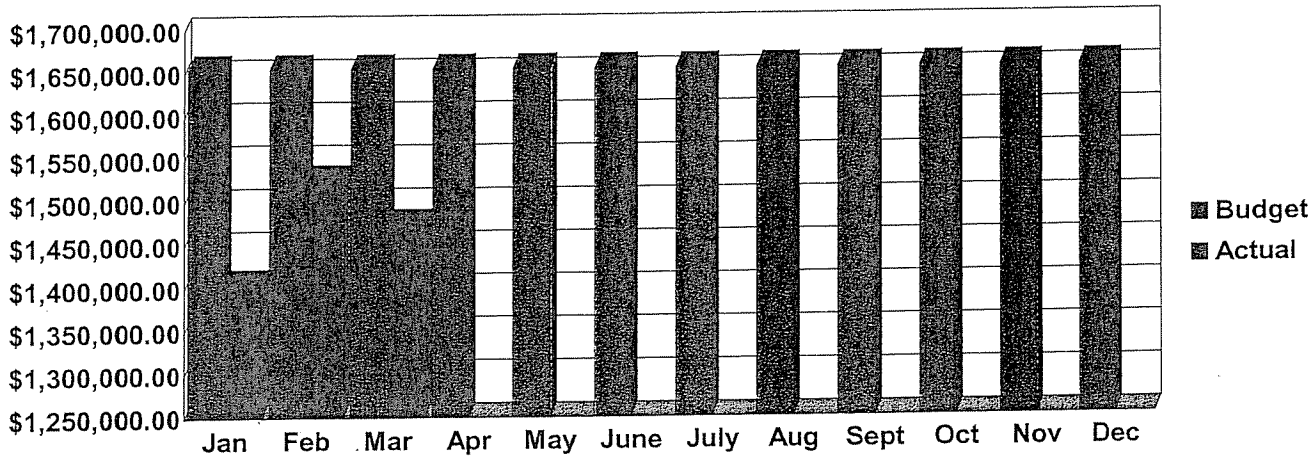
Department	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ADMINISTRATION</b>							
Executive Management	\$41,750	\$42,275	(1.3%)	\$138,506	\$ 126,825	9.2%	
Board of Commissioners	9,373	8,700	7.7%	24,318	26,100	(7.3%)	
Accounting	29,392	23,808	23.4%	74,273	71,425	4.0%	Progress payment for the audit paid in March.
H. R., Information Systems, Safety	83,050	95,467	(14.9%)	221,641	286,400	(29.2%)	
Other	5,284	75,592	(1330.7%)	129,975	226,775	(74.5%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$168,849</b>	<b>\$245,842</b>	<b>(45.6%)</b>	<b>\$588,713</b>	<b>\$737,525</b>	<b>(25.3%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,475,168</b>	<b>\$1,655,225</b>	<b>(12.2%)</b>	<b>\$4,407,667</b>	<b>\$4,965,675</b>	<b>(12.7%)</b>	



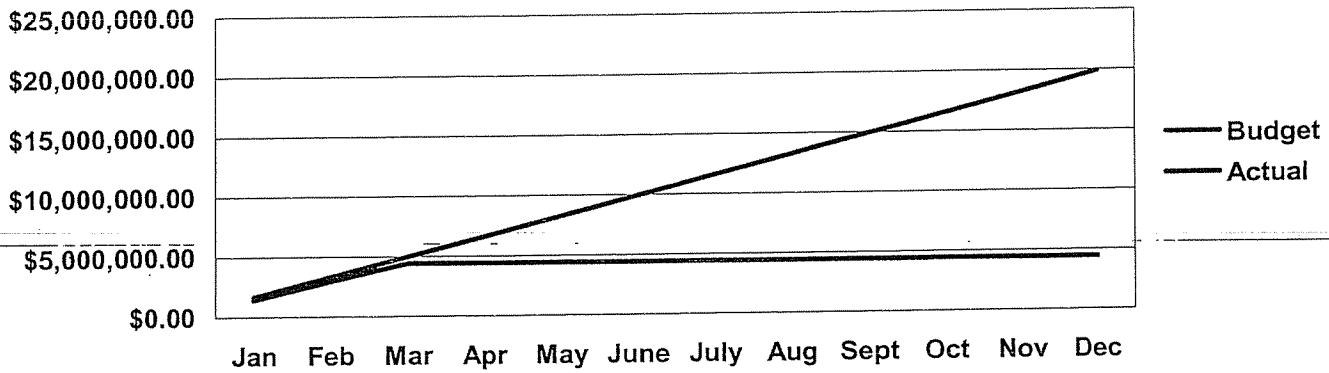
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Three Months Ending March, 2004

Account	March Actual	March Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>I &amp; M Expenses</b>							
Salaries & Wages	\$546,172	\$603,192	(10.4%)	\$1,811,210	\$1,809,575	0.1%	
Employee Pension & Benefits	157,367	180,012	(14.4%)	481,718	540,037	(12.1%)	
Taxes Other than Income Taxes	38,876	46,142	(16.7%)	129,844	138,425	(6.6%)	
Purchased Power	155,274	153,542	1.1%	497,742	460,625	8.1%	Increased heating costs.
Chemicals	68,617	51,250	33.9%	171,780	153,750	11.7%	
Materials & Supplies	120,437	131,388	(9.1%)	318,714	394,163	(23.7%)	
Contractual Services	256,381	357,225	(39.3%)	622,173	1,071,675	(72.3%)	Many projects not started to date.
Rent	1,575	958	64.3%	3,150	2,875	9.6%	
Transportation	26,253	22,212	18.2%	57,385	66,638	(16.1%)	
Insurance	53,540	55,792	(4.2%)	160,640	167,375	(4.2%)	
Advertising	1,452	458	216.7%	3,263	1,375	137.3%	Various Bids & meetings were advertised.
Bad Debt Expense	29,545	27,500	7.4%	93,347	82,500	13.2%	This expense fluctuates from month to month.
Miscellaneous	3,328	6,896	(107.2%)	7,647	20,687	(170.5%)	
Regulatory Commission Assessment	16,351	18,658	(14.1%)	49,054	55,975	(14.0%)	
<b>Total I &amp; M Expenses</b>	<b>\$1,475,168</b>	<b>\$1,655,225</b>	<b>(12.2%)</b>	<b>\$4,407,667</b>	<b>\$4,965,675</b>	<b>(12.7%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$1,230,000	\$1,230,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$1,425,000	\$1,425,000	0.0%	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



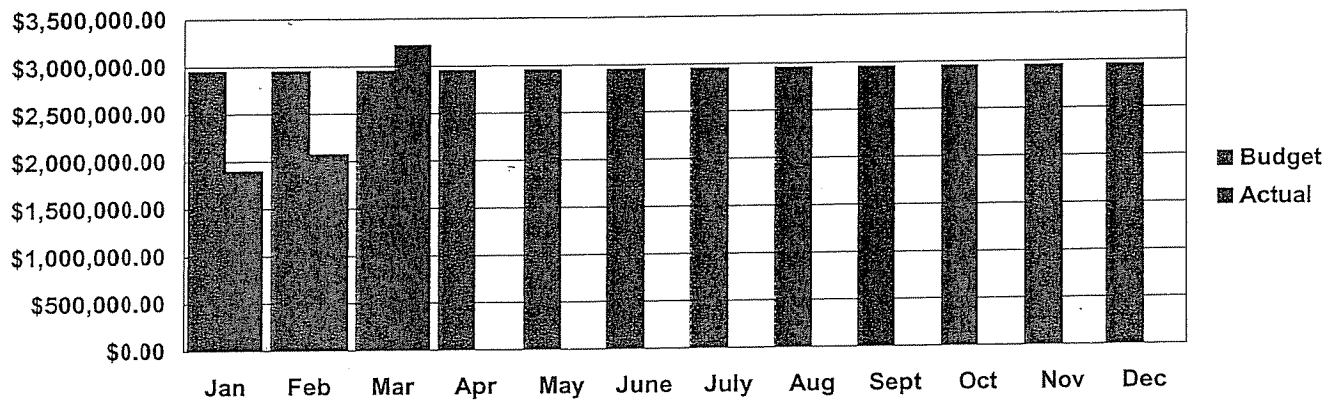
### NKWD O&M YTD Trending 2004 - Budget To Actual



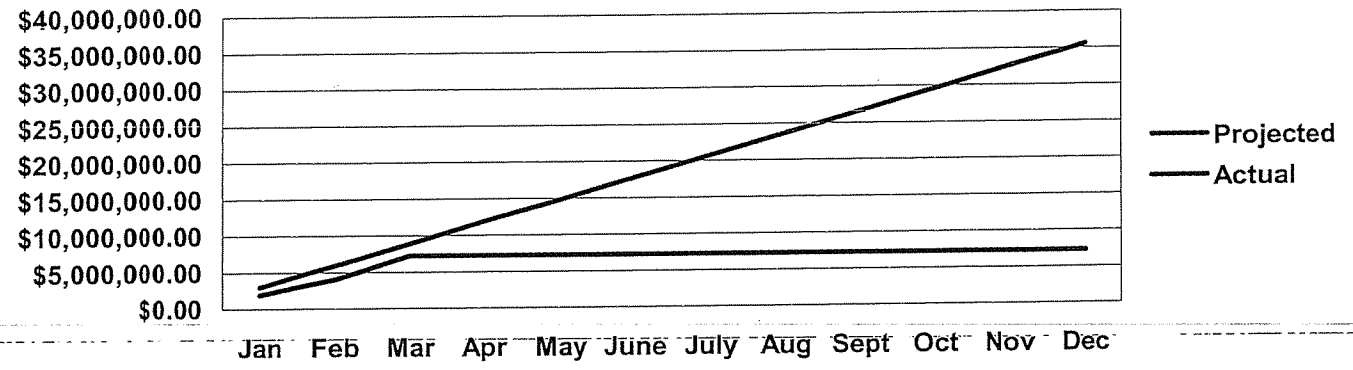
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Three Months Ending March 31, 2004

Description	March Actual	March Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,985,591	\$ 2,750,000	8.6%	\$ 6,617,879	\$ 8,250,000	(24.7%)	Revenue higher the projected in March.
Forfeited Discounts	37,458	39,167	(4.6%)	143,189	117,500	21.9%	
Rents from Water Property	55,935	29,125	92.0%	104,037	87,375	19.1%	
Other Water Revenues	17,640	39,583	(124.4%)	56,615	118,750	(109.7%)	
<b>Total Operating Revenues</b>	<b>\$3,096,624</b>	<b>\$2,857,875</b>	<b>8.4%</b>	<b>\$6,921,720</b>	<b>\$8,573,625</b>	<b>(23.8%)</b>	Revenues lower in winter months.
Non-Operating Income (Expense)							
Interest Income	\$59,989	\$83,333	(38.9%)	\$195,595	\$250,000	(27.8%)	
Miscellaneous	68,721	16,667	312.3%	95,021	50,000	90.0%	
<b>Total Non-Operating Income</b>	<b>\$128,710</b>	<b>\$100,000</b>	<b>28.7%</b>	<b>\$290,616</b>	<b>\$300,000</b>	<b>(3.2%)</b>	
<b>TOTAL INCOME</b>	<b>\$3,225,334</b>	<b>\$2,957,875</b>	<b>9.0%</b>	<b>\$7,212,336</b>	<b>\$8,873,625</b>	<b>(23.0%)</b>	

### NKWD Revenue by Month 2004 - Budget to Actual



### NKWD Revenue Trending 2004 - Budget To Actual



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Three Months Ending March 31, 2004

Division	March 2004	March 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$629,741	\$612,277	2.8%	\$1,879,708	\$1,815,643	3.5%	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
ENGINEERING & DISTRIBUTION	391,743	401,997	(2.6%)	1,133,716	1,254,683	(10.7%)	Many projects not to start until later in the year. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	284,835	237,576	19.9%	805,530	653,382	23.9%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates.
ADMINISTRATION	168,849	223,688	(32.5%)	588,713	543,010	8.4%	Rate case expense write off started in late 2003 and salary increases.
TOTAL O AND M	\$1,475,168	\$1,475,538	0.03%	\$4,407,667	\$4,266,718	3.3%	

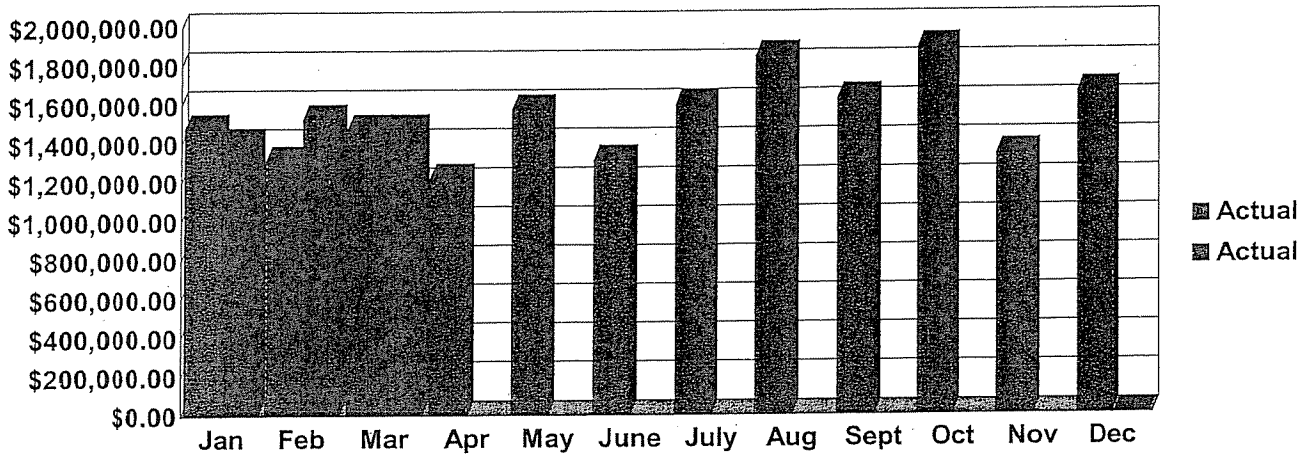
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Three Months Ending March, 2004

Account	March 2004	March 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation.
O & M Expenses							
Salaries & Wages	\$546,172	\$506,966	7.8%	\$1,811,210	\$1,672,384	8.3%	Reflects salary increase
Employee Pension & Benefits	157,367	147,219	6.9%	481,718	420,100	14.7%	Increase in health insurance
Taxes Other than Income Taxes	38,876	37,531	3.6%	129,844	122,886	5.7%	Reflects salary increase
Purchased Power	155,274	164,719	(6.1%)	497,742	568,041	(12.1%)	Reflects loss of Boone & Florence
Chemicals	68,617	50,379	36.2%	171,780	140,309	22.4%	
Materials & Supplies	120,437	120,222	0.2%	318,714	336,356	(5.5%)	
Contractual Services	256,381	351,872	(37.3%)	622,173	719,661	(15.7%)	
Rent	1,575	764	106.0%	3,150	3,193	(1.4%)	
Transportation	26,253	22,056	19.0%	57,385	54,071	6.2%	Increase in gasoline prices
Insurance:	53,540	47,778	12.1%	160,640	143,334	12.1%	Reflects expected increase.
Advertising	1,452	456	218.6%	3,263	861	278.8%	
Bad Debt Expense	29,546	16,950	74.3%	93,347	65,437	42.6%	Increase due to write off of bad debt based on higher water rates.
Miscellaneous	3,328	4,721	(41.9%)	7,647	18,369	(140.2%)	
Regulatory Commission Assessment	16,351	3,905	318.7%	49,054	11,716	318.7%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,475,168</b>	<b>\$1,475,538</b>	<b>0.03%</b>	<b>\$4,407,667</b>	<b>\$4,266,718</b>	<b>3.3%</b>	

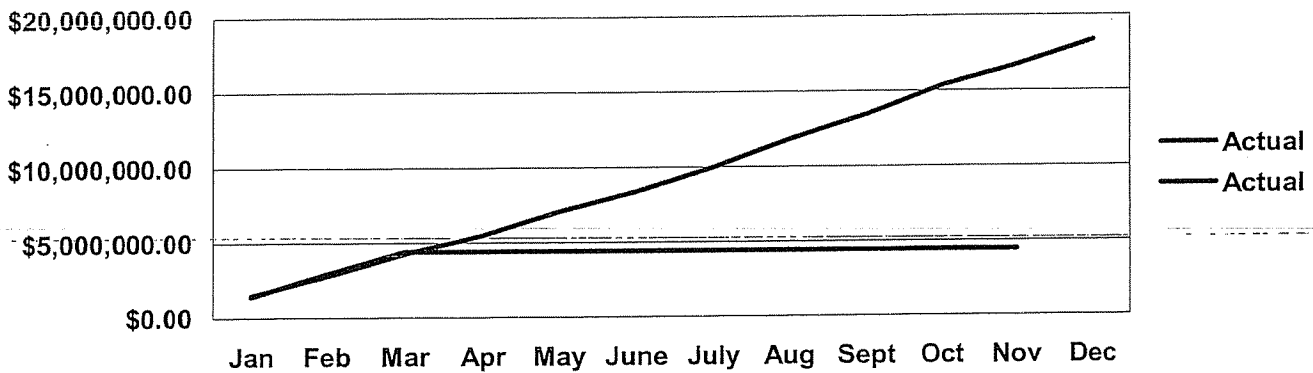
Northern Kentucky Water District  
Income Report Actual to Actual  
For the Three Months Ending March 31, 2004

Description	March 2004	March 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 2,985,591	\$ 2,306,881	29.4%	\$ 6,617,879	\$ 6,057,974	9.2%	Reflects increase in water rates.
Forfeited Discounts	37,458	34,171	9.6%	143,189	96,804	47.9%	
Rents from Water Property	55,935	45,117	23.9%	104,037	70,599	47.4%	
Other Water Revenues	17,640	35,295	100.0%	56,615	54,307	4.3%	
<b>Total Operating Revenues</b>	<b>\$3,096,624</b>	<b>\$2,421,464</b>	<b>27.9%</b>	<b>\$6,921,720</b>	<b>\$6,279,684</b>	<b>10.2%</b>	
Non-Operating Income (Expense)							
Interest Income	\$59,989	\$35,709	68.0%	\$195,595	\$186,901	4.7%	Reflects additional interest income due to increase in bond reserve.
Miscellaneous	68,721	36,667	87.4%	95,021	90,650	4.8%	
<b>Total Non-Operating Income</b>	<b>\$128,710</b>	<b>\$72,376</b>	<b>77.8%</b>	<b>\$290,616</b>	<b>\$277,551</b>	<b>4.7%</b>	
<b>TOTAL INCOME</b>	<b>\$3,225,334</b>	<b>\$2,493,840</b>	<b>29.3%</b>	<b>\$7,212,336</b>	<b>\$6,557,235</b>	<b>10.0%</b>	

### NKWD O&M Monthly Comparison 2004 - Actual to Actual

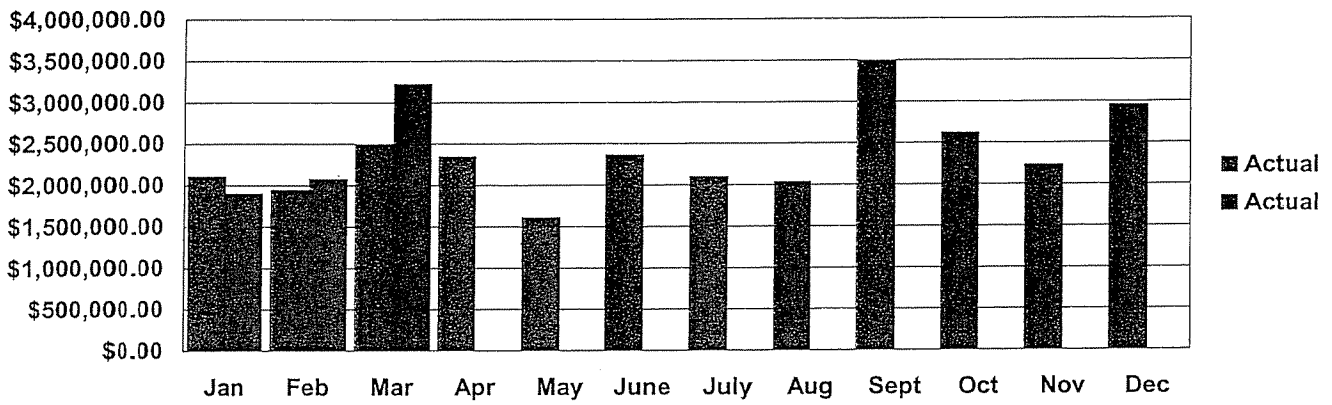


### NKWD O&M YTD Trending 2004 - Actual to Actual

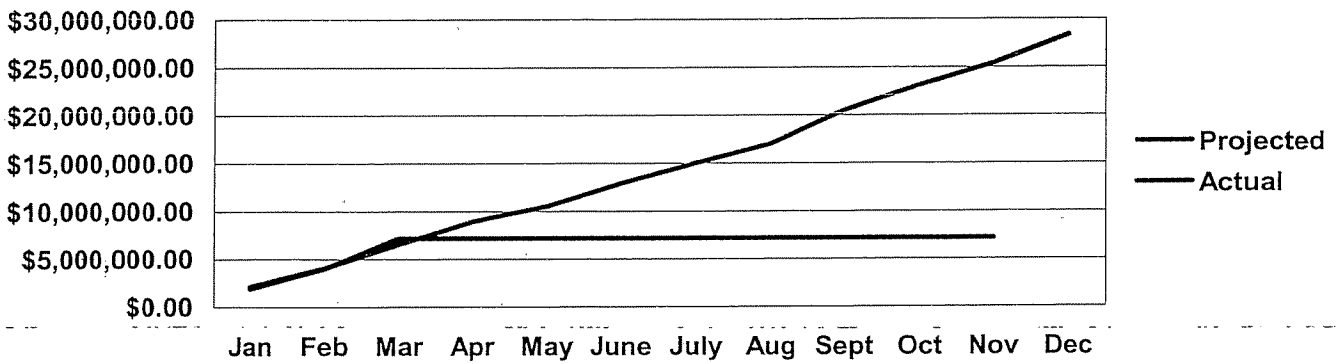




**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Northern Kentucky Water District							
Operational Capital Budget for 2004							
Projected Available for Capital Expenditures:							
		Budget	Transferred	Date			
Cash Balance 1/1/2004 - Operating Capital		\$2,167,636.35	\$500,000.00	02/24/2004			
From Operations		\$5,540,095.00					
Total Cash Available		\$7,707,731.35					
Executive Adm		\$132,500.00					
IT, Safety, Security		\$1,375,271.95					
Customer Service		\$838,300.00					
Distribution - Mains		\$2,611,921.75					
Distribution - Other		\$227,800.00					
Engineering		\$9,000.00					
Water Q & P		\$129,000.00					
Laboratory		\$15,000.00	500,000.00				
Plant and Pump Station Maintenance		\$315,000.00					
Total Request		\$5,653,793.70					
Net Coverage/Lost		\$2,053,937.65					
Actual YTD Cost							
Funds Remaining							
Bond	Future-BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004	Lafonia 24" Steel - Phase I	184-103	\$433,650.00	\$474.00		\$474.00	808
Bond 2004	Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$104,431.41	\$148,608.87	\$253,040.28	730
BAN 2004	Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$365.00	\$38,217.30	\$38,582.30	803
Bond 2004	Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,642.04	\$7,063.54	801
Bond 2004	Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$8,393.30	\$2,104.75	\$10,498.05	802
Bond 2004	Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00		\$45,017.87	\$45,017.87	744
Bond 2004	Jefferson/Euclid/Highland (RC 2003)	184-157	\$535,865.80	\$169,673.94	\$163,183.38	\$332,857.32	722
BAN 2004	Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,500.00		\$5,500.00	807
BAN 2004	Lafonia 24" Steel - Phase II	184-164	\$302,250.00	\$474.00		\$474.00	809
Bond 2004	OIM/CIS System	184-310	\$2,900,000.00	\$217,752.54	\$229,707.86	\$447,460.40	800
	Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
	Ultra Violet IMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004	US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$312.56		\$312.56	805
Bond 2004	TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
TOTAL			\$9,748,945.80	\$508,324.25	\$1,057,926.19	\$1,566,250.44	

Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
<b>Administrative Dept</b>					
2004					
Office Furniture and Other					
- Storage Units		\$2,000.00		\$2,000.00	1
- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
Bottle Machine Caping Unit		\$15,000.00		\$15,000.00	5
Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
Contingency: Emergency/Unknown		\$100,000.00		\$100,000.00	9
<b>Department Sub-Total</b>		<b>\$132,500.00</b>	<b>\$1,354.00</b>	<b>\$131,146.00</b>	
<b>Information Systems, Safety, Security</b>					
<b>INFO SYSTEMS</b>					
2003					
2003 Network Security		\$9,597.79	\$399.00	\$9,198.79	10-03
2003 Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
2004					
2004 PC Hardware Replacement Program		\$100,000.00	\$20,236.93	\$79,763.07	20
2004 Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004 AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004 Aqua Dr. Great Plains Server					26
- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
- Windows Server 2003 & 15cals		\$1,200.00		\$1,200.00	30
- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004 Cisco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004 Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004 Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004 LaserFiche United Server		\$8,260.00		\$8,260.00	40
2004 File Servers for MPTP & TMTP		\$19,000.00		\$19,000.00	42
2004 Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
<b>Sub-Total</b>		<b>\$290,220.24</b>	<b>\$29,134.41</b>	<b>\$261,085.83</b>	
<b>SECURITY</b>					
2003					
2003 Fencing at FTTP		\$173,032.65	\$138,008.62	\$35,024.03	32-03
2003 Vulnerability Assessment Improvements		\$87,019.06	\$3,602.05	\$83,417.01	36-03
2003 1 Access Control - Phase II		\$150,000.00		\$150,000.00	
2004					
2004 VA Fencing (Barrington, LRPS, S. Nept. Tank, ORPSZ, FTTP 2)		\$200,000.00	\$0.00	\$200,000.00	50
2004 VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$10,556.35	\$189,443.65	54
2004 Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$2,161.36	\$272,838.64	56
<b>Sub-Total</b>		<b>\$1,085,051.71</b>	<b>\$154,328.38</b>	<b>\$930,723.33</b>	
<b>SAFETY</b>					
2004					
					60
					62
<b>Sub-Total</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
<b>Department Sub-total</b>		<b>\$1,375,271.95</b>	<b>\$183,462.79</b>	<b>\$1,191,809.16</b>	
<b>CUSTOMER SERVICE</b>					
<b>Billing</b>					
2004					
2004 Miscellaneous Office Furniture				\$1,000.00	70
2004 - 2 Office Chairs		\$1,000.00		\$1,000.00	72
2004 - 2 Counter Chairs		\$1,000.00		\$1,000.00	74
2004 - Check Endorser		\$2,300.00		\$2,300.00	76
2004 Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	
<b>Sub-Total</b>		<b>\$9,300.00</b>	<b>\$0.00</b>	<b>\$4,971.00</b>	
<b>CS - Field Services &amp; Flushing</b>					
2004					
2004 Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004 Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004 Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	86
2004 Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	88
2004 Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$0.00	\$25,500.00	90
2004 Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	92
2004 Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	94
2004 Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00		\$20,000.00	96
<b>Meter Shop</b>					
2004 Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00		\$28,500.00	100
2004 Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00		\$25,500.00	102
2004 Small Water Meters 5/8" to 2"		\$400,000.00	\$2,940.00	\$397,060.00	104
2004 Large Water Meters >2"		\$6,000.00		\$6,000.00	106

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Meters for New Services <1"		\$100,000.00		\$100,000.00	108
2004	Meters for New Services >1"		\$15,000.00		\$15,000.00	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$2,940.00	\$826,060.00	
	<b>Department Sub-Total</b>		\$838,300.00	\$2,940.00	\$831,034.00	
	<b>DISTRIBUTION</b>					
	<b>Mainlines</b>					
	<b>Mainline Improvement</b>					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$2,923.50	\$47,076.50	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from origin)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$2,923.50	\$676,135.50	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$728.55	\$34,271.45	146
	<b>Sub-Total</b>		\$178,162.75	\$11,281.95	\$166,880.80	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$0.00	\$50,000.00	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$33,637.58	\$9,362.42	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$161,700.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$254,700.00	\$33,637.58	\$221,062.42	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>		\$1,240,000.00	\$0.00	\$1,240,000.00	150
2004	- Engineering Services.		\$60,000.00		\$60,000.00	151
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00		\$100,000.00	150A
1/27/2004	- Barbara Circle - Ft. Wirght	184-166	\$100,000.00		\$100,000.00	150B
2004	Craig		\$0.00	\$0.00	\$0.00	152
2004	42nd		\$0.00	\$0.00	\$0.00	154
2004	Russell		\$0.00	\$0.00	\$0.00	156
2004	E 18th		\$0.00	\$0.00	\$0.00	158
2004	Shinkle Alley		\$0.00	\$0.00	\$0.00	160
	<b>Sub-Total</b>		\$1,500,000.00	\$0.00	\$1,500,000.00	
	<b>Sub-Total Mainlines</b>		\$2,611,921.75	\$47,843.03	\$2,564,078.72	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00		\$2,000.00	170
2/26/2004	Quick Saw		\$1,200.00		\$1,200.00	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00		\$2,500.00	176
2004	Allied Hoe Ram		\$12,000.00	\$0.00	\$12,000.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$0.00	\$1,000.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$0.00	\$2,500.00	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$0.00	\$134,500.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$0.00	\$21,000.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$0.00	\$11,500.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$0.00	\$25,000.00	200
	<b>Sub-Total</b>		\$227,800.00	\$0.00	\$227,800.00	
	<b>ENGINEERING</b>					
	<b>2004</b>					
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	
	<b>Department Sub-Total</b>		\$2,848,721.75	\$47,843.03	\$2,800,878.72	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2004</b>					



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# Monthly Financial Reports

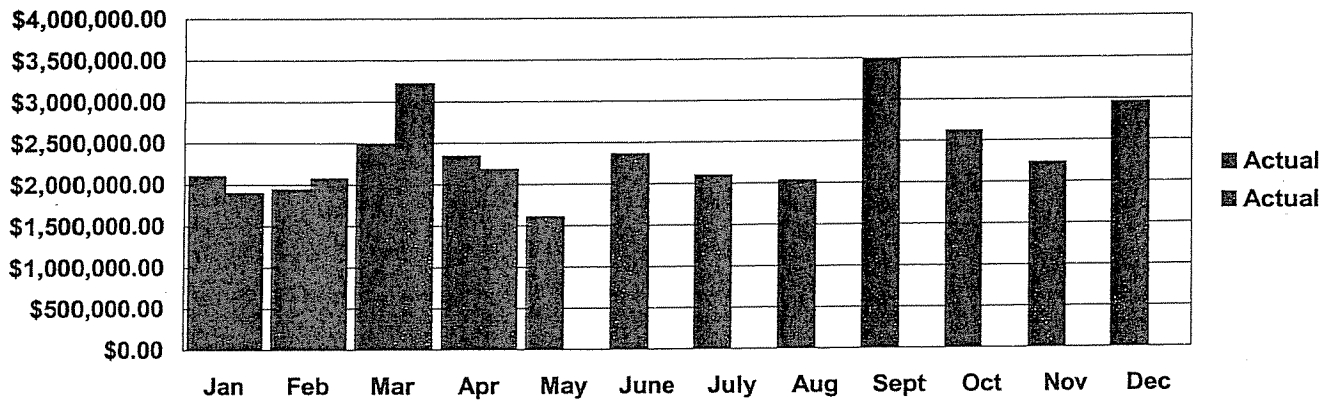
April 2004

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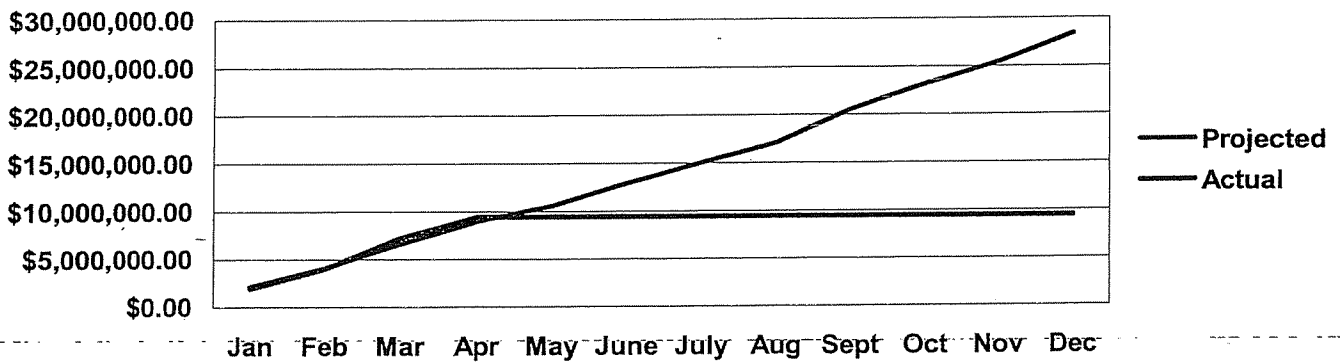


Northern Kentucky Water District							
Operational Capital Budget for 2004							
Projected Available for Capital Expenditures:							
		Budget	Transferred	Date			
	Cash Balance 1/1/2004 - Operating Capital	\$2,167,636.35	\$500,000.00	02/24/2004			
	From Operations	\$5,540,095.00	\$500,000.00	04/27/2004			
	<b>Total Cash Available</b>	<b>\$7,707,731.35</b>					
	Executive Adm	\$132,500.00					
	IT, Safety, Security	\$1,375,271.95					
	Customer Service	\$838,300.00					
	Distribution - Mains	\$2,811,921.75					
	Distribution - Other	\$227,800.00					
	Engineering	\$9,000.00					
	Water Q & P	\$129,000.00					
	Laboratory	\$15,000.00	1,000,000.00				
	Plant and Pump Station Maintenance	\$315,000.00					
	<b>Total Request</b>	<b>\$5,853,793.70</b>					
	<b>Net Coverage/Lost</b>	<b>\$2,053,937.65</b>					
	Actual YTD Cost						
	Funds Remaining						
	Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004	- Latonia 24" Steel - Phase I	184-103	433,650.00	\$474.00		\$474.00	808
Bond 2004	- Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$242,652.06	\$148,608.87	\$391,260.93	730
BAN 2004	- Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$461.25	\$38,217.30	\$38,678.55	803
BAN 2004	- Pelly Rd from Ky 17 to Senouir Road	184-135	\$371,000.00			\$0.00	810
Bond 2004	- Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,642.04	\$7,063.54	801
Bond 2004	- Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$8,393.30	\$2,104.75	\$10,498.05	802
Bond 2004	- Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00		\$45,017.87	\$45,017.87	744
Bond 2004	- Jefferson/Euclid/Highland (RC 2003)	184-157	\$535,885.80	\$205,256.88	\$163,183.38	\$368,440.26	722
BAN 2004	- Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,500.00		\$5,500.00	807
BAN 2004	- Latonia 24" Steel - Phase II	184-164	\$302,250.00	\$474.00		\$474.00	809
Bond 2004	- UIM/CIS System	184-310	\$2,900,000.00	\$383,324.19	\$223,707.86	\$607,032.05	800
	- Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
	- Ultra Violet TMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004	- US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$312.56		\$312.56	805
Bond 2004	- TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
	<b>TOTAL</b>		<b>\$10,119,945.80</b>	<b>\$847,795.74</b>	<b>\$1,057,926.19</b>	<b>\$1,905,721.93</b>	

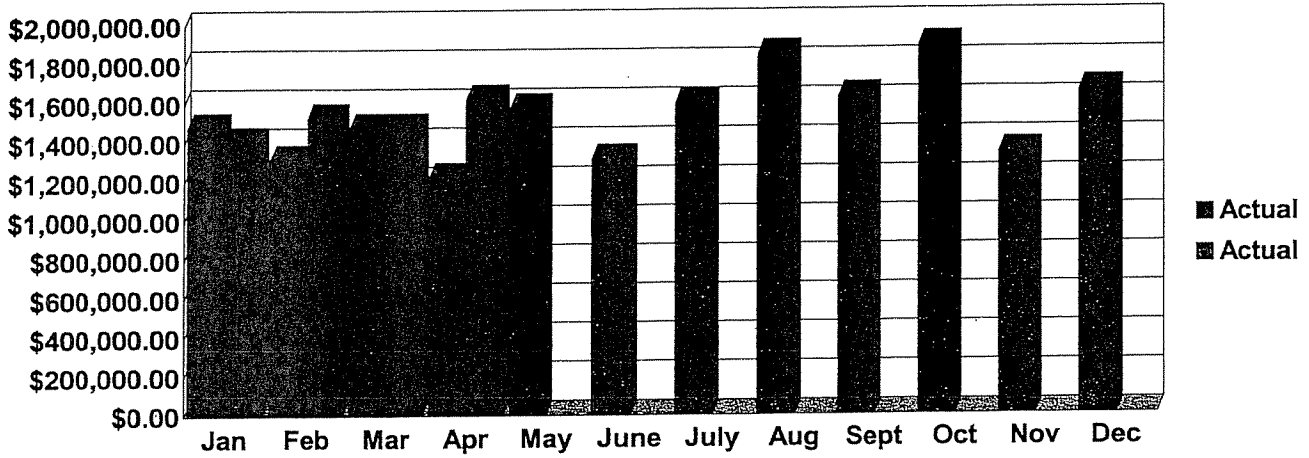
**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



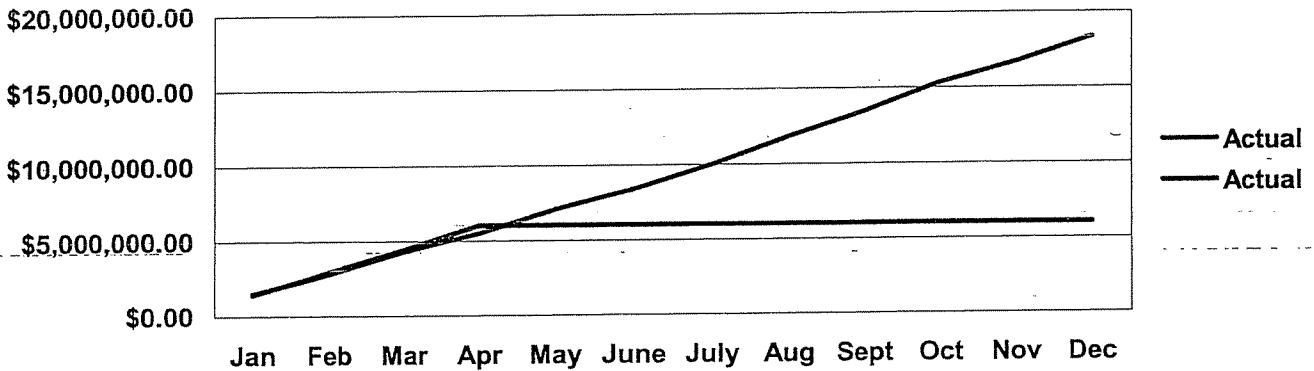
**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



## NKWD O&M Monthly Comparison 2004 - Actual to Actual



## NKWD O&M YTD Trending 2004 - Actual to Actual



**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Four Months Ending April 30, 2004**

Description	April 2004	April 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 2,044,886	\$ 1,531,669	33.5%	\$ 8,662,765	\$ 7,589,643	14.2%	Reflects increase in water rates.
Forfeited Discounts	48,951	31,401	55.9%	192,140	128,205	49.9%	
Rents from Water Property	13,574	1,960	592.5%	117,611	72,559	62.1%	
Other Water Revenues	18,975	31,845	(40.4%)	75,590	86,152	(12.2%)	
<b>Total Operating Revenues</b>	<b>\$2,126,386</b>	<b>\$1,596,875</b>	<b>33.2%</b>	<b>\$9,048,106</b>	<b>\$7,876,559</b>	<b>14.9%</b>	
Non-Operating Income (Expense)							
Interest Income	\$61,724	\$71,855	(14.1%)	\$259,345	\$258,756	0.2%	Boone & Florence penalty.
Extraordinary Income	0	\$685,842	(100.0%)	0	\$685,842	(100.0%)	
Miscellaneous	3,439	388	786.3%	98,459	91,038	8.2%	
<b>Total Non-Operating Income</b>	<b>\$65,163</b>	<b>\$758,085</b>	<b>(91.4%)</b>	<b>\$357,804</b>	<b>\$1,035,636</b>	<b>(65.5%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,191,549</b>	<b>\$2,354,960</b>	<b>(6.9%)</b>	<b>\$9,405,910</b>	<b>\$8,912,195</b>	<b>5.5%</b>	

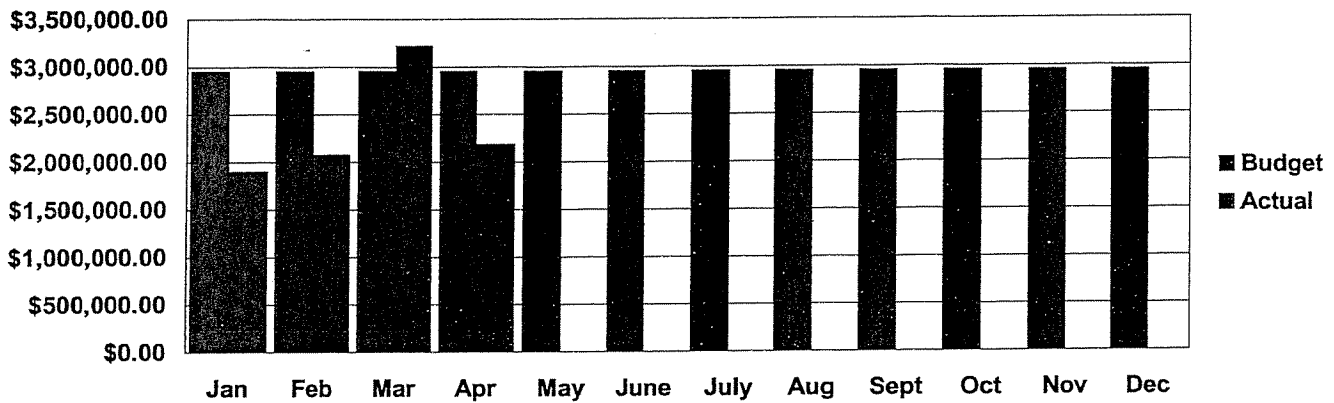
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Four Months Ending April, 2004

Account	April 2004	April 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$677,300	\$513,120	32.0%	\$2,488,509	\$2,185,504	13.9%	Reflects salary increase and 5 pay periods in 2004 and 4 pay periods in 2003.
Employee Pension & Benefits	169,802	140,082	21.2%	651,520	560,183	16.3%	Increase in health insurance.
Taxes Other than Income Taxes	48,735	37,287	30.7%	178,580	160,173	11.5%	Reflects salary increase.
Purchased Power	145,828	140,452	3.8%	643,570	698,492	(7.9%)	
Chemicals	52,224	38,401	36.0%	224,003	178,709	25.3%	
Materials & Supplies	108,470	84,841	27.9%	427,184	421,198	1.4%	
Contractual Services	292,360	172,389	69.6%	914,533	892,051	2.5%	
Rent	788	2,165	(63.6%)	3,937	5,358	(26.5%)	
Transportation	28,069	22,127	26.9%	85,454	76,198	12.2%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	214,190	191,112	12.1%	Reflects expected increase.
Advertising	356	2,350	(84.9%)	3,619	3,211	12.7%	
Bad Debt Expense	20,804	14,011	48.5%	114,151	79,448	43.7%	Increase due to write off of bad debt based on higher water rates.
Miscellaneous	5,010	2,543	97.0%	12,657	20,911	(39.5%)	
Regulatory Commission Assessment	16,351	3,905	318.7%	65,406	15,621	318.7%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,619,647</b>	<b>\$1,221,451</b>	<b>32.60%</b>	<b>\$6,027,313</b>	<b>\$5,488,169</b>	<b>9.8%</b>	

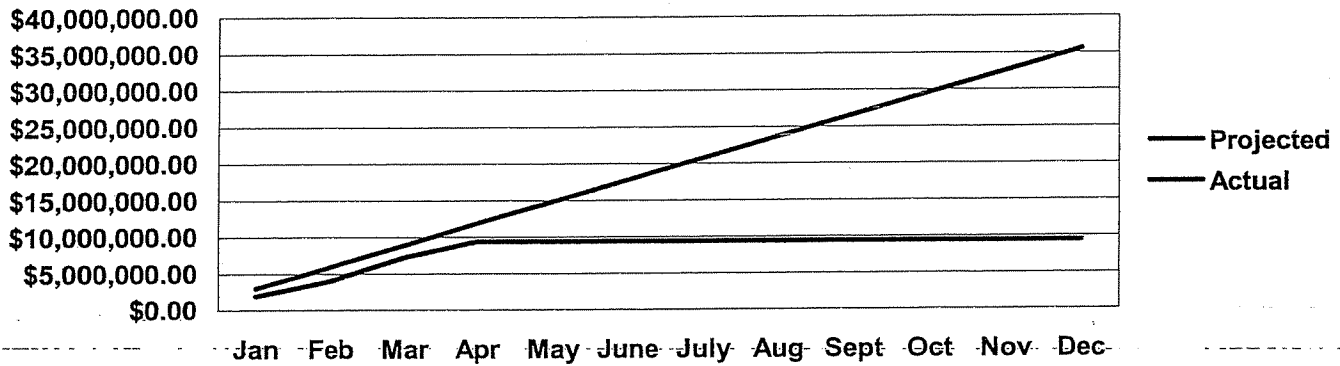
Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Four Months Ending April 30, 2004

Division	April 2004	April 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$660,260	\$509,787	29.5%	\$2,539,967	\$2,325,430	9.2%	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
ENGINEERING & DISTRIBUTION	406,888	367,701	10.7%	1,540,604	1,622,384	(5.0%)	Many projects not to start until later in the year. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	294,827	180,587	63.3%	1,100,357	833,969	31.9%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates.
ADMINISTRATION	257,672	163,376	57.7%	846,385	706,386	19.8%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND M</b>	<b>\$1,619,647</b>	<b>\$1,221,451</b>	<b>32.60%</b>	<b>\$6,027,313</b>	<b>\$5,488,169</b>	<b>9.8%</b>	

### NKWD Revenue by Month 2004 - Budget to Actual



### NKWD Revenue Trending 2004 - Budget To Actual

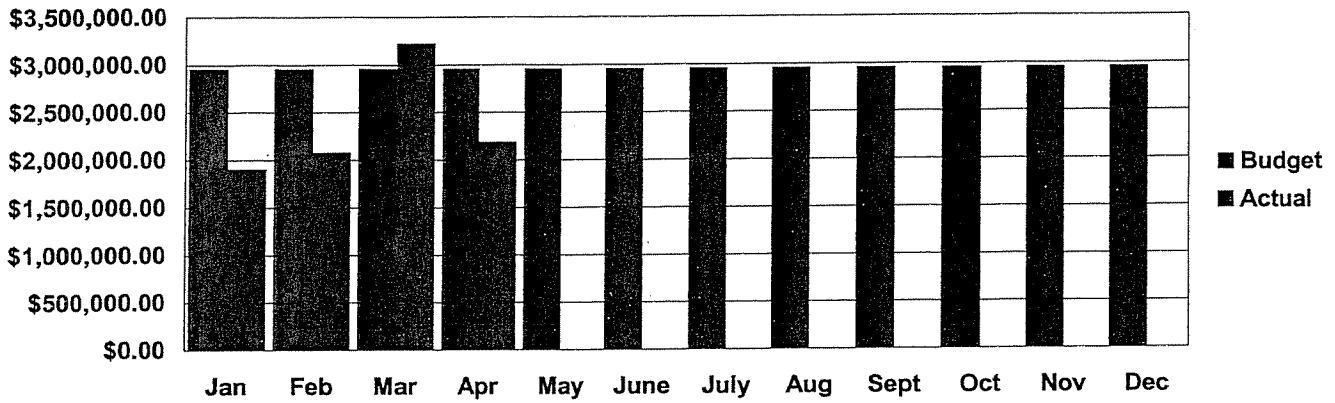


**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Four Months Ending April 30, 2004**

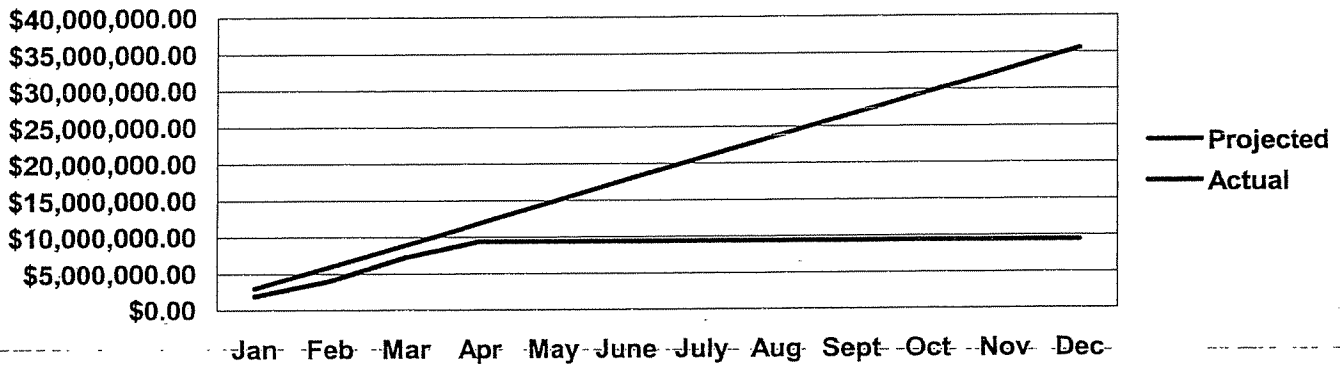
Description	April Actual	April Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,044,886	\$ 2,750,000	(25.6%)	\$ 8,662,765	\$ 11,000,000	(21.3%)	
Forfeited Discounts	48,951	39,167	25.0%	192,140	156,667	22.6%	
Rents from Water Property	13,574	29,125	(53.4%)	117,611	116,500	0.1%	
Other Water Revenues	18,975	39,583	(52.1%)	75,590	158,333	(52.3%)	
<b>Total Operating Revenues</b>	<b>\$2,126,386</b>	<b>\$2,857,875</b>	<b>(25.6%)</b>	<b>\$9,048,106</b>	<b>\$11,431,500</b>	<b>(20.9%)</b>	Revenues lower in winter months. Current rate case not complete resulting in delay in higher rates.
Non-Operating Income (Expense)							
Interest Income	\$61,724	\$83,333	(25.9%)	\$257,400	\$333,333	(22.2%)	
Miscellaneous	3,109	16,667	(81.4%)	98,129	66,667	47.2%	
<b>Total Non-Operating Income</b>	<b>\$64,833</b>	<b>\$100,000</b>	<b>(34.8%)</b>	<b>\$355,529</b>	<b>\$400,000</b>	<b>(10.6%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,191,219</b>	<b>\$2,957,875</b>	<b>(25.9%)</b>	<b>\$9,403,635</b>	<b>\$11,831,500</b>	<b>(20.5%)</b>	Revenues are expected to catch up later in the year.



### NKWD Revenue by Month 2004 - Budget to Actual



### NKWD Revenue Trending 2004 - Budget To Actual



Northern Kentucky Water District Expense Report by Account Actual to Budget For the Four Months Ending April, 2004							
Account	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$677,300	\$603,192	12.3%	\$2,488,509	\$2,412,767	3.1%	Actual reflects 5 payperiods in 1 month. Budget reflects annual budget by month. There are only 4 paydays in June & July.
Employee Pension & Benefits	169,802	180,012	(5.7%)	661,520	720,050	(9.5%)	
Taxes Other than Income Taxes	48,735	46,142	5.6%	178,580	184,567	(3.2%)	
Purchased Power	145,828	153,542	(5.0%)	643,570	614,167	4.8%	April reflects lower heating costs due to higher temperatures.
Chemicals	52,224	51,250	1.9%	224,003	205,000	9.3%	
Materials & Supplies	108,470	131,388	(17.4%)	427,184	525,550	(18.7%)	
Contractual Services	292,360	357,225	(18.2%)	914,533	1,428,900	(36.0%)	Many projects not started to date.
Rent	788	958	(17.8%)	3,937	3,833	2.7%	
Transportation	28,069	22,212	26.4%	85,454	88,850	(3.8%)	
Insurance	53,550	55,792	(4.0%)	214,190	223,167	(4.0%)	
Advertising	356	458	(22.3%)	3,619	1,833	97.4%	Various Bids & meetings have been advertised.
Bad Debt Expense	20,804	27,500	(24.4%)	114,151	110,000	3.8%	This expense fluctuates from month to month.
Miscellaneous	5,010	6,896	(27.4%)	12,657	27,583	(54.1%)	
Regulatory Commission Assessment	16,351	18,658	(12.4%)	65,406	74,633	(12.4%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,619,647</b>	<b>\$1,655,225</b>	<b>(2.2%)</b>	<b>\$6,027,313</b>	<b>\$6,620,900</b>	<b>(9.0%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$1,640,000	\$1,640,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$1,900,000	\$1,900,000	0.0%	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Four Months Ending April 30, 2004**

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ADMINISTRATION</b>							
Executive Management	\$46,493	\$42,275	10.0%	\$184,998	\$ 169,100	9.4%	Five pay periods in April.
Board of Commissioners	10,889	8,700	25.2%	35,206	34,800	1.2%	Health insurance picked up by another commissioner.
Accounting	26,665	23,808	12.0%	100,988	95,233	6.0%	Balance due on Audit paid in full in April.
H. R. , Information Systems, Safety	88,136	95,467	(7.7%)	309,777	381,867	(18.9%)	
Other	85,489	75,592	13.1%	215,464	302,367	(28.7%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$257,672</b>	<b>\$245,842</b>	<b>4.8%</b>	<b>\$846,383</b>	<b>\$983,367</b>	<b>(13.9%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,619,647</b>	<b>\$1,655,225</b>	<b>(2.2%)</b>	<b>\$6,027,313</b>	<b>\$6,620,900</b>	<b>(9.0%)</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Four Months Ending April 30, 2004**

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$112,168	\$103,875	8.0%	\$406,926	\$ 415,500	(2.1%)	
Distribution	294,720	416,500	(29.2%)	1,133,679	1,666,000	(31.9%)	Cleaning & lining to start later in the year, other contract svcs. under budget for the year.
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$406,888</b>	<b>\$520,375</b>	<b>(21.8%)</b>	<b>\$1,540,605</b>	<b>\$2,081,500</b>	<b>(26.0%)</b>	
<b>CUSTOMER SERVICE</b>							
Field Service	\$62,385	\$56,125	11.1%	\$224,773	\$ 224,500	0.1%	
Meter Shop	27,440	26,050	5.3%	92,243	104,200	(11.5%)	
Courier/Maintenance	4,616	4,625	(0.2%)	17,789	18,500	(3.8%)	
Account Service	118,078	119,183	(0.9%)	423,471	476,733	(11.2%)	
Meter Reading	27,923	26,725	4.5%	102,465	106,900	(4.2%)	
Flushing	28,424	24,329	16.8%	99,244	97,317	2.0%	Five pay periods in April.
Other	25,961	33,650	(24.4%)	140,372	134,600	3.9%	Bad debt write off and legal fees slightly higher then budget.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$294,827</b>	<b>\$290,687</b>	<b>1.4%</b>	<b>\$1,100,357</b>	<b>\$1,162,750</b>	<b>(5.4%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Four Months Ending April 30, 2004

Department	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$4,974	\$5,333	(6.7%)	\$16,871	\$21,333	(20.9%)	
Ohio River Pump Station # 1	46,555	46,083	1.0%	182,781	184,333	(0.8%)	
Ohio River Pump Station # 2	454	7,417	(95.4%)	22,248	29,667	(25.4%)	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$51,983</b>	<b>\$58,833</b>	<b>(11.7%)</b>	<b>\$221,900</b>	<b>\$235,333</b>	<b>(5.7%)</b>	
<b>WATER QUALITY</b>							
Fl. Thomas Treatment Plant	\$182,421	\$158,550	15.1%	\$705,820	634,200	11.3%	Winter heating cost, chemicals purchased & Five payperiods in April.
Taylor Mill Treatment Plant	39,845	51,096	(22.0%)	204,475	204,383	0.0%	Winter heating costs & chemicals purchased.
Memorial Parkway Treatment Plant	85,200	65,517	30.0%	317,183	262,066	21.0%	Winter heating costs, chemicals purchased & repairs.
Laboratory	69,156	57,004	21.3%	215,921	228,017	(5.3%)	
Instrumentation	25,456	20,504	24.2%	89,257	82,017	8.8%	
Sludge	864	14,167	(93.9%)	100,885	56,667	78.0%	Discharge to sanitary paid in March (\$ 70,000).
<b>TOTAL WATER QUALITY</b>	<b>\$402,942</b>	<b>\$366,838</b>	<b>9.8%</b>	<b>\$1,633,541</b>	<b>\$1,467,350</b>	<b>11.3%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$205,335</b>	<b>\$172,650</b>	<b>18.9%</b>	<b>\$684,527</b>	<b>\$ 690,600</b>	<b>(0.9%)</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$660,260</b>	<b>\$598,321</b>	<b>10.4%</b>	<b>\$2,539,968</b>	<b>\$2,393,283</b>	<b>6.1%</b>	

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Four Months Ending April 30, 2004

Division	April Actual	April Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$660,260	\$598,321	10.4%	\$2,539,968	\$2,393,283	6.1%	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
ENGINEERING & DISTRIBUTION	406,888	520,375	(21.8%)	1,540,605	2,081,500	(26.0%)	Many projects not to start until later in the year.
CUSTOMER SERVICE	294,827	290,687	1.4%	1,100,357	1,162,750	(5.4%)	
ADMINISTRATION	257,672	245,842	4.8%	846,383	983,367	(13.9%)	
<b>TOTAL O AND M</b>	<b>\$1,619,647</b>	<b>\$1,655,225</b>	<b>(2.2%)</b>	<b>\$6,027,313</b>	<b>\$6,620,900</b>	<b>(9.0%)</b>	Five pay periods in April.

**Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2004**

2004

<b>LIABILITIES AND RETAINED EARNINGS</b>	
<b>CURRENT LIABILITIES</b>	
Current Portion of Long Term Debt	\$ 4,154,000
Accounts Payable	1,537,640
Accrued Payroll & Liabilities	171,266
Other Accrued Liabilities	74,849
<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ 5,937,755</b>
<b>CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	
Accounts Payable	\$ 180,281
Accrued Interest Payable	1,367,788
<b>TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>	<b>\$ 1,548,069</b>
<b>LONG-TERM DEBT</b>	
Long-Term Portion of Bonded Indebtedness	\$ 138,516,000
Bond Anticipation Notes Payable	0
Note Payable - Taylor Mill Purchase	2,875,000
Deferred Note Payable	100,000
<b>TOTAL LONG-TERM DEBT</b>	<b>\$ 141,491,000</b>
<b>TOTAL LIABILITIES</b>	<b>\$ 148,976,824</b>
<b>RETAINED EARNINGS</b>	<b>\$ 95,716,247</b>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 244,693,071</b>
Aremlinger	

**Northern Kentucky Water District  
Balance Sheet  
As of April 30, 2004**

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 3,220,374
Accrued Interest Receivable	0
Accounts Receivable	
Customers	2,361,867
Unbilled Customers	4,200,000
Other	56,008
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,092,977
Prepaid Expenses	670,687
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 11,640,826</b>
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 4,058,199
Debt Service Reserve Account	7,145,723
Debt Service Account	11,797,581
Improvement, Repair & Replacement	1,834,914
Boone/Florence Settlement Account	1,584,758
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 26,421,175</b>
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,824,557
Capital Assets:	
Land, System, Buildings and Equipment	\$ 236,008,275
Construction in Progress	5,911,484
Total Capital Assets before accumulated depreciation	\$ 241,919,759
Less Accumulated Depreciation	(46,113,246)
Total capital assets, net of accumulated depreciation	\$ 195,806,513
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 206,631,070</b>
<b>TOTAL ASSETS</b>	<b>\$ 244,693,071</b>



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Caping Unit		\$15,000.00		\$15,000.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00		\$100,000.00	9
	<b>Department Sub-Total</b>		<b>\$132,500.00</b>	<b>\$1,354.00</b>	<b>\$131,146.00</b>	
	<b>Information Systems, Safety, Security</b>					
	<b>INFO SYSTEMS</b>					
	2003					
2003	Network Security		\$9,597.79	\$399.00	\$9,198.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$31,493.55	\$68,506.45	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00		\$1,200.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00		\$8,260.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00		\$19,000.00	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	<b>Sub-Total</b>		<b>\$290,220.24</b>	<b>\$40,391.03</b>	<b>\$249,829.21</b>	
	<b>SECURITY</b>					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	Access Control - Phase II		\$150,000.00		\$150,000.00	
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank, ORPSZ, FTTP 2)		\$200,000.00	\$16,413.32	\$183,586.68	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$30,523.32	\$169,476.68	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$2,161.36	\$272,838.64	56
	<b>Sub-Total</b>		<b>\$1,085,051.71</b>	<b>\$202,487.81</b>	<b>\$882,563.90</b>	
	<b>SAFETY</b>					
	2004					
	<b>Sub-Total</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>60</b> <b>62</b>
	<b>Department Sub-total</b>		<b>\$1,375,271.95</b>	<b>\$242,878.84</b>	<b>\$1,132,393.11</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	2004					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	<b>Sub-Total</b>		<b>\$9,300.00</b>	<b>\$0.00</b>	<b>\$4,971.00</b>	
	<b>CS - Field Services &amp; Flushing</b>					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00		\$28,500.00	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$0.00	\$25,500.00	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00		\$20,000.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00		\$20,000.00	96
	<b>Meter Shop</b>					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00		\$28,500.00	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00		\$25,500.00	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$172,425.48	\$227,574.52	104
2004	Large Water Meters >2"		\$6,000.00		\$6,000.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$6,082.60	\$8,917.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	Sub-Total		\$829,000.00	\$204,383.08	\$624,616.92	
	Department Sub-Total		\$838,300.00	\$204,383.08	\$629,587.92	
	DISTRIBUTION					
	Mainlines					
	Mainline Improvement					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$2,923.50	\$47,076.50	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	138
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	Sub-Total		\$679,059.00	\$2,923.50	\$676,135.50	
	KDOT Engineering Work					
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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$728.55	\$34,271.45	146
	Sub-Total		\$178,162.75	\$11,281.95	\$166,880.80	
	2003 Water Main Replacement Program					
	Unobligated Water Main Replacement Fund					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$0.00	\$50,000.00	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$33,637.58	\$9,362.42	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$161,700.00	\$0.00	\$161,700.00	03-106C
	Sub-Total		\$254,700.00	\$33,637.58	\$221,062.42	
	2004 Water Main Replacement Program					
	Unobligated Water Main Replacement Fund					
2004	- Engineering Services.		\$60,000.00	\$0.00	\$60,000.00	151
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wright	184-165	\$100,000.00		\$100,000.00	150A
1/27/2004	- Barbara Circle - Ft. Wright	184-166	\$100,000.00		\$100,000.00	150B
2004	Craig		\$0.00	\$0.00	\$0.00	152
2004	42nd		\$0.00	\$0.00	\$0.00	154
2004	Russell		\$0.00	\$0.00	\$0.00	156
2004	E 18th		\$0.00	\$0.00	\$0.00	158
2004	Shinkle Alley		\$0.00	\$0.00	\$0.00	160
	Sub-Total		\$1,500,000.00	\$0.00	\$1,500,000.00	
	Sub-Total Mainlines		\$2,611,921.75	\$47,843.03	\$2,564,078.72	
	Distribution					
	Capital Purchases					
2/26/2004	Tap Machine		\$2,000.00		\$2,000.00	170
2/26/2004	Quick-Saw		\$1,200.00		\$1,200.00	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00		\$2,500.00	176
2004	Allied Hoe Ram		\$12,000.00	\$0.00	\$12,000.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$0.00	\$1,000.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$0.00	\$2,500.00	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$0.00	\$134,500.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$0.00	\$21,000.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$0.00	\$11,500.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$0.00	\$25,000.00	200
	Sub-Total		\$227,800.00	\$0.00	\$227,800.00	
	ENGINEERING					
	2004					
	Capital Purchases					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	Sub-Total		\$9,000.00	\$0.00	\$9,000.00	
	Department Sub-Total		\$2,848,721.75	\$47,843.03	\$2,800,878.72	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Water Quality &amp; Production Operations 2004</b>					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$0.00	\$6,000.00	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$0.00	\$3,000.00	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM, Dud, Brist, Brom)		\$6,000.00	\$0.00	\$6,000.00	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$0.00	\$9,000.00	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$0.00	\$10,000.00	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$0.00	\$10,000.00	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$0.00	\$4,000.00	260
2004	- Ripple Creek PS		\$4,000.00	\$0.00	\$4,000.00	262
2004	- Bromley PS		\$4,000.00	\$0.00	\$4,000.00	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$7,304.95	\$7,695.05	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$0.00	\$9,000.00	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$0.00	\$4,500.00	286
2004	- Titrator		\$1,650.00	\$0.00	\$1,650.00	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
	<b>Sub-Total</b>		\$129,000.00	\$10,854.23	\$118,145.77	
	<b>LABORATORY 2004</b>					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$0.00	\$9,000.00	300
2004	- Reverse Osmosis unit		\$5,000.00	\$0.00	\$5,000.00	302
2004	- Reservoir		\$1,000.00	\$0.00	\$1,000.00	304
	<b>Sub-Total</b>		\$15,000.00	\$0.00	\$15,000.00	
	<b>MAINTENANCE 2004</b>					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$0.00	\$20,000.00	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$0.00	\$10,000.00	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$8,895.42	\$6,104.58	326
2004	Valve pits					
	- TMTP Diversion Valve - Eliminated need for VFD		\$90,000.00	\$0.00	\$90,000.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$80,000.00	\$0.00	\$80,000.00	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$0.00	\$10,000.00	342
2004	Electrical Repair at FTTP					
	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$50,000.00	\$0.00	\$50,000.00	350
2004	Ventilation system improvements					
	- TMTP Pump Ventilation system - None at present		\$10,000.00	\$0.00	\$10,000.00	360
	- Bromley Ventilation System - None at present		\$10,000.00	\$464.22	\$9,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
	- To sperate office space from work area with fumes.		\$12,500.00	\$0.00	\$12,500.00	370
	<b>Sub-Total</b>		\$315,000.00	\$20,614.64	\$294,385.36	
	<b>Department Sub-Total</b>		\$459,000.00	\$31,468.87	\$427,531.13	
	<b>TOTAL of Departments</b>		\$5,653,793.70	\$527,927.82	\$5,125,865.88	

NKWD Summary	Water Produced/Purchased v. Sold												
	2002 March	2002 April	2002 May	2002 June	2002 July	2002 August	2002 September	2002 October	2002 November	2002 December	2003 January	2003 February	2003 March
Produced	11,462,045	11,414,725	11,322,113	11,492,724	12,050,105	12,359,206	12,950,522	13,064,961	13,187,862	13,376,428	13,539,161	13,440,284	13,485,000
Purchased	700,353	667,576	661,177	647,609	620,409	547,969	500,819	462,970	400,290	335,780	272,430	272,430	215,951
<b>TOTAL</b>	<b>12,162,398</b>	<b>12,082,301</b>	<b>11,983,290</b>	<b>12,140,333</b>	<b>12,670,514</b>	<b>12,907,175</b>	<b>13,451,341</b>	<b>13,527,931</b>	<b>13,588,152</b>	<b>13,712,208</b>	<b>13,811,591</b>	<b>13,712,714</b>	<b>13,701,551</b>
Sold	10,855,007	10,081,032	10,375,701	10,660,083	10,829,449	11,139,222	11,416,365	11,631,689	11,844,224	12,100,563	11,828,576	11,811,012	11,796,222
Loss	1,307,391	1,991,269	1,607,589	1,480,250	1,841,065	1,767,953	2,032,976	1,896,242	1,743,928	1,611,645	1,983,015	1,901,702	1,905,329
% of Water Loss	10.7%	16.5%	13.4%	12.2%	14.5%	13.7%	15.1%	14.0%	12.8%	11.8%	14.4%	13.9%	13.9%
% of Water Sold	89.3%	83.5%	86.6%	87.8%	85.5%	86.3%	84.9%	86.0%	87.2%	88.2%	85.6%	86.1%	86.1%
Produced	13,485,000	13,419,124	13,407,079	13,332,022	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030
Purchased	215,951	153,961	92,841	29,830									
<b>TOTAL</b>	<b>13,701,551</b>	<b>13,573,085</b>	<b>13,499,920</b>	<b>13,361,852</b>	<b>13,108,738</b>	<b>12,374,384</b>	<b>11,671,418</b>	<b>11,129,109</b>	<b>10,793,060</b>	<b>10,592,798</b>	<b>10,323,148</b>	<b>10,148,414</b>	<b>10,105,030</b>
Sold	11,796,222	11,637,156	11,499,488	11,274,402	10,994,014	10,468,599	10,101,119	9,489,978	9,170,760	8,897,251	8,694,730	8,457,893	8,365,916
Loss	1,905,329	1,935,929	2,000,432	2,087,451	2,114,725	1,905,785	1,570,300	1,639,131	1,622,300	1,695,548	1,628,419	1,690,522	1,739,114
% of Water Loss	13.9%	14.3%	14.8%	15.6%	16.1%	15.4%	13.5%	14.7%	15.0%	16.0%	15.8%	16.7%	17.2%
% of Water Sold	86.1%	85.7%	85.2%	84.4%	83.9%	84.6%	86.5%	85.3%	85.0%	84.0%	84.2%	83.3%	82.8%

# Monthly Financial Reports

May 2004

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Northern Kentucky Water District  
Balance Sheet  
As of May 31, 2004

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 2,786,671
Accrued Interest Receivable	0
Accounts Receivable	
Customers	2,545,717
Unbilled Customers	4,200,000
Other	35,761
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,231,565
Prepaid Expenses	713,881
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 11,552,508</b>
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 4,058,199
Debt Service Reserve Account	6,960,553
Debt Service Account	11,845,634
Improvement, Repair & Replacement	2,690,862
Boone/Florence Settlement Account	1,487,098
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 27,042,346</b>
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,767,758
Capital Assets:	
Land, System, Buildings and Equipment	\$ 236,080,507
Construction in Progress	10,010,253
Total Capital Assets before accumulated depreciation	\$ 246,090,760
Less Accumulated Depreciation	(46,530,006)
Total capital assets, net of accumulated depreciation	\$ 199,560,754
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 210,328,512</b>
<b>TOTAL ASSETS</b>	<b>\$ 248,923,366</b>

Northern Kentucky Water District  
Balance Sheet  
As of May 31, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,196,014
Accrued Payroll & Liabilities	181,902
Other Accrued Liabilities	(108,898)
TOTAL CURRENT LIABILITIES	\$ 5,616,814
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 181,579
Accrued Interest Payable	1,842,788
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 2,024,367
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,875,000
Deferred Note Payable	100,000
TOTAL LONG-TERM DEBT	\$ 145,120,000
TOTAL LIABILITIES	\$ 152,761,181
RETAINED EARNINGS	\$ 96,162,185
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 248,923,366
Aremlinger	



Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Five Months Ending May 31, 2004

Division	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$524,652	\$598,321	(12.3%)	\$3,064,620	\$2,991,604	2.4%	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
ENGINEERING & DISTRIBUTION	347,465	520,375	(33.2%)	1,888,069	2,601,875	(27.4%)	Many projects not to start until later in the year.
CUSTOMER SERVICE	242,758	290,687	(16.5%)	1,343,114	1,453,438	(7.6%)	
ADMINISTRATION	173,421	245,842	(29.5%)	1,019,806	1,229,208	(17.0%)	
TOTAL O AND M	\$1,288,296	\$1,655,225	(22.2%)	\$7,315,609	\$8,276,125	(11.6%)	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Five Months Ending May 31, 2004

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$5,986	\$5,333	12.2%	\$22,857	\$26,667	(14.3%)	
Ohio River Pump Station # 1	39,395	46,083	(14.5%)	222,176	230,417	(3.6%)	
Ohio River Pump Station # 2	224	7,417	(97.0%)	22,471	37,083	(39.4%)	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$45,605</b>	<b>\$58,833</b>	<b>(22.5%)</b>	<b>\$267,504</b>	<b>\$294,167</b>	<b>(9.1%)</b>	
<b>WATER QUALITY</b>							
Ft. Thomas Treatment Plant	\$147,068	\$158,550	(7.2%)	\$852,888	792,750	7.6%	Winter heating cost, chemicals purchased.
Taylor Mill Treatment Plant	38,801	51,096	(24.1%)	243,276	255,479	(4.8%)	
Memorial Parkway Treatment Plant	61,359	65,517	(6.3%)	378,542	327,583	15.6%	Winter heating costs, chemicals purchased & repairs.
Laboratory	45,127	57,004	(20.8%)	261,048	285,021	(8.4%)	
Instrumentation	20,890	20,504	1.9%	110,147	102,521	7.4%	
Sludge	11,068	14,167	(21.9%)	111,953	70,833	58.1%	Discharge to sanitary paid in March (\$ 70,000).
<b>TOTAL WATER QUALITY</b>	<b>\$324,313</b>	<b>\$366,838</b>	<b>(11.6%)</b>	<b>\$1,957,854</b>	<b>\$1,834,187</b>	<b>6.7%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$154,734</b>	<b>\$172,650</b>	<b>(10.4%)</b>	<b>\$839,262</b>	<b>\$ 863,250</b>	<b>(2.8%)</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$524,652</b>	<b>\$598,321</b>	<b>(12.3%)</b>	<b>\$3,064,620</b>	<b>\$2,991,604</b>	<b>2.4%</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Five Months Ending May 31, 2004**

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$86,441	\$103,875	(16.8%)	\$493,367	\$ 519,375	(5.0%)	
Distribution	261,024	416,500	(37.3%)	1,394,702	2,082,500	(33.0%)	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$347,465</b>	<b>\$520,375</b>	<b>(33.2%)</b>	<b>\$1,888,069</b>	<b>\$2,601,875</b>	<b>(27.4%)</b>	Cleaning & lining to start later in the year, other contract svcs. under budget for the year.
<b>CUSTOMER SERVICE</b>							
Field Service	\$52,528	\$56,125	(6.4%)	\$277,301	\$ 280,625	(1.2%)	
Meter Shop	22,517	26,050	(13.6%)	114,760	130,250	(11.9%)	
Courier/Maintenance	3,880	4,625	(16.1%)	21,669	23,125	(6.3%)	
Account Service	92,339	119,183	(22.5%)	515,809	595,917	(13.4%)	
Meter Reading	25,507	26,725	(4.6%)	127,972	133,625	(4.2%)	
Flushing	21,160	24,329	(13.0%)	120,404	121,646	(1.0%)	
Other	24,827	33,650	(26.2%)	165,199	168,250	(1.8%)	
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$242,758</b>	<b>\$290,687</b>	<b>(16.5%)</b>	<b>\$1,343,114</b>	<b>\$1,453,438</b>	<b>(7.6%)</b>	

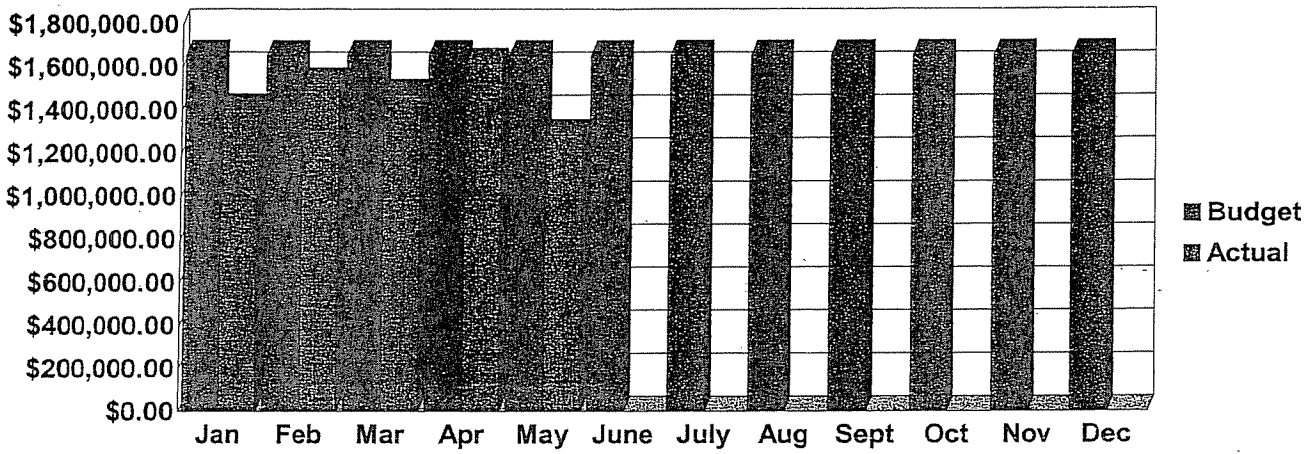
**Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Five Months Ending May 31, 2004**

Department	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
ADMINISTRATION Executive Management	\$37,825	\$42,275	(10.5%)	\$222,824	\$ 211,375	5.4%	
Board of Commissioners	9,352	8,700	7.5%	44,558	43,500	2.4%	
Accounting	17,350	23,808	(27.1%)	118,289	119,042	(0.6%)	Health insurance picked up by another commissioner.
H. R. Information Systems, Safety	64,262	95,467	(32.7%)	374,039	477,333	(21.6%)	
Other	44,632	75,592	(41.0%)	260,096	377,958	(31.2%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$173,421</b>	<b>\$245,842</b>	<b>(29.5%)</b>	<b>\$1,019,806</b>	<b>\$1,229,208</b>	<b>(17.0%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,288,296</b>	<b>\$1,655,225</b>	<b>(22.2%)</b>	<b>\$7,315,609</b>	<b>\$8,276,125</b>	<b>(11.6%)</b>	

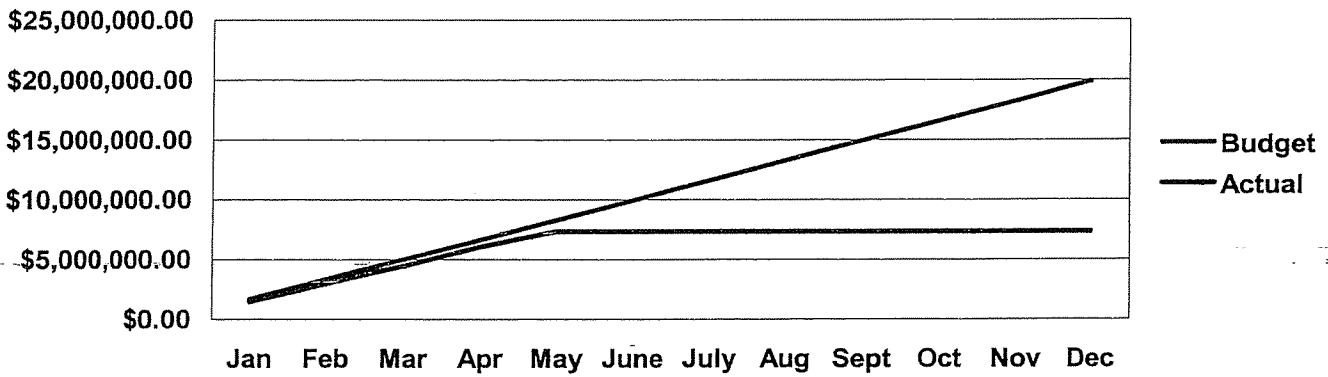
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Five Months Ending May, 2004

Account	May Actual	May Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$533,053	\$603,192	(11.6%)	\$3,021,562	\$3,015,958	0.2%	
Employee Pension & Benefits	180,560	180,012	0.3%	832,080	900,062	(7.6%)	
Taxes Other than Income Taxes	38,976	46,142	(15.5%)	217,555	230,708	(5.7%)	
Purchased Power	140,136	153,542	(8.7%)	783,707	767,708	2.1%	May reflects lower heating costs due to higher temperatures.
Chemicals	47,558	51,250	(7.2%)	271,561	256,250	6.0%	
Materials & Supplies	118,294	131,388	(10.0%)	545,479	666,938	(17.0%)	
Contractual Services	109,071	357,225	(69.5%)	1,023,604	1,786,125	(42.7%)	Many projects not started to date.
Rent	0	958	(100.0%)	3,937	4,792	(17.8%)	
Transportation	22,898	22,212	2.8%	108,292	111,063	(2.5%)	
Insurance	53,550	55,792	(4.0%)	267,740	278,958	(4.0%)	
Advertising	260	458	(43.3%)	3,879	2,292	69.2%	Various Bids & meetings have been advertised.
Bad Debt Expense	18,386	27,500	(33.1%)	132,537	137,500	(3.6%)	
Miscellaneous	9,263	6,896	34.3%	21,919	34,479	(36.4%)	
Regulatory Commission Assessment	16,351	18,658	(12.4%)	81,757	93,292	(12.4%)	
<b>Total O &amp; M Expenses</b>	<b>\$1,288,296</b>	<b>\$1,655,225</b>	<b>(22.2%)</b>	<b>\$7,315,609</b>	<b>\$8,276,125</b>	<b>(11.6%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$2,050,000	\$2,050,000	0.0%	
Interest Expense	\$159,255	\$475,000	(66.5%)	\$2,059,255	\$2,375,000	(13.3%)	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



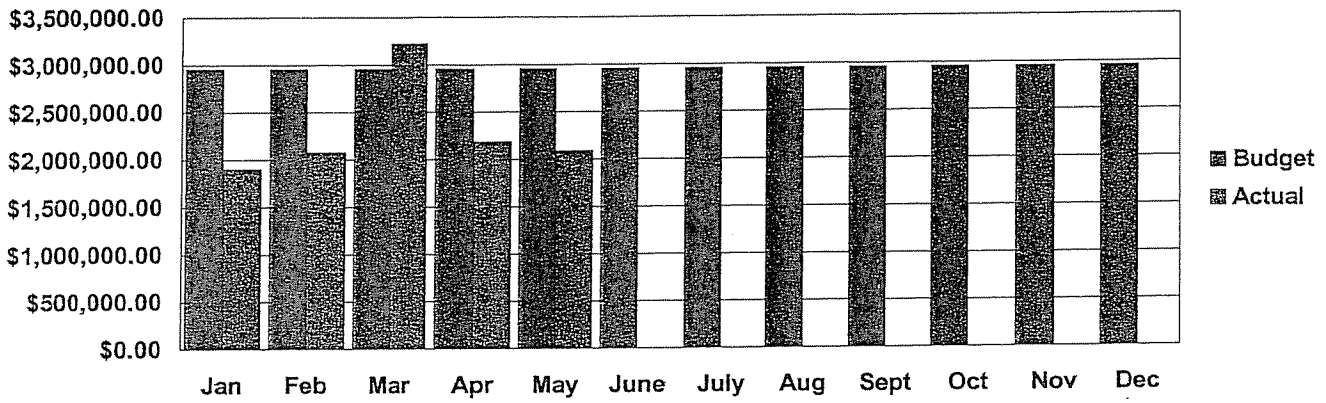
### NKWD O&M YTD Trending 2004 - Budget To Actual



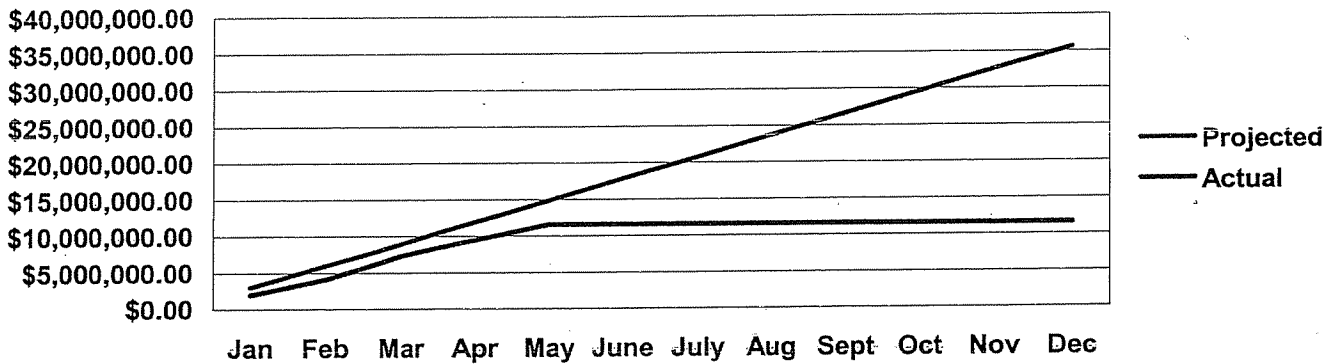
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Five Months Ending May 31, 2004

Description	May Actual	May Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 1,961,624	\$ 2,750,000	(28.7%)	\$ 10,624,389	\$ 13,750,000	(22.7%)	
Forfeited Discounts	42,666	39,167	8.9%	234,806	195,833	19.9%	
Rents from Water Property	19,551	29,125	(32.9%)	137,162	145,625	(5.8%)	
Other Water Revenues	2,170	39,583	(94.5%)	77,760	197,917	(60.7%)	
<b>Total Operating Revenues</b>	<b>\$2,026,011</b>	<b>\$2,857,875</b>	<b>(29.1%)</b>	<b>\$11,074,117</b>	<b>\$14,289,375</b>	<b>(22.5%)</b>	Revenues lower in winter months. Current rate case not complete resulting in delay in higher rates.
Non-Operating Income (Expense)							
Interest Income	\$61,724	\$83,333	(25.9%)	\$318,784	\$416,667	(23.5%)	
Miscellaneous	3,109	16,667	(81.3%)	103,948	83,333	24.7%	
<b>Total Non-Operating Income</b>	<b>\$64,833</b>	<b>\$100,000</b>	<b>(34.8%)</b>	<b>\$422,732</b>	<b>\$500,000</b>	<b>(15.5%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,090,844</b>	<b>\$2,957,875</b>	<b>(25.9%)</b>	<b>\$11,496,849</b>	<b>\$14,789,375</b>	<b>(22.3%)</b>	Revenues are expected to catch up later in the year.

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**





Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Five Months Ending May 31, 2004

Division	May 2004	May 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$524,652	\$659,211	(20.4%)	\$3,064,620	\$2,984,641	2.7%	Increased heating cost, Chemical purchases, Repairs and Discharge to Sanitary payment (\$ 70,000).
ENGINEERING & DISTRIBUTION	347,465	461,797	(24.8%)	1,888,069	2,084,181	(9.4%)	Many projects not to start until later in the year. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	242,768	276,902	(12.3%)	1,343,114	1,110,870	20.9%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates.
ADMINISTRATION	173,421	176,479	(1.7%)	1,019,806	882,865	15.5%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND M</b>	<b>\$1,288,296</b>	<b>\$1,574,389</b>	<b>(18.2%)</b>	<b>\$7,315,609</b>	<b>\$7,062,557</b>	<b>3.6%</b>	

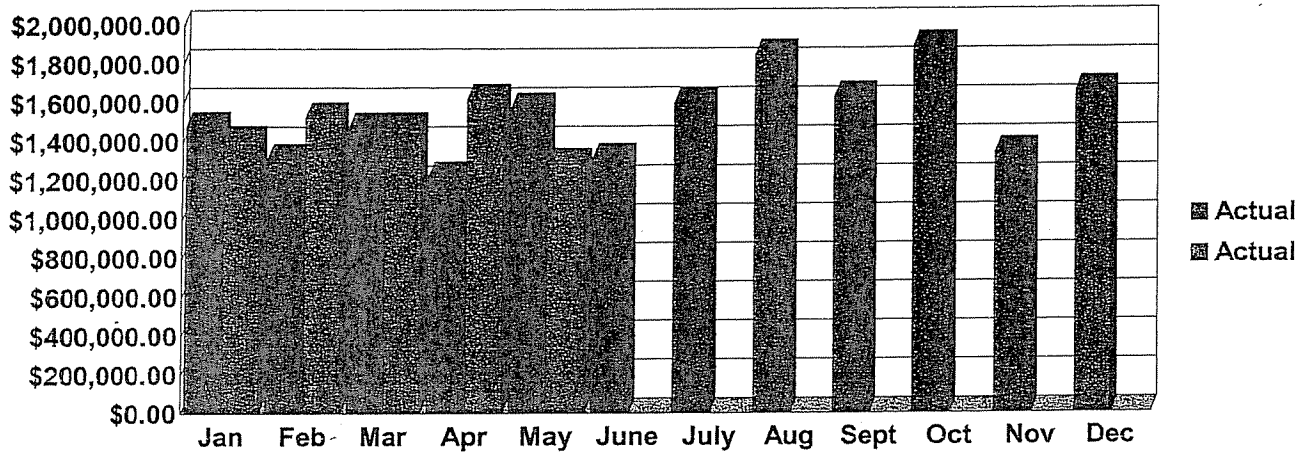
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Five Months Ending May, 2004

Account	May 2004	May 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$533,053	\$626,852	(15.0%)	\$3,021,562	\$2,812,356	7.4%	Four pay periods in May of 2004 and 5 pay periods in 2003.
Employee Pension & Benefits	180,560	147,783	22.2%	832,080	707,966	17.5%	Increase in health insurance.
Taxes Other than Income Taxes	38,976	46,108	(15.6%)	217,555	206,281	5.5%	Reflects salary increase.
Purchased Power	140,136	131,682	6.4%	783,707	830,175	(5.6%)	
Chemicals	47,558	91,502	(48.0%)	271,561	270,211	0.5%	
Materials & Supplies	118,294	161,944	(27.0%)	545,479	583,142	(6.5%)	
Contractual Services	109,071	272,440	(60.0%)	1,023,604	1,164,491	(12.1%)	
Rent	0	764	(100.0%)	3,937	6,122	(35.7%)	
Transportation	22,838	20,884	9.4%	108,292	97,081	11.5%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	267,740	236,890	12.1%	Reflects expected increase.
Advertising	260	1,015	(74.4%)	3,879	4,226	(8.2%)	
Bad Debt Expense	18,386	18,459	36.6%	132,537	92,907	42.7%	Increase due to write off of bad debt based on higher water rates.
Miscellaneous	9,263	8,272	12.0%	21,919	29,183	(24.9%)	
Regulatory Commission Assessment	16,351	3,906	318.6%	81,757	19,526	318.7%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,288,296</b>	<b>\$1,574,389</b>	<b>(18.2%)</b>	<b>\$7,315,609</b>	<b>\$7,062,557</b>	<b>3.6%</b>	

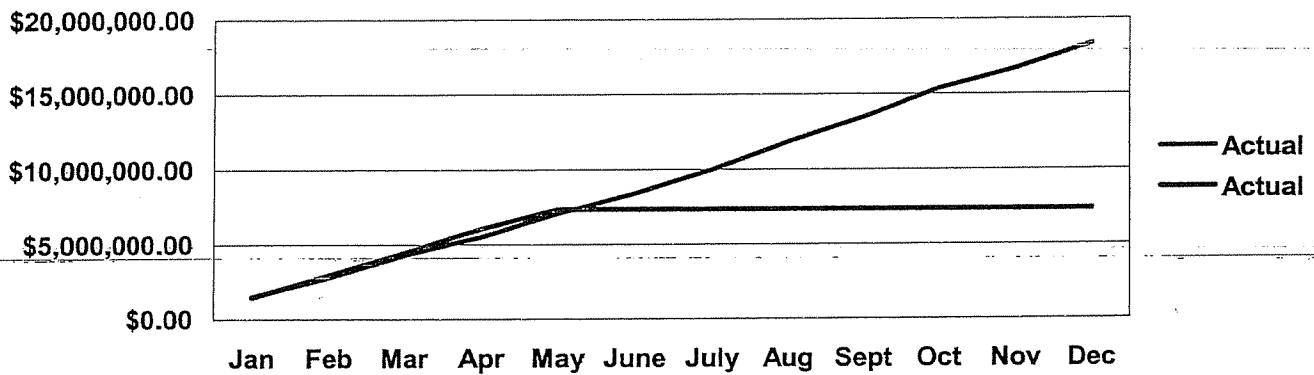
Northern Kentucky Water District  
Income Report Actual to Actual  
For the Five Months Ending May 31, 2004

Description	May 2004	May 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 1,961,624	\$ 1,421,825	38.0%	\$ 10,624,389	\$ 9,011,468	17.9%	Reflects increase in water rates.
Forfeited Discounts	42,666	27,059	57.7%	234,806	155,264	51.2%	
Rents from Water Property	19,551	62,653	(68.8%)	137,162	135,212	1.4%	
Other Water Revenues	2,170	20,930	(89.6%)	77,760	107,082	(27.4%)	
<b>Total Operating Revenues</b>	<b>\$2,026,011</b>	<b>\$1,532,467</b>	<b>33.2%</b>	<b>\$11,074,117</b>	<b>\$9,409,026</b>	<b>17.7%</b>	
Non-Operating Income (Expense)							
Interest Income	\$61,724	\$70,279	(12.2%)	\$318,784	\$329,035	(3.1%)	
Extraordinary Income	0	0	0.0%	0	\$685,842	(100.0%)	Boone & Florence penalty.
Miscellaneous	3,109	63,181	(95.1%)	103,948	154,219	(32.6%)	
<b>Total Non-Operating Income</b>	<b>\$64,833</b>	<b>\$133,460</b>	<b>(51.4%)</b>	<b>\$422,732</b>	<b>\$1,169,096</b>	<b>(63.8%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,090,844</b>	<b>\$1,665,927</b>	<b>25.5%</b>	<b>\$11,496,849</b>	<b>\$10,578,122</b>	<b>8.7%</b>	

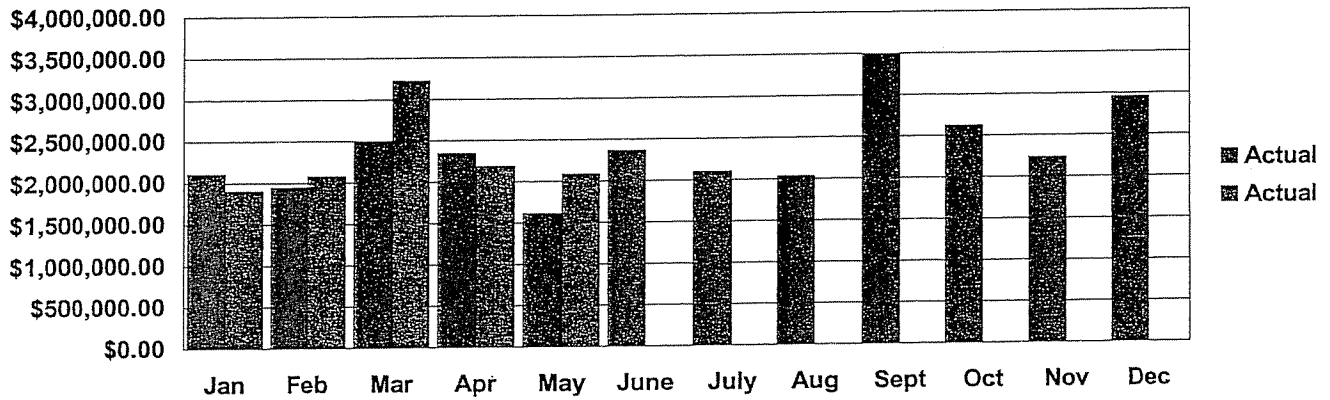
### NKWD O&M Monthly Comparison 2004 - Actual to Actual



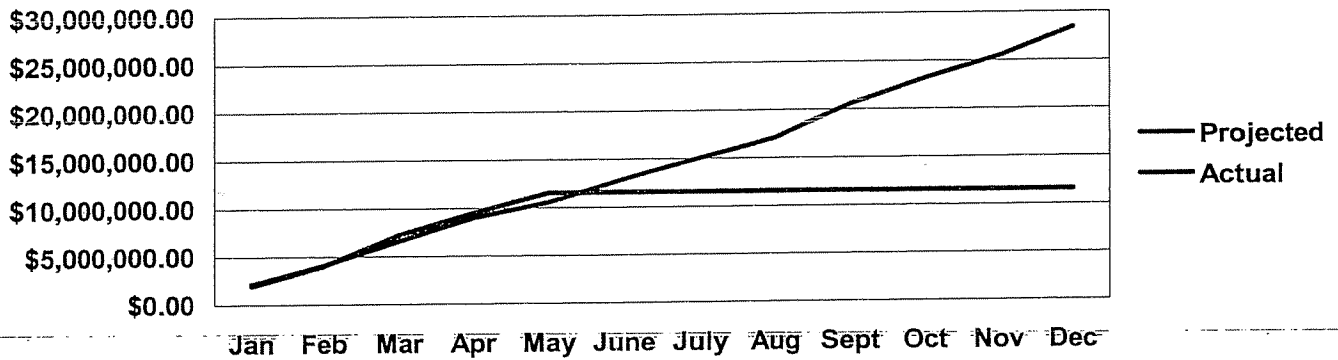
### NKWD O&M YTD Trending 2004 - Actual to Actual



### NKWD Revenue by Month 2004 - Actual to Actual



### NKWD Revenue Trending 2004 - Actual to Actual



Northern Kentucky Water District						
Operational Capital Budget for 2004						
Projected Available for Capital Expenditures:						
	Budget	Transferred	Date			
Cash Balance 1/1/2004 - Operating Capital	\$2,167,636.35	\$500,000.00	02/24/2004			
From Operations	\$5,540,095.00	\$500,000.00	04/27/2004			
From Leftover Purchase of Gear Property	\$2,000.00	\$250,000.00	05/21/2004			
Grant for Sub-Dist d	\$175,410.00					
<b>Total Cash Available</b>	<b>\$7,885,141.35</b>					
Executive Adm	\$132,500.00					
IT, Safety, Security	\$1,375,271.95					
Customer Service	\$838,300.00					
Distribution - Mains	\$2,611,921.75					
Distribution - Other	\$227,800.00					
Engineering	\$9,000.00					
Water Q & P	\$129,000.00					
Laboratory	\$15,000.00	1,250,000.00				
Plant and Pump Station Maintenance	\$315,000.00					
<b>Total Request</b>	<b>\$5,653,793.70</b>					
<b>Net Coverage/Lost</b>	<b>\$2,231,347.65</b>					
Actual YTD Cost						
Funds Remaining						
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004 - Latonia 24" Steel - Phase I	184-103	433,650.00	\$788.05		\$788.05	808
Bond 2004 - Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$300,056.66	\$148,608.87	\$448,665.53	730
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$1,211.25	\$38,217.30	\$39,428.55	803
BAN 2004 - Pelly Rd from Ky 17 to Senour Road	184-135	\$371,000.00	\$4,323.68		\$4,323.68	810
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$287.08		\$287.08	816
Bond 2004 - Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,642.04	\$7,063.54	801
Bond 2004 - Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$8,535.05	\$2,104.75	\$10,639.80	802
Bond 2004 - Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00		\$45,017.87	\$45,017.87	744
Bond 2004 - Jefferson/Eucild/Highland (RC 2003)	184-157	\$535,865.80	\$301,746.92	\$163,183.38	\$464,930.30	722
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,500.00		\$5,500.00	807
BAN 2004 - Latonia 24" Steet - Phase II	184-164	\$302,250.00	\$3,215.00		\$3,215.00	809
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$7,528.80		\$7,528.80	811
Bond 2005 - Central Facility	184-0305	\$9,500,000.00	\$84,420.48		\$84,420.48	815
Bond 2004 - UIM/CIS System	184-310	\$2,900,000.00	\$691,473.33	\$223,707.86	\$915,181.19	800
- Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
- Ultra Violet TMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004 - US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$406.02		\$406.02	805
Bond 2004 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
<b>TOTAL</b>		<b>\$21,244,945.80</b>	<b>\$1,410,125.77</b>	<b>\$1,057,926.19</b>	<b>\$2,468,051.96</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Administrative Dept.					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Caping Unit		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	Department Sub-Total		\$132,500.00	\$4,323.00	\$128,177.00	
	Information Systems, Safety, Security					
	INFO SYSTEMS					
	2003					
2003	Network Security		\$9,597.79	\$399.00	\$9,198.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$32,022.12	\$67,977.88	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstations Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00		\$1,200.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00		\$8,260.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00		\$19,000.00	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	Sub-Total		\$290,220.24	\$40,919.60	\$249,300.64	
	SECURITY					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00		\$150,000.00	
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank,ORPSZ,FTTP 2)		\$200,000.00	\$37,725.85	\$162,274.15	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$34,684.23	\$165,315.77	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	Sub-Total		\$1,085,051.71	\$243,798.02	\$841,253.69	
	SAFETY					
	2004					60
	Sub-Total		\$0.00	\$0.00	\$0.00	62
	Department Sub-total		\$1,375,271.95	\$284,717.62	\$1,090,554.33	
	CUSTOMER SERVICE					
	-Billing					
	2004					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	Sub-Total		\$9,300.00	\$0.00	\$4,971.00	
	CS - Field Services & Flushing					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$17,349.00	\$2,651.00	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$17,349.00	\$2,651.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00		\$20,000.00	96
	Meter Shop					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$347,658.71	\$52,341.29	104
2004	Large Water Meters >2"		\$6,000.00		\$6,000.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$6,082.60	\$8,917.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$535,495.91	\$293,504.09	
	<b>Department Sub-Total</b>		\$838,300.00	\$535,495.91	\$298,475.09	
	<b>DISTRIBUTION</b>					
	Mainlines					
	<b>Mainline Improvement</b>					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$3,054.00	\$46,946.00	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$3,054.00	\$676,005.00	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$728.55	\$34,271.45	146
	<b>Sub-Total</b>		\$178,162.75	\$11,281.95	\$166,880.80	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$33,637.58	\$9,362.42	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$161,700.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$254,700.00	\$34,937.11	\$219,762.89	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>		\$1,240,000.00		\$1,240,000.00	150
2004	- Engineering Services.		\$60,000.00		\$60,000.00	151
6/28/2004	- Thomas Street, Covington	184-0158			\$0.00	
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00	\$4,410.00	\$95,590.00	150A
1/27/2004	- Barbara Circle - Ft. Wirght	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
6/28/2004	- Four Mile CC 8"	184-0172		\$130.50	-\$130.50	
2004	Craig		\$0.00	\$0.00	\$0.00	152
2004	42nd		\$0.00	\$0.00	\$0.00	154
2004	Russell		\$0.00	\$0.00	\$0.00	156
2004	E 18th		\$0.00	\$0.00	\$0.00	158
2004	Shinkle Alley		\$0.00	\$0.00	\$0.00	160
	<b>Sub-Total</b>		\$1,500,000.00	\$9,040.50	\$1,490,959.50	
	<b>Sub-Total Mainlines</b>		\$2,611,921.75	\$58,313.56	\$2,553,608.19	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00		\$2,000.00	170
2/26/2004	Quick Saw		\$1,200.00		\$1,200.00	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00		\$2,500.00	176
2004	Allied Hoe Ram		\$12,000.00	\$0.00	\$12,000.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$0.00	\$1,000.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$0.00	\$134,500.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$0.00	\$25,000.00	200
	<b>Sub-Total</b>		\$227,800.00	\$32,947.98	\$194,852.02	
	<b>ENGINEERING</b>					
	2004					
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Department Sub-Total</b>		<b>\$2,848,721.75</b>	<b>\$91,261.54</b>	<b>\$2,757,460.21</b>	
	<b>Water Quality &amp; Production</b>					
	Operations					
	2004					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$0.00	\$6,000.00	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$0.00	\$3,000.00	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$0.00	\$9,000.00	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$0.00	\$10,000.00	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$0.00	\$10,000.00	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$0.00	\$4,000.00	260
2004	- Ripple Creek PS		\$4,000.00	\$0.00	\$4,000.00	262
2004	- Bromley PS		\$4,000.00	\$0.00	\$4,000.00	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$9,674.51	\$5,325.49	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$0.00	\$9,000.00	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$0.00	\$4,500.00	286
2004	- Titrator		\$1,650.00	\$0.00	\$1,650.00	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
	<b>Sub-Total</b>		<b>\$129,000.00</b>	<b>\$14,108.14</b>	<b>\$114,891.86</b>	
	<b>LABORATORY</b>					
	2004					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	<b>Sub-Total</b>		<b>\$15,000.00</b>	<b>\$7,193.99</b>	<b>\$7,806.01</b>	
	<b>MAINTENANCE</b>					
	2004					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$13,965.00	\$6,035.00	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$0.00	\$10,000.00	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$8,895.42	\$6,104.58	326
2004	Valve pits					
	- TMTP Diversion Valve - Eliminated need for VFD		\$90,000.00	\$0.00	\$90,000.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$80,000.00	\$0.00	\$80,000.00	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$0.00	\$10,000.00	342
2004	Electrical Repair at FTTP					
	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$50,000.00	\$0.00	\$50,000.00	350
2004	Ventilation system improvements					
	- TMTP Pump Ventilation system - None at present		\$10,000.00	\$0.00	\$10,000.00	360
	- Bromley Ventilation System - None at present		\$10,000.00	\$464.22	\$9,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
	- To sperate office space from work area with fumes.		\$12,500.00	\$0.00	\$12,500.00	370
	<b>Sub-Total</b>		<b>\$315,000.00</b>	<b>\$34,579.64</b>	<b>\$280,420.36</b>	
	<b>Department Sub-Total</b>		<b>\$459,000.00</b>	<b>\$55,881.77</b>	<b>\$403,118.23</b>	
	<b>TOTAL of Departments</b>		<b>\$5,653,793.70</b>	<b>\$97,1679.84</b>	<b>\$4,877,784.86</b>	

NKWD Summary	Water Produced/Purchased v. Sold												
	2002		2002		2002		2002		2002		2003		2003
	May	June	July	August	September	October	November	December	January	February	March	April	May
Produced	11,322,113	11,492,724	12,050,105	12,359,206	12,950,522	13,064,961	13,167,862	13,376,428	13,539,161	13,440,284	13,485,600	13,419,124	13,407,079
Purchased	661,177	647,609	620,409	547,969	500,819	462,970	400,290	335,780	272,430	272,430	215,951	153,961	92,841
<b>TOTAL</b>	<b>11,983,290</b>	<b>12,140,333</b>	<b>12,670,514</b>	<b>12,907,175</b>	<b>13,451,341</b>	<b>13,527,931</b>	<b>13,568,152</b>	<b>13,712,208</b>	<b>13,811,591</b>	<b>13,712,714</b>	<b>13,701,551</b>	<b>13,573,085</b>	<b>13,499,920</b>
<b>Sold</b>	<b>10,375,701</b>	<b>10,660,083</b>	<b>10,829,449</b>	<b>11,139,222</b>	<b>11,418,365</b>	<b>11,631,689</b>	<b>11,844,224</b>	<b>12,100,563</b>	<b>11,828,576</b>	<b>11,811,012</b>	<b>11,796,222</b>	<b>11,637,156</b>	<b>11,499,488</b>
<b>Loss</b>	<b>1,607,589</b>	<b>1,480,250</b>	<b>1,841,065</b>	<b>1,767,953</b>	<b>2,032,976</b>	<b>1,896,242</b>	<b>1,743,928</b>	<b>1,611,645</b>	<b>1,983,015</b>	<b>1,901,702</b>	<b>1,905,329</b>	<b>1,935,929</b>	<b>2,000,452</b>
<b>% of Water Loss</b>	<b>13.4%</b>	<b>12.2%</b>	<b>14.5%</b>	<b>13.7%</b>	<b>15.1%</b>	<b>14.0%</b>	<b>12.8%</b>	<b>11.8%</b>	<b>14.4%</b>	<b>13.9%</b>	<b>13.9%</b>	<b>14.3%</b>	<b>14.8%</b>
<b>% of Water Sold</b>	<b>86.6%</b>	<b>87.8%</b>	<b>85.5%</b>	<b>86.3%</b>	<b>84.9%</b>	<b>86.0%</b>	<b>87.2%</b>	<b>88.2%</b>	<b>85.6%</b>	<b>86.1%</b>	<b>86.1%</b>	<b>85.7%</b>	<b>85.2%</b>
<b>Produced</b>	<b>13,407,079</b>	<b>13,332,022</b>	<b>13,108,738</b>	<b>12,374,384</b>	<b>11,671,418</b>	<b>11,129,109</b>	<b>10,793,060</b>	<b>10,592,798</b>	<b>10,323,148</b>	<b>10,148,414</b>	<b>10,105,030</b>	<b>10,063,671</b>	<b>10,068,289</b>
<b>Purchased</b>	<b>92,841</b>	<b>29,830</b>											
<b>TOTAL</b>	<b>13,499,920</b>	<b>13,361,852</b>	<b>13,108,738</b>	<b>12,374,384</b>	<b>11,671,418</b>	<b>11,129,109</b>	<b>10,793,060</b>	<b>10,592,798</b>	<b>10,323,148</b>	<b>10,148,414</b>	<b>10,105,030</b>	<b>10,063,671</b>	<b>10,068,289</b>
<b>Sold</b>	<b>11,499,488</b>	<b>11,274,402</b>	<b>10,994,014</b>	<b>10,468,599</b>	<b>10,101,119</b>	<b>9,489,978</b>	<b>9,170,760</b>	<b>8,897,251</b>	<b>8,694,730</b>	<b>8,457,893</b>	<b>8,365,916</b>	<b>8,355,132</b>	<b>8,397,047</b>
<b>Loss</b>	<b>2,000,452</b>	<b>2,087,451</b>	<b>2,114,725</b>	<b>1,905,785</b>	<b>1,570,300</b>	<b>1,639,131</b>	<b>1,622,300</b>	<b>1,695,548</b>	<b>1,628,419</b>	<b>1,690,522</b>	<b>1,739,114</b>	<b>1,708,539</b>	<b>1,671,242</b>
<b>% of Water Loss</b>	<b>14.8%</b>	<b>15.6%</b>	<b>16.1%</b>	<b>15.4%</b>	<b>13.5%</b>	<b>14.7%</b>	<b>15.0%</b>	<b>16.0%</b>	<b>15.8%</b>	<b>16.7%</b>	<b>17.2%</b>	<b>17.0%</b>	<b>16.6%</b>
<b>% of Water Sold</b>	<b>85.2%</b>	<b>84.4%</b>	<b>83.9%</b>	<b>84.6%</b>	<b>86.5%</b>	<b>85.3%</b>	<b>85.0%</b>	<b>84.0%</b>	<b>84.2%</b>	<b>83.3%</b>	<b>82.8%</b>	<b>83.0%</b>	<b>83.4%</b>

# Monthly Financial Reports

June 2004

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Northern Kentucky Water District  
Balance Sheet  
As of June 30, 2004

2004

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,406,969
Accrued Interest Receivable	0
Accounts Receivable	
Customers	2,912,315
Unbilled Customers	4,200,000
Other	41,891
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,460,575
Prepaid Expenses	728,589
TOTAL CURRENT ASSETS	\$ 12,789,252
RESTRICTED ASSETS	
Bond Proceeds Fund	\$ 4,090,804
Debt Service Reserve Account	6,790,205
Debt Service Account	11,893,697
Improvement, Repair & Replacement	3,547,900
Boone/Florence Settlement Account	1,336,549
TOTAL RESTRICTED ASSETS	\$ 27,659,155
NONCURRENT ASSETS	
Miscellaneous Deferred Charges	\$ 10,674,883
Capital Assets:	
Land, System, Buildings and Equipment	\$ 236,373,010
Construction in Progress	10,601,990
Total Capital Assets before accumulated depreciation	\$ 246,975,000
Less Accumulated Depreciation	(47,006,766)
Total capital assets, net of accumulated depreciation	\$ 199,968,234
TOTAL NONCURRENT ASSETS	\$ 210,643,117
TOTAL ASSETS	\$ 251,091,524

Northern Kentucky Water District  
Balance Sheet  
As of June 30, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,676,502
Accrued Payroll & Liabilities	99,956
Other Accrued Liabilities	207,085
TOTAL CURRENT LIABILITIES	\$ 6,113,543
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 379,255
Accrued Interest Payable	2,317,788
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 2,697,043
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,875,000
Deferred Note Payable	100,000
TOTAL LONG-TERM DEBT	\$ 145,120,000
TOTAL LIABILITIES	\$ 153,930,586
RETAINED EARNINGS	\$ 97,160,938
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 251,091,524
Aremlinger	

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Six Months Ending June 30, 2004

Division	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$753,992	\$598,321	26.0%	\$3,818,611	\$3,589,925	6.4%	Discharge to sanitary and ORPS pump repairs paid in June.
ENGINEERING & DISTRIBUTION	742,764	520,375	42.7%	2,630,833	3,122,250	(15.7%)	Large main cleaning & lining bill paid in June.
CUSTOMER SERVICE	304,116	290,687	4.6%	1,647,231	1,744,125	(5.6%)	Two Convergys bills and Postage for new print/mail vendor paid in June.
ADMINISTRATION	252,673	245,842	2.8%	1,272,479	1,475,050	(13.7%)	Payment to AWWA Research Foundation in June.
<b>TOTAL O AND M</b>	<b>\$2,053,545</b>	<b>\$1,655,225</b>	<b>24.1%</b>	<b>\$9,369,154</b>	<b>\$9,931,350</b>	<b>(5.7%)</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Six Months Ending June 30, 2004**

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$0	\$5,339	(100.0%)	\$22,857	\$32,000	(28.6%)	
Ohio River Pump Station # 1	42,070	46,083	(8.7%)	264,245	276,500	(4.4%)	
Ohio River Pump Station # 2	15,293	7,417	106.2%	37,765	44,500	(15.1%)	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$57,363</b>	<b>\$58,833</b>	<b>(2.5%)</b>	<b>\$324,867</b>	<b>\$353,000</b>	<b>(8.0%)</b>	
<b>WATER QUALITY</b>							
Fl. Thomas Treatment Plant	\$188,101	\$158,550	18.6%	\$1,040,989	951,300	9.4%	Large chemical purchase and electrical maintenance project in June and high heating costs earlier in the year.
Taylor Mill Treatment Plant	58,600	51,096	14.7%	301,876	306,575	(1.5%)	Chemicals purchased in June.
Memorial Parkway Treatment Plant	68,564	65,517	4.7%	447,106	393,100	13.7%	Chemicals purchased in June and high heating costs earlier in the year.
Laboratory	44,296	57,004	(22.3%)	305,343	342,025	(10.7%)	
Instrumentation	21,715	20,504	5.9%	131,861	123,025	7.2%	
Sludge	103,812	14,167	632.8%	215,766	85,000	153.8%	Discharge to sanitary bill in June. Discharge to sanitary was also expensed in March of this year.
<b>TOTAL WATER QUALITY</b>	<b>\$485,087</b>	<b>\$366,838</b>	<b>32.2%</b>	<b>\$2,442,941</b>	<b>\$2,201,025</b>	<b>11.0%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$211,542</b>	<b>\$172,650</b>	<b>22.5%</b>	<b>\$1,050,803</b>	<b>\$1,035,900</b>	<b>1.4%</b>	Pump repairs and maintenance and traveling screen project expenses in June
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$753,992</b>	<b>\$598,321</b>	<b>26.0%</b>	<b>\$3,818,611</b>	<b>\$3,589,925</b>	<b>6.4%</b>	



Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Six Months Ending June 30, 2004

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$86,560	\$103,875	(16.7%)	\$579,926	\$628,250	(7.0%)	
Distribution	656,204	416,500	57.6%	<del>2,050,907</del>	2,499,000	(17.9%)	Large cleaning & lining bill in June.
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$742,764</b>	<b>\$520,375</b>	<b>42.7%</b>	<b>\$2,630,833</b>	<b>\$3,122,250</b>	<b>(15.7%)</b>	
<b>CUSTOMER SERVICE</b>							
Field Service	\$54,964	\$56,125	(2.1%)	\$332,264	\$336,750	(1.3%)	
Meter Shop	18,603	26,050	(28.6%)	133,364	156,300	(14.7%)	
Courier/Maintenance	3,964	4,625	(14.3%)	25,633	27,750	(7.6%)	
Account Service	145,377	119,183	22.0%	661,186	715,100	(7.5%)	Two Convergys bills in June and postage for the new print mail vendor paid in June.
Meter Reading:	21,268	26,725	(20.4%)	149,240	160,350	(6.9%)	
Flushing	24,001	24,329	(1.3%)	144,405	145,975	(1.1%)	
Other	35,939	33,650	6.8%	201,139	201,900	(0.4%)	Bad debt expense slightly higher in June.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$304,116</b>	<b>\$290,687</b>	<b>4.6%</b>	<b>\$1,647,231</b>	<b>\$1,744,125</b>	<b>(5.6%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Six Months Ending June 30, 2004

Department	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ADMINISTRATION</b>							
Executive Management	\$36,947	\$42,275	(12.6%)	\$259,771	\$ 253,650	2.4%	
Board of Commissioners	12,566	8,700	44.4%	57,124	52,200	9.4%	AWWA National Conference expense in June
Accounting	18,495	23,808	(22.3%)	136,784	142,850	(4.2%)	
H. R. , Information Systems, Safety	74,348	95,467	(22.1%)	448,387	572,800	(21.7%)	
Other	110,317	75,592	45.9%	370,413	453,550	(18.3%)	AWWA Research Foundation annual payment in June.
<b>TOTAL ADMINISTRATION</b>	<b>\$252,673</b>	<b>\$245,842</b>	<b>2.8%</b>	<b>\$1,272,479</b>	<b>\$1,475,050</b>	<b>(13.7%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$2,053,545</b>	<b>\$1,655,225</b>	<b>24.1%</b>	<b>\$9,369,154</b>	<b>\$9,931,350</b>	<b>(5.7%)</b>	

Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Six Months Ending June, 2004

Account	June Actual	June Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$535,865	\$603,192	(11.2%)	\$3,557,428	\$3,819,150	(1.7%)	
Employee Pension & Benefits	166,519	180,012	(7.5%)	998,598	1,080,075	(7.5%)	
Taxes Other than Income Taxes	39,115	46,142	(15.2%)	256,671	276,850	(7.3%)	
Purchased Power	165,317	153,542	7.7%	949,024	921,250	3.0%	Higher June due to increased pumping due to increased production.
Chemicals	89,640	51,250	74.9%	361,201	307,500	17.5%	Chemical purchases at FTTP. Costs should decrease in second half of the year due to good chemical bid prices.
Materials & Supplies	133,303	131,388	1.5%	678,781	788,325	(13.9%)	
Contractual Services	773,376	357,225	116.5%	1,796,979	2,143,350	(16.2%)	Large main cleaning & lining bill paid in June.
Rent	788	958	(17.7%)	4,725	5,750	(17.8%)	
Transportation	27,035	22,212	21.7%	135,327	133,275	1.5%	Higher gasoline prices in 2004.
Insurance	53,550	55,792	(4.0%)	321,290	334,750	(4.0%)	
Advertising	335	458	(26.9%)	4,214	2,750	53.2%	Advertising for meetings and bids in 2004.
Bad Debt Expense	29,056	27,500	5.7%	161,593	165,000	(2.1%)	Varies from month to month.
Miscellaneous	23,295	6,896	237.8%	45,215	41,375	9.3%	Payment to AWWA Research Foundation.
Regulatory Commission Assessment	16,351	18,658	(12.4%)	98,108	111,950	(12.4%)	
<b>Total O &amp; M Expenses</b>	<b>\$2,053,546</b>	<b>\$1,655,225</b>	<b>24.1%</b>	<b>\$9,369,154</b>	<b>\$9,931,350</b>	<b>(5.7%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$2,460,000	\$2,460,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$2,534,255	\$2,850,000	(11.1%)	

Northern Kentucky Water District  
Income Report Actual to Projected  
For the Six Months Ending June 30, 2004

Description	June Actual	June Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$3,184,103	\$2,750,000	15.8%	\$13,808,491	\$16,500,000	(16.3%)	Start of spring/summer billing. Gap between actual and projected should close in the next 4 months. 2004 Rate adjustment not in effect as of June.
Forfeited Discounts	47,308	39,167	20.8%	282,114	235,000	20.0%	
Rents from Water Property	48,132	29,125	65.3%	185,294	174,750	6.0%	
Other Water Revenues	1,885	39,583	(95.2%)	79,645	237,500	(66.5%)	
<b>Total Operating Revenues</b>	<b>\$3,281,428</b>	<b>\$2,857,875</b>	<b>14.8%</b>	<b>\$14,355,544</b>	<b>\$17,147,250</b>	<b>(16.3%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$95,896	\$83,333	15.1%	\$415,992	\$500,000	(16.8%)	Although lower than projected, income is \$2MM higher than 2003.
Miscellaneous	5,736	16,667	(65.6%)	109,526	100,000	9.5%	
<b>Total Non-Operating Income</b>	<b>\$101,632</b>	<b>\$100,000</b>	<b>1.6%</b>	<b>\$525,518</b>	<b>\$600,000</b>	<b>(12.4%)</b>	
<b>TOTAL INCOME</b>	<b>\$3,383,060</b>	<b>\$2,957,875</b>	<b>14.4%</b>	<b>\$14,881,062</b>	<b>\$17,747,250</b>	<b>(16.2%)</b>	

Northern Kentucky Water District							
Expense Report by Division Actual to Actual							
For the Six Months Ending June 30, 2004							
Division	June 2004	June 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$753,992	\$527,659	42.9%	\$3,818,611	\$3,512,300	8.7%	Increased heating cost, Chemical purchases, Repairs and Two Discharge to Sanitary payments ( 160,000).
ENGINEERING & DISTRIBUTION	742,764	383,522	93.7%	2,630,833	2,467,703	6.6%	Main cleaning & lining paid earlier in 2004. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	304,116	198,572	53.2%	1,647,231	1,309,443	25.8%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates.
ADMINISTRATION	252,673	203,429	24.2%	1,272,479	1,086,293	17.1%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND IM</b>	<b>\$2,053,545</b>	<b>\$1,313,182</b>	<b>56.4%</b>	<b>\$9,369,154</b>	<b>\$8,375,739</b>	<b>11.9%</b>	

Northern Kentucky Water District Expense Report by Account Actual to Actual For the Six Months Ending June, 2004							
Account	June 2004	June 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
<b>O &amp; M Expenses</b>							
Salaries & Wages	\$535,865	\$500,985	7.0%	\$3,557,428	\$3,313,342	7.4%	
Employee Pension & Benefits	166,519	137,072	21.5%	898,598	845,038	18.2%	Increase in health insurance.
Taxes Other than Income Taxes	39,115	37,240	5.0%	256,671	243,521	5.4%	Reflects salary increase.
Purchased Power	165,317	135,527	22.0%	949,024	965,701	(1.7%)	
Chemicals	89,640	17,883	401.3%	361,201	288,084	25.4%	
Materials & Supplies	133,303	77,287	72.5%	678,781	660,429	2.8%	
Contractual Services	773,376	283,814	172.5%	1,796,979	1,448,305	24.1%	Main cleaning & lining bills hit earlier in 2004 than in 2003.
Rent	788	798	(1.3%)	4,725	6,921	(91.7%)	
Transportation	27,035	17,482	54.6%	135,327	114,563	18.1%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	321,290	286,668	12.1%	Reflects expected increase.
Advertising	395	0	100.0%	4,214	4,226	(0.3%)	
Bad Debt Expense	29,056	23,911	21.5%	161,593	116,818	38.3%	Increase due to write off of bad debt based on higher water rates.
Miscellaneous	23,285	29,499	(21.0%)	45,215	58,662	(22.9%)	
Regulatory Commission Assessment	16,351	3,906	318.6%	98,108	23,431	318.7%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$2,053,545</b>	<b>\$1,313,182</b>	<b>56.4%</b>	<b>\$9,369,154</b>	<b>\$8,375,739</b>	<b>11.9%</b>	

Northern Kentucky Water District  
Income Report Actual to Actual  
For the Six Months Ending June 30, 2004

Description	June 2004	June 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 3,184,103	\$ 2,173,251	46.5%	\$ 13,808,491	\$ 11,184,719	23.5%	Reflects increase in water rates.
Forfeited Discounts	47,308	29,201	62.0%	282,114	184,465	52.9%	
Rents from Water Property	48,132	47,800	0.7%	185,294	183,011	1.2%	
Other Water Revenues	1,885	19,200	(90.2%)	79,645	126,282	(36.9%)	
<b>Total Operating Revenues</b>	<b>\$3,281,428</b>	<b>\$2,269,452</b>	<b>44.6%</b>	<b>\$14,355,544</b>	<b>\$11,678,477</b>	<b>22.9%</b>	
Non-Operating Income (Expense)							
Interest Income	\$95,896	\$94,100	1.9%	\$415,992	\$423,135	(1.7%)	
Extraordinary Income	0	0	0.0%	0	\$685,842	(100.0%)	Boone & Florence penalty.
Miscellaneous	5,736	37,646	(84.8%)	109,526	191,865	(42.9%)	
<b>Total Non-Operating Income</b>	<b>\$101,632</b>	<b>\$131,746</b>	<b>(22.9%)</b>	<b>\$525,518</b>	<b>\$1,300,842</b>	<b>(59.6%)</b>	
<b>TOTAL INCOME</b>	<b>\$3,383,060</b>	<b>\$2,401,198</b>	<b>40.9%</b>	<b>\$14,881,062</b>	<b>\$12,979,319</b>	<b>14.7%</b>	Two Million Dollars higher than last year.

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# Monthly Financial Reports

July 2004

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Northern Kentucky Water District  
Balance Sheet  
As of July 31, 2004

2004

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,161,813
Accrued Interest Receivable	0
Accounts Receivable	
Customers	2,613,519
Unbilled Customers	4,200,000
Other	39,421
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,227,553
Prepaid Expenses	678,756
TOTAL CURRENT ASSETS	\$ 11,959,975
RESTRICTED ASSETS	
Bond Proceeds Fund	\$ 6,492,826
Debt Service Reserve Account	11,941,754
Debt Service Account	3,551,600
Improvement, Repair & Replacement	1,548,822
Boone/Florence Settlement Account	4,090,804
TOTAL RESTRICTED ASSETS	\$ 27,625,806
NONCURRENT ASSETS	
Miscellaneous Deferred Charges	\$ 10,630,884
Capital Assets:	
Land, System, Buildings and Equipment	\$ 240,212,493
Construction in Progress	7,530,442
Total Capital Assets before accumulated depreciation	\$ 247,742,935
Less Accumulated Depreciation	47,433,526
Total capital assets, net of accumulated depreciation	\$ 295,176,461
TOTAL NONCURRENT ASSETS	\$ 210,940,293
TOTAL ASSETS	\$ 250,526,074

Northern Kentucky Water District  
Balance Sheet  
As of July 31, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,840,480
Accrued Payroll & Liabilities	151,116
Other Accrued Liabilities	58,149
	6,179,745
TOTAL CURRENT LIABILITIES	
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 351,627
Accrued Interest Payable	2,792,788
	3,144,415
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,875,000
Deferred Note Payable	100,000
	145,120,000
TOTAL LONG-TERM DEBT	
TOTAL LIABILITIES	
	\$ 154,444,160
RETAINED EARNINGS	
	\$ 96,081,914
TOTAL LIABILITIES AND RETAINED EARNINGS	
	\$ 250,526,074
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Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Seven Months Ending July 31, 2004

Division	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
SOURCE OF SUPPLY WATER TREATMENT, PUMPING & STORAGE	\$719,501	\$598,321	20.3%	\$4,538,113	\$4,188,246	8.4%	Five pay periods in July, painting of TMTP, FTTP chemical purchase and summer electric costs in July. Large discharge to sanitary expenses YTD.
ENGINEERING & DISTRIBUTION	861,376	520,375	65.5%	3,492,210	3,642,625	(4.1%)	Large cleaning & lining bill in July. 90% Paid to date.
CUSTOMER SERVICE	346,289	290,687	19.1%	1,993,519	2,034,813	(2.0%)	Unusually large write off due to business bankruptcy.
ADMINISTRATION	201,983	245,842	(17.8%)	1,474,461	1,720,891	(14.3%)	
TOTAL O AND M	\$2,129,149	\$1,655,225	28.6%	\$11,498,303	\$11,586,575	(0.8%)	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Seven Months Ending July 31, 2004**

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>SOURCE OF SUPPLY</b>							
Licking River Pump Station	\$5,484	\$5,333	2.8%	\$28,341	\$37,333	(24.1%)	
Ohio River Pump Station # 1	49,168	46,083	6.7%	313,414	322,583	(2.8%)	
Ohio River Pump Station # 2	133	7,417	(98.2%)	37,897	51,917	(27.0%)	Higher electric bill in July due to increased pumping.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$54,785</b>	<b>\$58,833</b>	<b>(6.9%)</b>	<b>\$379,652</b>	<b>\$411,833</b>	<b>(7.8%)</b>	
<b>WATER QUALITY</b>							
Ft. Thomas Treatment Plant	\$190,877	\$158,550	20.4%	\$1,231,866	1,109,850	11.0%	Large chemical purchase, five payperiods in July and high heating costs earlier in the year.
Taylor Mill Treatment Plant	99,421	51,096	94.6%	401,297	357,671	12.2%	Painting of plant and five payperiods in July.
Memorial Parkway Treatment Plant	81,394	65,517	24.2%	528,499	458,617	15.2%	Five pay periods in July.
Laboratory	63,608	57,004	11.6%	368,951	399,029	(7.5%)	
Instrumentation	21,259	20,504	3.7%	153,121	143,529	6.7%	
Sludge	7,401	14,167	(47.8%)	223,167	99,167	125.0%	Discharge to sanitary bill in June. Discharge to sanitary was also expensed in March of this year.
<b>TOTAL WATER QUALITY</b>	<b>\$463,960</b>	<b>\$366,838</b>	<b>26.5%</b>	<b>\$2,906,901</b>	<b>\$2,567,863</b>	<b>13.2%</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$200,756</b>	<b>\$172,650</b>	<b>16.3%</b>	<b>\$1,251,560</b>	<b>\$ 1,208,550</b>	<b>3.6%</b>	Higher electric costs in summer months.
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$719,501</b>	<b>\$598,321</b>	<b>20.3%</b>	<b>\$4,538,113</b>	<b>\$4,188,246</b>	<b>8.4%</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Seven Months Ending July 31, 2004

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>							
Engineering	\$116,297	\$103,875	12.0%	\$696,224	\$ 727,125	(4.2%)	Five pay periods in July.
Distribution	745,079	416,500	78.9%	2,795,986	2,915,500	(4.1%)	Cleaning & Lining bill in July.
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$861,376</b>	<b>\$520,375</b>	<b>65.5%</b>	<b>\$3,492,210</b>	<b>\$3,642,625</b>	<b>(4.1%)</b>	
<b>CUSTOMER SERVICE</b>							
Field Service	\$59,752	\$56,125	6.5%	\$392,016	\$ 392,875	(0.2%)	
Meter Shop	22,424	26,050	(13.9%)	155,787	182,350	(14.6%)	
Courier/Maintenance	4,667	4,625	0.9%	30,300	32,375	(6.4%)	
Account Service	109,088	119,183	(8.5%)	770,274	834,284	(7.7%)	
Meter Reading	24,432	26,725	(8.6%)	173,672	187,075	(7.2%)	
Flushing	28,299	24,329	16.3%	172,704	170,304	1.4%	Five pay periods in July.
Other	97,627	33,650	190.1%	298,766	235,550	26.8%	Unusually large bad debt of bankrupt business written off in July.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$346,289</b>	<b>\$290,687</b>	<b>19.1%</b>	<b>\$1,993,519</b>	<b>\$2,034,813</b>	<b>(2.0%)</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Seven Months Ending July 31, 2004

Department	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
ADMINISTRATION							
Executive Management	\$47,170	\$42,275	11.6%	\$306,940	\$ 295,925	3.7%	
Board of Commissioners	10,965	8,700	26.0%	68,089	60,900	11.8%	
Accounting	21,600	23,808	(9.3%)	158,384	166,658	(5.0%)	
H. R. Information Systems, Safety	83,865	95,467	(12.2%)	532,252	668,266	(20.4%)	
Other	38,383	75,592	(49.2%)	408,796	529,142	(22.7%)	
<b>TOTAL ADMINISTRATION</b>	<b>\$201,983</b>	<b>\$245,842</b>	<b>(17.8%)</b>	<b>\$1,474,461</b>	<b>\$1,720,891</b>	<b>(14.3%)</b>	
<b>TOTAL O &amp; M</b>	<b>\$2,129,149</b>	<b>\$1,655,225</b>	<b>28.6%</b>	<b>\$11,498,303</b>	<b>\$11,586,575</b>	<b>(0.8%)</b>	

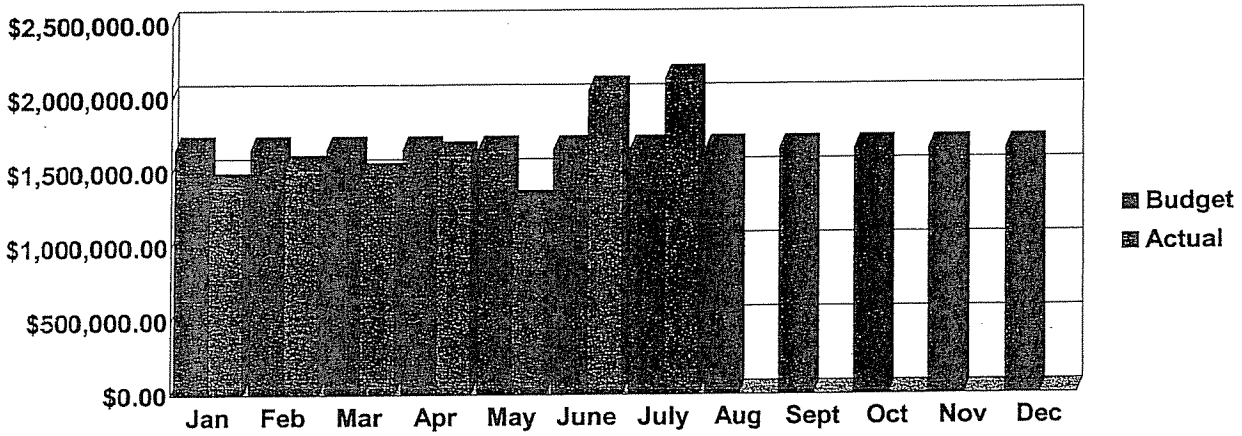
Five pay periods in July.



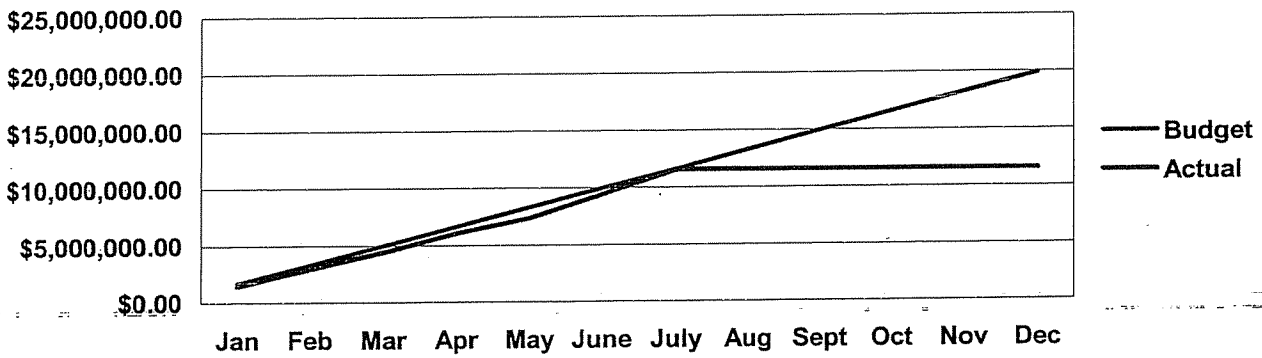
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Seven Months Ending July, 2004

Account	July Actual	July Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$667,253	\$603,192	10.6%	\$4,224,680	\$4,222,341	0.1%	Five pay periods in July.
Employee Pension & Benefits	181,760	180,012	1.0%	1,180,359	1,260,087	(6.3%)	
Taxes Other than Income/Taxes	47,464	46,142	2.9%	304,134	322,992	(5.8%)	Five pay periods in July.
Purchased Power	164,609	153,542	7.2%	1,113,633	1,074,792	3.6%	Higher in July due to increased pumping due to increased production.
Chemicals	88,539	51,250	72.8%	449,740	358,750	25.4%	Chemical purchases at FTTP. Costs should decrease in second half of the year due to good chemical bid prices.
Materials & Supplies	207,373	131,388	57.8%	886,155	919,713	(3.6%)	June & July requisitions from stock entered in July.
Contractual Services	582,250	357,225	63.0%	2,379,229	2,500,575	(4.9%)	Large main cleaning & lining bill paid in July. 90 % of project paid through July.
Rent	788	958	(17.7%)	5,512	6,708	(17.8%)	
Transportation	23,409	22,212	5.4%	158,736	155,488	2.1%	Higher gasoline prices in 2004.
Insurance	53,550	55,792	(4.0%)	374,840	390,542	(4.0%)	
Advertising	239	458	(47.8%)	4,453	3,208	38.8%	
Bad Debt Expense	89,118	27,500	224.1%	250,712	192,500	30.2%	Unusually large write off due to business bankruptcy.
Miscellaneous	6,648	6,896	(3.6%)	51,862	48,271	7.4%	
Regulatory Commission Assessment	16,149	18,658	(13.4%)	114,258	130,608	(12.5%)	
<b>Total O &amp; M Expenses</b>	<b>\$2,129,149</b>	<b>\$1,655,225</b>	<b>28.6%</b>	<b>\$11,498,303</b>	<b>\$11,586,575</b>	<b>(0.8%)</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$2,870,000	\$2,870,000	0.0%	
Interest Expense	\$475,000	\$475,000	0.0%	\$3,009,255	\$3,325,000	(9.5%)	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



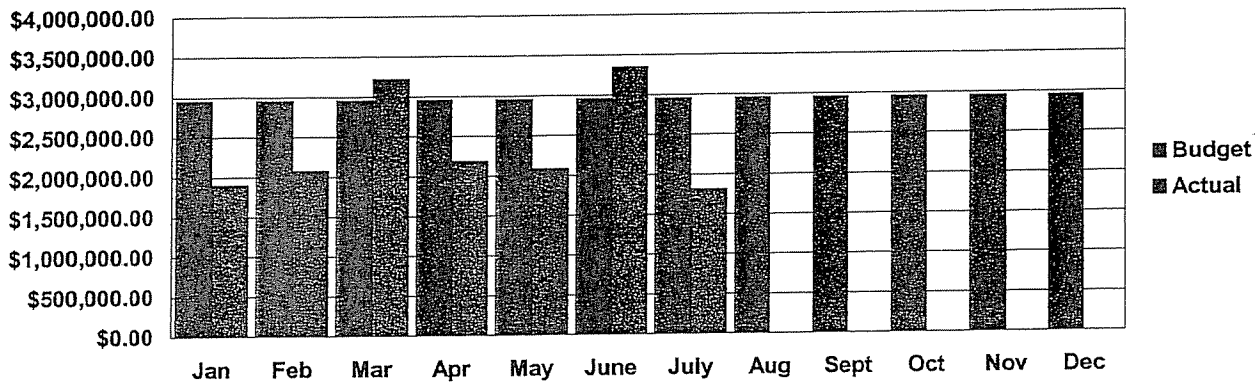
### NKWD O&M YTD Trending 2004 - Budget To Actual



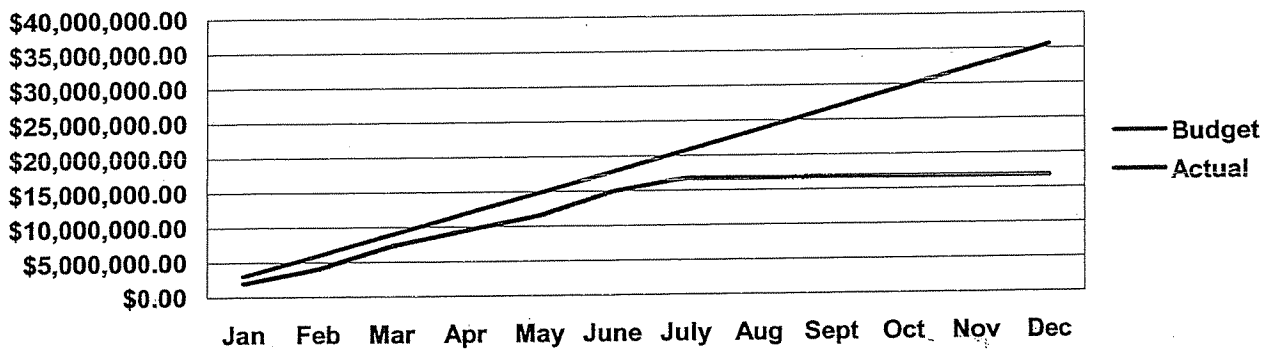
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Seven Months Ending July 31, 2004

Description	July Actual	July Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 1,669,749	\$ 2,750,000	(39.3%)	\$ 15,478,241	\$ 19,250,000	(19.6%)	New billing system started up in July. Some delays in routes not billed until August. Should catch up in August.
Forfeited Discounts:	51,927	39,167	32.6%	334,041	274,167	21.8%	
Rents from Water Property	20,349	29,125	(30.1%)	205,643	203,875	0.9%	
Other Water Revenues	5,280	39,583	(86.7%)	84,925	277,083	(69.4%)	
<b>Total Operating Revenues</b>	<b>\$1,747,305</b>	<b>\$2,857,875</b>	<b>(38.9%)</b>	<b>\$16,102,850</b>	<b>\$20,005,125</b>	<b>(19.5%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$62,763	\$83,333	(24.7%)	\$478,756	\$583,333	(17.9%)	Reflects delays in new rates and new billing system.
Miscellaneous	7,963	16,667	(52.2%)	117,489	116,667	0.7%	
<b>Total Non-Operating Income</b>	<b>\$70,726</b>	<b>\$100,000</b>	<b>(29.3%)</b>	<b>\$596,245</b>	<b>\$700,000</b>	<b>(14.8%)</b>	
<b>TOTAL INCOME</b>	<b>\$1,818,031</b>	<b>\$2,957,875</b>	<b>(38.5%)</b>	<b>\$16,699,095</b>	<b>\$20,705,125</b>	<b>(19.3%)</b>	

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Seven Months Ending July 31, 2004

Division	July 2004	July 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$719,501	\$606,884	18.6%	\$4,538,113	\$4,119,184	10.2%	Five pay periods in July, painting of TMTP in July 2004. Increased heating cost, Chemical purchases, Repairs and Two Discharge to Sanitary payments ( 160,000).
ENGINEERING & DISTRIBUTION	861,376	546,400	57.6%	3,492,210	3,014,103	15.9%	Main cleaning & lining paid earlier in 2004. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	346,289	240,819	43.8%	1,993,519	1,550,261	28.6%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates and bankruptcy of large business.
ADMINISTRATION	201,983	202,567	(0.3%)	1,474,461	1,288,861	14.4%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND M</b>	<b>\$2,129,149</b>	<b>\$1,596,670</b>	<b>33.3%</b>	<b>\$11,498,303</b>	<b>\$9,972,409</b>	<b>15.3%</b>	

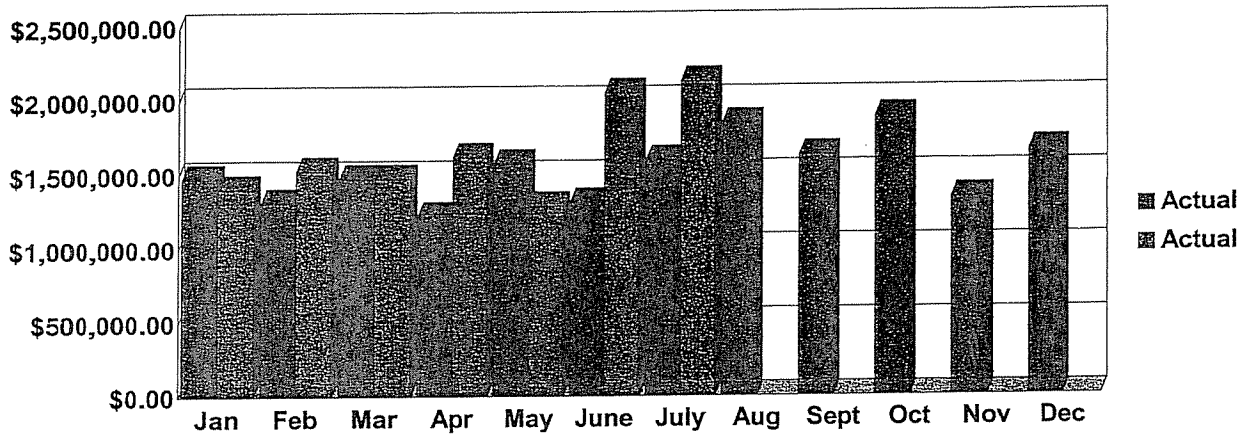
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Seven Months Ending July, 2004

Account	July 2004	July 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$667,253	\$523,794	27.4%	\$4,224,680	\$3,837,136	10.1%	5 pay periods in July of 2004 and 4 pay periods in July of 2003.
Employee Pension & Benefits	181,760	151,135	20.3%	1,180,359	996,173	18.5%	Increase in health insurance.
Taxes Other than Income Taxes	47,464	37,237	27.5%	304,134	280,757	8.3%	5 pay periods in July of 2004 and 4 pay periods in July of 2003.
Purchased Power	164,609	155,236	6.0%	1,113,633	1,120,938	(0.7%)	
Chemicals	88,539	95,862	(7.8%)	449,740	383,956	17.1%	
Materials & Supplies	207,373	176,292	17.6%	886,155	836,721	5.9%	
Contractual Services	582,250	332,734	75.0%	2,379,229	1,781,039	33.6%	More cleaning & lining bills paid through July 2004 then paid through July 2003.
Rent	788	788	0.0%	5,512	7,708	(28.5%)	
Transportation	23,409	20,146	16.2%	158,736	134,709	17.8%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	374,640	334,446	12.1%	Reflects expected increase.
Advertising	239	0	100.0%	4,453	4,226	5.4%	
Bad Debt Expense	89,118	36,355	145.1%	250,712	153,173	63.7%	Increase due to write off of bad debt based on higher water rates.
Miscellaneous	6,648	3,692	80.1%	51,862	62,374	(16.9%)	Also, large write off due to bankruptcy.
Regulatory Commission Assessment	16,149	15,621	3.4%	114,258	39,053	192.6%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$2,129,149</b>	<b>\$1,596,670</b>	<b>33.3%</b>	<b>\$11,498,303</b>	<b>\$9,972,409</b>	<b>15.3%</b>	

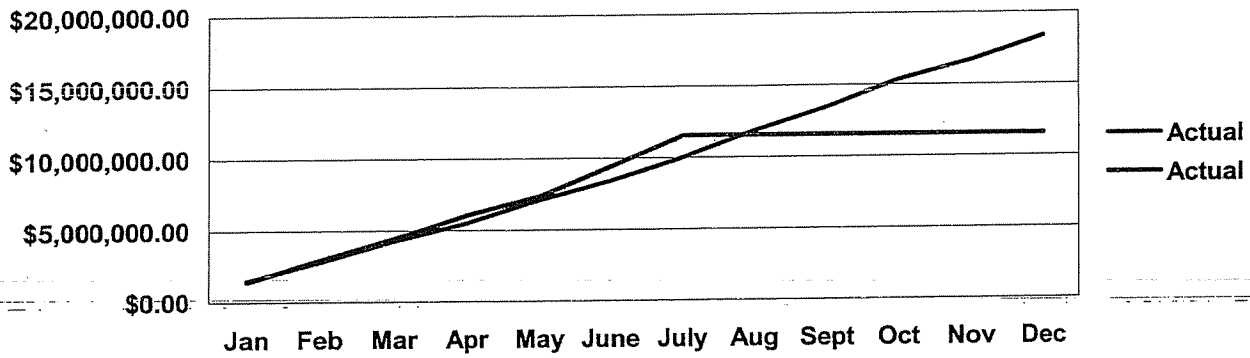
Northern Kentucky Water District  
Income Report Actual to Actual  
For the Seven Months Ending July 31, 2004

Description	July 2004	July 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 1,669,749	\$ 1,913,549	(12.7%)	\$ 15,478,241	\$ 13,098,268	18.2%	Reflects increase in water rates. Lower in 2004 due to new billing conversion not billing all the routes.
Forfeited Discounts	51,927	36,388	42.7%	334,041	220,854	51.2%	
Rents from Water Property	20,349	34,277	(40.6%)	205,643	217,288	(5.4%)	
Other Water Revenues	5,280	20,205	(73.9%)	84,925	146,487	(42.0%)	
<b>Total Operating Revenues</b>	<b>\$1,747,305</b>	<b>\$2,004,419</b>	<b>(12.8%)</b>	<b>\$16,102,850</b>	<b>\$13,682,897</b>	<b>17.7%</b>	
Non-Operating Income (Expense)							
Interest Income	\$62,763	\$59,830	4.9%	\$478,756	\$482,965	(0.9%)	Boone & Florence penalty.
Extraordinary Income	0	0	0.0%	0	\$685,842	(100.0%)	
Miscellaneous	7,963	17,363	(54.1%)	117,489	209,228	(43.8%)	
<b>Total Non-Operating Income</b>	<b>\$70,726</b>	<b>\$77,193</b>	<b>(8.4%)</b>	<b>\$596,245</b>	<b>\$1,378,035</b>	<b>(56.7%)</b>	
<b>TOTAL INCOME</b>	<b>\$1,818,031</b>	<b>\$2,081,612</b>	<b>(12.7%)</b>	<b>\$16,699,095</b>	<b>\$15,060,932</b>	<b>10.9%</b>	1.7 Million Dollars higher then last year.

### NKWD O&M Monthly Comparison 2004 - Actual to Actual

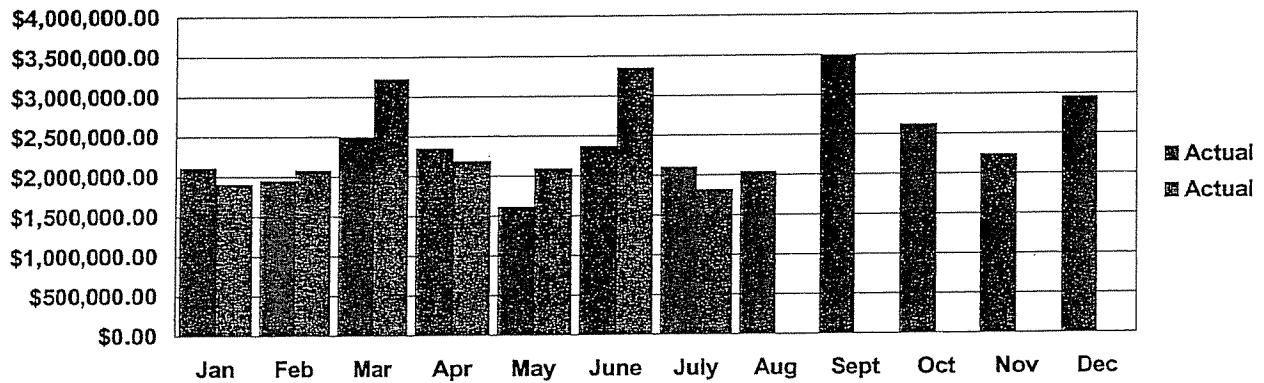


### NKWD O&M YTD Trending 2004 - Actual to Actual

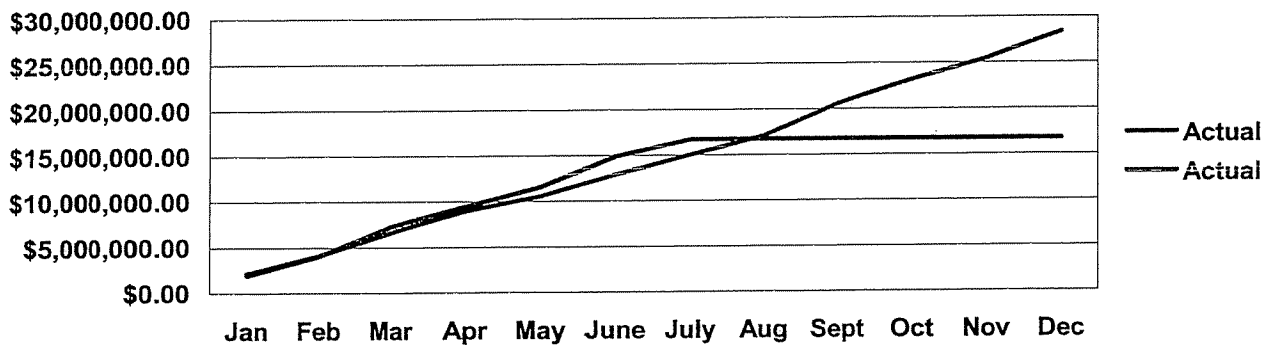




**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Northern Kentucky Water District						
Operational Capital Budget for 2004						
Projected Available for Capital Expenditures:						
	Budget	Transferred	Date			
Cash Balance 1/1/2004 - Operating Capital	\$2,167,636.35	\$500,000.00	02/24/2004			
From Operations	\$5,540,095.00	\$500,000.00	04/27/2004			
From Leftover Purchase of Gear Property	\$2,000.00	\$250,000.00	05/21/2004			
Grant for Sub-Dist d	\$175,410.00	\$500,000.00	07/26/2004			
<b>Total Cash Available</b>	<b>\$7,885,141.35</b>					
Executive Adm	\$132,500.00					
IT, Safety, Security	\$1,375,271.95					
Customer Service	\$838,300.00					
Distribution - Mains	\$2,627,737.35					
Distribution - Other	\$227,800.00					
Engineering	\$9,000.00					
Water Q & P	\$129,000.00					
Laboratory	\$15,000.00	1,750,000.00				
Plant and Pump Station Maintenance	\$315,000.00					
<b>Total Request</b>	<b>\$5,669,609.30</b>					
<b>Net Coverage/Lost</b>	<b>\$2,215,532.05</b>					
Actual YTD Cost						
Funds Remaining						
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004 - Latonia 24" Steel - Phase I	184-103	433,650.00	\$788.05		\$788.05	808
Bond 2004 - Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$300,056.66	\$148,608.87	\$448,665.53	730
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$2,566.25	\$38,217.30	\$40,783.55	803
BAN 2004 - Pelly Rd from Ky 17 to Senouir Road	184-135	\$371,000.00	\$4,823.68		\$4,823.68	810
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$3,537.08		\$3,537.08	816
Bond 2004 - Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,842.04	\$7,063.54	801
Bond 2004 - Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$8,952.11	\$2,104.75	\$11,056.86	802
Bond 2004 - Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00	\$1,268.30	\$45,017.87	\$46,286.17	744
Bond 2004 - Jefferson/Euclid/Highland (RC 2003)	184-157	\$535,865.80	\$301,746.92	\$163,183.38	\$464,930.30	722
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,500.00		\$5,500.00	807
BAN 2004 - Latonia 24" Steel - Phase II	184-164	\$302,250.00	\$3,215.00		\$3,215.00	809
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$14,648.45		\$14,648.45	811
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$4,620.00		\$4,620.00	813
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00			\$0.00	818
7/26/2004 - New Richmond Road	184-175	\$420,000.00			\$0.00	817
Bond 2005 - Central Facility	184-0305	\$9,500,000.00	\$89,255.40		\$89,255.40	815
Bond 2004 - UIM/CIS System	184-310	\$2,900,000.00	\$1,051,286.31	\$223,707.86	\$1,274,994.17	800
- Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
- Ultra Violet TMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004 - US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$11,629.02		\$11,629.02	805
Bond 2004 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
BAN 2005 - MPPT Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$28,990.00		\$28,990.00	812
<b>TOTAL</b>		<b>\$28,998,595.80</b>	<b>\$1,834,304.73</b>	<b>\$1,057,926.19</b>	<b>\$2,892,230.92</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Administrative Dept.					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Caping Unit		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	Department Sub-Total		\$132,500.00	\$4,323.00	\$128,177.00	
	Information Systems, Safety, Security					
	INFO SYSTEMS					
	2003					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$37,346.46	\$62,653.54	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
	- Windows Conversion & labor cost		\$15,000.00		\$15,000.00	34
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$2,500.00	\$735.40	\$1,764.60	36
2004	Replace (4) UPS's for Servers		\$5,000.00		\$5,000.00	38
2004	Cust. Serv. Monitor System & Software		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	LaserFiche United Server		\$19,000.00	\$2,949.54	\$16,050.46	42
2004	File Servers for MPTP & TMTP		\$50,000.00		\$50,000.00	44
2004	Inventory Bar Coding System					
	Sub-Total		\$290,220.24	\$56,266.48	\$233,953.76	
	SECURITY					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00		\$150,000.00	
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank,ORPSZ,FTTP 2)		\$200,000.00	\$38,725.85	\$161,274.15	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$35,555.39	\$164,444.61	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	Sub-Total		\$1,085,051.71	\$245,669.18	\$839,382.53	
	SAFETY					
	2004					60
						62
	Sub-Total		\$0.00	\$0.00	\$0.00	
	Department Sub-total		\$1,375,271.95	\$301,935.66	\$1,073,336.29	
	CUSTOMER SERVICE					
	Billing					
	2004					
2004	Miscellaneous Office Furniture				\$1,000.00	70
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	72
2004	- 2 Counter Chairs		\$2,300.00		\$2,300.00	74
2004	- Check Endorser		\$5,000.00	\$4,329.00	\$671.00	76
2004	Out Bound Calling System					
	Sub-Total		\$9,300.00	\$0.00	\$4,971.00	
	CS - Field Services & Flushing					
	2004					
2004	Radio Read Meter Feasability Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	Meter Shop					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$347,658.71	\$52,341.29	104
2004	Largel Water Meters >2"		\$6,000.00		\$6,000.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$6,082.60	\$8,917.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$539,725.52	\$289,274.48	
	<b>Department Sub-Total</b>		\$838,300.00	\$539,725.52	\$294,245.48	
	<b>DISTRIBUTION</b>					
	Mainlines					
	Mainline Improvement					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$3,217.13	\$46,782.87	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$3,217.13	\$675,841.87	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$11,426.44	\$23,573.56	146
	<b>Sub-Total</b>		\$178,162.75	\$21,979.84	\$156,182.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$161,700.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$254,700.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>		\$1,240,000.00		\$1,240,000.00	150
2004	- Engineering Services.		\$60,000.00		\$60,000.00	151
6/28/2004	- Thomas Street, Covington	184-0158			\$0.00	
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00	\$5,184.46	\$94,815.54	150A
1/27/2004	- Barbara Circle - Ft. Wirght	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
6/28/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$283.15	\$15,532.45	150C
2004	Craig		\$0.00	\$0.00	\$0.00	152
2004	42nd		\$0.00	\$0.00	\$0.00	154
2004	Russell		\$0.00	\$0.00	\$0.00	156
2004	E 18th		\$0.00	\$0.00	\$0.00	158
2004	Shinkle Alley		\$0.00	\$0.00	\$0.00	160
	<b>Sub-Total</b>		\$1,515,815.60	\$9,967.61	\$1,505,847.99	
	<b>Sub-Total Mainlines</b>		\$2,627,737.35	\$77,742.95	\$2,549,994.40	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00		\$2,000.00	170
2/26/2004	Quick Saw		\$1,200.00		\$1,200.00	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00		\$2,500.00	176
2004	Allied Hoe Ram		\$12,000.00	\$0.00	\$12,000.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$0.00	\$1,000.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$0.00	\$134,500.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$0.00	\$25,000.00	200
	<b>Sub-Total</b>		\$227,800.00	\$32,947.98	\$194,852.02	
	<b>ENGINEERING</b>					
	2004					
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Sub-Total		\$9,000.00	\$0.00	\$9,000.00	
	Department Sub-Total		\$2,864,537.35	\$110,690.93	\$2,753,846.42	
	Water Quality & Production Operations 2004					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$0.00	\$3,000.00	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM, Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters (S New, Barr, Ida, & Harr)		\$9,000.00	\$0.00	\$9,000.00	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$0.00	\$10,000.00	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$0.00	\$10,000.00	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$0.00	\$4,000.00	260
2004	- Ripple Creek PS		\$4,000.00	\$0.00	\$4,000.00	262
2004	- Bromley PS		\$4,000.00	\$0.00	\$4,000.00	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$9,971.91	\$5,028.09	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$0.00	\$9,000.00	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$0.00	\$4,500.00	286
2004	- Titrator		\$1,650.00	\$0.00	\$1,650.00	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
	Sub-Total		\$129,000.00	\$14,435.79	\$114,564.21	
	LABORATORY 2004					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	Sub-Total		\$15,000.00	\$7,193.99	\$7,806.01	
	MAINTENANCE 2004					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$13,965.00	\$6,035.00	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$0.00	\$10,000.00	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$8,895.42	\$6,104.58	326
2004	Valve pits					
	- TMTD Diversion Valve - Eliminated need for VFD		\$90,000.00	\$0.00	\$90,000.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$80,000.00	\$2,415.00	\$77,585.00	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$0.00	\$10,000.00	342
2004	Electrical Repair at FTTP					
	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$50,000.00	\$0.00	\$50,000.00	350
2004	Ventilation system improvements					
	- TMTD Pump Ventilation system - None at present		\$10,000.00	\$0.00	\$10,000.00	360
	- Bromley Ventilation System - None at present		\$10,000.00	\$464.22	\$9,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
	- To separate office space from work area with fumes.		\$12,500.00	\$0.00	\$12,500.00	370
	Sub-Total		\$315,000.00	\$36,994.64	\$278,005.36	
	Department Sub-Total		\$459,000.00	\$58,624.42	\$400,375.58	
	TOTAL of Departments		\$5,669,609.30	\$1,045,299.53	\$4,624,309.77	

Summary Water Produced/Purchased v. Sold

	2002		2003		2004		2003		2004				
	July	August	September	October	November	December	January	February	March	April	May	June	July
<b>Produced</b>	12,050,105	12,359,206	12,950,522	13,064,961	13,187,862	13,376,428	13,539,161	13,440,284	13,485,600	13,419,124	13,407,079	13,332,022	13,108,738
<b>Pruchased</b>	620,409	547,969	500,819	462,970	400,290	335,780	272,430	272,430	215,951	153,961	92,841	29,830	
<b>TOTAL</b>	12,670,514	12,907,175	13,451,341	13,527,931	13,588,152	13,712,208	13,811,591	13,712,714	13,701,551	13,573,085	13,499,920	13,361,852	13,108,738
<b>Sold</b>	10,829,449	11,139,222	11,418,365	11,631,689	11,844,224	12,100,563	11,828,576	11,811,012	11,796,222	11,637,156	11,499,468	11,274,402	10,994,014
<b>Loss</b>	1,841,065	1,767,953	2,032,976	1,896,242	1,743,928	1,611,645	1,983,015	1,901,702	1,905,329	1,935,929	2,000,452	2,087,451	2,114,725
<b>% of Water Loss</b>	14.5%	13.7%	15.1%	14.0%	12.8%	11.8%	14.4%	13.9%	13.9%	14.3%	14.8%	15.6%	16.1%
<b>% of Water Sold</b>	85.5%	86.3%	84.9%	86.0%	87.2%	88.2%	85.6%	86.1%	86.1%	85.7%	85.2%	84.4%	83.9%
<b>Produced</b>	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212
<b>Pruchased</b>													
<b>TOTAL</b>	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212
<b>Sold</b>	10,994,014	10,468,599	10,101,119	9,489,978	9,170,760	8,897,251	8,694,730	8,457,893	8,355,916	8,355,132	8,397,047	8,490,619	
<b>Loss</b>	2,114,725	1,905,785	1,570,300	1,639,131	1,622,300	1,695,548	1,628,419	1,690,522	1,739,114	1,708,539	1,671,242	1,635,625	10,135,212
<b>% of Water Loss</b>	16.1%	15.4%	13.5%	14.7%	15.0%	16.0%	15.8%	16.7%	17.2%	17.0%	16.6%	16.2%	100.0%
<b>% of Water Sold</b>	83.9%	84.6%	86.5%	85.3%	85.0%	84.0%	84.2%	83.3%	82.8%	83.0%	83.4%	83.8%	0.0%

# Monthly Financial Reports

August 2004

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Northern Kentucky Water District  
Balance Sheet  
As of August 31, 2004

2004

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 3,327,875
Accrued Interest Receivable	0
Accounts Receivable	
Customers	3,505,801
Unbilled Customers	4,200,000
Other	31,324
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,220,596
Prepaid Expenses	725,117
TOTAL CURRENT ASSETS	\$ 13,049,626
RESTRICTED ASSETS	
Bond Proceeds Fund	\$ 4,837,247
Debt Service Reserve Account	12,186,293
Debt Service Account	562,836
Improvement, Repair & Replacement	1,001,694
Boone/Florence Settlement Account	4,092,291
TOTAL RESTRICTED ASSETS	\$ 22,680,361
NONCURRENT ASSETS	
Miscellaneous Deferred Charges	\$ 10,541,587
Capital Assets:	
Land, System, Buildings and Equipment	\$ 240,389,181
Construction in Progress	9,460,010
Total Capital Assets before accumulated depreciation	\$ 249,849,191
Less Accumulated Depreciation	(47,860,286)
Total capital assets, net of accumulated depreciation	\$ 201,988,905
TOTAL NONCURRENT ASSETS	\$ 212,530,492
TOTAL ASSETS	\$ 248,260,479

**Northern Kentucky Water District  
Balance Sheet  
As of August 31, 2004**

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,389,501
Accrued Payroll & Liabilities	107,492
Other Accrued Liabilities	135,000
	5,761,993
TOTAL CURRENT LIABILITIES	
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 156,658
Accrued Interest Payable	278,294
	434,952
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,875,000
Deferred Note Payable	100,000
	145,120,000
TOTAL LONG-TERM DEBT	
TOTAL LIABILITIES	
	\$ 151,316,945
RETAINED EARNINGS	
	\$ 96,943,534
TOTAL LIABILITIES AND RETAINED EARNINGS	
	\$ 248,260,479
Aremlinger	

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Eight Months Ending August 31, 2004

Division	August Actual	August Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
PRICE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$636,695	\$598,321	6.4%	\$5,174,808	\$4,786,566	8.1%	7,179,850	Chemicals high because of record turbidities due to floods. Electric should be on budget by end of the year. Discharge to sanitary rates increased in the middle of the year.
ENGINEERING & DISTRIBUTION	360,488	520,375	(30.7%)	3,852,698	4,163,000	(7.5%)	6,244,500	
CUSTOMER SERVICE	254,585	290,687	(12.4%)	2,248,104	2,325,500	(3.3%)	3,488,250	
ADMINISTRATION	237,842	245,842	(3.3%)	1,712,303	1,966,734	(12.9%)	2,950,100	
TOTAL	\$1,489,610	\$1,655,225	(10.0%)	\$12,987,913	\$13,241,800	(1.9%)	19,862,700	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eight Months Ending August 31, 2004

Department	August Actual	August Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
SOURCE OF SUPPLY								
King River Pump Station	\$6,058	\$5,333	13.6%	\$34,400	\$42,666	(19.4%)	\$64,000	
Old River Pump Station # 1	50,975	46,083	10.6%	364,389	368,666	(1.2%)	553,000	
Old River Pump Station # 2	13,099	7,417	76.6%	50,996	59,333	(14.1%)	89,000	
TOTAL SOURCE OF SUPPLY	\$70,132	\$58,833	19.2%	\$449,785	\$470,665	(4.4%)	\$706,000	Electricity costs higher in August due to higher demand.
WATER QUALITY								
Thomas Treatment Plant	\$185,057	\$158,550	16.7%	\$1,416,923	1,268,400	11.7%	\$1,902,600	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Wyer Mill Treatment Plant	41,086	51,096	(19.6%)	442,383	408,766	8.2%	613,150	YTD over due to painting at plant last month. It was budgeted for the year. This item will come in under budget by end of year.
Memorial Parkway Treatment Plant	75,194	65,517	14.8%	603,694	524,133	15.2%	786,200	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Laboratory	42,160	57,004	(26.0%)	411,111	456,033	(9.9%)	684,050	
Instrumentation	22,903	20,504	11.7%	176,024	164,033	7.3%	246,050	YTD over due to higher gasoline costs and contract services.
Budget	11,955	14,167	(15.6%)	235,122	113,333	107.5%	170,000	YTD over due to large discharge to sanitary bills. Sanitation increased rate in the middle of the year.
TOTAL WATER QUALITY	\$378,355	\$366,838	3.1%	\$3,285,257	\$2,934,698	11.9%	\$4,402,050	
TOTAL PUMPING & STORAGE	\$188,202	\$172,650	9.0%	\$1,439,762	\$ 1,381,199	4.2%	\$ 2,071,800	Increased electric demand in August.
TOTAL SPS, WQ, P & S	\$636,695	\$588,321	6.4%	\$5,174,808	\$4,786,566	8.1%	\$7,179,850	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eight Months Ending August 31, 2004

Department	August Actual	August Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
ENGINEERING & DISTRIBUTION								
Engineering	\$73,789	\$103,875	(29.0%)	\$768,137	\$ 831,000	(7.6%)	\$1,246,500	
Distribution	286,699	416,500	(31.2%)	3,084,561	3,332,000	(7.4%)	4,998,000	
TOTAL ENGINEERING & DISTRIBUTION	\$360,488	\$520,375	(30.7%)	\$3,852,698	\$4,163,000	(7.5%)	\$ 6,244,500	
CUSTOMER SERVICE								
Water Service	\$48,509	\$56,125	(13.6%)	\$440,525	\$ 449,000	(1.9%)	\$ 673,500	
Water Shop	18,739	26,050	(28.1%)	174,527	208,400	(16.3%)	312,600	
Water/Maintenance	4,089	4,625	(11.6%)	34,388	37,000	(7.1%)	55,500	
Water Service	91,643	119,183	(23.1%)	861,917	953,467	(9.6%)	1,430,200	
Water Reading	23,429	26,725	(12.3%)	197,101	213,800	(7.8%)	320,700	
Water Billing	22,395	24,329	(7.9%)	195,099	194,633	0.2%	291,950	
Water	45,781	33,650	36.1%	344,547	269,200	28.0%	403,800	Large bad debt write off in July due to bankruptcy. Larger water bills being written off due to rate increases.
TOTAL CUSTOMER SERVICE	\$254,585	\$290,687	(12.4%)	\$2,248,104	\$2,325,500	(3.3%)	\$ 3,488,250	

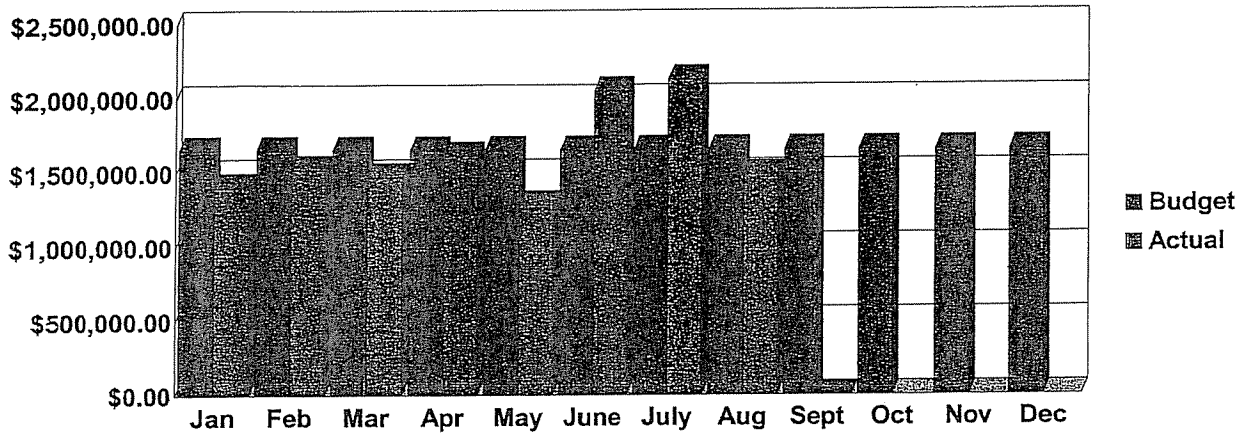
Northern Kentucky Water District  
 Expense Report by Department Actual to Budget  
 For the Eight Months Ending August 31, 2004

Department	August Actual	August Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
ADMINISTRATION								
Administrative Management	\$41,359	\$42,275	(2.2%)	\$348,299	\$ 338,200	3.0%	\$ 507,300	
Board of Commissioners	8,773	8,700	0.8%	76,862	69,600	10.4%	104,400	YTD over due to commissioners taking health insurance that were not included in budget.
Accounting	18,922	23,808	(20.5%)	177,306	190,467	(6.9%)	285,700	
R., Information Systems, Safety	83,637	95,467	(12.4%)	615,889	763,733	(19.4%)	1,145,600	
Other	85,151	75,592	12.6%	493,947	604,734	(18.3%)	907,100	
TOTAL ADMINISTRATION	\$237,842	\$245,842	(3.3%)	\$1,712,303	\$1,966,734	(12.9%)	\$ 2,950,100	
TOTAL O & M	\$1,489,610	\$1,655,225	(10.0%)	\$12,987,913	\$13,241,800	(1.9%)	\$19,862,700	

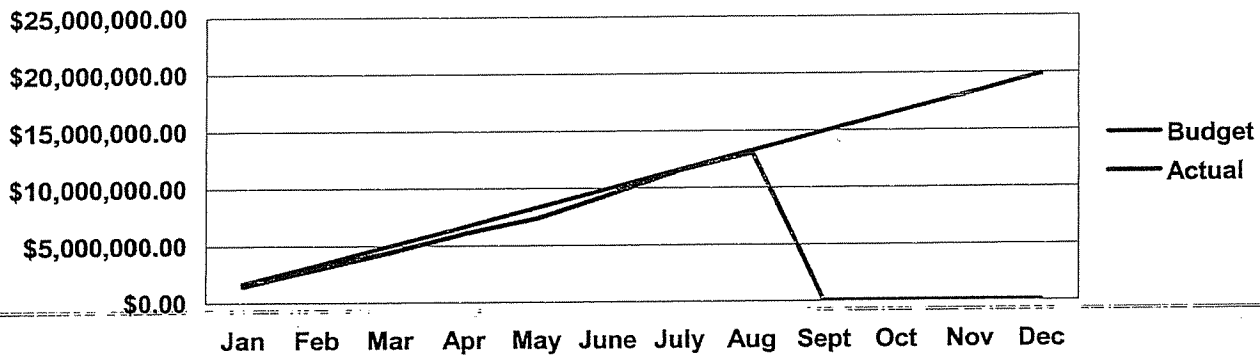
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Eight Months Ending August, 2004

Account	August Actual	August Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget	Explanation
M Expenses								
Salaries & Wages	\$537,011	\$603,192	(11.0%)	\$4,761,691	\$4,825,533	(1.3%)	\$7,238,300	
Employee Pension & Benefits	178,423	180,012	(0.9%)	1,358,781	1,440,100	(5.6%)	2,160,150	
Taxes Other than Income Taxes	38,088	46,142	(17.5%)	342,223	369,133	(7.3%)	553,700	
Depreciated Power	170,715	153,542	11.2%	1,284,348	1,228,333	4.6%	1,842,500	Over due to increased demand in summer months - should level out by year end.
Chemicals	94,167	51,250	83.7%	543,907	410,000	32.7%	615,000	Over due to high turbidity levels throughout the year and record levels during the floods. It is expected to be over budget in this category.
Materials & Supplies	98,216	131,388	(25.2%)	984,370	1,051,100	(6.3%)	1,576,650	
Contractual Services	211,840	357,225	(40.7%)	2,591,069	2,857,800	(9.3%)	4,286,700	
Utilities	811	958	(15.3%)	6,323	7,667	(17.5%)	11,500	
Transportation	24,020	22,212	8.1%	182,757	177,700	2.8%	266,550	Over due to higher gasoline prices.
Insurance	56,595	55,792	1.4%	431,435	446,333	(3.3%)	669,500	
Advertising	1,205	458	163.1%	5,658	3,667	54.3%	5,500	Over due to more advertising than expected. Includes bidding professional services, employment opportunities, commission meeting dates.
Debt Expense	37,995	27,500	38.2%	288,706	220,000	31.2%	330,000	Over due to large write off of bankruptcy and larger water bills due to rate increase.
Other Miscellaneous	24,375	6,896	253.5%	76,238	55,167	38.2%	82,750	Over due to additional payment to AWWA research foundation for a special research project # 3085 on drinking water.
Regulatory Commission Assessment	16,149	18,658	(13.4%)	130,407	149,267	(12.6%)	223,900	
Total O & M Expenses	\$1,489,610	\$1,655,225	(10.0%)	\$12,987,913	\$13,241,800	(1.9%)	\$19,862,700	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$2,870,000	\$2,870,000	0.0%	\$4,920,000	
Interest Expense	\$475,000	\$475,000	0.0%	\$3,009,255	\$3,325,000	(9.5%)	\$5,700,000	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



### NKWD O&M YTD Trending 2004 - Budget To Actual

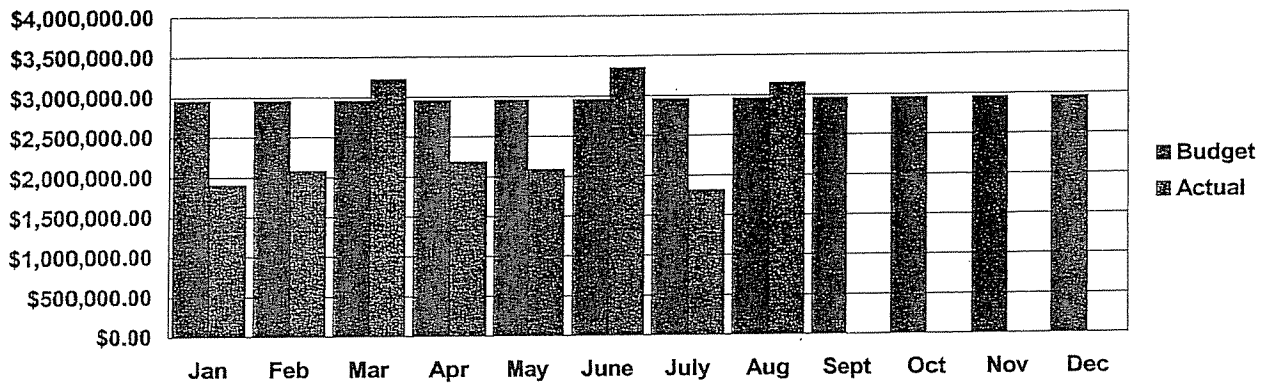




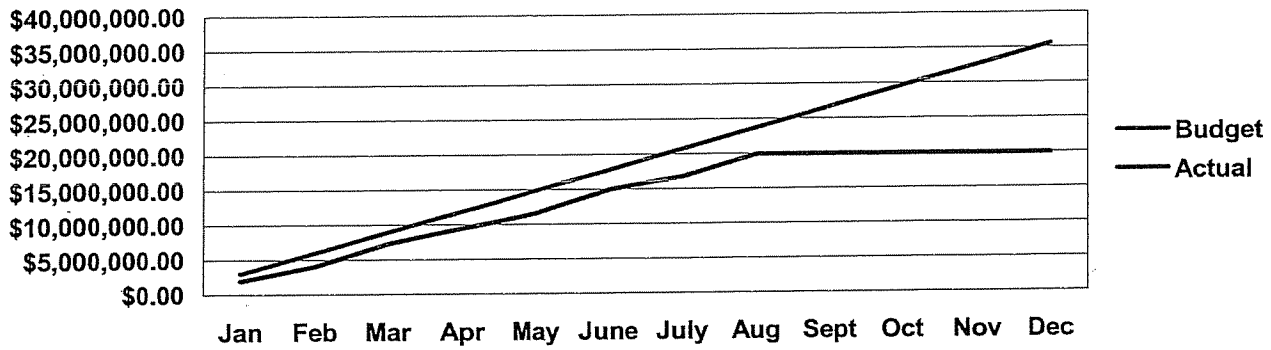
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Eight Months Ending August 31, 2004

description	August Actual	August Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,794,526	\$ 2,750,000	1.6%	\$ 18,272,766	\$ 22,000,000	(16.9%)	August billing reflects new rates and higher demand in summer months.
forfeited Discounts	35,990	39,167	(8.1%)	370,031	313,333	18.1%	
rents from Water Property	67,530	29,125	131.9%	273,173	233,000	17.2%	
Other Water Revenues	1,300	39,583	(96.7%)	86,225	316,667	(72.8%)	Turn on fees, meter tests and check return charges are included in this category. Part of this projected income should have been in forfeited discounts and rents from water property instead of other water revenues.
<b>total Operating Revenues</b>	<b>\$2,899,346</b>	<b>\$2,857,875</b>	<b>1.5%</b>	<b>\$19,002,195</b>	<b>\$22,863,000</b>	<b>(16.9%)</b>	
Non-Operating Income (Expense)	\$257,743	\$83,333	209.3%	\$738,404	\$666,667	10.8%	Increase due to adjusting debt reserve investments to actual market prices as of 8/31/04.
Interest Income	1,858	16,667	(88.9%)	118,781	133,333	(10.9%)	
Miscellaneous							
<b>total Non-Operating Income</b>	<b>\$259,601</b>	<b>\$100,000</b>	<b>159.6%</b>	<b>\$857,185</b>	<b>\$800,000</b>	<b>7.1%</b>	
<b>TOTAL INCOME</b>	<b>\$3,158,947</b>	<b>\$2,957,875</b>	<b>6.8%</b>	<b>\$19,859,380</b>	<b>\$23,663,000</b>	<b>(16.1%)</b>	

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Eight Months Ending August 31, 2004

Division	August 2004	August 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$636,695	\$704,400	(9.6%)	\$5,174,808	\$4,823,584	7.3%	Increased heating cost, Chemical purchases, Repairs and Two Discharge to Sanitary payments ( 160,000). Painting at plant in 2004 that was not in 2003.
ENGINEERING & DISTRIBUTION	360,488	672,463	(46.4%)	3,852,698	3,686,566	4.5%	Main cleaning & lining paid earlier in 2004. Also, meter shop moved to customer service in 2004.
CUSTOMER SERVICE	254,585	213,723	19.1%	2,248,104	1,763,984	27.4%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates and bankruptcy of large business.
ADMINISTRATION	237,842	253,538	(6.2%)	1,712,303	1,542,399	11.0%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND M</b>	<b>\$1,489,610</b>	<b>\$1,844,124</b>	<b>(19.2%)</b>	<b>\$12,987,913</b>	<b>\$11,816,533</b>	<b>9.9%</b>	

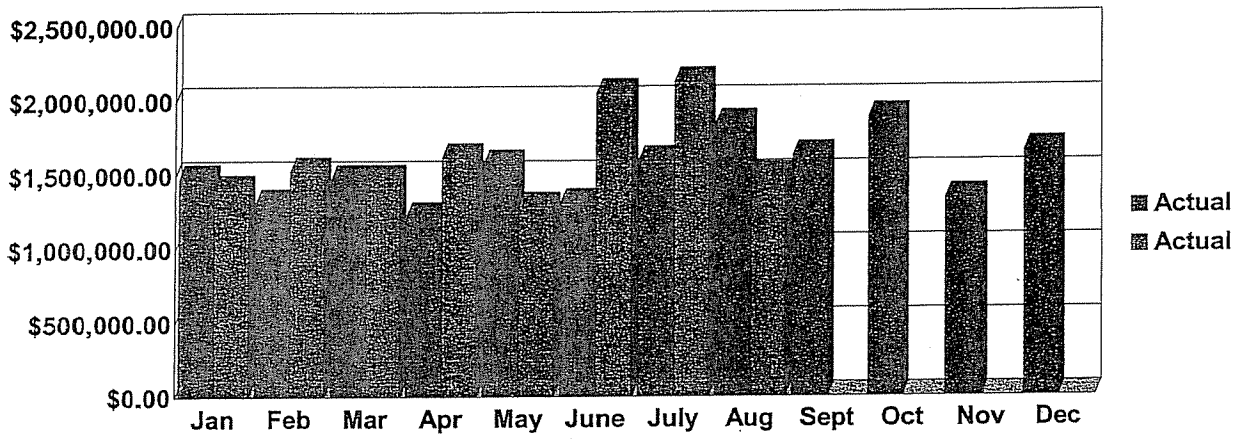
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Eight Months Ending August 31, 2004

Account	August 2004	August 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$537,011	\$656,250	(119,239)	\$4,761,691	\$4,493,386	268,305	5 pay periods in August of 2003 and 4 pay periods in August of 2004.
Employee Pension & Benefits	178,423	163,624	14,799	1,358,781	1,159,798	198,983	Increase in health insurance.
Taxes Other than Income Taxes	38,088	46,757	(8,669)	342,223	327,514	14,709	5 pay periods in August of 2003 and 4 pay periods in August of 2004.
Purchased Power	170,715	145,437	25,278	1,284,348	1,266,375	17,973	
Chemicals	94,167	73,785	20,382	543,907	457,741	86,166	
Materials & Supplies	98,216	92,402	5,814	984,370	929,123	55,247	Record high turbidity levels this summer due to flooding from large amounts of rain caused by the hurricanes in the south.
Contractual Services	211,840	554,293	(342,453)	2,591,069	2,335,331	255,738	More cleaning & lining bills paid through August 2004 then paid through August 2003.
Rent	811	0	811	6,323	7,708	(1,385)	
Transportation	24,020	21,681	2,339	182,757	156,390	26,367	Increase in gasoline prices.
Insurance	56,595	47,778	8,817	431,435	382,224	49,211	Reflects expected increase.
Advertising	1,205	0	1,205	5,658	4,226	1,432	
Bad Debt Expense	37,995	23,137	14,858	288,706	176,310	112,396	Increase due to write off of bad debt based on higher water rates. Also, large write off due to bankruptcy.
Miscellaneous	24,375	3,359	21,016	76,238	65,733	10,505	
Regulatory Commission Assessment	16,149	15,621	528	130,407	54,674	75,733	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,489,610</b>	<b>\$1,844,124</b>	<b>(354,514)</b>	<b>\$12,987,913</b>	<b>\$11,816,533</b>	<b>1,171,380</b>	
			<b>(19.2%)</b>			<b>9.9%</b>	

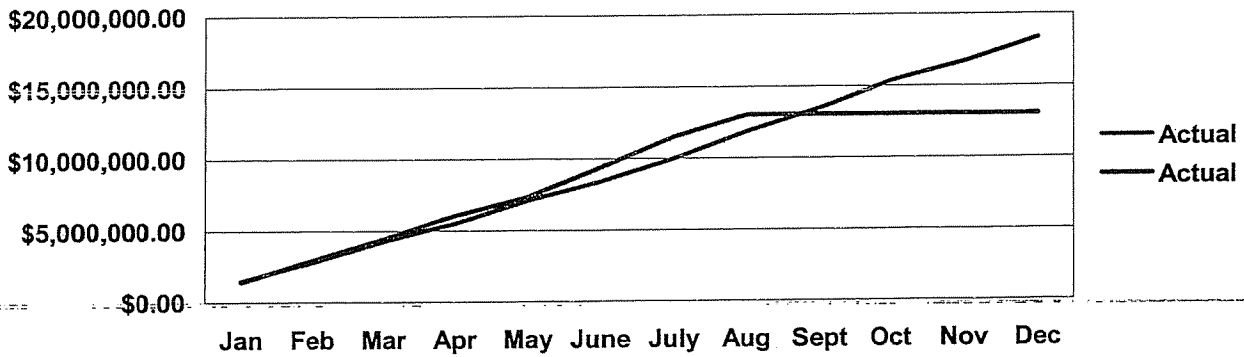
**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Eight Months Ending August 31, 2004**

Description	August 2004	August 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 2,794,526	\$ 1,894,537	47.5%	\$ 18,272,766	\$ 14,992,805	21.9%	
Forfeited Discounts	35,990	35,565	1.2%	370,031	256,418	44.3%	
Rents from Water Property	67,530	29,571	128.4%	273,173	246,859	10.7%	
Other Water Revenues	1,300	20,360	(93.6%)	86,225	166,847	(48.3%)	Fewer turn on fees in 2004 then in 2003.
<b>Total Operating Revenues</b>	<b>\$2,899,346</b>	<b>\$1,980,033</b>	<b>46.4%</b>	<b>\$19,002,195</b>	<b>\$15,662,929</b>	<b>21.3%</b>	
Non-Operating Income (Expense)							
Interest Income	\$257,743	\$57,227	350.4%	\$738,404	\$540,193	36.7%	
Extraordinary Income		0	0.0%		\$685,842	(100.0%)	
Miscellaneous	1,858	1,608	15.5%	118,781	210,836	(43.7%)	Boone Florence termination penalty. (one time)
<b>Total Non-Operating Income</b>	<b>\$259,601</b>	<b>\$58,835</b>	<b>341.2%</b>	<b>\$857,185</b>	<b>\$1,436,871</b>	<b>(40.3%)</b>	
<b>TOTAL INCOME</b>	<b>\$3,158,947</b>	<b>\$2,038,868</b>	<b>54.9%</b>	<b>\$19,859,380</b>	<b>\$17,099,800</b>	<b>16.1%</b>	

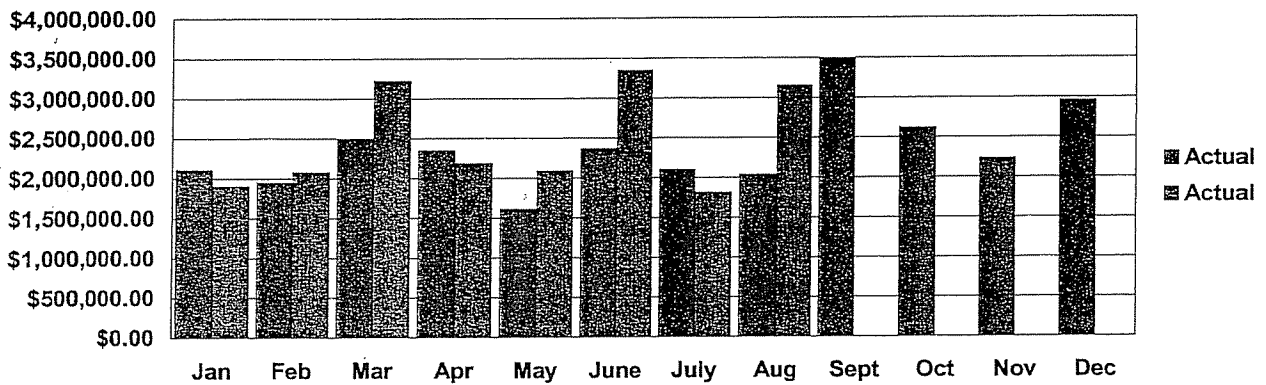
### NKWD O&M Monthly Comparison 2004 - Actual to Actual



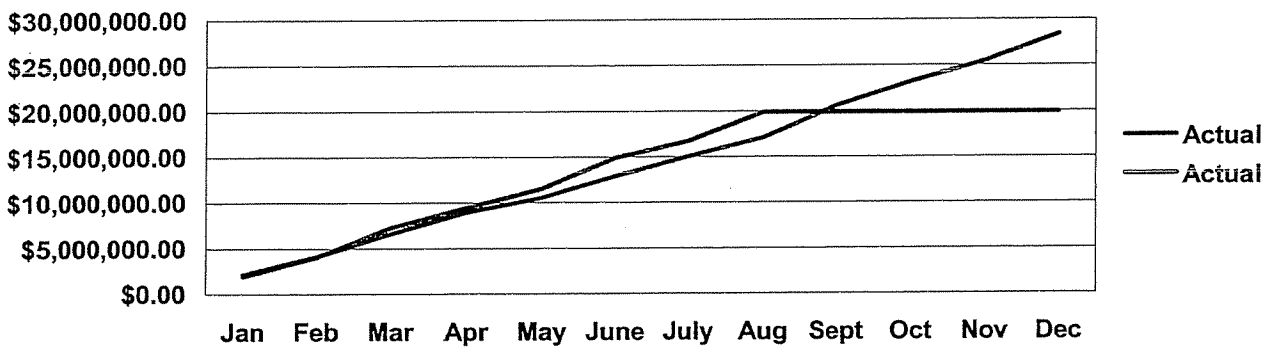
### NKWD O&M YTD Trending 2004 - Actual to Actual



**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Northern Kentucky Water District							
Operational Capital Budget for 2004							
Projected Available for Capital Expenditures:							
	Budget	Transferred	Date				
Cash Balance 1/1/2004 - Operating Capital	\$2,167,636.35	\$500,000.00	02/24/2004				
From Operations	\$5,540,095.00	\$500,000.00	04/27/2004				
From Leftover Purchase of Gear Property	\$2,000.00	\$250,000.00	05/21/2004				
Grant for Sub-Dist d	\$175,410.00	\$500,000.00	07/26/2004				
Sub-Distd RF - 3rd Payment 184-122	\$101,063.00						
<b>Total Cash Available</b>	<b>\$7,986,204.35</b>						
Executive Adm	\$132,500.00						
IT, Safety, Security	\$1,375,271.95						
Customer Service	\$838,300.00						
Distribution - Mains	\$2,508,311.75						
Distribution - Other	\$227,800.00						
Engineering	\$9,000.00						
Water Q & P	\$129,000.00						
Laboratory	\$15,000.00	1,750,000.00					
Plant and Pump Station Maintenance	\$227,000.00						
<b>Total Request</b>	<b>\$5,462,183.70</b>						
<b>Net Coverage/Lost</b>	<b>\$2,524,020.65</b>						
Actual YTD Cost							
Funds Remaining							
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #	
Bond 2004 - Latonia 24" Steel - Phase I	184-103	433,650.00	\$325,555.36		\$325,555.36	808	
Bond 2004 - Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$300,056.66	\$148,608.87	\$448,665.53	730	
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$2,566.25	\$38,217.30	\$40,783.55	803	
BAN 2004 - Pelly Rd from Ky 17 to Senour Road	184-135	\$371,000.00	\$99,569.48		\$99,569.48	810	
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$3,537.08		\$3,537.08	816	
Bond 2004 - Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,421.50	\$5,642.04	\$7,063.54	801	
Bond 2004 - Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$9,255.86	\$2,104.75	\$11,360.61	802	
Bond 2004 - Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00	\$3,040.21	\$45,017.87	\$48,058.08	744	
Bond 2004 - Jefferson/Euclid/Highland (RC 2003)	184-157	\$535,865.80	\$301,746.92	\$163,183.38	\$464,930.30	722	
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,644.19		\$5,644.19	807	
BAN 2004 - Latonia 24" Steel - Phase II	184-164	\$302,250.00	\$3,215.00		\$3,215.00	809	
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$17,634.64		\$17,634.64	811	
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$4,620.00		\$4,620.00	813	
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00	\$11,129.00		\$11,129.00	818	
7/26/2004 - New Richmond Road	184-175	\$420,000.00			\$0.00	817	
Bond 2005 - Central Facility	184-0305	\$8,500,000.00	\$111,580.40		\$111,580.40	815	
Bond 2004 - UIM/CIS System	184-310	\$2,900,000.00	\$1,142,302.32	\$223,707.86	\$1,366,010.18	800	
- Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438	
- Ultra Violet. TMTP	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707	
Bond 2004 - US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$26,346.02		\$26,346.02	805	
Bond 2004 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806	
BAN 2005 - MPTP Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$28,990.00		\$28,990.00	812	
<b>TOTAL</b>		<b>\$28,998,595.80</b>	<b>\$2,398,210.89</b>	<b>\$1,057,926.19</b>	<b>\$3,456,137.08</b>		



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Administrative Dept.					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Caping Unit		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	Department Sub-Total		\$132,500.00	\$4,323.00	\$128,177.00	
	Information Systems, Safety, Security					
	INFO SYSTEMS					
	2003					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$49,835.95	\$50,164.05	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00	\$9,265.74	\$9,734.26	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	Sub-Total		\$290,220.24	\$75,072.17	\$215,148.07	
	SECURITY					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00		\$150,000.00	48
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank, ORPSZ, FTTP 2)		\$200,000.00	\$83,523.50	\$116,476.50	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$51,485.18	\$148,514.82	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	Sub-Total		\$1,085,051.71	\$306,396.62	\$778,655.09	
	SAFETY					
	2004					
						60
						62
	Sub-Total		\$0.00	\$0.00	\$0.00	
	Department Sub-total		\$1,375,271.95	\$381,468.79	\$993,803.16	
	CUSTOMER SERVICE					
	-Billing					
	2004					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	Sub-Total		\$9,300.00	\$0.00	\$4,971.00	
	CS - Field Services & Flushing					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	Meter Shop					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$347,658.71	\$52,341.29	104
2004	Large Water Meters >2"		\$6,000.00		\$6,000.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$6,082.60	\$8,917.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$539,725.52	\$289,274.48	
	<b>Department Sub-Total</b>		\$838,300.00	\$539,725.52	\$294,245.48	
	<b>DISTRIBUTION</b>					
	<b>Mainlines</b>					
	<b>Mainline Improvement</b>					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$4,392.47	\$45,607.53	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50" Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$4,392.47	\$674,666.53	
	<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	\$15,000.00	\$10,653.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$11,426.44	\$23,573.56	146
	<b>Sub-Total</b>		\$178,162.75	\$21,979.84	\$156,182.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$58,090.00	\$0.00	\$58,090.00	03-106C
	<b>Sub-Total</b>		\$151,090.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2004	- Engineering Services.		\$541,684.40		\$541,684.40	150
2004	- Thomas Street, Covington	184-0158	\$60,000.00		\$60,000.00	151
6/28/2004	- Lorup Ave. Waterline Replacement - Ft. Wright	184-165	\$100,000.00	\$5,184.46	\$94,815.54	150A
1/27/2004	- Barbara Circle - Ft. Wright	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
8/31/2004	- Ross Ave - WM - Ft. Thomas	184-170	\$45,000.00	\$3,540.50	\$41,459.50	150E
8/31/2004	- Taylor & Eden - WM - Bellevue	184-171	\$50,000.00		\$50,000.00	150F
6/28/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$14,339.75	\$1,475.85	150C
8/16/2004	- Arcadia Ave	184-0118	\$10,000.00	\$7,645.40	\$2,354.60	150D
10/1/2004	- Waterworks Road Water Main Replacement	184-151	\$176,000.00		\$176,000.00	
10/10/2004	- Dudley Construction (Eaton Asphalt 18" Replacement	184-173	\$46,500.00	\$0.00	\$46,500.00	150E
10/10/2004	- Wilder Industrial Park (50% Participation)	184-	\$45,000.00	\$0.00	\$45,000.00	150F
10/10/2004	- Orphanage Road 16" Erosion Problem Stabilization	184.00	\$250,000.00	\$0.00	\$250,000.00	150G
10/10/2004	- Brookwood Circle (City Interconnection Project)	184.00	\$30,000.00	\$0.00	\$30,000.00	150I
10/10/2004	- Industrial Road Widening	184.00	\$30,000.00	\$0.00	\$30,000.00	150H
	<b>Sub-Total</b>		\$1,500,000.00	\$35,210.11	\$1,464,789.89	
	<b>Sub-Total Mainlines</b>		\$2,508,311.75	\$104,160.79	\$2,507,760.96	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00	\$2,000.00	\$0.00	170
2/26/2004	Quick Saw		\$1,200.00	\$823.99	\$376.01	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00	\$2,951.39	-\$451.39	176
2004	Allied Hoe Ram		\$12,000.00	\$7,850.00	\$4,150.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$1,080.00	-\$80.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$122,345.00	\$12,155.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$0.00	\$25,000.00	200
	<b>Sub-Total</b>		\$227,800.00	\$169,998.36	\$57,801.64	
	<b>ENGINEERING</b>					
	<b>2004</b>					
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	
	<b>Department Sub-Total</b>		\$2,745,111.75	\$274,159.15	\$2,574,562.60	
	<b>Water Quality &amp; Production Operations 2004</b>					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$0.00	\$3,000.00	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$2,411.99	\$6,588.01	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$0.00	\$10,000.00	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$8,004.71	\$1,995.29	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$0.00	\$4,000.00	260
2004	- Ripple Creek PS		\$4,000.00	\$0.00	\$4,000.00	262
2004	- Bromley PS		\$4,000.00	\$0.00	\$4,000.00	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$10,750.38	\$4,249.62	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$2,421.62	\$6,578.38	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$2,237.00	\$2,263.00	286
2004	- Titrator		\$1,650.00	\$561.92	\$1,088.08	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
	<b>Sub-Total</b>		\$129,000.00	\$30,851.50	\$98,148.50	
	<b>LABORATORY 2004</b>					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	<b>Sub-Total</b>		\$15,000.00	\$7,193.99	\$7,806.01	
	<b>MAINTENANCE 2004</b>					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$16,106.93	\$3,893.07	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$818.19	\$9,181.81	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$10,923.83	\$4,076.17	326
2004	Valve pits					
8/25/2004	- TMTP Diversion Valve - Eliminated need for VFD		\$0.00	\$0.00	\$0.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$105,000.00	\$3,511.10	\$101,488.90	340
	- Bromley - replacement and structural support issue -		\$10,000.00	\$0.00	\$10,000.00	342
2004	Electrical Repair at FTTP					
8/25/2004	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$0.00	\$0.00	\$0.00	350
2004	Ventilation system improvements					
8/25/2004	- TMTP Pump Ventilation system - None at present		\$45,000.00	\$0.00	\$45,000.00	360
8/25/2004	- Bromley Ventilation System - None at present		\$2,000.00	\$464.22	\$1,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
8/25/2004	- To sperate office space from work area with fumes.		\$0.00	\$0.00	\$0.00	370
	<b>Sub-Total</b>		\$227,000.00	\$43,079.27	\$183,920.73	
	<b>Department Sub-Total</b>		\$371,000.00	\$81,124.76	\$289,875.24	
	<b>TOTAL of Departments</b>		\$5,462,183.70	\$1,280,801.22	\$4,280,663.48	

NKWD Summary	Water Produced/Purchased v. Sold												2004													
	2002		2002		2002		2002		2003		2003		2003		2003		2004									
	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	January	February	March	April	May	June	July	August	
<b>Produced</b>	12,359,206	12,950,522	13,064,961	13,187,862	13,376,428	13,539,161	13,440,284	13,485,600	13,419,124	13,407,079	13,332,022	13,108,738	12,374,384													
<b>Purchased</b>	547,969	500,819	462,970	400,290	335,780	272,430	272,430	215,951	153,961	92,841																
<b>TOTAL</b>	12,907,175	13,451,341	13,527,931	13,588,152	13,712,208	13,811,591	13,712,714	13,701,551	13,573,085	13,499,920	13,361,852	13,108,738	12,374,384													
<b>Sold</b>	11,139,222	11,418,365	11,631,689	11,844,224	12,100,563	11,828,576	11,811,012	11,796,222	11,637,156	11,499,488	11,274,402	10,994,014	10,468,599													
<b>Loss</b>	1,767,953	2,032,976	1,896,242	1,743,928	1,611,645	1,983,015	1,901,702	1,905,329	1,935,929	2,000,452	2,087,451	2,114,725	1,905,785													
<b>% of Water Loss</b>	13.7%	15.1%	14.0%	12.8%	11.8%	14.4%	13.9%	13.9%	14.3%	14.8%	15.6%	16.1%	15.4%													
<b>% of Water Sold</b>	86.3%	84.9%	86.0%	87.2%	88.2%	85.6%	86.1%	86.1%	85.7%	85.2%	84.4%	83.9%	84.6%													
<b>Produced</b>	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212	10,138,960													
<b>TOTAL</b>	12,374,384	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212	10,138,960													
<b>Sold</b>	10,468,599	10,101,119	9,489,978	9,170,760	8,897,251	8,694,730	8,457,893	8,365,916	8,355,132	8,397,047	8,490,619	8,282,782	8,505,122													
<b>Loss</b>	1,905,785	1,570,300	1,639,131	1,622,300	1,695,548	1,628,419	1,690,522	1,739,114	1,708,539	1,671,242	1,635,625	1,852,430	1,633,838													
<b>% of Water Loss</b>	15.4%	13.5%	14.7%	15.0%	16.0%	15.8%	16.7%	17.2%	17.0%	16.6%	16.2%	18.3%	16.1%													
<b>% of Water Sold</b>	84.6%	86.5%	85.3%	85.0%	84.0%	84.2%	83.3%	82.8%	83.0%	83.4%	83.8%	81.7%	83.9%													

# Monthly Financial Reports

September 2004

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**Northern Kentucky Water District  
Balance Sheet  
As of September 30, 2004**

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 3,420,087
Accrued Interest Receivable	0
Accounts Receivable	
Customers	4,837,130
Unbilled Customers	4,200,000
Other	25,334
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,266,475
Prepaid Expenses	766,936
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 14,554,875</b>
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 4,104,893
Debt Service Reserve Account	12,282,369
Debt Service Account	1,418,115
Improvement, Repair & Replacement	498,314
Boone/Florence Settlement Account	4,092,291
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 22,395,982</b>
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,443,741
Capital Assets:	
Land, System, Buildings and Equipment	\$ 240,605,209
Construction in Progress	10,781,731
Total Capital Assets before accumulated depreciation	\$ 251,386,940
Less Accumulated Depreciation	(48,287,046)
Total capital assets, net of accumulated depreciation	\$ 203,099,894
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 213,543,635</b>
<b>TOTAL ASSETS</b>	<b>\$ 250,494,492</b>

Northern Kentucky Water District  
Balance Sheet  
As of September 30, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,615,512
Accrued Payroll & Liabilities	143,542
Other Accrued Liabilities	243,975
	-----
TOTAL CURRENT LIABILITIES	\$ 6,133,029
	-----
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 260,365
Accrued Interest Payable	753,294
	-----
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 1,013,659
	-----
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,625,000
Deferred Note Payable	100,000
	-----
TOTAL LONG-TERM DEBT	\$ 144,870,000
	-----
TOTAL LIABILITIES	\$ 152,016,688
	-----
RETAINED EARNINGS	\$ 98,477,804
	-----
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 250,494,492
	=====



**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Nine Months Ending September 30, 2004**

Department	September Actual	September Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$12,727	\$5,333	138.6%	\$47,128	\$48,000	(1.8%)	\$64,000	
Ohio River Pump Station # 1	53,463	46,083	16.0%	417,853	414,750	0.7%	553,000	
Ohio River Pump Station # 2	347	7,417	(95.3%)	51,343	66,750	(23.1%)	89,000	Engineering cost for ORPS pump investigation.
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$66,537</b>	<b>\$58,833</b>	<b>13.1%</b>	<b>\$516,324</b>	<b>\$529,500</b>	<b>(2.5%)</b>	<b>\$706,000</b>	Electricity costs higher in August due to higher demand.
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$153,210	\$158,550	(3.4%)	\$1,570,133	1,426,950	10.0%	\$1,902,600	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Taylor Mill Treatment Plant	58,418	51,096	14.3%	500,802	459,863	8.9%	613,150	YTD over due to painting at plant last month. It was budgeted for the year. This item will come in under budget by end of year.
Memorial Parkway Treatment Plant	67,819	65,517	3.5%	671,513	589,650	13.9%	786,200	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Laboratory	56,183	57,004	(1.4%)	467,295	513,037	(8.9%)	684,050	
Instrumentation	21,751	20,504	6.1%	197,775	184,537	7.2%	246,050	YTD over due to higher gasoline costs and contract services.
Sludge	18,327	14,167	29.4%	253,449	127,500	98.8%	170,000	YTD over due to large discharge to sanitary bills. Sanitation increased rate in the middle of the year. September Ft. Thomas sludge hauling.
<b>TOTAL WATER QUALITY</b>	<b>\$375,708</b>	<b>\$366,838</b>	<b>2.4%</b>	<b>\$3,660,967</b>	<b>\$3,301,537</b>	<b>10.9%</b>	<b>\$4,402,050</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$187,049</b>	<b>\$172,650</b>	<b>8.3%</b>	<b>\$1,626,811</b>	<b>\$1,553,850</b>	<b>4.7%</b>	<b>\$2,071,800</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$629,294</b>	<b>\$598,321</b>	<b>5.2%</b>	<b>\$5,804,102</b>	<b>\$5,384,887</b>	<b>7.8%</b>	<b>\$7,179,850</b>	

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Nine Months Ending September 30, 2004

Division	September Actual	September Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$629,294	\$598,321	5.2%	\$5,804,102	\$5,384,887	7.8%	7,179,850	Chemicals high because of record turbidities due to floods. Electric should be on budget by end of the year. Discharge to sanitary rates increased in the middle of the year.
ENGINEERING & DISTRIBUTION	458,266	520,375	(11.9%)	4,310,964	4,683,375	(8.0%)	6,244,500	
CUSTOMER SERVICE	266,441	290,687	(8.3%)	2,514,545	2,616,188	(3.9%)	3,488,250	
ADMINISTRATION	289,811	245,842	17.9%	2,002,113	2,212,575	(9.5%)	2,950,100	Additional premium due per Workers Comp Ins Audit for 2003.
<b>TOTAL O AND M</b>	<b>\$1,643,812</b>	<b>\$1,655,225</b>	<b>(0.7%)</b>	<b>\$14,631,724</b>	<b>\$14,897,025</b>	<b>(1.8%)</b>	<b>19,862,700</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Nine Months Ending September 30, 2004**

Department	September Actual	September Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
ADMINISTRATION								
Executive Management	\$26,111	\$42,275	(38.2%)	\$374,410	\$ 380,475	(1.6%)	\$ 507,300	
Board of Commissioners	10,086	8,700	15.9%	86,948	78,300	11.0%	104,400	YTD over due to commissioners taking health insurance that were not included in budget.
Accounting	19,824	23,808	(16.7%)	197,130	214,275	(8.0%)	285,700	
H. R. Information Systems, Safety	74,080	95,467	(22.4%)	689,968	859,200	(19.7%)	1,145,600	
Other	159,710	75,592	111.3%	653,657	680,325	(3.9%)	907,100	Additional premium due per Workers Comp. Ins. Audit for 2003.
<b>TOTAL ADMINISTRATION</b>	<b>\$289,811</b>	<b>\$245,842</b>	<b>17.9%</b>	<b>\$2,002,113</b>	<b>\$2,212,575</b>	<b>(9.5%)</b>	<b>\$ 2,950,100</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,643,812</b>	<b>\$1,655,225</b>	<b>(0.7%)</b>	<b>\$14,631,724</b>	<b>\$14,897,025</b>	<b>(1.8%)</b>	<b>\$19,862,700</b>	

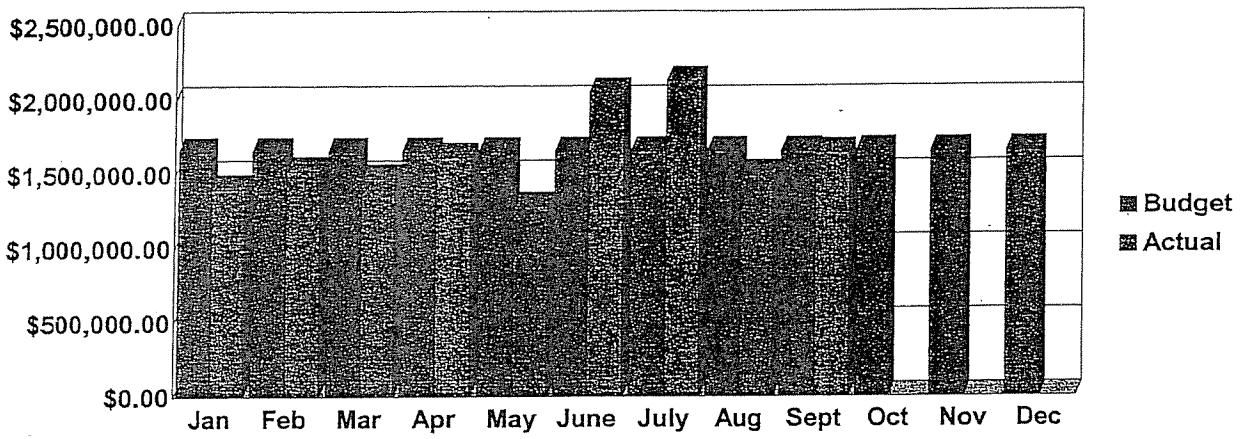
Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Nine Months Ending September 30, 2004

Department	September Actual	September Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$90,630	\$103,875	(12.8%)	\$858,767	\$ 934,875	(8.1%)	\$1,246,500	
Distribution	367,636	416,500	(11.7%)	3,452,197	3,748,500	(7.9%)	4,998,000	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$458,266</b>	<b>\$520,375</b>	<b>(11.9%)</b>	<b>\$4,310,964</b>	<b>\$4,683,375</b>	<b>(8.0%)</b>	<b>\$ 6,244,500</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$52,318	\$56,125	(6.8%)	\$492,844	\$ 505,125	(2.4%)	\$ 673,500	
Meter Shop	17,760	26,050	(31.8%)	192,287	234,450	(18.0%)	312,600	
Courier/Maintenance	4,385	4,625	(5.2%)	38,773	41,625	(6.9%)	55,500	
Account Service	116,733	119,183	(2.1%)	978,650	1,072,650	(8.8%)	1,430,200	
Meter Reading	24,746	26,725	(7.4%)	221,847	240,525	(7.8%)	320,700	
Flushing	23,849	24,329	(2.0%)	218,948	218,963	(0.0%)	291,950	
Other	26,650	33,650	(20.8%)	371,196	302,850	22.6%	403,800	Large bad debt write off in July due to bankruptcy. Larger water bills being written off due to rate increases.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$266,441</b>	<b>\$290,687</b>	<b>(8.3%)</b>	<b>\$2,514,545</b>	<b>\$2,616,188</b>	<b>(3.9%)</b>	<b>\$ 3,488,250</b>	

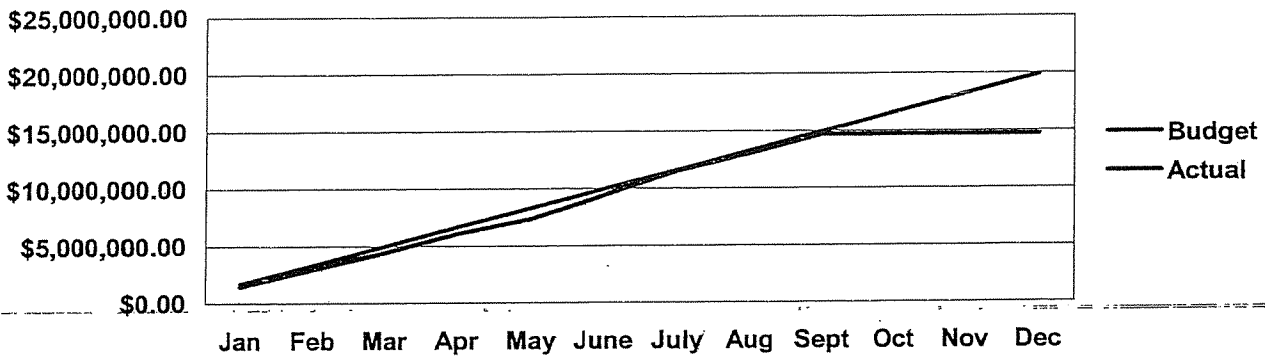
**Northern Kentucky Water District**  
**Expense Report by Account Actual to Budget**  
**For the Nine Months Ending September, 2004**

Account	September Actual	September Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$542,414	\$603,192	(10.1%)	\$5,304,105	\$5,428,725	(2.3%)	\$7,238,300	
Employee Pension & Benefits	195,979	180,012	8.9%	1,554,760	1,620,112	(4.0%)	2,160,150	
Taxes Other than Income Taxes	38,473	46,142	(16.6%)	380,696	415,275	(8.3%)	553,700	
Purchased Power	155,738	153,542	1.4%	1,440,085	1,381,875	4.2%	1,842,500	Over due to increased demand in summer months - should level out by year end.
Chemicals	57,676	51,250	12.5%	601,583	461,250	30.4%	615,000	Over due to high turbidity levels throughout the year and record levels during the floods. It is expected to be over budget in this category.
Materials & Supplies	107,282	131,388	(18.3%)	1,091,653	1,182,488	(7.7%)	1,576,650	
Contractual Services	373,514	357,225	4.6%	2,964,584	3,215,025	(7.8%)	4,286,700	
Rent	1,254	958	30.9%	7,577	8,625	(12.2%)	11,500	
Transportation	25,324	22,212	14.0%	208,080	199,913	4.1%	266,550	Over due to higher gasoline prices.
Insurance	100,736	55,792	80.6%	532,171	502,125	6.0%	669,500	Additional premium due per Workers Comp. Ins. Audit for 2003.
Advertising	1,360	458	196.9%	7,018	4,125	70.1%	5,500	Over due to more advertising then expected. Includes bidding professional services, employment opportunities, commission meeting dates.
Bad Debt Expense	17,802	27,500	(35.3%)	306,508	247,500	23.8%	330,000	Over due to large write off of bankruptcy and larger water bills due to rate increase.
Miscellaneous	4,938	6,896	(28.4%)	81,175	62,062	30.8%	82,750	Over due to additional payment to AWWA research foundation for a special research project # 3085 on drinking water.
Regulatory Commission Assessment	21,322	18,668	14.3%	151,729	167,925	(9.6%)	223,900	
<b>Total O &amp; M Expenses</b>	<b>\$1,643,812</b>	<b>\$1,655,225</b>	<b>(0.7%)</b>	<b>\$14,631,724</b>	<b>\$14,897,025</b>	<b>(1.8%)</b>	<b>\$19,862,700</b>	
Depreciation Expense	\$410,000	\$410,000	0.0%	\$3,690,000	\$3,690,000	0.0%	\$4,920,000	
Interest Expense	\$475,000	\$475,000	0.0%	\$3,959,255	\$4,275,000	(7.4%)	\$5,700,000	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



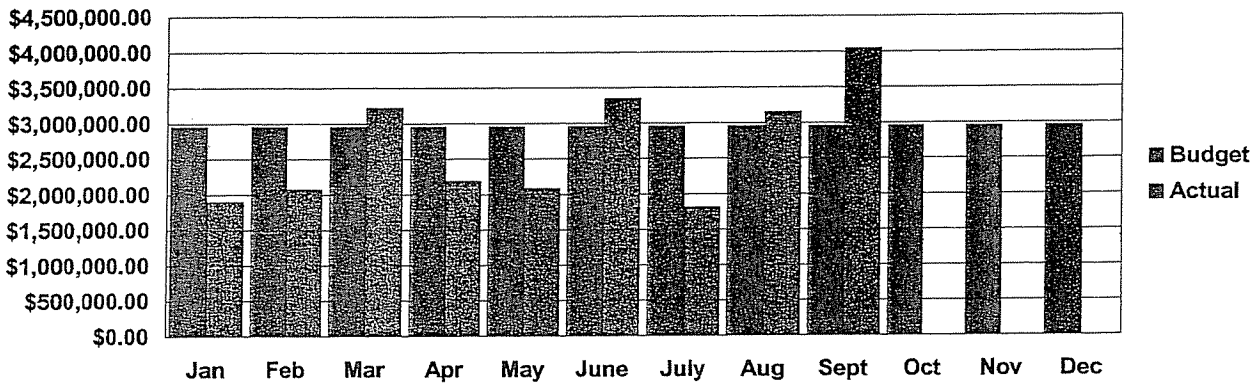
### NKWD O&M YTD Trending 2004 - Budget To Actual



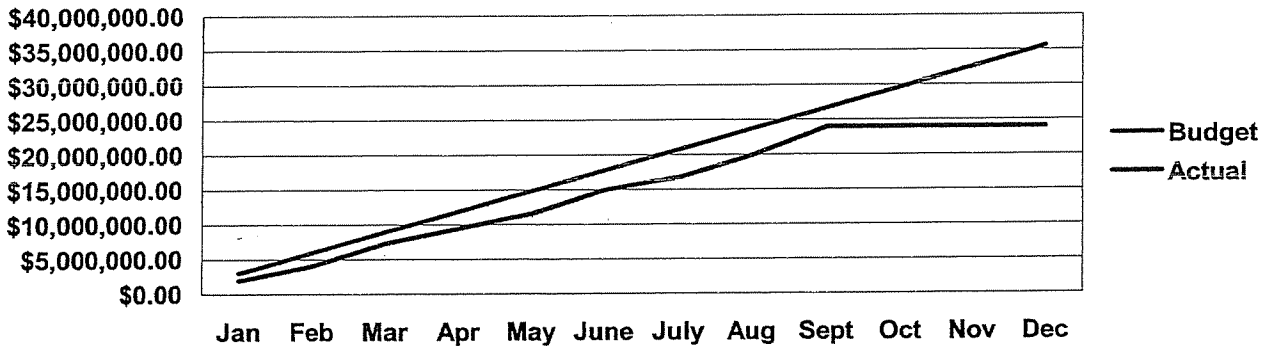
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Nine Months Ending September 30, 2004

Description	September Actual	September Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 3,843,545	\$ 2,750,000	39.8%	\$ 22,116,311	\$ 24,750,000	(10.6%)	August billing reflects new rates and higher demand in summer months.
Forfeited Discounts	44,372	39,167	13.3%	414,403	352,500	17.6%	
Rents from Water Property	45,340	29,125	55.7%	318,514	262,125	21.5%	
Other Water Revenues	12,466	39,583	(68.5%)	98,691	356,250	(72.3%)	
<b>Total Operating Revenues</b>	<b>\$3,945,723</b>	<b>\$2,857,875</b>	<b>38.1%</b>	<b>\$22,947,919</b>	<b>\$25,720,875</b>	<b>(10.8%)</b>	Turn on fees, meter tests and check return charges are included in this category. Part of this projected income should have been in forfeited discounts and rents from water property instead of other water revenues.
Non-Operating Income (Expense)							
Interest Income	\$87,017	\$83,333	4.4%	\$825,421	\$750,000	10.1%	Increase due to adjusting debt reserve investments to actual market prices as of 8/31/04.
Miscellaneous	15,272	16,667	(8.4%)	134,053	150,000	(10.6%)	
<b>Total Non-Operating Income</b>	<b>\$102,289</b>	<b>\$100,000</b>	<b>2.3%</b>	<b>\$959,474</b>	<b>\$900,000</b>	<b>6.6%</b>	
<b>TOTAL INCOME</b>	<b>\$4,048,012</b>	<b>\$2,957,875</b>	<b>36.9%</b>	<b>\$23,907,393</b>	<b>\$26,620,875</b>	<b>(10.2%)</b>	

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**







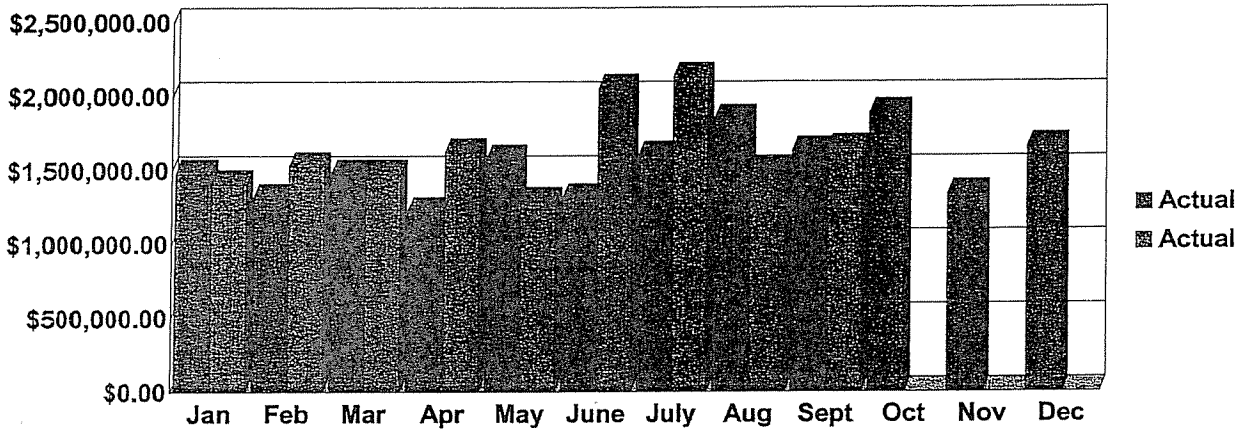
Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Nine Months Ending September 30, 2004

Account	September 2004	September 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$542,414	\$515,434	5.2%	\$5,304,105	\$5,008,820	5.9%	
Employee Pension & Benefits	195,979	142,227	37.8%	1,554,760	1,302,025	19.4%	Increase in health insurance.
Taxes Other than Income Taxes	38,473	36,522	5.3%	380,696	364,036	4.6%	
Purchased Power	155,738	148,095	5.2%	1,440,085	1,414,469	1.8%	
Chemicals	57,676	89,365	(35.5%)	601,583	547,106	10.0%	Record high turbidity levels this summer due to flooding from large amounts of rain caused by the hurricanes in the south.
Materials & Supplies	107,282	114,244	(6.1%)	1,091,653	1,043,367	4.6%	
Contractual Services	373,514	447,007	(16.4%)	2,964,584	2,782,339	6.6%	
Rent	1,254	787	59.3%	7,577	8,495	(10.8%)	
Transportation	25,324	24,946	1.5%	208,080	181,337	14.7%	Increase in gasoline prices.
Insurance	100,736	68,840	46.3%	532,171	451,064	18.0%	Reflects expected increase.
Advertising	1,360	1,126	20.8%	7,018	5,352	31.1%	
Bad Debt Expense	17,802	16,856	5.6%	306,508	193,166	58.7%	Increase due to write off of bad debt based on higher water rates. Also, large write off due to bankruptcy.
Miscellaneous	4,938	5,626	(12.2%)	81,175	71,359	13.8%	
Regulatory Commission Assessment	21,322	15,622	36.5%	151,729	70,295	115.8%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,643,812</b>	<b>\$1,626,697</b>	<b>1.1%</b>	<b>\$14,631,724</b>	<b>\$13,443,230</b>	<b>8.8%</b>	

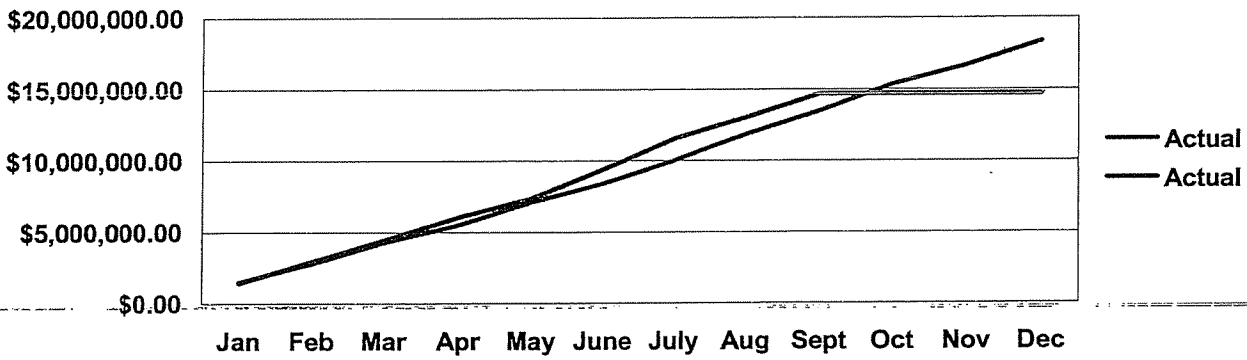
**North Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Nine Months Ending September 30, 2004**

Description	September 2004	September 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 3,843,545	\$ 3,318,562	15.8%	\$ 22,116,311	\$ 18,311,367	20.8%	
Forfeited Discounts	44,372	44,230	0.3%	414,403	300,648	37.8%	Reflects increase in rates.
Rents from Water Property	45,340	13,927	225.6%	318,514	260,786	22.1%	
Other Water Revenues	12,466	24,840	(49.8%)	98,691	191,687	(48.5%)	Fewer turn on fees in 2004 then in 2003.
<b>Total Operating Revenues</b>	<b>\$3,945,723</b>	<b>\$3,401,559</b>	<b>16.0%</b>	<b>\$22,947,919</b>	<b>\$19,064,488</b>	<b>20.4%</b>	
Non-Operating Income (Expense)							
Interest Income	\$87,017	\$48,692	78.7%	\$825,421	\$588,885	40.2%	
Extraordinary Income		0	0.0%	134,053	\$685,842	(100.0%)	
Miscellaneous	15,272	25,905	(41.0%)		236,741	(43.4%)	Boone Florence termination penalty. (one time)
<b>Total Non-Operating Income</b>	<b>\$102,289</b>	<b>\$74,597</b>	<b>37.1%</b>	<b>\$959,474</b>	<b>\$1,511,468</b>	<b>(36.5%)</b>	
<b>TOTAL INCOME</b>	<b>\$4,048,012</b>	<b>\$3,476,156</b>	<b>16.5%</b>	<b>\$23,907,393</b>	<b>\$20,575,956</b>	<b>16.2%</b>	

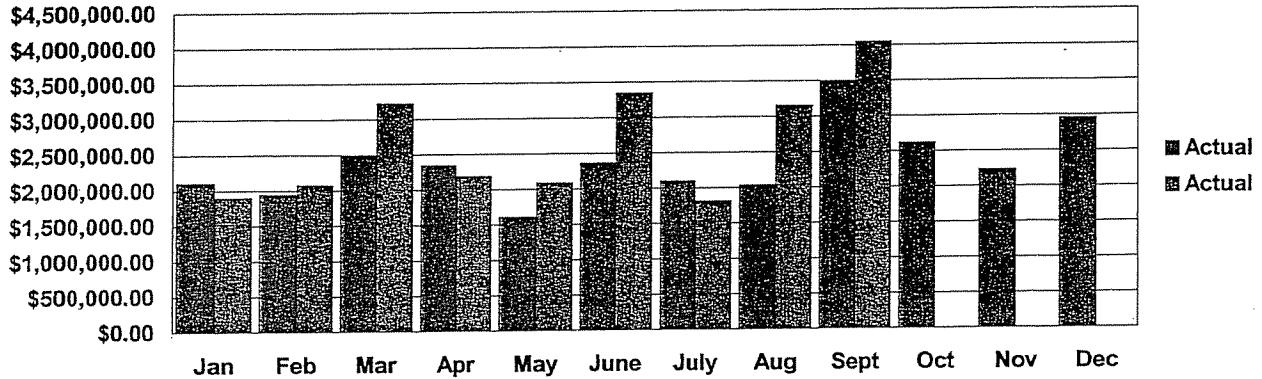
**NKWD**  
**O&M Monthly Comparison 2004 - Actual to Actual**



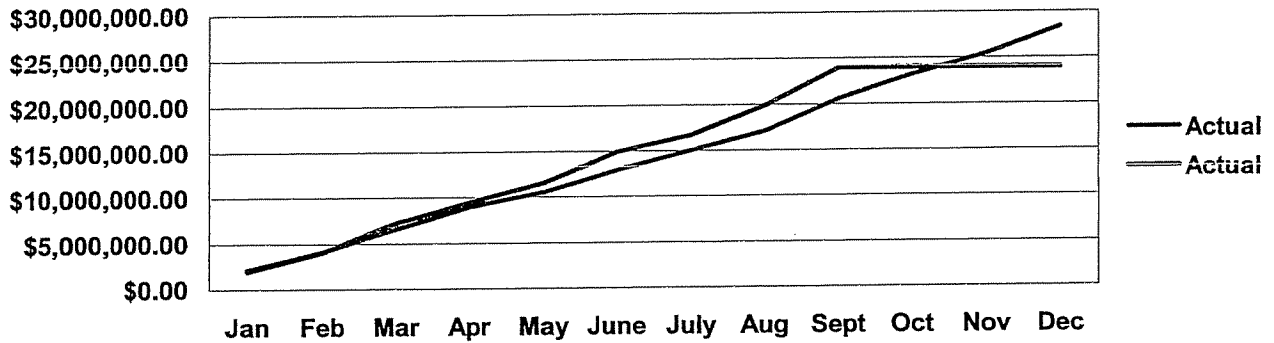
**NKWD**  
**O&M YTD Trending 2004 - Actual to Actual**



**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Northern Kentucky Water District						
Operational Capital Budget for 2004						
Projected Available for Capital Expenditures:						
	Budget	Transferred	Date			
Cash Balance 1/1/2004 - Operating Capital	\$2,167,636.35	\$500,000.00	02/24/2004			
From Operations	\$5,540,095.00	\$500,000.00	04/27/2004			
From Leftover Purchase of Gear Property	\$2,000.00	\$250,000.00	05/21/2004			
Grant for Sub-Dist d	\$175,410.00	\$500,000.00	07/26/2004			
Sub-Distd RF - 3rd Payment 184-122	\$101,063.00	\$250,000.00	11/07/2004			
<b>Total Cash Available</b>	<b>\$7,986,204.35</b>					
Executive Adm	\$132,500.00					
IT, Safety, Security	\$1,375,271.95					
Customer Service	\$838,300.00					
Distribution - Mains	\$2,508,311.75					
Distribution - Other	\$227,800.00					
Engineering	\$9,000.00					
Water Q & P	\$129,000.00					
Laboratory	\$15,000.00	2,000,000.00				
Plant and Pump Station Maintenance	\$227,000.00					
<b>Total Request</b>	<b>\$5,462,183.70</b>					
<b>Net Coverage/Lost</b>	<b>\$2,524,020.65</b>					
<b>Actual YTD Cost</b>						
<b>Funds Remaining</b>						
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
Bond 2004 - Latonia 24" Steel - Phase I	184-103	433,650.00	\$462,016.10		\$462,016.10	808
Bond 2004 - Ryland Heights Project (RC 2003)	184-122	\$172,000.00	\$300,056.66	\$148,608.87	\$448,665.53	730
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$3,316.25	\$38,217.30	\$41,533.55	803
BAN 2004 - Pelly Rd from Ky 17 to Senour Road	184-135	\$371,000.00	\$99,569.48		\$99,569.48	810
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$3,537.08		\$3,537.08	816
Bond 2004 - Newport High - 12" Interconnect	184-140	\$225,000.00	\$1,451.55	\$5,842.04	\$7,093.59	801
Bond 2004 - Newport WPTP - Low Service 20" Interconnect	184-141	\$150,000.00	\$9,255.86	\$2,104.75	\$11,360.61	802
Bond 2004 - Klette/Rice Roads - RC2003 - SubDistrict	184-142	\$626,000.00	\$3,040.21	\$45,017.87	\$48,058.08	744
Bond 2004 - Jefferson/Euclid/Highland (RC 2003)	184-157	\$535,865.80	\$301,746.92	\$163,183.38	\$464,930.30	722
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,794.19		\$5,794.19	807
BAN 2004 - Latonia 24" Steet - Phase II	184-164	\$302,250.00	\$3,215.00		\$3,215.00	809
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$19,168.94		\$19,168.94	811
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$4,620.00		\$4,620.00	813
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00	\$13,634.00		\$13,634.00	818
7/26/2004 - New Richmond Road	184-175	\$420,000.00			\$0.00	817
Bond 2005 - Central Facility	184-0305	\$9,500,000.00	\$186,025.90		\$186,025.90	815
Bond 2004 - UIM/CIS System	184-310	\$2,900,000.00	\$1,148,831.01	\$223,707.86	\$1,372,538.87	800
- Sludge Residual Project	184-414	\$450,000.00	\$0.00	\$362,582.39	\$362,582.39	438
- Ultra Violet TMTF	184-430	\$1,000,000.00	\$0.00	\$68,861.73	\$68,861.73	707
Bond 2004 - US27 Pumping Station - Expansion - BAN 2004	184-433	\$2,300,000.00	\$47,545.02		\$47,545.02	805
Bond 2004 - TMTF Pump Station	184-434	\$140,000.00			\$0.00	806
BAN 2005 - MPTP Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$43,485.20		\$43,485.20	812
<b>TOTAL</b>		<b>\$28,998,595.80</b>	<b>\$2,656,309.37</b>	<b>\$1,057,926.19</b>	<b>\$3,714,235.56</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Printer & Dater		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	<b>Department Sub-Total</b>		<b>\$132,500.00</b>	<b>\$4,323.00</b>	<b>\$128,177.00</b>	
	<b>Information Systems, Safety, Security</b>					
	<b>INFO SYSTEMS</b>					
	2003					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$51,935.86	\$48,064.14	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00	\$9,265.74	\$9,734.26	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	<b>Sub-Total</b>		<b>\$290,220.24</b>	<b>\$77,172.08</b>	<b>\$213,048.16</b>	
	<b>SECURITY</b>					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00		\$150,000.00	48
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank,ORPSZ,FTTP 2)		\$200,000.00	\$83,523.50	\$116,476.50	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$9,750.20	\$190,249.80	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	<b>Sub-Total</b>		<b>\$1,085,051.71</b>	<b>\$264,661.64</b>	<b>\$820,390.07</b>	
	<b>SAFETY</b>					
	2004					
						60
						62
	<b>Sub-Total</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
	<b>Department Sub-total</b>		<b>\$1,375,271.95</b>	<b>\$341,833.72</b>	<b>\$1,033,438.23</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	2004					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	<b>Sub-Total</b>		<b>\$9,300.00</b>	<b>\$0.00</b>	<b>\$4,971.00</b>	
	<b>CS - Field Services &amp; Flushing</b>					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	<b>Meter Shop</b>					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$347,658.71	\$52,341.29	104
2004	Largel Water Meters >2"		\$6,000.00	\$5,700.00	\$300.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$6,082.60	\$8,917.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$545,425.52	\$283,574.48	
	<b>Department Sub-Total</b>		\$838,300.00	\$545,425.52	\$288,545.48	
	<b>DISTRIBUTION</b>					
	Mainlines					
	Mainline Improvement					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$31,572.47	\$18,427.53	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50" Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$31,572.47	\$647,486.53	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$11,426.44	\$23,573.56	146
	<b>Sub-Total</b>		\$178,162.75	\$21,979.84	\$156,182.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$58,090.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$151,090.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>		\$541,684.40		\$541,684.40	150
2004	- Engineering Services.		\$60,000.00	\$2,640.87	\$57,359.13	151
6/28/2004	- Thomas Street, Covington	184-0158			\$0.00	
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wright	184-165	\$100,000.00	\$100,131.31	-\$131.31	150A
1/27/2004	- Barbara Circle - Ft. Wright	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
8/31/2004	- Ross Ave - WM - Ft. Thomas	184-170	\$45,000.00	\$5,000.50	\$39,999.50	150E
8/31/2004	- Taylor & Eden - WM - Bellevue	184-171	\$50,000.00	\$1,460.00	\$48,540.00	150F
6/28/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$14,339.75	\$1,475.85	150C
8/16/2004	- Arcadia Ave	184-0118	\$10,000.00	\$7,645.40	\$2,354.60	150D
10/1/2004	- Waterworks Road Water Main Replacement	184-151	\$176,000.00			
10/10/2004	- Dudley Construction (Eaton Asphalt 18" Replacement)	184-173	\$46,500.00	\$0.00	\$46,500.00	150E
10/10/2004	- Wilder Industrial Park (50% Participation)	184-	\$45,000.00	\$0.00	\$45,000.00	150F
10/10/2004	- Orphanage Road 16" Erosion Problem Stabilization	184.00	\$250,000.00	\$0.00	\$250,000.00	150G
10/10/2004	- Brookwood Circle (City Interconnection Project)	184.00	\$30,000.00	\$0.00	\$30,000.00	150I
11/4/2004	- Garvey Ave. Phase II	184-176	\$0.00	\$0.00	\$0.00	05-220
10/10/2004	- Industrial Road Widening	184.00	\$30,000.00	\$0.00	\$30,000.00	150H
	<b>Sub-Total</b>		\$1,500,000.00	\$135,717.83	\$1,364,282.17	
	<b>Sub-Total Mainlines</b>		\$2,508,311.75	\$231,848.51	\$2,380,073.24	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00	\$2,000.00	\$0.00	170
2/26/2004	Quick Saw		\$1,200.00	\$823.99	\$376.01	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00	\$2,951.39	-\$451.39	176
2004	Allied Hoe Ram		\$12,000.00	\$7,850.00	\$4,150.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$1,080.00	-\$80.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$122,345.00	\$12,155.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$294.80	\$24,705.20	200
	<b>Sub-Total</b>		\$227,800.00	\$170,293.16	\$57,506.84	
	<b>ENGINEERING</b>					
	2004					
	<b>Capital Purchases</b>					



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	Sub-Total		\$9,000.00	\$0.00	\$9,000.00	
	Department Sub-Total		\$2,745,111.75	\$402,141.67	\$2,446,580.08	
	Water Quality & Production Operations 2004					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$0.00	\$3,000.00	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$2,411.99	\$6,588.01	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$0.00	\$10,000.00	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$10,061.49	-\$61.49	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$3,510.50	\$489.50	260
2004	- Ripple Creek PS		\$4,000.00	\$4,181.00	-\$181.00	262
2004	- Bromley PS		\$4,000.00	\$0.00	\$4,000.00	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$10,932.84	\$4,067.16	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$2,421.62	\$6,578.38	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$2,237.00	\$2,263.00	286
2004	- Titrator		\$1,650.00	\$1,299.70	\$350.30	288
2004	- ION Chromograph		\$35,000.00	\$0.00	\$35,000.00	290
	Sub-Total		\$129,000.00	\$41,520.02	\$87,479.98	
	LABORATORY 2004					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	Sub-Total		\$15,000.00	\$7,193.99	\$7,806.01	
	MAINTENANCE 2004					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$19,106.93	\$893.07	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$9,939.17	\$60.83	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$13,923.83	\$1,076.17	326
2004	Valve pits					
8/25/2004	- TMTD Diversion Valve - Eliminated need for VFD		\$0.00	\$0.00	\$0.00	330
2004	Concrete					
	-LRPS Catwalk- replacement of damage area & structural		-\$105,000.00	-\$3,511.10	-\$101,488.90	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$0.00	\$10,000.00	342
2004	Electrical Repair at FTTP					
8/25/2004	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$0.00	\$0.00	\$0.00	350
2004	Ventilation system improvements					
8/25/2004	- TMTD Pump Ventilation system - None at present		\$45,000.00	\$0.00	\$45,000.00	360
8/25/2004	- Bromley Ventilation System - None at present		\$2,000.00	\$464.22	\$1,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
8/25/2004	- To sperate office space from work area with fumes.		\$0.00	\$0.00	\$0.00	370
	Sub-Total		\$227,000.00	\$58,200.25	\$188,799.75	
	Department Sub-Total		\$371,000.00	\$106,914.26	\$264,085.74	
	TOTAL of Departments		\$5,452,183.70	\$1,400,638.17	\$4,160,826.53	

**Summary of Water Produced/Purchased v. Sold**

	2002		2003		2004		2003		2004				
	September	October	November	December	January	February	March	April	May	June	July	August	September
<b>Produced</b>	12,950,322	13,064,961	13,167,862	13,376,428	13,539,161	13,440,284	13,485,600	13,419,124	13,407,079	13,332,022	13,108,738	12,374,384	11,671,418
<b>Purchased</b>	500,819	462,970	400,290	335,780	272,430	272,430	215,951	153,961	92,841	29,830			
<b>TOTAL</b>	13,451,341	13,527,931	13,568,152	13,712,208	13,811,591	13,712,714	13,701,551	13,573,085	13,499,920	13,361,852	13,108,738	12,374,384	11,671,418
<b>Sold</b>	11,418,365	11,631,689	11,844,224	12,100,563	11,828,576	11,811,012	11,796,222	11,637,156	11,499,468	11,274,402	10,994,014	10,468,599	10,101,119
<b>Loss</b>	2,032,976	1,896,242	1,743,928	1,611,645	1,983,015	1,901,702	1,905,329	1,935,929	2,000,452	2,087,451	2,114,725	1,905,785	1,570,300
<b>% of Water Loss</b>	15.1%	14.0%	12.8%	11.8%	14.4%	13.9%	13.9%	14.3%	14.8%	15.6%	16.1%	15.4%	13.5%
<b>% of Water Sold</b>	84.9%	85.0%	87.2%	88.2%	85.6%	86.1%	86.1%	85.7%	85.2%	84.4%	83.9%	84.6%	86.5%
<b>Produced</b>	11,671,418	11,129,109	10,793,060	10,592,798	10,323,148	10,148,414	10,105,030	10,063,671	10,068,289	10,126,245	10,135,212	10,138,960	10,176,214
<b>Sold</b>	10,101,119	9,489,978	9,170,760	8,897,251	8,694,730	8,457,893	8,365,916	8,355,132	8,397,047	8,490,619	8,282,782	8,605,122	8,616,685
<b>Loss</b>	1,570,300	1,639,131	1,622,300	1,695,548	1,628,419	1,690,522	1,739,114	1,708,539	1,671,242	1,635,625	1,852,430	1,633,838	1,559,529
<b>% of Water Loss</b>	13.5%	14.7%	15.0%	16.0%	15.8%	16.7%	17.2%	17.0%	16.6%	16.2%	18.3%	16.1%	15.3%
<b>% of Water Sold</b>	86.5%	85.3%	85.0%	84.0%	84.2%	83.3%	82.8%	83.0%	83.4%	83.8%	81.7%	83.9%	84.7%

# Monthly Financial Reports

October 2004

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Northern Kentucky Water District  
Balance Sheet  
As of October 31, 2004

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 4,324,441
Accrued Interest Receivable	0
Accounts Receivable	
Customers	4,225,357
Unbilled Customers	4,200,000
Other	23,712
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,243,480
Prepaid Expenses	874,886
	-----
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 14,930,789</b>
	-----
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 3,472,514
Debt Service Reserve Account	12,330,746
Debt Service Account	1,655,613
Improvement, Repair & Replacement	361,838
Boone/Florence Settlement Account	4,098,819
	-----
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 21,919,530</b>
	-----
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,349,235
Capital Assets:	
Land, System, Buildings and Equipment	\$ 240,735,883
Construction in Progress	11,641,318
	-----
Total Capital Assets before accumulated depreciation	\$ 252,377,201
	-----
Less Accumulated Depreciation	(48,713,806)
	-----
Total capital assets, net of accumulated depreciation	\$ 203,663,395
	-----
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 214,012,630</b>
	-----
<b>TOTAL ASSETS</b>	<b>\$ 250,862,949</b>
	=====

Northern Kentucky Water District  
Balance Sheet  
As of October 31, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,130,000
Accounts Payable	1,384,966
Accrued Payroll & Liabilities	278,925
Other Accrued Liabilities	92,453
	5,886,344
TOTAL CURRENT LIABILITIES	
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 129,031
Accrued Interest Payable	1,141,703
	1,270,734
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 138,540,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,625,000
Deferred Note Payable	100,000
	144,870,000
TOTAL LONG-TERM DEBT	
TOTAL LIABILITIES	
	\$ 152,027,078
RETAINED EARNINGS	
	\$ 98,835,871
<del>TOTAL LIABILITIES AND RETAINED EARNINGS</del>	
EARNINGS	
	\$ 250,862,949

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Ten Months Ending October 31, 2004

Division	October Actual	October Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$665,478	\$598,321	11.2%	\$6,469,580	\$5,983,208	8.1%	7,179,850	Chemicals high because of record turbidities due to floods. Electric should be on budget by end of the year. Discharge to sanitary rates increased in the middle of the year.
ENGINEERING & DISTRIBUTION	449,620	520,375	(13.6%)	4,760,584	5,203,750	(8.5%)	6,244,500	
CUSTOMER SERVICE	301,160	290,687	3.6%	2,815,704	2,906,875	(3.1%)	3,488,250	Five payperiods in October
ADMINISTRATION	374,958	245,842	52.5%	2,377,072	2,458,417	(3.3%)	2,950,100	Budgeted annual payments for GIS plannet costs, digital aerial photographs and annual support & maintenance package for the GBA master series.
<b>TOTAL O AND M</b>	<b>\$1,791,216</b>	<b>\$1,855,225</b>	<b>8.2%</b>	<b>\$16,422,940</b>	<b>\$16,552,250</b>	<b>(0.8%)</b>	<b>19,862,700</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Ten Months Ending October 31, 2004**

Department	October Actual	October Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>SOURCE OF SUPPLY</b>								
Licking River Pump Station	\$2,775	\$5,333	(48.0%)	\$49,902	\$53,333	(6.4%)	\$64,000	
Ohio River Pump Station # 1	44,201	46,083	(4.1%)	462,053	460,833	0.3%	553,000	
Ohio River Pump Station # 2	10,517	7,417	41.8%	61,861	74,167	(16.6%)	89,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$57,493</b>	<b>\$58,833</b>	<b>(2.3%)</b>	<b>\$573,816</b>	<b>\$588,333</b>	<b>(2.5%)</b>	<b>\$706,000</b>	
<b>WATER QUALITY</b>								
Ft. Thomas Treatment Plant	\$198,168	\$158,550	25.0%	\$1,768,301	1,585,500	11.5%	\$1,902,600	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Taylor Mill Treatment Plant	78,448	51,096	53.5%	579,249	510,958	13.4%	613,150	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year. Some labor reclassified in October from Memorial Pky Treatment plant to the Taylor Mill Treatment Plant.
Memorial Parkway Treatment Plant	57,256	65,517	(12.6%)	728,769	655,166	11.2%	786,200	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Laboratory	53,267	57,004	(6.6%)	520,562	570,042	(8.7%)	684,050	
Sanitation	24,234	20,504	18.2%	222,008	205,042	8.3%	246,050	YTD over due to higher gasoline costs and contract services.
Sludge	7,407	14,167	(47.7%)	260,859	141,667	84.1%	170,000	YTD over due to large discharge to sanitary bills. Sanitation increased rate in the middle of the year. September Ft. Thomas sludge hauling was very high due to basin cleaning & high turbidities.
<b>TOTAL WATER QUALITY</b>	<b>\$418,780</b>	<b>\$366,838</b>	<b>14.2%</b>	<b>\$4,079,748</b>	<b>\$3,668,375</b>	<b>11.2%</b>	<b>\$4,402,050</b>	
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$189,205</b>	<b>\$172,650</b>	<b>9.6%</b>	<b>\$1,816,016</b>	<b>\$ 1,726,500</b>	<b>5.2%</b>	<b>\$ 2,071,800</b>	
<b>TOTAL SO6, WQ, P &amp; S</b>	<b>\$665,478</b>	<b>\$598,321</b>	<b>11.2%</b>	<b>\$6,469,580</b>	<b>\$5,983,208</b>	<b>8.1%</b>	<b>\$7,179,850</b>	



**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Ten Months Ending October 31, 2004**

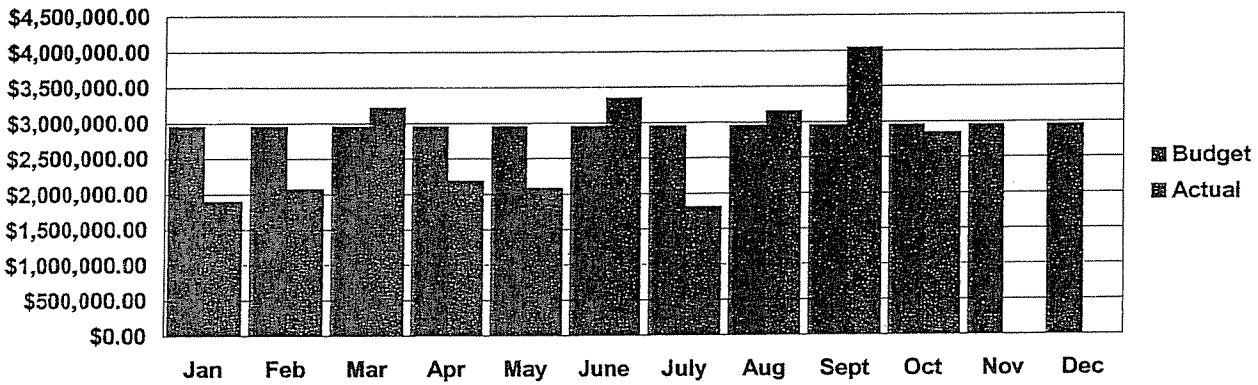
Department	October Actual	October Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$111,132	\$103,875	7.0%	\$969,899	\$ 1,038,750	(6.6%)	\$1,246,500	Five pay periods in October.
Distribution	338,488	416,500	(18.7%)	3,790,685	4,165,000	(9.0%)	4,998,000	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$449,620</b>	<b>\$520,375</b>	<b>(13.6%)</b>	<b>\$4,760,584</b>	<b>\$5,203,750</b>	<b>(8.5%)</b>	<b>\$ 6,244,500</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$55,883	\$56,125	(0.4%)	\$548,727	\$ 561,250	(2.2%)	\$ 673,500	
Meter Shop	21,129	26,050	(18.9%)	213,415	260,500	(18.1%)	312,600	
Courier/Maintenance	5,271	4,625	14.0%	44,044	46,250	(4.8%)	55,500	
Account Service	100,636	119,183	(15.6%)	1,079,285	1,191,833	(9.4%)	1,430,200	
Meter Reading	27,403	26,725	2.5%	249,250	267,250	(6.7%)	320,700	
Flushing	27,226	24,329	11.9%	246,175	243,292	1.2%	291,950	
Other	63,612	33,650	89.0%	434,808	336,500	29.2%	403,800	Large bad debt write off in July due to bankruptcy. Larger water bills being written off due to rate increases. Large number of bad debts written off in October.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$301,160</b>	<b>\$290,687</b>	<b>3.6%</b>	<b>\$2,815,704</b>	<b>\$2,906,875</b>	<b>(3.1%)</b>	<b>\$ 3,488,250</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Ten Months Ending October 31, 2004**

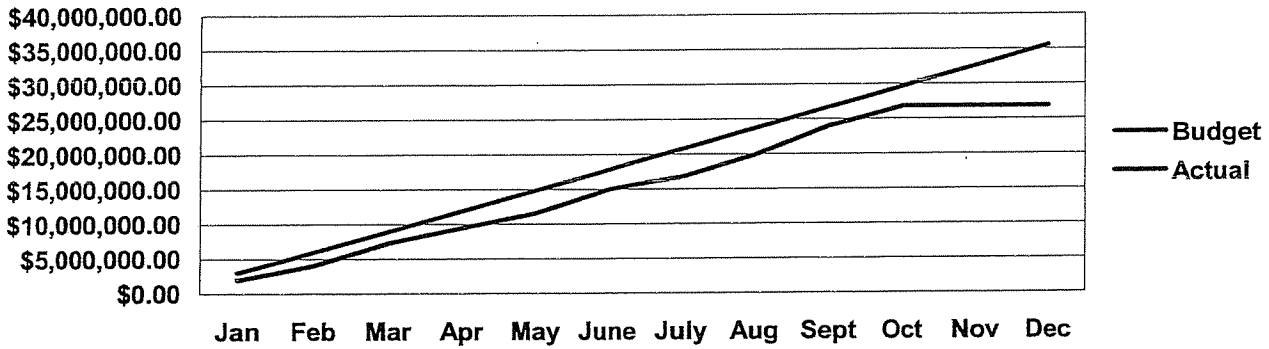
Department	October Actual	October Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>ADMINISTRATION</b>								
Executive Management	\$45,562	\$42,275	7.8%	\$419,973	\$ 422,750	(0.7%)	\$ 507,300	Five pay periods in October.
Board of Commissioners	9,144	8,700	5.1%	96,091	87,000	10.4%	104,400	YTD over due to commissioners taking health insurance that were not included in budget.
Accounting	24,884	23,808	4.5%	222,014	238,083	(6.7%)	285,700	Five pay periods in October.
H. R. , Information Systems, Safety	176,390	95,467	84.8%	866,359	954,667	(9.3%)	1,145,600	Budgeted annual payments for GIS plannnet costs, digital aerial photographs and annual support & maintenance package for the GBA master series.
Other	118,978	75,592	57.4%	772,685	755,917	2.2%	907,100	Additional premium due per Workers Comp. Ins. Audit for 2003.
<b>TOTAL ADMINISTRATION</b>	<b>\$374,958</b>	<b>\$245,842</b>	<b>52.5%</b>	<b>\$2,377,072</b>	<b>\$2,458,417</b>	<b>(3.3%)</b>	<b>\$2,950,100</b>	
<b>TOTAL O &amp; M</b>	<b>\$1,791,216</b>	<b>\$1,655,225</b>	<b>8.2%</b>	<b>\$16,422,940</b>	<b>\$16,552,250</b>	<b>(0.8%)</b>	<b>\$19,862,700</b>	

Northern Kentucky Water District									
Expense Report by Account Actual to Budget									
For the Ten Months Ending October, 2004									
Account	October Actual	October Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget	Explanation	
O & M Expenses									
Salaries & Wages	\$686,409	\$603,192	13.8%	\$5,990,514	\$6,031,916	(0.7%)	\$7,238,300	Five pay periods in October.	
Employee Pension & Benefits	212,104	180,012	17.8%	1,766,864	1,800,125	(1.8%)	2,160,150	Five pay periods in October. (Pension)	
Taxes Other than Income Taxes	48,642	46,142	5.4%	429,338	461,417	(7.0%)	553,700	Five pay periods in October	
Purchased Power	160,087	153,542	4.3%	1,600,173	1,535,417	4.2%	1,842,500	Over due to increased demand in summer months - should level out by year end.	
Chemicals	76,984	51,250	50.2%	678,567	512,500	32.4%	615,000	Over due to high turbidity levels throughout the year and record levels during the floods. It is expected to be over budget in this category.	
Materials & Supplies	146,323	131,388	11.4%	1,237,976	1,313,875	(5.8%)	1,576,650		
Contractual Services	296,617	357,225	(17.0%)	3,261,200	3,572,250	(8.7%)	4,286,700		
Rent	1,822	968	69.3%	9,199	9,583	(4.0%)	11,500		
Transportation	24,007	22,213	8.1%	232,087	222,125	4.5%	266,550	Over due to higher gasoline prices.	
Insurance	53,550	55,792	(4.0%)	565,721	557,917	5.0%	669,500	Additional premium due per Workers Comp. Ins. Audit for 2003.	
Advertising	746	458	62.9%	7,764	4,583	69.4%	5,500	Over due to more advertising than expected. Includes bidding professional services, employment opportunities, commission meeting dates.	
Bad Debt Expense	54,595	27,500	98.5%	361,103	275,000	31.3%	330,000	Over due to large write off of bankruptcy and larger water bills due to rate increase.	
Miscellaneous	8,208	6,896	9.0%	89,383	68,958	29.6%	82,750	Over due to additional payment to AWWA research foundation for a special research project # 3085 on drinking water.	
Regulatory Commission Assessment	21,322	18,657	4.3%	178,051	186,584	(7.3%)	223,900		
<b>Total O &amp; M Expenses</b>	<b>\$1,791,216</b>	<b>\$1,655,225</b>	<b>8.2%</b>	<b>\$16,422,940</b>	<b>\$16,552,250</b>	<b>(0.8%)</b>	<b>\$19,862,700</b>		
Depreciation Expense	\$410,000	\$410,000	0.0%	\$4,100,000	\$4,100,000	0.0%	\$4,920,000		
Interest Expense	\$309,277	\$475,000	(34.9%)	\$4,268,533	\$4,750,000	(10.1%)	\$5,700,000		

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



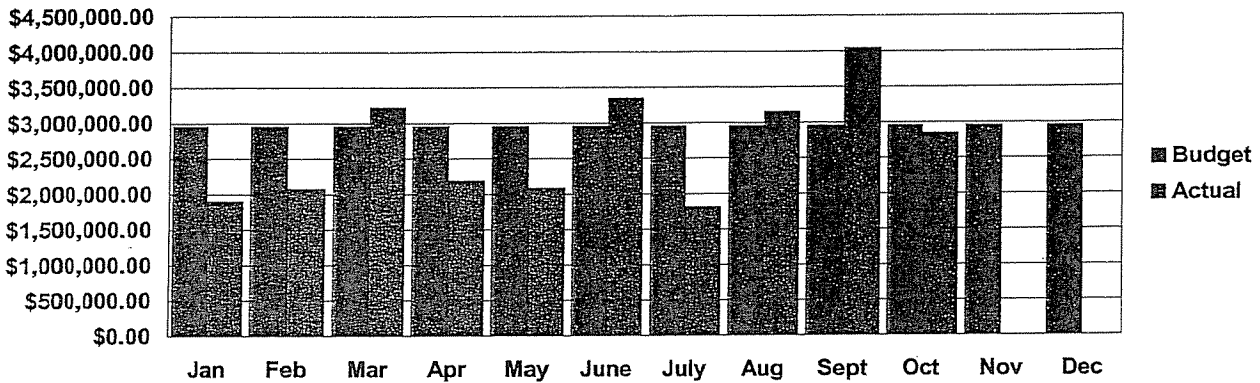
**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



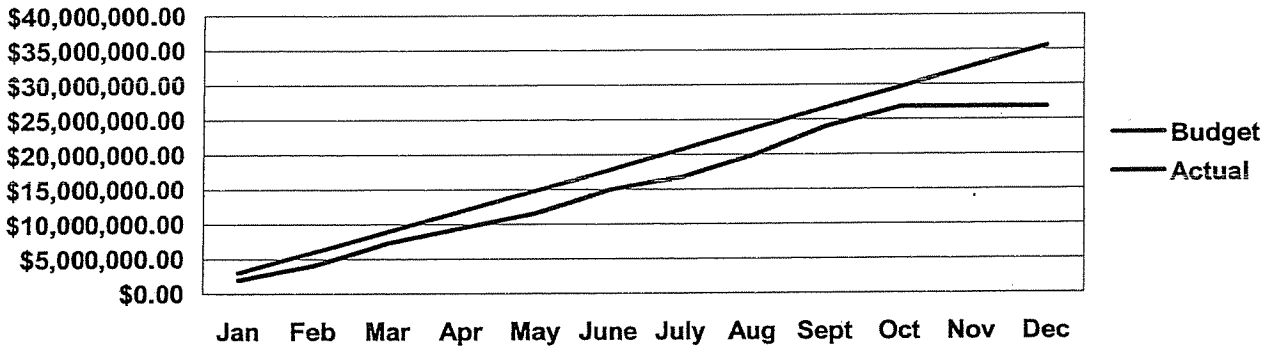
**Northern Kentucky Water District**  
**Income Report Actual to Projected**  
**For the Ten Months Ending October 31, 2004**

Description	October Actual	October Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$2,631,280	\$2,750,000	(4.3%)	\$24,747,592	\$27,500,000	(10.0%)	
Forfeited Discounts	63,316	39,167	61.7%	477,719	391,667	22.0%	
Rents from Water Property	54,350	29,125	86.6%	372,864	291,250	28.0%	
Other Water Revenues	16,105	39,583	(59.3%)	114,796	395,833	(71.0%)	Turn on fees, meter tests and check return charges are included in this category. Part of this projected income should have been in forfeited discounts and rents from water property instead of other water revenues.
<b>Total Operating Revenues</b>	<b>\$2,765,051</b>	<b>\$2,857,875</b>	<b>(3.2%)</b>	<b>\$25,712,971</b>	<b>\$28,578,750</b>	<b>(10.0%)</b>	
Non-Operating Income (Expense)							
Interest Income	\$73,082	\$83,333	(12.3%)	\$898,503	\$833,333	7.8%	
Miscellaneous	11,141	16,667	(33.2%)	145,194	166,667	(12.9%)	
<b>Total Non-Operating Income</b>	<b>\$84,223</b>	<b>\$100,000</b>	<b>(15.8%)</b>	<b>\$1,043,697</b>	<b>\$1,000,000</b>	<b>4.4%</b>	
<b>TOTAL INCOME</b>	<b>\$2,849,274</b>	<b>\$2,957,875</b>	<b>(3.7%)</b>	<b>\$26,756,668</b>	<b>\$29,578,750</b>	<b>(9.5%)</b>	

**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Ten Months Ending October 31, 2004

Division	October 2004	October 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$665,478	\$580,699	14.6%	\$6,469,580	\$5,990,639	8.0%	Increased heating cost, Chemical purchases, Repairs and Two Discharge to Sanitary payments ( 160,000). Painting at plant in 2004 that was not in 2003.
ENGINEERING & DISTRIBUTION	449,620	855,283	(47.4%)	4,760,584	5,056,613	(5.9%)	meter shop moved to customer service in 2004.
CUSTOMER SERVICE	301,160	228,847	31.6%	2,815,704	2,254,415	24.9%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates and bankruptcy of large business.
ADMINISTRATION	374,958	221,981	68.9%	2,377,072	2,028,373	17.2%	Rate case expense write off started in late 2003 and salary increases.
<b>TOTAL O AND M</b>	<b>\$1,791,216</b>	<b>\$1,886,810</b>	<b>(5.1%)</b>	<b>\$16,422,940</b>	<b>\$15,330,040</b>	<b>7.1%</b>	

Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Ten Months Ending October 31, 2004

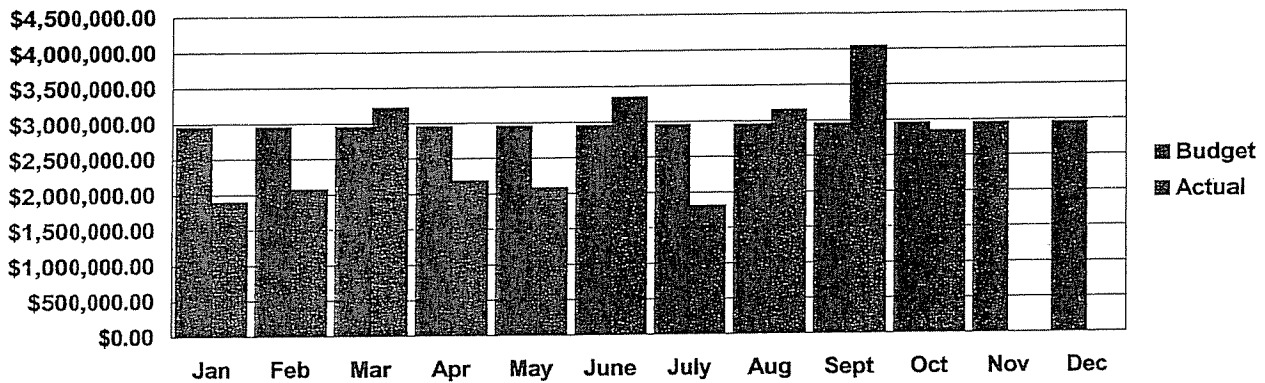
Account	October 2004	October 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
<b>O &amp; M Expenses</b>							
Salaries & Wages	\$686,409	\$654,156	4.9%	\$5,990,514	\$5,662,976	5.8%	
Employee Pension & Benefits	212,104	151,182	40.3%	1,766,864	1,453,207	21.6%	Increase in health insurance.
Taxes Other than Income Taxes	48,642	46,675	4.2%	429,338	410,711	4.5%	
Purchased Power	160,087	125,753	27.3%	1,600,173	1,540,222	3.9%	Higher due to electric costs of the central facility in 2004.
Chemicals	76,984	46,524	65.5%	678,567	593,630	14.3%	Record high turbidity levels this summer due to flooding from large amounts of rain caused by the hurricanes in the south.
Materials & Supplies	146,323	184,098	(20.5%)	1,237,976	1,227,465	0.9%	
Contractual Services	296,617	560,269	(47.1%)	3,261,200	3,342,608	(2.4%)	
Rent	1,622	1,576	3.0%	9,199	10,070	(8.6%)	
Transportation	24,007	22,218	8.1%	232,087	203,555	14.0%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	585,721	498,842	17.4%	Reflects expected increase.
Advertising	746	274	172.3%	7,764	5,626	38.0%	
Bad Debt Expense	54,595	27,983	95.1%	361,103	221,149	63.3%	Increase due to write off of bad debt based on higher water rates. Also, large write off due to bankruptcy.
Miscellaneous	8,208	2,703	203.7%	89,383	74,062	20.7%	
Regulatory Commission Assessment	21,322	15,622	36.5%	173,051	85,917	101.4%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,791,216</b>	<b>\$1,886,810</b>	<b>(5.1%)</b>	<b>\$16,422,940</b>	<b>\$15,330,040</b>	<b>7.1%</b>	



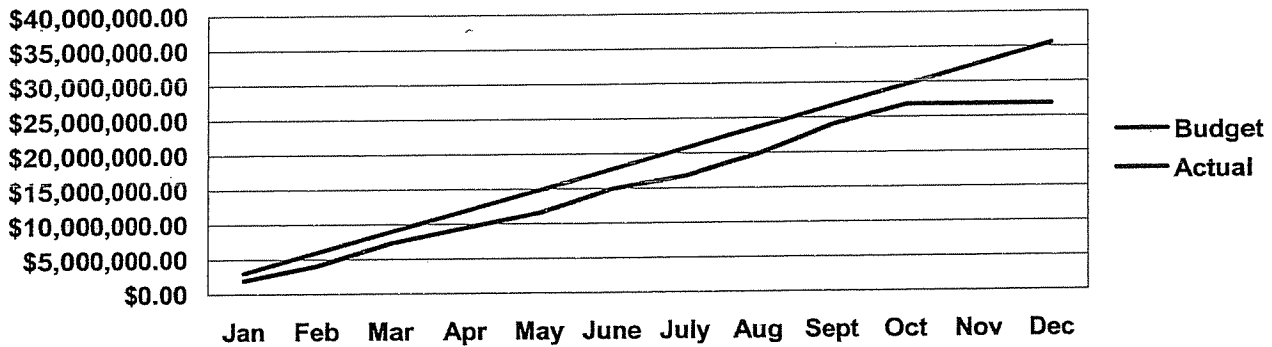
Northern Kentucky Water District  
Income Report Actual to Actual  
For the Ten Months Ending October 31, 2004

Description	October 2004	October 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 2,631,280	\$ 2,441,095	7.8%	\$ 24,747,592	\$ 20,752,462	19.3%	Reflects increase in rates.
Forfeited Discounts	63,316	60,122	5.3%	477,719	360,770	32.4%	
Rents from Water Property	54,350	17,391	212.5%	372,864	278,177	34.0%	
Other Water Revenues	16,105	31,815	(49.4%)	114,796	223,502	(48.6%)	Fewer turn on fees in 2004 then in 2003.
<b>Total Operating Revenues</b>	<b>\$2,765,051</b>	<b>\$2,550,423</b>	<b>8.4%</b>	<b>\$25,712,971</b>	<b>\$21,614,911</b>	<b>19.0%</b>	
Non-Operating Income (Expense)							
Interest Income	\$73,082	\$59,641	4.9%	\$898,503	\$658,526	36.4%	
Extraordinary Income	11,141	0	0.0%	145,194	\$685,842	(100.0%)	Boone Florence termination penalty. (one time)
Miscellaneous		3,853	189.2%		240,594	(39.7%)	
<b>Total Non-Operating Income</b>	<b>\$84,223</b>	<b>\$73,494</b>	<b>14.6%</b>	<b>\$1,043,697</b>	<b>\$1,584,962</b>	<b>(34.2%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,849,274</b>	<b>\$2,623,917</b>	<b>8.6%</b>	<b>\$26,756,668</b>	<b>\$23,199,873</b>	<b>15.3%</b>	

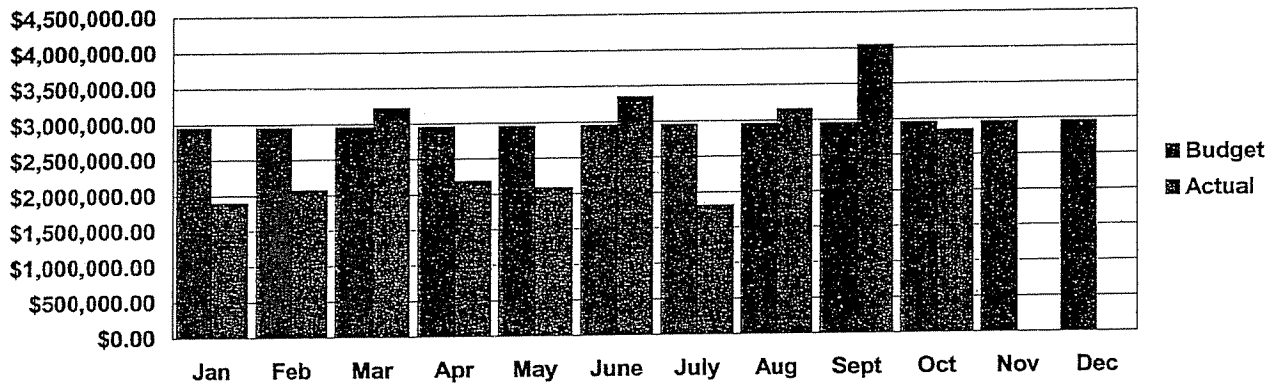
**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



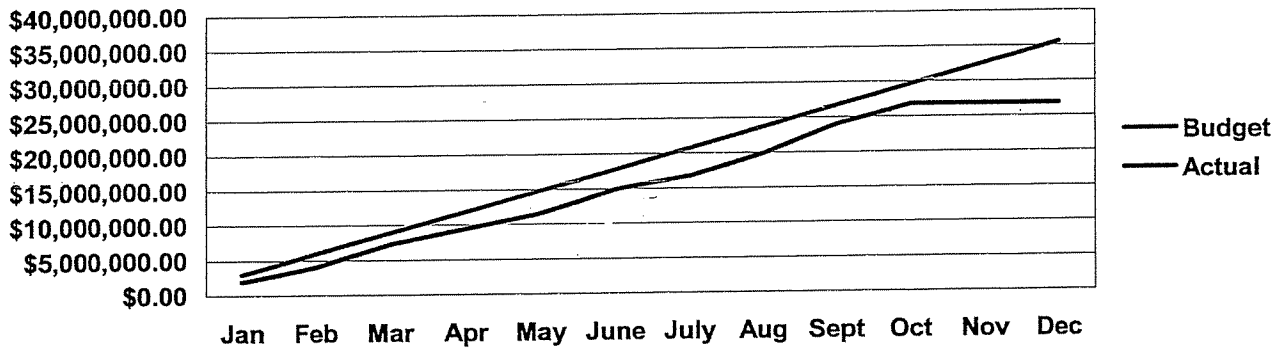
**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



**NKWD**  
**Revenue by Month 2004 - Budget to Actual**



**NKWD**  
**Revenue Trending 2004 - Budget To Actual**



Northern Kentucky Water District						
Operational Capital Budget for 2004						
Projected Available for Capital Expenditures:						
		Budget	Transferred	Date		
Cash Balance 1/1/2004 - Operating Capital		\$2,167,636.35	\$500,000.00	02/24/2004		
From Operations		\$5,540,095.00	\$500,000.00	04/27/2004		
From Leftover Purchase of Gear Property		\$2,000.00	\$250,000.00	05/21/2004		
Grant for Sub-Dist D		\$175,410.00	\$500,000.00	07/26/2004		
Sub-Distd RF - 3rd Payment 184-122		\$101,063.00	\$250,000.00	11/07/2004		
Reimbursement from Bond 2004		\$3,472,476.71				
Transfer to Bond 2003		(\$771,472.00)				
Transfer to Bond 2003		(\$58,090.00)				
Total Cash Available		\$10,629,119.06				
Executive Adm		\$132,500.00				
IT, Safety, Security		\$1,375,271.95				
Customer Service		\$838,300.00				
Distribution - Mains		\$2,508,311.75				
Distribution - Other		\$227,800.00				
Engineering		\$9,000.00				
Water Q & P		\$154,000.00	2,000,000.00			
Laboratory		\$15,000.00				
Plant and Pump Station Maintenance		\$227,000.00				
Total Request		\$5,487,183.70				
Net Coverage/Lost		\$5,141,935.36				
Actual YTD Cost						
Funds Remaining						
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #
BAN 2005 - Four Mile Pike (Popular Ridge to Nelson Rd) 12-8-2004	184-111	\$369,400.00			\$0.00	700
BAN 2005 - Nelson Rd. (Four Mile to 4 & 12 Mile Rds.) 12-8-2004	184-112	\$720,400.00			\$0.00	701
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$3,316.25	\$38,217.30	\$41,533.55	803
BAN 2005 - Poplar Ridger Rd (Upper Tug Fork to 4 Mile 12-8-2004	184-132	\$340,200.00			\$0.00	702
BAN 2004 - Pelly Rd from Ky 17 to Senour Road	184-135	\$371,000.00	\$99,569.48		\$99,569.48	810
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$3,537.08		\$3,537.08	816
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,794.19		\$5,794.19	807
BAN 2004 - Latonia 24" Steet - Phase II	184-164	\$302,250.00	\$3,215.00		\$3,215.00	809
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$19,581.54		\$19,581.54	811
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$6,103.00		\$6,103.00	813
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00	\$13,634.00		\$13,634.00	818
7/26/2004 - New Richmond Road	184-175	\$420,000.00	\$1,345.00		\$1,345.00	817
Bond 2005 - Central Facility	184-305	\$9,500,000.00	\$325,045.90		\$325,045.90	815
BAN 2005 - US27 Pumping Station - Expansion - BAN 2005	184-433	\$2,300,000.00	\$47,545.02		\$47,545.02	805
BAN 2005 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
BAN 2005 - MPPT Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$43,485.20		\$43,485.20	812
TOTAL		\$22,846,280.00	\$572,171.66	\$38,217.30	\$610,388.96	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Administrative Dept.					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Printer & Dater		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	Department Sub-Total		\$132,500.00	\$4,323.00	\$128,177.00	
	Information Systems, Safety, Security					
	INFO SYSTEMS					
	2003					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$52,841.03	\$47,158.97	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00	\$9,265.74	\$9,734.26	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	Sub-Total		\$290,220.24	\$78,077.25	\$212,142.99	
	SECURITY					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$141,476.10	\$31,556.55	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00		\$150,000.00	48
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank,ORPSZ,FTTP 2)		\$200,000.00	\$90,483.50	\$109,516.50	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$12,629.37	\$187,370.63	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	Sub-Total		\$1,085,051.71	\$274,500.81	\$810,550.90	
	SAFETY					
	2004					
						60
						62
	Sub-Total		\$0.00	\$0.00	\$0.00	
	Department Sub-total		\$1,375,271.95	\$352,578.06	\$1,022,693.89	
	CUSTOMER SERVICE					
	Billing					
	2004					
2004	Miscellaneous Office Furniture				\$1,000.00	70
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	72
2004	- 2 Counter Chairs		\$2,300.00		\$2,300.00	74
2004	- Check Endorser		\$5,000.00	\$4,329.00	\$671.00	76
2004	Out Bound Calling System		\$9,300.00	\$0.00	\$4,971.00	
	Sub-Total		\$9,300.00	\$0.00	\$4,971.00	
	CS - Field Services & Flushing					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	Meter Shop					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$347,658.71	\$52,341.29	104
2004	Large Water Meters >2"		\$6,000.00	\$5,700.00	\$300.00	106
2004	Meters for New Services <1"		\$100,000.00	\$25,875.00	\$74,125.00	108
2004	Meters for New Services >1"		\$15,000.00	\$7,487.60	\$7,512.40	110
2004	Meter Pit for A&K Apts.		\$30,000.00		\$30,000.00	112
	<b>Sub-Total</b>		\$829,000.00	\$546,830.52	\$282,169.48	
	<b>Department Sub-Total</b>		\$838,300.00	\$546,830.52	\$287,140.48	
	<b>DISTRIBUTION</b>					
	Mainlines					
	Mainline Improvement					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$31,572.47	\$18,427.53	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$31,572.47	\$647,486.53	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$11,426.44	\$23,573.56	146
	<b>Sub-Total</b>		\$178,162.75	\$21,979.84	\$156,182.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$58,090.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$151,090.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>		\$541,684.40		\$541,684.40	150
2004	- Engineering Services.		\$60,000.00	\$2,640.87	\$57,359.13	151
6/28/2004	- Thomas Street, Covington	184-0158			\$0.00	
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wright	184-165	\$100,000.00	\$100,131.31	-\$131.31	150A
1/27/2004	- Barbara Circle - Ft. Wright	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
8/31/2004	- Ross Ave - WM - Ft. Thomas	184-170	\$45,000.00	\$5,000.50	\$39,999.50	150E
8/31/2004	- Taylor & Eden - WM - Bellevue	184-171	\$50,000.00	\$1,460.00	\$48,540.00	150F
6/28/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$14,339.75	\$1,475.85	150C
8/16/2004	- Arcadia Avel	184-0118	\$10,000.00	\$7,645.40	\$2,354.60	150D
10/1/2004	- Waterworks Road Water Main Replacement	184-151	\$176,000.00			
10/10/2004	- Dudley Construction (Eaton Asphalt 18" Replacement)	184-173	\$46,500.00	\$657.00	\$45,843.00	150E
10/10/2004	- Wilder Industrial Park (50% Participation)	184-	\$45,000.00	\$657.00	\$44,343.00	150F
10/10/2004	- Orphanage Road 16" Erosion Problem Stabilization	184.00	\$250,000.00	\$0.00	\$250,000.00	150G
10/10/2004	- Brookwood Circle (City Interconnection Project)	184.00	\$30,000.00	\$0.00	\$30,000.00	150I
11/4/2004	- Garvey Ave. Phase II	184-176	\$0.00		\$0.00	05-220
11/29/2004	- Reimburse Main Line Expenses - Reitman Rd			\$19,999.00	-\$19,999.00	150J
10/10/2004	- Industrial Road Widening	184.00	\$30,000.00	\$0.00	\$30,000.00	150H
	<b>Sub-Total</b>		\$1,500,000.00	\$157,030.83	\$1,342,969.17	
	<b>Sub-Total Mainlines</b>		\$2,508,311.75	\$253,161.51	\$2,358,760.24	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00	\$2,000.00	\$0.00	170
2/26/2004	Quick Saw		\$1,200.00	\$823.99	\$376.01	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00	\$2,951.39	-\$451.39	176
2004	Allied Hoe Ram		\$12,000.00	\$7,850.00	\$4,150.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$1,080.00	-\$80.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,600.00	\$122,345.00	\$12,155.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$294.80	\$24,705.20	200
	<b>Sub-Total</b>		\$227,800.00	\$170,293.16	\$57,506.84	
	<b>ENGINEERING</b>					
	2004					

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	
	<b>Department Sub-Total</b>					
			\$2,745,111.75	\$423,454.67	\$2,425,267.08	
	<b>Water Quality &amp; Production</b>					
	<b>Operations</b>					
	<b>2004</b>					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$2,732.80	\$267.20	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$7,233.16	\$1,766.84	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$2,342.94	\$7,657.06	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$10,061.49	-\$61.49	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$3,510.50	\$489.50	260
2004	- Ripple Creek PS		\$4,000.00	\$4,181.00	-\$181.00	262
2004	- Bromley PS		\$4,000.00	\$1,586.10	\$2,413.90	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$12,054.84	\$2,945.16	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$7,927.15	\$1,072.85	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$2,237.00	\$2,263.00	286
2004	- Titrator		\$1,650.00	\$1,299.70	\$350.30	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
2004	- GAS Chromgraph		\$25,000.00		\$25,000.00	292
	<b>Sub-Total</b>		\$154,000.00	\$59,630.56	\$94,369.44	
	<b>LABORATORY</b>					
	<b>2004</b>					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	<b>Sub-Total</b>		\$15,000.00	\$7,193.99	\$7,806.01	
	<b>MAINTENANCE</b>					
	<b>2004</b>					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$19,106.93	\$893.07	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$9,939.17	\$60.83	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$13,923.83	\$1,076.17	326
2004	Valve pits					
8/25/2004	- TMTP Diversion Valve - Eliminated need for VFD		\$0.00	\$0.00	\$0.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$105,000.00	\$3,511.10	\$101,488.90	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$8,255.00	\$1,745.00	342
2004	Electrical Repair at FTTP					
8/25/2004	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$0.00	\$0.00	\$0.00	350
2004	Ventilation system improvements					
8/25/2004	- TMTP Pump Ventilation system - None at present		\$45,000.00	\$0.00	\$45,000.00	360
8/25/2004	- Bromley Ventilation System - None at present		\$2,000.00	\$464.22	\$1,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
8/25/2004	- To sperate office space from work area with fumes.		\$0.00	\$0.00	\$0.00	370
	<b>Sub-Total</b>		\$227,000.00	\$66,455.25	\$160,544.75	
	<b>Department Sub-Total</b>					
			\$396,000.00	\$133,279.80	\$262,720.20	
	<b>TOTAL of Departments</b>					
			\$5,487,183.70	\$1,460,466.05	\$4,125,998.65	

Summary	2002		2003		2003		2003		2003		2003		2003		2004	
	Produced	Purchased	Produced	Purchased	Produced	Purchased	Produced	Purchased	Produced	Purchased	Produced	Purchased	Produced	Purchased	Produced	Purchased
<b>Produced</b>	13,064,961	13,187,862	13,539,161	13,440,284	13,419,124	13,407,079	13,332,022	13,108,738	13,108,738	13,108,738	13,361,852	13,108,738	13,108,738	13,108,738	13,108,738	13,108,738
<b>Purchased</b>	462,970	400,290	272,430	272,430	153,961	92,841	29,830									
<b>TOTAL</b>	13,527,931	13,588,152	13,811,591	13,712,714	13,573,085	13,499,920	13,361,852	13,108,738	13,108,738	13,108,738	13,361,852	13,108,738	13,108,738	13,108,738	13,108,738	13,108,738
<b>Sold</b>	11,631,689	11,844,224	11,828,576	11,811,012	11,837,156	11,499,468	11,274,402	10,994,014	10,994,014	10,994,014	10,468,599	10,101,119	10,101,119	10,101,119	10,101,119	9,489,978
<b>Loss</b>	1,896,242	1,743,928	1,983,015	1,901,702	1,935,929	2,000,452	2,087,451	2,114,725	2,114,725	2,114,725	1,905,785	1,570,300	1,570,300	1,570,300	1,570,300	1,639,131
<b>% of Water Loss</b>	14.0%	12.8%	14.4%	13.9%	14.3%	14.8%	15.6%	16.1%	16.1%	16.1%	15.4%	13.5%	13.5%	13.5%	13.5%	14.7%
<b>% of Water Sold</b>	85.0%	87.2%	85.6%	86.1%	85.7%	85.2%	84.4%	83.9%	83.9%	83.9%	84.6%	86.5%	86.5%	86.5%	86.5%	85.3%
<b>Produced</b>	11,129,109	10,793,060	10,323,148	10,148,414	10,063,671	10,068,289	10,126,245	10,135,212	10,135,212	10,135,212	10,138,960	10,176,214	10,176,214	10,176,214	10,176,214	10,208,374
<b>Sold</b>	9,489,978	9,170,760	8,694,730	8,457,893	8,355,132	8,397,047	8,490,619	8,282,782	8,282,782	8,282,782	8,505,122	8,616,685	8,616,685	8,616,685	8,616,685	8,636,182
<b>Loss</b>	1,639,131	1,622,300	1,628,419	1,690,522	1,708,539	1,671,242	1,635,625	1,852,430	1,852,430	1,852,430	1,633,838	1,559,529	1,559,529	1,559,529	1,559,529	1,572,191
<b>% of Water Loss</b>	14.7%	15.0%	15.8%	16.7%	17.0%	16.6%	16.2%	18.3%	18.3%	18.3%	16.1%	15.3%	15.3%	15.3%	15.3%	15.4%
<b>% of Water Sold</b>	85.3%	85.0%	84.2%	83.3%	83.0%	83.4%	83.8%	81.7%	81.7%	81.7%	83.9%	84.7%	84.7%	84.7%	84.7%	84.6%



# Monthly Financial Reports

November 2004

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**Northern Kentucky Water District  
Balance Sheet  
As of November 30, 2004**

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 3,531,503
Accrued Interest Receivable	0
Accounts Receivable	
Customers	3,485,594
Unbilled Customers	4,200,000
Other	26,688
Assessments Receivable	38,913
Inventory Supplies for New Installation and Maintenance, at Cost	1,195,388
Prepaid Expenses	819,349
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 13,297,435</b>
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 10,157,547
Debt Service Reserve Account	12,995,235
Debt Service Account	4,016,154
Improvement, Repair & Replacement	2,663,166
Boone/Florence Settlement Account	4,121,098
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 33,953,200</b>
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,530,060
Capital Assets:	
Land, System, Buildings and Equipment	\$ 240,916,183
Construction in Progress	12,365,643
<b>Total Capital Assets before accumulated depreciation</b>	<b>\$ 253,281,826</b>
Less Accumulated Depreciation	(49,140,566)
<b>Total capital assets, net of accumulated depreciation</b>	<b>\$ 204,141,260</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 214,671,320</b>
<b>TOTAL ASSETS</b>	<b>\$ 261,921,955</b>

Northern Kentucky Water District  
Balance Sheet  
As of November 30, 2004

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,400,000
Accounts Payable	1,332,904
Accrued Payroll & Liabilities	181,809
Other Accrued Liabilities	127,030
	6,041,743
TOTAL CURRENT LIABILITIES	
CURRENT LIABILITIES PAYABLE	
FROM RESTRICTED ASSETS	
Accounts Payable	\$ 92,066
Accrued Interest Payable	1,635,971
	1,728,037
TOTAL CURRENT LIABILITIES PAYABLE	
FROM RESTRICTED ASSETS	
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 148,725,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,625,000
Deferred Note Payable	100,000
	155,055,000
TOTAL LONG-TERM DEBT	
TOTAL LIABILITIES	
	\$ 162,824,780
RETAINED EARNINGS	
	\$ 99,097,175
TOTAL LIABILITIES AND RETAINED EARNINGS	
	\$ 261,921,955

Northern Kentucky Water District  
Expense Report by Division Actual to Budget  
For the Eleven Months Ending November 30, 2004

Division	November Actual	November Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$588,026	\$598,321	(1.7%)	\$7,057,605	\$6,581,529	7.2%	7,179,850	Chemicals high because of record turbidities due to floods. Electric should be on budget by end of the year. Discharge to sanitary rates increased in the middle of the year.
ENGINEERING & DISTRIBUTION	357,093	520,375	(31.4%)	5,117,677	5,724,125	(10.6%)	6,244,500	
CUSTOMER SERVICE	245,757	290,687	(15.5%)	3,061,461	3,197,563	(4.3%)	3,488,250	
ADMINISTRATION	156,751	245,842	(36.2%)	2,533,824	2,704,258	(6.3%)	2,950,100	
<b>TOTAL O AND M</b>	<b>\$1,347,627</b>	<b>\$1,655,225</b>	<b>(18.6%)</b>	<b>\$17,770,567</b>	<b>\$18,207,475</b>	<b>(2.4%)</b>	<b>19,862,700</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eleven Months Ending November 30, 2004

Department	November Actual	November Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
SOURCE OF SUPPLY Licking River Pump Station	\$4,861	\$5,333	(8.9%)	\$54,763	\$58,667	(6.7%)	\$64,000	
Ohio River Pump Station # 1	41,081	46,083	(10.9%)	503,135	506,917	(0.7%)	553,000	
Ohio River Pump Station # 2	3,519	7,417	(52.6%)	65,379	81,583	(19.9%)	89,000	
<b>TOTAL SOURCE OF SUPPLY</b>	<b>\$49,461</b>	<b>\$58,833</b>	<b>(15.9%)</b>	<b>\$623,277</b>	<b>\$647,167</b>	<b>(3.7%)</b>	<b>\$706,000</b>	
WATER QUALITY Ft. Thomas Treatment Plant	\$162,624	\$158,550	2.6%	\$1,930,925	1,744,050	10.7%	\$1,902,600	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Taylor Mill Treatment Plant	40,516	51,096	(20.7%)	619,765	562,054	10.3%	613,150	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year. Some labor reclassified in October from Memorial Pky Treatment plant to the Taylor Mill Treatment Plant.
Memorial Parkway Treatment Plant	64,774	65,517	(1.1%)	793,543	720,683	10.1%	786,200	Record turbidities due to flooding. YTD chemicals, electric & heating higher than expected. Natural gas rate increased 45% this year.
Laboratory	60,761	57,004	6.6%	581,322	627,046	(7.3%)	684,050	
Instrumentation	21,291	20,504	3.8%	243,300	225,546	7.9%	246,050	YTD over due to higher gasoline costs and contract services.
Sludge	17,560	14,167	24.0%	278,418	155,833	78.7%	170,000	YTD over due to large discharge to sanitary bills. Sanitation increased rate in the middle of the year. September Ft. Thomas
<b>TOTAL WATER QUALITY</b>	<b>\$367,526</b>	<b>\$366,838</b>	<b>0.2%</b>	<b>\$4,447,273</b>	<b>\$4,035,212</b>	<b>10.2%</b>	<b>\$4,402,050</b>	sludge hauling was very high due to basin cleaning & high turbidities.
<b>TOTAL PUMPING &amp; STORAGE</b>	<b>\$171,039</b>	<b>\$172,650</b>	<b>(0.9%)</b>	<b>\$1,987,055</b>	<b>\$ 1,899,150</b>	<b>4.6%</b>	<b>\$ 2,071,800</b>	
<b>TOTAL SOS, WQ, P &amp; S</b>	<b>\$588,026</b>	<b>\$598,321</b>	<b>(1.7%)</b>	<b>\$7,057,605</b>	<b>\$6,581,529</b>	<b>7.2%</b>	<b>\$7,179,850</b>	

**Northern Kentucky Water District**  
**Expense Report by Department Actual to Budget**  
**For the Eleven Months Ending November 30, 2004**

Department	November Actual	November Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
<b>ENGINEERING &amp; DISTRIBUTION</b>								
Engineering	\$83,557	\$103,875	(19.6%)	\$1,053,456	\$ 1,142,625	(7.8%)	\$1,246,500	
Distribution	273,536	416,500	(34.3%)	4,064,221	4,581,500	(11.3%)	4,998,000	
<b>TOTAL ENGINEERING &amp; DISTRIBUTION</b>	<b>\$357,093</b>	<b>\$520,375</b>	<b>(31.4%)</b>	<b>\$5,117,677</b>	<b>\$5,724,125</b>	<b>(10.6%)</b>	<b>\$ 6,244,500</b>	
<b>CUSTOMER SERVICE</b>								
Field Service	\$54,439	\$56,125	(3.0%)	\$603,165	\$ 617,375	(2.3%)	\$ 673,500	
Meter Shop	21,986	26,050	(15.6%)	235,402	286,550	(17.8%)	312,600	
Courier/Maintenance	4,242	4,625	(8.3%)	48,285	50,875	(5.1%)	55,500	
Account Service	80,141	119,183	(32.8%)	1,159,426	1,311,017	(11.6%)	1,430,200	
Meter Reading	22,984	26,725	(14.0%)	272,234	293,975	(7.4%)	320,700	
Flushing	22,531	24,329	(7.4%)	268,706	267,621	0.4%	291,950	
Other	39,434	33,650	17.2%	474,243	370,150	28.1%	403,800	Large bad debt write off in July due to bankruptcy. Larger water bills being written off due to rate increases. Large number of bad debts written off in October.
<b>TOTAL CUSTOMER SERVICE</b>	<b>\$245,757</b>	<b>\$290,687</b>	<b>(15.5%)</b>	<b>\$3,061,461</b>	<b>\$3,197,563</b>	<b>(4.3%)</b>	<b>\$ 3,488,250</b>	

Northern Kentucky Water District  
Expense Report by Department Actual to Budget  
For the Eleven Months Ending November 30, 2004

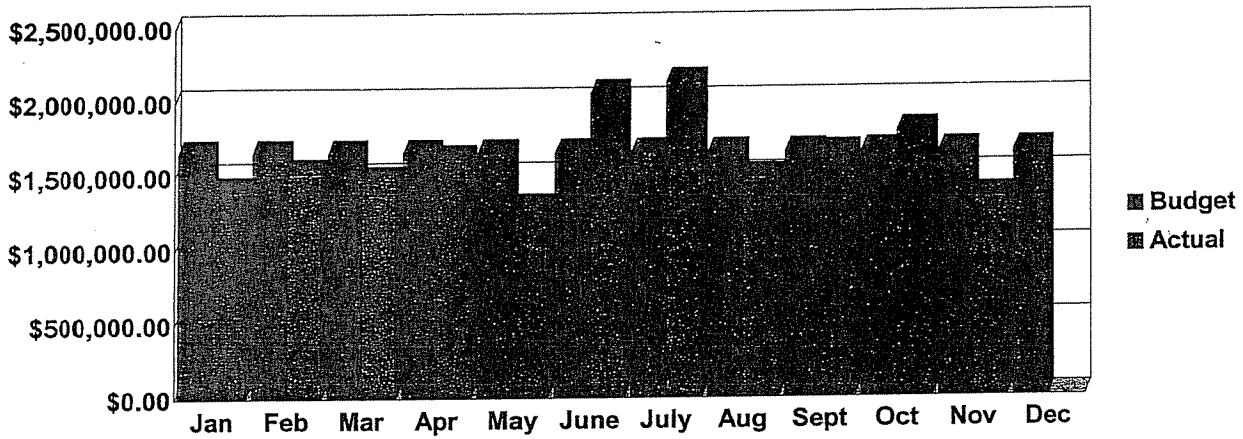
Department	November Actual	November Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget 12 Months	Explanation
ADMINISTRATION								
Executive Management	\$37,080	\$42,275	(12.3%)	\$457,053	\$ 465,025	(1.7%)	\$ 507,300	
Board of Commissioners	10,373	8,700	19.2%	106,464	95,700	11.2%	104,400	YTD over due to commissioners taking health insurance that were not included in budget.
Accounting	16,929	23,808	(28.9%)	238,943	261,892	(8.8%)	285,700	
H. R. , Information Systems, Safety	63,697	95,467	(33.3%)	930,056	1,050,133	(11.4%)	1,145,600	
Other	28,672	75,592	(62.1%)	801,308	831,508	(3.6%)	907,100	
TOTAL ADMINISTRATION	\$156,751	\$245,842	(36.2%)	\$2,533,824	\$2,704,258	(6.3%)	\$ 2,950,100	
TOTAL O & M	\$1,347,627	\$1,655,225	(18.6%)	\$17,770,567	\$18,207,475	(2.4%)	\$19,862,700	



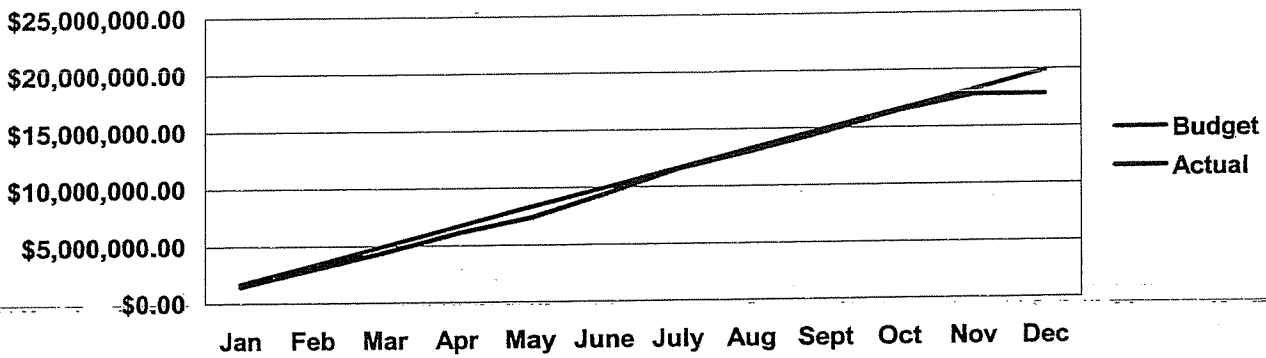
Northern Kentucky Water District  
Expense Report by Account Actual to Budget  
For the Eleven Months Ending November, 2004

Account	November Actual	November Budget	Variance Over (Under)	YTD Actual	YTD Budget	Variance Over (Under)	2004 Budget	Explanation
O & M Expenses								
Salaries & Wages	\$548,260	\$603,192	(9.1%)	\$6,538,773	\$6,635,108	(1.5%)	\$7,238,300	
Employee Pension & Benefits	166,568	180,012	(7.5%)	1,933,431	1,980,137	(2.4%)	2,160,150	
Taxes Other than Income Taxes	38,690	46,142	(16.2%)	468,028	507,558	(7.8%)	553,700	
Purchased Power	127,983	153,542	(16.6%)	1,728,156	1,688,988	2.3%	1,842,500	Over due to increased demand in summer months - should level out by year end.
Chemicals	42,132	51,250	(17.8%)	720,699	563,750	27.8%	615,000	Over due to high turbidity levels throughout the year and record levels during the floods. It is expected to be over budget in this category.
Materials & Supplies	124,624	131,388	(5.1%)	1,362,600	1,445,263	(5.7%)	1,576,650	
Contractual Services	162,604	357,225	(54.5%)	3,423,804	3,929,475	(12.9%)	4,286,700	
Rent	0	958	(100.0%)	9,199	10,542	(12.7%)	11,500	
Transportation	27,507	22,213	23.8%	259,594	244,338	6.2%	266,550	Over due to higher gasoline prices.
Insurance	53,550	55,792	(4.0%)	639,271	613,708	4.2%	669,500	Additional premium due per Workers Comp. Ins. Audit for 2003.
Advertising	412	458	(10.0%)	8,177	5,042	62.2%	5,500	Over due to more advertising than expected. Includes bidding professional services, employment opportunities, commission meeting dates.
Bad Debt Expense	30,432	27,500	10.7%	391,535	302,500	29.4%	330,000	Over due to large write off of bankruptcy and larger water bills due to rate increase.
Miscellaneous	3,543	6,896	(48.6%)	92,926	75,854	22.5%	82,750	Over due to additional payment to AWWA research foundation for a special research project # 3085 on drinking water.
Regulatory Commission Assessment	21,322	18,657	14.3%	194,374	205,242	(5.3%)	223,900	
<b>Total O &amp; M Expenses</b>	<b>\$1,347,627</b>	<b>\$1,655,225</b>	<b>(18.6%)</b>	<b>\$17,770,567</b>	<b>\$18,207,475</b>	<b>(2.4%)</b>	<b>\$19,862,700</b>	

### NKWD O&M Monthly Comparison 2004 Budget to Actual



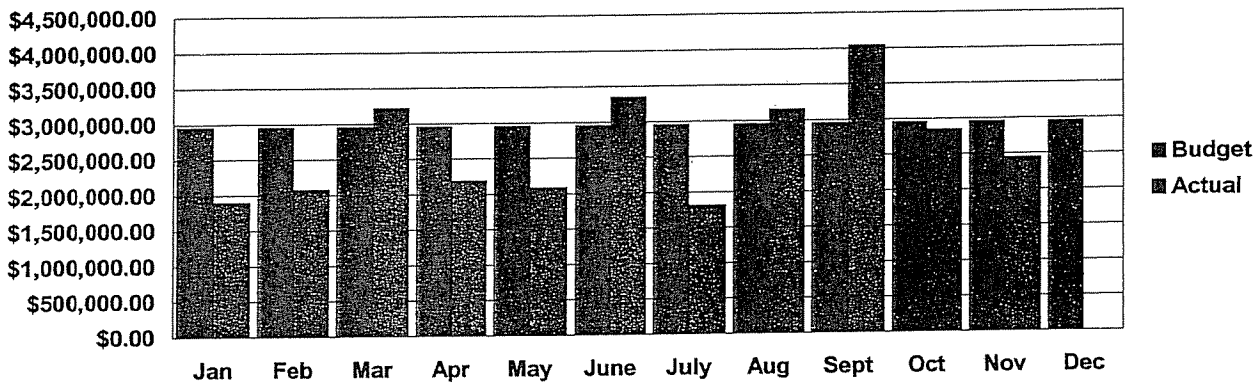
### NKWD O&M YTD Trending 2004 - Budget To Actual



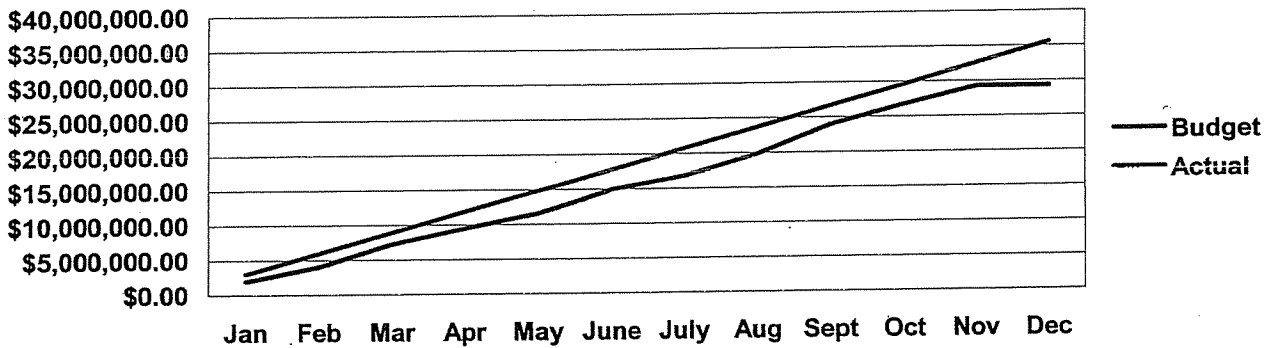
Northern Kentucky Water District  
Income Report Actual to Projected  
For the Eleven Months Ending November 30, 2004

Description	November Actual	November Projected	Variance	YTD Actual	YTD Projected	Variance	Explanation
Water Sales	\$ 2,250,671	\$ 2,750,000	(18.2%)	\$ 26,998,263	\$ 30,250,000	(10.7%)	
Forfeited Discounts	73,558	39,167	87.8%	551,277	430,833	28.0%	
Rents from Water Property	37,615	29,125	29.2%	410,478	320,375	28.1%	
Other Water Revenues	31,485	39,583	(20.5%)	146,281	435,417	(66.4%)	
<b>Total Operating Revenues</b>	<b>\$2,393,329</b>	<b>\$2,957,875</b>	<b>(16.3%)</b>	<b>\$28,106,299</b>	<b>\$31,436,625</b>	<b>(10.6%)</b>	Turn on fees, meter tests and check return charges are included in this category. Part of this projected income should have been in forfeited discounts and rents from water property instead of other water revenues.
Non-Operating Income (Expense)							
Interest Income	\$44,851	\$83,333	(46.2%)	\$943,354	\$916,667	2.9%	
Miscellaneous	7,590	16,667	(54.5%)	152,785	183,333	(16.7%)	
<b>Total Non-Operating Income</b>	<b>\$52,441</b>	<b>\$100,000</b>	<b>(47.6%)</b>	<b>\$1,096,139</b>	<b>\$1,100,000</b>	<b>(0.4%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,445,770</b>	<b>\$2,957,875</b>	<b>(17.3%)</b>	<b>\$29,202,438</b>	<b>\$32,536,625</b>	<b>(10.2%)</b>	

### NKWD Revenue by Month 2004 - Budget to Actual



### NKWD Revenue Trending 2004 - Budget To Actual



Northern Kentucky Water District  
Expense Report by Division Actual to Actual  
For the Eleven Months Ending November 30, 2004

Division	November 2004	November 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
SOURCE OF SUPPLY, WATER TREATMENT, PUMPING & STORAGE	\$588,026	\$549,409	7.0%	\$7,057,605	\$6,540,047	7.9%	Increased heating cost, Chemical purchases, Repairs and Two Discharge to Sanitary payments ( 160,000). Painting at plant in 2004 that was not in 2003.
ENGINEERING & DISTRIBUTION	357,093	368,660	(3.1%)	5,117,677	5,425,263	(5.7%)	Meter shop moved to customer service in 2004.
CUSTOMER SERVICE	245,757	225,904	8.8%	3,061,461	2,480,319	23.4%	Addition of Meter shop in 2004 and higher write off of bad debts due to increase in water rates and bankruptcy of large business.
ADMINISTRATION	156,751	195,109	(19.7%)	2,533,824	2,223,483	14.0%	Rate case expense write off started in late 2003 and salary increases.
TOTAL O AND M	\$1,347,627	\$1,339,072	0.6%	\$17,770,567	\$16,669,112	6.6%	1.1 ml ↑

Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Eleven Months Ending November 30, 2004

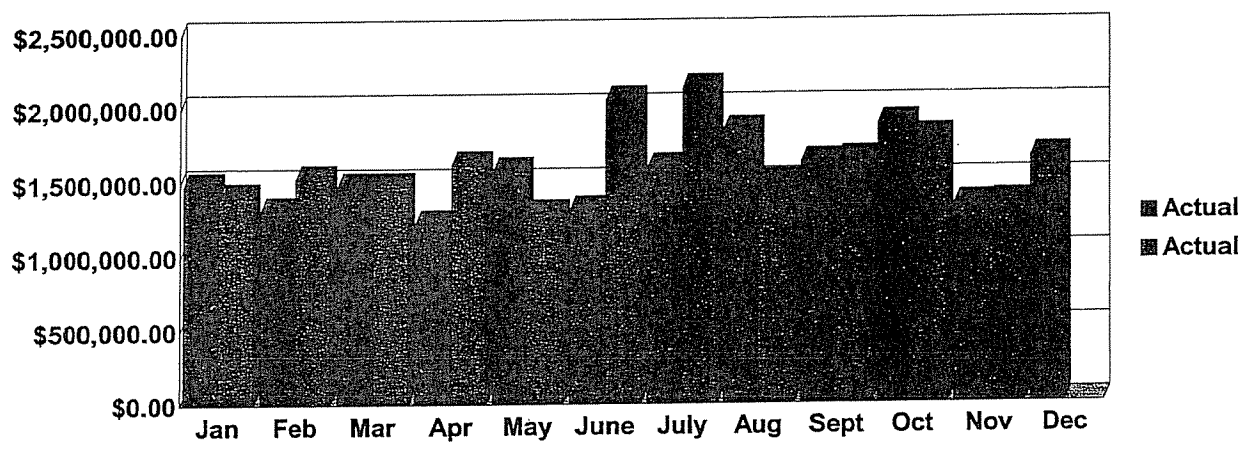
Account	November 2004	November 2003	Variance Over (Under)	YTD 2004	YTD 2003	Variance Over (Under)	Explanation
O & M Expenses							
Salaries & Wages	\$548,260	\$502,396	9.1%	\$6,538,773	\$6,165,372	6.1%	
Employee Pension & Benefits	166,568	152,655	9.1%	1,933,431	1,605,862	20.4%	Increase in health insurance.
Taxes Other than Income Taxes	38,690	35,843	7.9%	468,028	446,553	4.8%	
Purchased Power	127,983	128,920	(0.7%)	1,728,156	1,669,142	3.5%	Higher due to electric costs of the central facility in 2004.
Chemicals	42,132	46,254	(8.9%)	720,699	639,884	12.6%	Record high turbidity levels this summer due to flooding from large amounts of rain caused by the hurricanes in the south.
Materials & Supplies	124,624	122,767	1.5%	1,362,600	1,350,232	0.9%	
Contractual Services	162,604	239,913	(32.2%)	3,423,804	3,582,521	(4.4%)	
Rent	0	0	#DIV/0!	9,199	10,070	(8.6%)	
Transportation	27,507	16,770	64.0%	259,594	220,325	17.8%	Increase in gasoline prices.
Insurance	53,550	47,778	12.1%	639,271	546,620	16.9%	Reflects expected increase.
Advertising	412	606	(32.0%)	8,177	6,232	31.2%	
Bad Debt Expense	30,432	24,589	23.8%	391,535	245,739	59.3%	Increase due to write off of bad debt based on higher water rates. Also, large write off due to bankruptcy.
Miscellaneous	3,543	4,959	(28.6%)	92,926	79,022	17.6%	
Regulatory Commission Assessment	21,322	15,622	36.5%	194,374	101,538	91.4%	Rate case write off did not start until late 2003.
<b>Total O &amp; M Expenses</b>	<b>\$1,347,627</b>	<b>\$1,339,072</b>	<b>0.6%</b>	<b>\$17,770,567</b>	<b>\$16,669,112</b>	<b>6.6%</b>	

**Northern Kentucky Water District**  
**Income Report Actual to Actual**  
**For the Eleven Months Ending November 30, 2004**

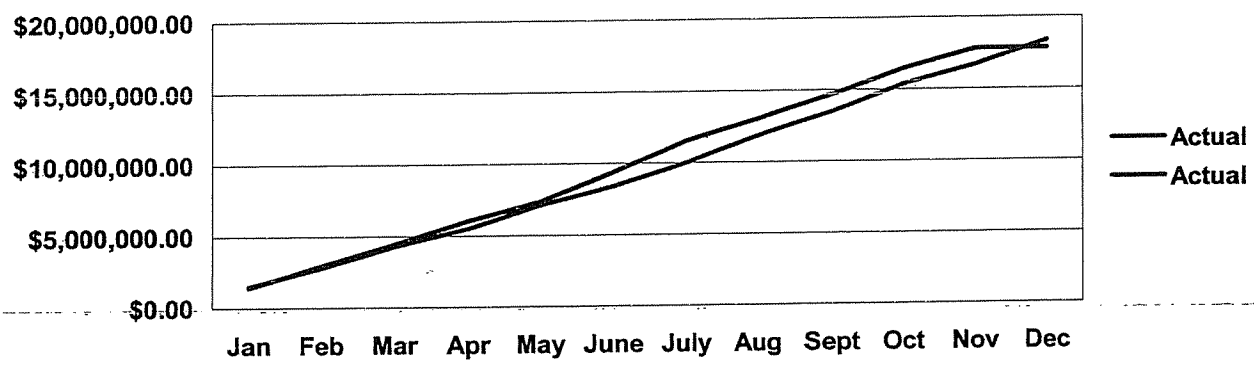
Description	November 2004	November 2003	Variance	YTD 2004	YTD 2003	Variance	Explanation
Water Sales	\$ 2,250,671	\$ 2,088,809	7.7%	\$ 26,998,263	\$ 22,841,270	18.2%	Reflects increase in rates. 4.1% ↑
Forfeited Discounts	73,558	39,696	85.3%	551,277	400,466	37.7%	
Rents from Water Property	37,615	13,271	183.4%	410,478	291,448	40.8%	
Other Water Revenues	31,485	20,935	50.4%	146,281	244,437	(40.2%)	Fewer turn on fees in 2004 then in 2003.
<b>Total Operating Revenues</b>	<b>\$2,393,329</b>	<b>\$2,162,711</b>	<b>10.7%</b>	<b>\$28,106,299</b>	<b>\$23,777,621</b>	<b>18.2%</b>	
Non-Operating Income (Expense)							
Interest Income	\$44,851	\$72,882	(38.5%)	\$943,354	\$731,408	29.0%	
Extraordinary Income		0	0.0%		\$685,842	(100.0%)	
Miscellaneous	7,590	5,735	32.3%	152,785	246,329	(38.0%)	Boone Florence termination penalty. (one time)
<b>Total Non-Operating Income</b>	<b>\$52,441</b>	<b>\$78,617</b>	<b>(33.3%)</b>	<b>\$1,096,139</b>	<b>\$1,663,579</b>	<b>(34.1%)</b>	
<b>TOTAL INCOME</b>	<b>\$2,445,770</b>	<b>\$2,241,328</b>	<b>9.1%</b>	<b>\$29,202,438</b>	<b>\$25,441,200</b>	<b>14.8%</b>	

3.761 mil ↑

### NKWD O&M Monthly Comparison 2004 - Actual to Actual

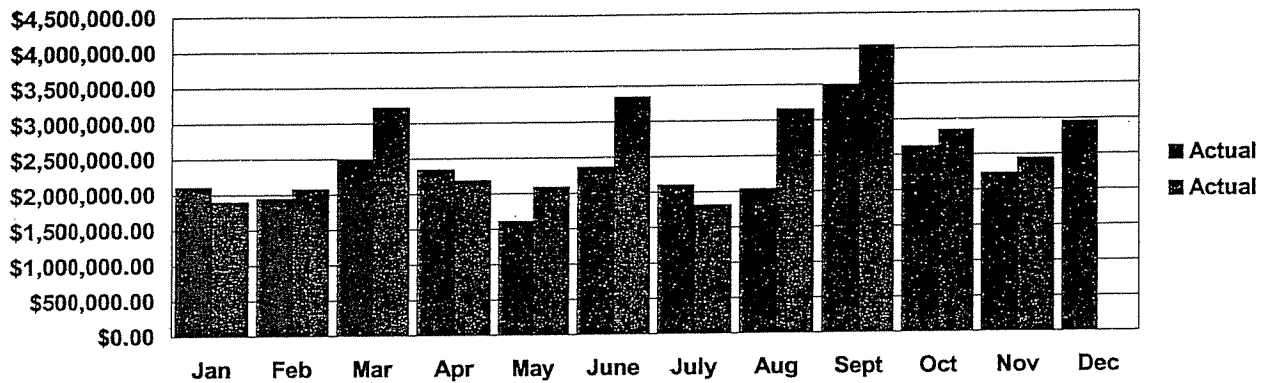


### NKWD O&M YTD Trending 2004 - Actual to Actual

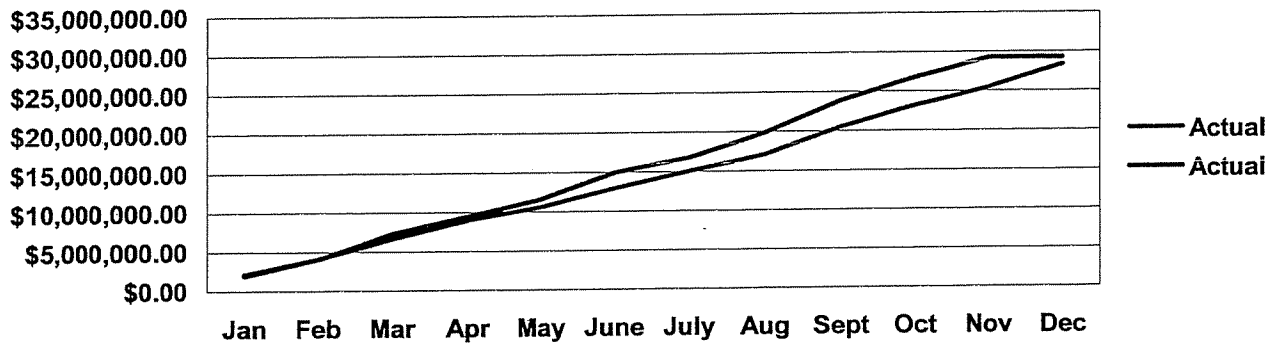




**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Projected Available for Capital Expenditures:		Budget	Transferred	Date		
Cash Balance 1/1/2004 - Operating Capital		\$2,167,636.35	\$500,000.00	02/24/2004		
From Operations		\$5,540,095.00	\$500,000.00	04/27/2004		
From Leftover Purchase of Gear Property		\$2,000.00	\$250,000.00	05/21/2004		
Grant for Sub-Dist D		\$175,410.00	\$500,000.00	07/26/2004		
Sub-Distd RF - 3rd Payment 184-122		\$101,063.00	\$125,000.00	09/30/2004		
Reimbursement from Bond 2004		\$3,472,476.71	\$250,000.00	11/07/2004		
Transfer to Bond 2003		(\$771,472.00)	\$375,000.00	12/09/2004		
Transfer to Bond 2003		(\$58,090.00)	\$438,584.00	12/13/2004		
<b>Total Cash Available</b>		<b>\$10,629,119.06</b>				
Executive Adm		\$132,500.00				
IT, Safety, Security		\$1,375,271.95				
Customer Service		\$838,300.00				
Distribution - Mains		\$2,508,311.75				
Distribution - Other		\$227,800.00				
Engineering		\$9,000.00				
Water Q & P		\$154,000.00				
Laboratory		\$15,000.00	2,938,584.00			
Plant and Pump Station Maintenance		\$227,000.00				
<b>Total Request</b>		<b>\$5,487,183.70</b>				
Net Coverage/Lost		\$5,141,935.36				
Actual YTD Cost						
Funds Remaining						
<b>Future BAN</b>	<b>Project #</b>	<b>Project Cost</b>	<b>Paid in 2004</b>	<b>Prior Paid</b>	<b>Paid YTD</b>	<b>Line #</b>
BAN 2005 - Four Mile Pike (Poplar Ridge to Nelson Rd) 12-8-2004	184-111	\$389,400.00	\$5,959.34		\$5,959.34	700
BAN 2005 - Nelson Rd. (Four Mile to 4 & 12 Mile Rds.) 12-8-2004	184-112	\$720,400.00	\$5,959.33		\$5,959.33	701
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$850,000.00	\$3,316.25	\$38,217.30	\$41,533.55	803
BAN 2005 - Poplar Ridger Rd (Upper Tug Fork to 4 Mile 12-8-2004	184-132	\$340,200.00	\$5,959.34		\$5,959.34	702
BAN 2004 - Pelly Rd from Ky 17 to Senour Road	184-135	\$371,000.00	\$128,437.01		\$128,437.01	810
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$825,000.00	\$13,736.78		\$13,736.78	816
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,794.19		\$5,794.19	807
BAN 2004 - Latonia 24" Steet - Phase II	184-164	\$302,250.00	\$5,001.75		\$5,001.75	809
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$20,932.24		\$20,932.24	811
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$7,770.79		\$7,770.79	813
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00	\$14,554.00		\$14,554.00	818
7/26/2004 - New Richmond Road	184-175	\$420,000.00	\$2,857.08		\$2,857.08	817
Bond 2005 - Central Facility	184-305	\$9,500,000.00	\$428,973.48		\$428,973.48	815
BAN 2005 - US27 Pumping Station - Expansion - BAN 2005	184-433	\$2,300,000.00	\$77,473.02		\$77,473.02	805
BAN 2005 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806
BAN 2005 - MPTP Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$43,485.20		\$43,485.20	812
<b>TOTAL</b>		<b>\$22,846,280.00</b>	<b>\$758,291.13</b>	<b>\$38,217.30</b>	<b>\$796,508.43</b>	

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Administrative Dept.					
	2004					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Printer & Dater		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	Department Sub-Total		\$132,500.00	\$4,323.00	\$128,177.00	
	Information Systems, Safety, Security					
	INFO SYSTEMS					
	2003					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	2004					
2004	PC Hardware Replacement Program		\$100,000.00	\$61,957.54	\$38,042.46	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
2004	Cisco 2950G 48 Port (3) Ethernet Switches		\$15,000.00		\$15,000.00	34
2004	Replace (4) UPS's for Servers		\$2,500.00	\$735.40	\$1,764.60	36
2004	Cust. Serv. Monitor System & Software		\$5,000.00		\$5,000.00	38
2004	LaserFiche United Server		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	File Servers for MPTP & TMTP		\$19,000.00	\$9,265.74	\$9,734.26	42
2004	Inventory Bar Coding System		\$50,000.00		\$50,000.00	44
	Sub-Total		\$290,220.24	\$87,193.76	\$203,026.48	
	SECURITY					
	2003					
2003	Fencing at FTTP		\$173,032.65	\$142,886.00	\$30,146.65	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00	\$143,721.14	\$6,278.86	48
	2004					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank, ORPSZ, FTTP 2)		\$200,000.00	\$96,083.50	\$103,916.50	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$27,088.40	\$172,911.60	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	Sub-Total		\$1,085,051.71	\$439,690.88	\$645,360.83	
	SAFETY					
	2004					
						60
						62
	Sub-Total		\$0.00	\$0.00	\$0.00	
	Department Sub-total		\$1,375,271.95	\$526,884.64	\$848,387.31	
	CUSTOMER SERVICE					
	Billing					
	2004					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	Sub-Total		\$9,300.00	\$0.00	\$4,971.00	
	CS - Field Services & Flushing					
	2004					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00		\$6,500.00	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	Meter Shop					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$399,951.88	\$48.12	104
2004	Large Water Meters >2"		\$6,000.00	\$5,700.00	\$300.00	106
2004	Meters for New Services <1"		\$100,000.00	\$99,914.82	\$85.18	108
2004	Meters for New Services >1"		\$15,000.00	\$13,194.10	\$1,805.90	110
2004	Meter Pit for A&K Apts.		\$30,000.00	\$907.00	\$29,093.00	112
	<b>Sub-Total</b>		\$829,000.00	\$679,777.01	\$149,222.99	
	<b>Department Sub-Total</b>		\$838,300.00	\$679,777.01	\$158,522.99	
	<b>DISTRIBUTION</b>					
	Mainlines					
	Mainline Improvement					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$31,572.47	\$18,427.53	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$31,572.47	\$647,486.53	
	<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	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$13,728.44	\$21,271.56	146
	<b>Sub-Total</b>		\$178,162.75	\$24,281.84	\$153,880.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$58,090.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$151,090.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2004	- Engineering Services.		\$541,684.40		\$541,684.40	150
2004	- Thomas Street, Covington	184-0158	\$60,000.00	\$2,640.87	\$57,359.13	151
6/28/2004	- Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00	\$110,680.96	-\$10,680.96	150A
1/27/2004	- Barbara Circle - Ft. Wirght	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
1/27/2004	- Ross Ave - WM - Ft. Thomas	184-170	\$45,000.00	\$5,000.50	\$39,999.50	150E
8/31/2004	- Taylor & Eden - WM - Bellevue	184-171	\$50,000.00	\$1,460.00	\$48,540.00	150F
8/31/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$16,829.25	-\$1,013.65	150C
6/28/2004	- Arcadia Ave	184-0118	\$10,000.00	\$7,645.40	\$2,354.60	150D
10/1/2004	- Waterworks Road Water Main Replacement	184-151	\$176,000.00			
10/10/2004	- Dudley Construction (Eaton Asphalt 18" Replacement)	184-173	\$46,500.00	\$894.25	\$45,605.75	150E
10/10/2004	- Wilder Industrial Park (50% Participation)	184-	\$45,000.00	\$894.25	\$44,105.75	150F
10/10/2004	- Orphanage Road 16" Erosion Problem Stabilization	184.00	\$250,000.00	\$5,036.30	\$244,963.70	150G
10/10/2004	- Brookwood Circle (City Interconnection Project)	184.00	\$30,000.00	\$0.00	\$30,000.00	150I
11/4/2004	- Garvey Ave. Phase II	184-176	\$0.00	\$0.00	\$0.00	05-220
11/29/2004	- Reimburse Main Line Expenses - Reitman Rd		\$30,000.00	\$19,999.00	-\$19,999.00	150J
10/10/2004	- Industrial Road Widening	184.00	\$30,000.00	\$0.00	\$30,000.00	150H
	<b>Sub-Total</b>		\$1,500,000.00	\$175,580.78	\$1,324,419.22	
	<b>Sub-Total Mainlines</b>		\$2,508,311.75	\$274,013.46	\$2,234,298.29	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00	\$2,000.00	\$0.00	170
2/26/2004	Quick Saw		\$1,200.00	\$823.99	\$376.01	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00	\$2,951.39	-\$451.39	176
2004	Allied Hoe Ram		\$12,000.00	\$9,215.00	\$2,785.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$1,080.00	-\$80.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$122,345.00	\$12,155.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$294.80	\$24,705.20	200
	<b>Sub-Total</b>		\$227,800.00	\$171,658.16	\$56,141.84	
	<b>ENGINEERING</b>					
	2004					

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	Capital Purchases					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	Sub-Total		\$9,000.00	\$0.00	\$9,000.00	
	Department Sub-Total		\$2,745,111.75	\$445,671.62	\$2,403,050.13	
	Water Quality & Production Operations 2004					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$2,732.80	\$267.20	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$7,233.16	\$1,766.84	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$3,590.22	\$6,409.78	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$10,061.49	-\$61.49	256
2004	Analzers					
2004	- Waterworks Road PS		\$4,000.00	\$3,510.50	\$489.50	260
2004	- Ripple Creek PS		\$4,000.00	\$4,181.00	-\$181.00	262
2004	- Bromley PS		\$4,000.00	\$1,586.10	\$2,413.90	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$12,700.34	\$2,299.66	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$7,927.15	\$1,072.85	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$4,658.62	-\$158.62	286
2004	- Titrator		\$1,650.00	\$1,299.70	\$350.30	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
2004	- GAS Chromgraph		\$25,000.00		\$25,000.00	292
	Sub-Total		\$154,000.00	\$63,944.96	\$90,055.04	
	LABORATORY 2004					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservior		\$1,000.00	\$556.56	\$443.44	304
	Sub-Total		\$15,000.00	\$7,193.99	\$7,806.01	
	MAINTENANCE 2004					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$19,106.93	\$893.07	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$9,939.17	\$60.83	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$13,923.83	\$1,076.17	326
2004	Valve pits					
8/25/2004	- TMTP Diversion Valve - Eliminated need for VFD		\$0.00	\$0.00	\$0.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$105,000.00	\$3,511.10	\$101,488.90	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$8,255.00	\$1,745.00	342
2004	Electrical Repair at FTTP					
8/25/2004	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$0.00	\$0.00	\$0.00	350
2004	Ventilation system improvements					
8/25/2004	- TMTP Pump Ventilation system - None at present		\$45,000.00	\$22,340.75	\$22,659.25	360
8/25/2004	- Bromley Ventilation System - None at present		\$2,000.00	\$464.22	\$1,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
8/25/2004	- To sperate office space from work area with fumes.		\$0.00	\$0.00	\$0.00	370
	Sub-Total		\$227,000.00	\$88,796.00	\$138,204.00	
	Department Sub-Total		\$396,000.00	\$159,934.95	\$236,065.05	
	TOTAL of Departments					
			\$5,487,133.70	\$1,016,597.22	\$3,789,073.48	

INKWD Summary	water Produced/Purchased v. Sold												
	2002 November	2002 December	2003 January	2003 February	2003 March	2003 April	2003 May	2003 June	2003 July	2003 August	2003 September	2003 October	2004 November
<b>Produced</b>	13,187,862	13,376,428	13,539,161	13,440,284	13,485,600	13,419,124	13,407,079	13,332,022	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060
<b>Purchased</b>	400,290	335,780	272,430	272,430	215,951	153,961	92,841	29,830					
<b>TOTAL</b>	13,588,152	13,712,208	13,811,591	13,712,714	13,701,551	13,573,085	13,499,920	13,361,852	13,108,738	12,374,384	11,671,418	11,129,109	10,793,060
<b>Sold</b>	11,844,224	12,100,563	11,828,576	11,811,012	11,796,222	11,637,156	11,499,468	11,274,402	10,994,014	10,468,599	10,101,119	9,489,978	9,170,760
<b>Loss</b>	1,743,928	1,611,645	1,983,015	1,901,702	1,905,329	1,935,929	2,000,452	2,087,451	2,114,725	1,905,785	1,570,300	1,639,131	1,622,300
<b>% of Water Loss</b>	12.8%	11.8%	14.4%	13.9%	13.9%	14.3%	14.8%	15.6%	16.1%	15.4%	13.5%	14.7%	15.0%
<b>% of Water Sold</b>	87.2%	88.2%	85.6%	86.1%	86.1%	85.7%	85.2%	84.4%	83.9%	84.6%	86.5%	85.3%	85.0%
<b>Produced</b>	10,793,060	10,592,798	10,323,148	10,148,414	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
<b>Sold</b>	9,170,760	8,897,251	8,694,730	8,457,893	8,365,916	8,355,132	8,397,047	8,490,619	8,282,782	8,505,122	8,616,685	8,636,182	8,602,010
<b>Loss</b>	1,622,300	1,695,548	1,628,419	1,690,522	1,739,114	1,708,539	1,671,242	1,635,625	1,852,430	1,633,838	1,559,529	1,572,191	1,597,517
<b>% of Water Loss</b>	15.0%	16.0%	15.8%	16.7%	17.2%	17.0%	16.6%	16.2%	18.3%	16.1%	15.3%	15.4%	15.7%
<b>% of Water Sold</b>	85.0%	84.0%	84.2%	83.3%	82.8%	83.0%	83.4%	83.8%	81.7%	83.9%	84.7%	84.6%	84.3%

# Monthly Financial Reports

December 2004

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**Northern Kentucky Water District  
Balance Sheet  
As of December 31, 2004**

2004

<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 2,886,075
Accrued Interest Receivable	0
Accounts Receivable	
Customers	4,222,200
Unbilled Customers	4,900,000
Other	457,556
Assessments Receivable	37,251
Inventory Supplies for New Installation and Maintenance, at Cost	1,241,337
Prepaid Expenses	621,703
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 14,366,122</b>
<b>RESTRICTED ASSETS</b>	
Bond Proceeds Fund	\$ 9,608,272
Debt Service Reserve Account	12,534,354
Debt Service Account	5,812,970
Improvement, Repair & Replacement	3,187,936
Boone/Florence Settlement Account	3,680,638
<b>TOTAL RESTRICTED ASSETS</b>	<b>\$ 34,824,170</b>
<b>NONCURRENT ASSETS</b>	
Miscellaneous Deferred Charges	\$ 10,454,271
Capital Assets:	
Land, System, Buildings and Equipment	\$ 246,935,413
Construction in Progress	10,056,653
Total Capital Assets before accumulated depreciation	\$ 256,992,066
Less Accumulated Depreciation	(49,335,133)
Total capital assets, net of accumulated depreciation	\$ 207,656,933
<b>TOTAL NONCURRENT ASSETS</b>	<b>\$ 218,111,204</b>
<b>TOTAL ASSETS</b>	<b>\$ 267,301,496</b>

**Northern Kentucky Water District  
Balance Sheet  
As of December 31, 2004**

2004

LIABILITIES AND RETAINED EARNINGS	
CURRENT LIABILITIES	
Current Portion of Long Term Debt	\$ 4,424,000
Note Payable	250,000
Accounts Payable	2,286,022
Accrued Payroll & Liabilities	250,143
Other Accrued Liabilities	231,903
	-----
TOTAL CURRENT LIABILITIES	\$ 7,442,068
CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Accounts Payable	\$ 843,632
Accrued Interest Payable	2,593,453
	-----
TOTAL CURRENT LIABILITIES PAYABLE FROM RESTRICTED ASSETS	\$ 3,437,085
LONG-TERM DEBT	
Long-Term Portion of Bonded Indebtedness	\$ 148,701,000
Bond Anticipation Notes Payable	3,605,000
Note Payable - Taylor Mill Purchase	2,375,000
Deferred Note Payable	100,000
	-----
TOTAL LONG-TERM DEBT	\$ 154,781,000
TOTAL LIABILITIES	\$ 165,660,153
NET ASSETS	\$ 101,641,343
	-----
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 267,301,496
	=====

Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
	<b>SOURCE OF SUPPLY</b>						
(6011000...	Licking river pumpstation	\$3,392.85	\$5,333.37	(36.38%)	\$58,155.71	\$64,000.00	(9.13%)
(6011000...	Ohio river pumpstation # 1	45,626.76	46,083.37	(0.99%)	548,761.36	553,000.00	(0.77%)
(6011000...	Ohio river pumpstation # 2	183.72	7,416.63	(97.52%)	65,563.13	89,000.00	(26.33%)
(6011000...	General source of supply	9,800.01	0.00	0.00%	9,800.01	0.00	0.00%
	<b>Total source of supply</b>	<b>\$59,003.34</b>	<b>\$58,833.37</b>	<b>0.29%</b>	<b>\$682,280.21</b>	<b>\$706,000.00</b>	<b>(3.36%)</b>

Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
<b>WATER QUALITY &amp; PRODUCTION</b>							
(6013000...	Fort Thomas treatment plant	\$243,910.41	\$158,549.89	53.84%	\$2,174,835.80	\$1,902,600.00	14.31%
(6013000...	Taylor Mill treatment plant	84,490.17	51,095.76	65.36%	704,255.57	613,150.00	14.86%
(6013000...	Memorial pky treatment plant	100,930.74	65,516.96	54.05%	894,473.37	786,200.00	13.77%
(6013000...	Laboratory	86,195.71	57,004.13	51.21%	667,518.13	684,050.00	(2.42%)
(6013000...	Instrumentation	41,286.86	20,504.35	101.36%	284,586.51	246,050.00	15.66%
(6013000...	Sludge	137,255.84	14,166.63	868.87%	415,673.80	170,000.00	144.51%
	<b>Total Water Quality &amp; Production</b>	<b>\$694,069.73</b>	<b>\$366,837.72</b>	<b>89.20%</b>	<b>\$5,141,343.18</b>	<b>\$4,402,050.00</b>	<b>16.79%</b>

Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
<b>PUMPING &amp; STORAGE</b>							
(6015000...	Bristow road station	\$0.00	\$1,250.00	(100.00%)	\$9,269.98	\$15,000.00	(38.20%)
(6015000...	Bromley station	2,045.65	2,083.37	(1.81%)	25,688.75	25,000.00	2.76%
(6015000...	Carothers road station	2,206.29	2,041.63	8.07%	29,301.40	24,500.00	19.60%
(6015000...	Dudley station	13,793.57	18,333.37	(24.76%)	202,635.81	220,000.00	(7.89%)
(6015000...	Hands pike station	1,866.37	833.37	123.95%	17,886.54	10,000.00	78.87%
(6015000...	Latonia station	20,099.96	1,791.63	1,021.88%	29,184.60	21,500.00	35.74%
(6015000...	Richardson road station	68.86	10,000.00	(99.31%)	131,802.24	120,000.00	9.84%
(6015000...	Ripple creek station	1,311.62	1,666.63	(21.30%)	16,050.17	20,000.00	(19.75%)
(6015000...	Taylor Mill station	673.29	22,500.00	(97.01%)	264,687.56	270,000.00	(1.97%)
(6015000...	U S 27 station	13,314.72	14,583.37	(8.70%)	171,703.78	175,000.00	(1.88%)
(6015000...	Waterworks station	2,376.37	3,791.63	(37.33%)	28,262.05	45,500.00	(37.89%)
(6015000...	West Covington station	894.14	833.37	7.29%	7,008.89	10,000.00	(29.91%)
(6015000...	Water towers	18,178.16	35,391.63	(48.64%)	410,527.15	424,700.00	(3.34%)
(6015000...	General pumping & storage	90,618.77	57,550.11	57.46%	810,493.90	690,600.00	17.36%
	<b>Total Pumping &amp; Storage</b>	<b>\$167,447.77</b>	<b>\$172,650.11</b>	<b>(3.01%)</b>	<b>\$2,154,502.82</b>	<b>\$2,071,800.00</b>	<b>3.99%</b>

<b>TOTAL SOS, WQ&amp;P, P&amp;S</b>	<b>\$920,520.84</b>	<b>\$598,321.20</b>	<b>53.85%</b>	<b>\$7,978,126.21</b>	<b>\$7,179,850.00</b>	<b>11.12%</b>
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Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
	<b>ENGINEERING &amp; DISTRIBUTION</b>						
(6015000...	Engineering	\$191,292.93	\$103,875.00	84.16%	\$1,244,748.95	\$1,246,500.00	(0.14%)
(6015000...	Distribution	392,352.54	416,500.00	(5.80%)	4,436,266.56	4,998,000.00	(11.24%)
(6015000...	Taylor Mill	968.11	0.00	0.00%	21,274.92	0.00	0.00%
	<b>TOTAL ENG. &amp; DIST.</b>	<b>\$584,613.58</b>	<b>\$520,375.00</b>	<b>12.34%</b>	<b>\$5,702,290.43</b>	<b>\$6,244,500.00</b>	<b>(8.68%)</b>

Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
<b>CUSTOMER SERVICE</b>							
(6017000...	Field service	\$81,519.88	\$56,124.89	45.25%	\$684,685.22	\$673,500.00	1.66%
(6017000...	Meter Shop	47,784.29	26,050.22	83.43%	283,185.86	312,600.00	(9.41%)
(6017000...	Courier/Maintenance	4,950.69	4,624.89	7.04%	53,236.09	55,500.00	(4.08%)
(6017000...	Account service	156,272.13	119,183.26	31.12%	1,315,698.05	1,430,200.00	(8.01%)
(6017000...	Meter reading	26,273.25	26,724.89	(1.69%)	298,507.30	320,700.00	(6.92%)
(6017000...	Flushing	28,700.52	24,329.13	17.97%	297,406.65	291,950.00	1.87%
(6017000...	Taylor Mill	5,420.41	0.00	0.00%	32,786.79	0.00	0.00%
(6017000...	General customer service	43,771.89	33,650.00	30.08%	490,648.02	403,800.00	21.51%
<b>TOTAL CUSTOMER SERVICE</b>		<b>\$394,693.06</b>	<b>\$290,687.28</b>	<b>35.78%</b>	<b>\$3,456,153.98</b>	<b>\$3,488,250.00</b>	<b>(0.92%)</b>

Northern Kentucky Water District  
Expense Report Budget to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
	<b>ADMINISTRATION</b>						
(6018000...	Executive management	\$64,958.30	\$42,275.00	53.66%	\$522,011.58	\$507,300.00	2.90%
(6018000...	Board of commissioners	7,848.40	8,700.00	(9.79%)	114,312.35	104,400.00	9.49%
(6018000...	Accounting/Finance	22,839.03	23,808.37	(4.07%)	261,782.10	285,700.00	(8.37%)
(6018000...	H.R., Information systems, Safety	96,529.25	95,466.63	1.11%	1,026,585.37	1,145,600.00	(10.39%)
(6018000...	General administration	86,789.76	75,591.52	14.81%	888,097.38	907,100.00	(2.09%)
	<b>TOTAL ADMINISTRATION</b>	<b>\$278,964.74</b>	<b>\$245,841.52</b>	<b>13.47%</b>	<b>\$2,812,788.78</b>	<b>\$2,950,100.00</b>	<b>(4.65%)</b>
	<b>TOTAL NKWD</b>	<b>\$2,178,792.22</b>	<b>\$1,655,225.00</b>	<b>31.63%</b>	<b>\$19,949,359.40</b>	<b>\$19,862,700.00</b>	<b>0.44%</b>



Northern Kentucky Water District  
Expense Report by Account Budget to Actual  
For the Twelve Months Ending December 31, 2004

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Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
	<b>Operating Expenses</b>						
	<b>O &amp; M Expenses</b>						
601	Salaries & Wages	\$893,799.49	\$603,191.96	48.18%	\$7,432,572.72	\$7,238,300.00	2.68%
604	Employee Pension & Benefits	106,820.64	180,012.72	(40.66%)	2,040,251.75	2,160,150.00	(5.55%)
699	Taxes Other than Income Taxes	51,679.07	46,141.63	12.00%	519,707.27	553,700.00	(6.14%)
(615 TO 616)	Purchased Power	152,972.26	153,541.63	(0.37%)	1,881,128.06	1,842,500.00	2.10%
618	Chemicals	92,994.91	51,250.00	81.45%	813,693.67	615,000.00	32.31%
620	Materials & Supplies	159,998.44	131,387.39	21.78%	1,522,598.39	1,576,650.00	(3.43%)
(631 TO 635)	Contractual Services	559,328.58	357,224.89	56.58%	3,983,132.71	4,286,700.00	(7.08%)
642	Rent	811.06	958.37	(15.37%)	10,010.28	11,500.00	(12.95%)
650	Transportation	44,325.07	22,212.28	99.55%	303,918.63	266,550.00	14.02%
(656 TO 659)	Insurance	56,405.99	55,791.63	1.10%	695,676.99	669,500.00	3.91%
660	Advertising	2,105.33	458.37	359.31%	10,282.22	5,500.00	86.95%
670	Bad Debt Expense	39,674.29	27,500.00	44.27%	431,209.50	330,000.00	30.67%
675	Miscellaneous	(3,445.13)	6,895.87	(149.96%)	89,481.37	82,750.00	8.13%
667	Regulatory Commission Assessment	21,322.22	18,658.26	14.28%	215,695.84	223,900.00	(3.66%)
	<b>Total O &amp; M Expenses</b>	<b>\$2,178,792.22</b>	<b>\$1,655,225.00</b>	<b>31.63%</b>	<b>\$19,949,359.40</b>	<b>\$19,862,700.00</b>	<b>0.44%</b>
503	Depreciation Expense	\$618,169.23	\$410,000.00	50.77%	\$5,128,169.23	\$4,920,000.00	4.23%
527	Interest Expense	\$600,873.73	\$475,000.00	26.50%	\$5,344,406.26	\$5,700,000.00	(6.24%)

Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
	<b>SOURCE OF SUPPLY</b>						
(6011000...	Licking river pumpstation	\$3,392.85	\$965.98	251.23%	\$58,155.71	\$44,439.00	30.87%
(6011000...	Ohio river pumpstation # 1	45,626.76	48,015.93	(4.98%)	548,761.36	562,539.22	(2.45%)
(6011000...	Ohio river pumpstation # 2	183.72	11,103.61	(98.35%)	65,563.13	121,422.65	(46.00%)
(6011000...	General source of supply	9,800.01	422.19	2,221.23%	9,800.01	1,825.17	436.94%
	<b>Total source of supply</b>	<b>\$59,003.34</b>	<b>\$60,507.71</b>	<b>(2.49%)</b>	<b>\$682,280.21</b>	<b>\$730,226.04</b>	<b>(6.57%)</b>

Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
<b>WATER QUALITY &amp; PRODUCTION</b>							
(6013000...	Fort Thomas treatment plant	\$243,910.41	\$428,101.78	(43.03%)	\$2,174,835.80	\$2,267,099.47	(4.07%)
(6013000...	Taylor Mill treatment plant	84,490.17	45,122.50	87.25%	704,255.57	538,896.19	30.68%
(6013000...	Memorial pky treatment plant	100,930.74	74,173.96	36.07%	894,473.37	793,030.64	12.79%
(6013000...	Laboratory	86,195.71	62,677.57	37.52%	667,518.13	575,366.53	16.02%
(6013000...	Instrumentation	41,286.86	14,987.84	175.47%	284,586.51	227,272.63	25.22%
(6013000...	Sludge	137,255.84	86,642.67	58.42%	415,673.80	347,856.84	19.50%
	<b>Total Water Quality &amp; Production</b>	<b>\$694,069.73</b>	<b>\$711,706.32</b>	<b>(2.48%)</b>	<b>\$5,141,343.18</b>	<b>\$4,749,522.30</b>	<b>8.25%</b>

Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
<b>PUMPING &amp; STORAGE</b>							
(6015000...	Bristow road station	\$0.00	\$3,083.50	(100.00%)	\$9,269.98	\$31,885.34	(70.93%)
(6015000...	Bromley station	2,045.65	1,285.29	59.16%	25,688.75	40,335.15	(36.31%)
(6015000...	Carothers road station	2,206.29	1,095.76	101.35%	29,301.40	29,837.50	(1.80%)
(6015000...	Dudley station	13,793.57	18,223.38	(24.31%)	202,635.81	281,056.19	(27.90%)
(6015000...	Hands pike station	1,866.37	3,261.82	(42.78%)	17,886.54	17,909.29	(0.13%)
(6015000...	Latonia station	20,099.96	5,526.68	263.69%	29,184.60	29,739.36	(1.87%)
(6015000...	Richardson road station	68.86	15,346.39	(99.55%)	131,802.24	152,958.13	(13.83%)
(6015000...	Ripple creek station	1,311.62	2,091.58	(37.29%)	16,050.17	22,567.84	(28.88%)
(6015000...	Taylor Mill station	673.29	20,621.05	(96.73%)	264,687.56	286,147.43	(7.50%)
(6015000...	U S 27 station	13,314.72	18,795.92	(29.16%)	171,703.78	176,538.88	(2.74%)
(6015000...	Waterworks station	2,376.37	1,930.72	23.08%	28,262.05	38,766.42	(27.10%)
(6015000...	West Covington station	894.14	451.08	98.22%	7,008.89	16,412.80	(57.30%)
(6015000...	Water towers	18,178.16	84,624.64	(78.52%)	410,527.15	436,912.02	(6.04%)
(6015000...	General pumping & storage	90,618.77	76,617.51	18.27%	810,493.90	524,401.84	54.56%
	<b>Total Pumping &amp; Storage</b>	<b>\$167,447.77</b>	<b>\$252,955.32</b>	<b>(33.80%)</b>	<b>\$2,154,502.82</b>	<b>\$2,085,468.19</b>	<b>3.31%</b>

<b>TOTAL SOS, WQ&amp;P, P&amp;S</b>	<b>\$920,520.84</b>	<b>\$1,025,169.35</b>	<b>(10.21%)</b>	<b>\$7,978,126.21</b>	<b>\$7,565,216.53</b>	<b>5.46%</b>
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Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
	<b>ENGINEERING &amp; DISTRIBUTION</b>						
(6015000...	Engineering	\$191,292.93	\$112,183.52	70.52%	\$1,244,748.95	\$1,478,835.82	(15.83%)
(6015000...	Distribution	392,352.54	377,966.48	3.81%	4,436,266.56	4,436,577.42	(0.01%)
(6015000...	Taylor Mill	968.11	0.00	0.00%	21,274.92	0.00	0.00%
	<b>TOTAL ENG. &amp; DIST.</b>	<b>\$584,613.58</b>	<b>\$490,150.00</b>	<b>19.27%</b>	<b>\$5,702,290.43</b>	<b>\$5,915,413.24</b>	<b>(3.60%)</b>

Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
<b>CUSTOMER SERVICE</b>							
(6017000...	Field service	\$81,519.88	\$63,344.90	28.69%	\$684,685.22	\$623,021.11	9.90%
(6017000...	Meter Shop	47,784.29	0.00	0.00%	283,185.86	0.00	0.00%
(6017000...	Courier/Maintenance	4,950.69	10,020.86	(50.60%)	53,236.09	45,381.02	17.31%
(6017000...	Account service	156,272.13	148,090.06	5.53%	1,315,698.05	1,219,540.89	7.88%
(6017000...	Meter reading	26,273.25	22,191.46	18.39%	298,507.30	273,316.41	9.22%
(6017000...	Flushing	28,700.52	27,829.80	3.13%	297,406.65	286,298.97	3.88%
(6017000...	Taylor Mill	5,420.41	0.00	0.00%	32,786.79	0.00	0.00%
(6017000...	General customer service	43,771.89	32,171.95	36.06%	490,648.02	336,409.67	45.85%
<b>TOTAL CUSTOMER SERVICE</b>		<b>\$394,693.06</b>	<b>\$303,649.03</b>	<b>29.98%</b>	<b>\$3,456,153.98</b>	<b>\$2,783,968.07</b>	<b>24.14%</b>

Northern Kentucky Water District  
Expense Report Actual to Actual %  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
	<b>ADMINISTRATION</b>						
(6018000...	Executive management	\$64,958.30	\$63,999.55	1.50%	\$522,011.58	\$485,708.33	7.47%
(6018000...	Board of commissioners	7,848.40	5,673.05	38.35%	114,312.35	83,476.88	36.94%
(6018000...	Accounting/Finance	22,839.03	16,206.67	40.92%	261,782.10	269,243.24	(2.77%)
(6018000...	H.R., Information systems, Safety	96,529.25	120,791.83	(20.09%)	1,026,585.37	950,029.72	8.06%
(6018000...	General administration	86,789.76	40,149.52	116.17%	888,097.38	681,844.66	30.25%
	<b>TOTAL ADMINISTRATION</b>	<b>\$278,964.74</b>	<b>\$246,820.62</b>	<b>13.02%</b>	<b>\$2,812,788.78</b>	<b>\$2,470,302.83</b>	<b>13.86%</b>
	<b>TOTAL NKWD</b>	<b>\$2,178,792.22</b>	<b>\$2,065,789.00</b>	<b>5.47%</b>	<b>\$19,949,359.40</b>	<b>\$18,734,900.67</b>	<b>6.48%</b>

Northern Kentucky Water District  
Expense Report by Account Actual to Actual  
For the Twelve Months Ending December 31, 2004

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
	<b>Operating Expenses</b>						
	<b>O &amp; M Expenses</b>						
601	Salaries & Wages	\$893,799.49	\$608,078.48	46.99%	\$7,432,572.72	\$6,773,450.22	9.73%
604	Employee Pension & Benefits	106,820.64	137,809.36	(22.49%)	2,040,251.75	1,743,670.91	17.01%
699	Taxes Other than Income Taxes	51,679.07	38,686.57	33.58%	519,707.27	485,239.97	7.10%
(615 TO 616)	Purchased Power	152,972.26	150,367.02	1.73%	1,881,128.06	1,819,509.53	3.39%
618	Chemicals	92,994.91	61,669.49	50.80%	813,693.67	701,553.17	15.98%
620	Materials & Supplies	159,998.44	179,393.78	(10.81%)	1,522,598.39	1,529,625.62	(0.46%)
(631 TO 635)	Contractual Services	559,328.58	749,437.86	(25.37%)	3,983,132.71	4,331,958.99	(8.05%)
642	Rent	811.06	787.44	3.00%	10,010.28	10,857.82	(7.81%)
650	Transportation	44,325.07	33,515.59	32.25%	303,918.63	253,840.56	19.73%
(656 TO 659)	Insurance	56,405.99	40,865.33	38.03%	695,676.99	587,485.33	18.42%
660	Advertising	2,105.33	285.29	637.96%	10,282.22	6,517.62	57.76%
670	Bad Debt Expense	39,674.29	25,656.61	54.64%	431,209.50	271,395.02	58.89%
675	Miscellaneous	(3,445.13)	19,234.76	(117.91%)	89,481.37	98,256.19	(8.93%)
667	Regulatory Commission Assessment	21,322.22	20,001.42	6.60%	215,695.84	121,539.72	77.47%
	<b>Total O &amp; M Expenses</b>	<b>\$2,178,792.22</b>	<b>\$2,065,789.00</b>	<b>5.47%</b>	<b>\$19,949,359.40</b>	<b>\$18,734,900.67</b>	<b>6.48%</b>
503	Depreciation Expense	\$618,169.23	\$542,466.61	13.96%	\$5,128,169.23	\$4,817,466.61	6.45%
527	Interest Expense	\$600,873.73	(\$151,635.43)	(496.26%)	\$5,344,406.26	\$5,244,744.16	1.90%



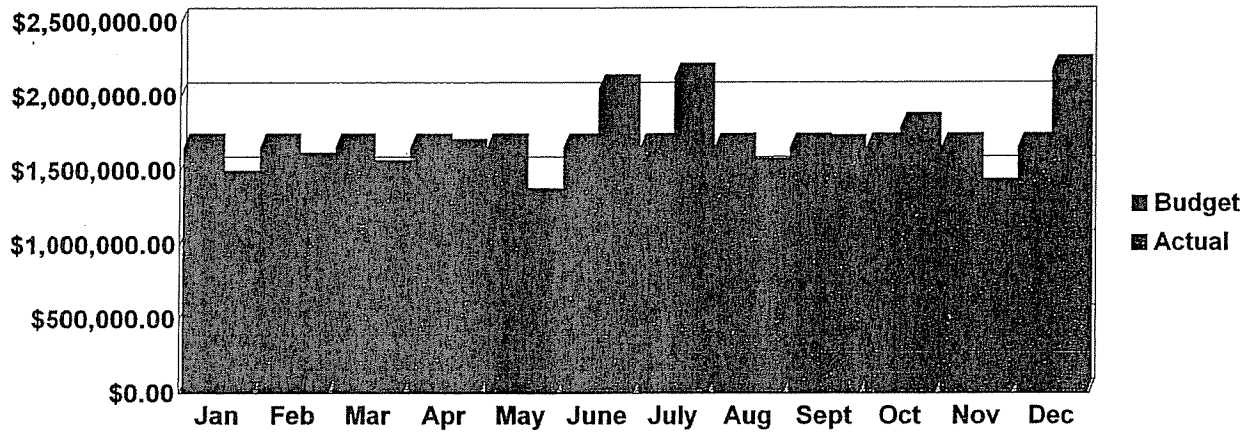
Northern Kentucky Water District  
 Income Budget to Actual  
 For the Twelve Months Ending December 31, 2004

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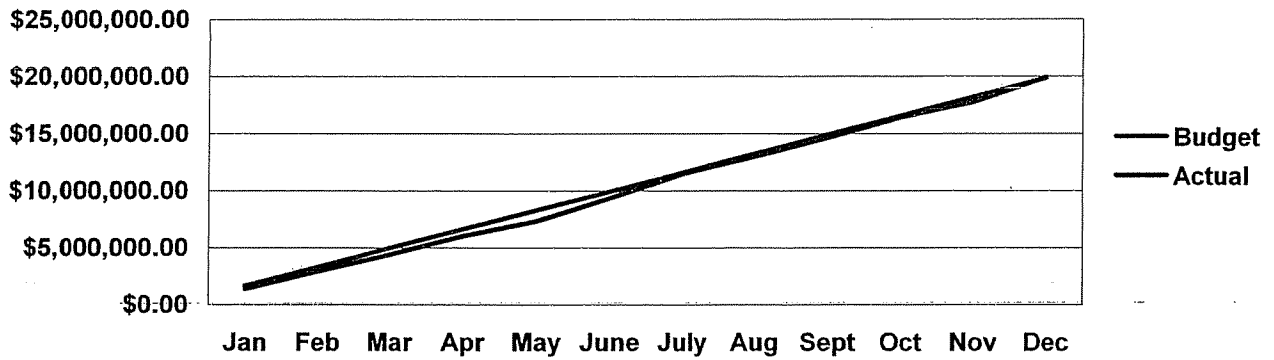
Acct. #	Description	December Actual	December Budget	Variance	YTD Actual	YTD Budget	Variance
	<b>Income</b>						
(461 TO ...	Water Sales	\$3,933,655	\$2,750,000	43.04%	\$30,931,917	\$33,000,000	(6.27%)
(470 TO 470)	Fortified Discounts	70,594	39,167	80.24%	621,871	470,000	32.31%
(472 TO 472)	Rents from Water Property	42,182	29,125	44.83%	452,661	349,500	29.52%
(471 TO ...	Other Water Revenues	32,520	39,583	(17.84%)	178,801	475,000	(62.36%)
	<b>Total Operating Revenues</b>	<b>\$4,078,951</b>	<b>\$2,857,875</b>	<b>42.73%</b>	<b>\$32,185,250</b>	<b>\$34,294,500</b>	<b>(6.15%)</b>
	<b>Non-Operating Income (Expense)</b>						
41900010...	Interest Income	(\$151,949)	\$83,333	(282.34%)	\$791,405	\$1,000,000	(20.86%)
(474 TO ...	Miscellaneous	(121,647)	16,667	(829.87%)	31,138	200,000	(84.43%)
	<b>Total Non-Operating Income</b>	<b>(273,596)</b>	<b>100,000</b>	<b>(373.60%)</b>	<b>822,543</b>	<b>1,200,000</b>	<b>(31.45%)</b>
	<b>TOTAL INCOME</b>	<b>3,805,355</b>	<b>2,957,875</b>	<b>28.65%</b>	<b>33,007,793</b>	<b>35,494,500</b>	<b>(7.01%)</b>

Acct. #	Description	December 2004	December 2003	Variance	YTD 2004	YTD 2003	Variance
	<b>Income</b>						
(461 TO ...)	Water Sales	\$3,933,655	\$4,326,180	(9.07%)	\$30,931,917	\$27,167,450	13.86%
(470 TO 470)	Forfeited Discounts	70,594	68,787	2.63%	621,871	469,253	32.52%
(472 TO 472)	Rents from Water Property	42,182	11,691	260.81%	452,661	303,139	49.32%
(471 TO ...)	Other Water Revenues	32,520	16,530	96.73%	178,801	260,967	(31.49%)
	<b>Total Operating Revenues</b>	<b>\$4,078,951</b>	<b>\$4,423,188</b>	<b>(7.78%)</b>	<b>\$32,185,250</b>	<b>\$28,200,809</b>	<b>14.13%</b>
	<b>Non-Operating Income (Expense)</b>						
41900010...	Interest Income	(\$151,949)	\$179,023	(184.88%)	\$791,405	\$910,431	(13.07%)
475-0001-000	Extraordinary Income	0	0	0.00%	0	685,842	(100.00%)
(474 TO ...)	Miscellaneous	(121,647)	68,249	(278.24%)	31,138	314,578	(90.10%)
	<b>Total Non-Operating Income</b>	<b>(273,596)</b>	<b>247,272</b>	<b>(210.65%)</b>	<b>822,543</b>	<b>1,910,851</b>	<b>(56.95%)</b>
	<b>TOTAL INCOME</b>	<b>3,805,355</b>	<b>4,670,460</b>	<b>(18.52%)</b>	<b>33,007,793</b>	<b>30,111,660</b>	<b>9.62%</b>

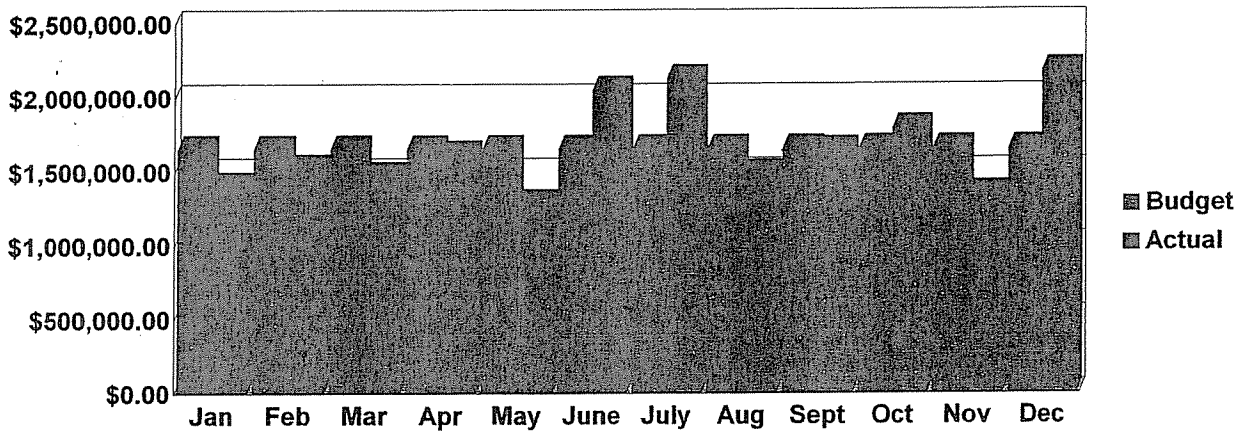
### NKWD O&M Monthly Comparison 2004 Budget to Actual



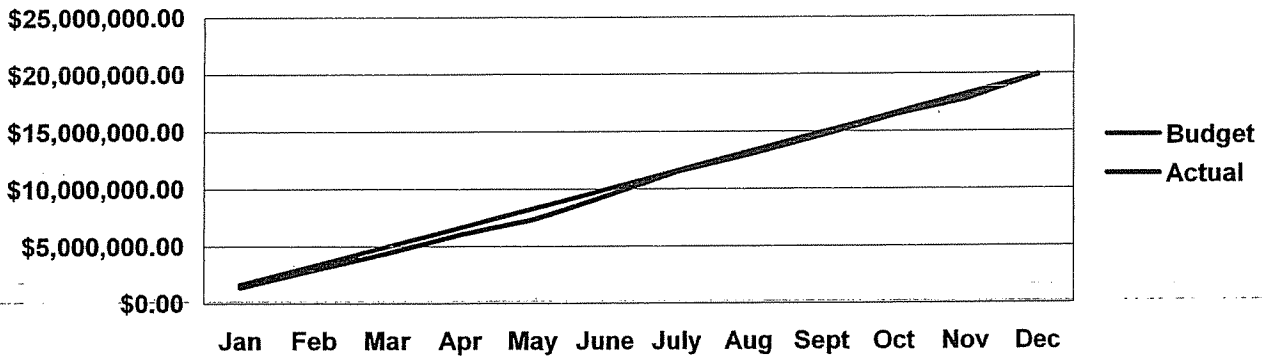
### NKWD O&M YTD Trending 2004 - Budget To Actual



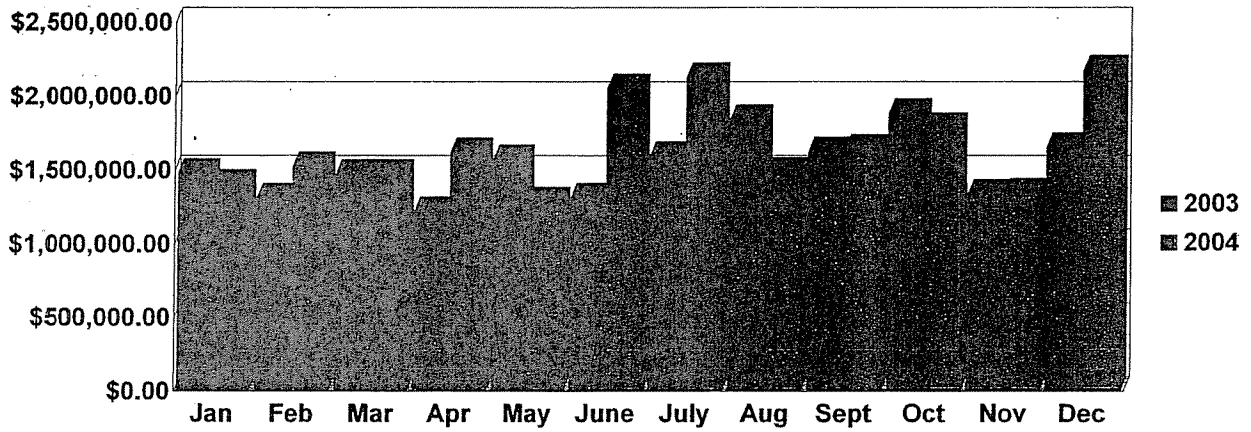
### NKWD O&M Monthly Comparison 2004 Budget to Actual



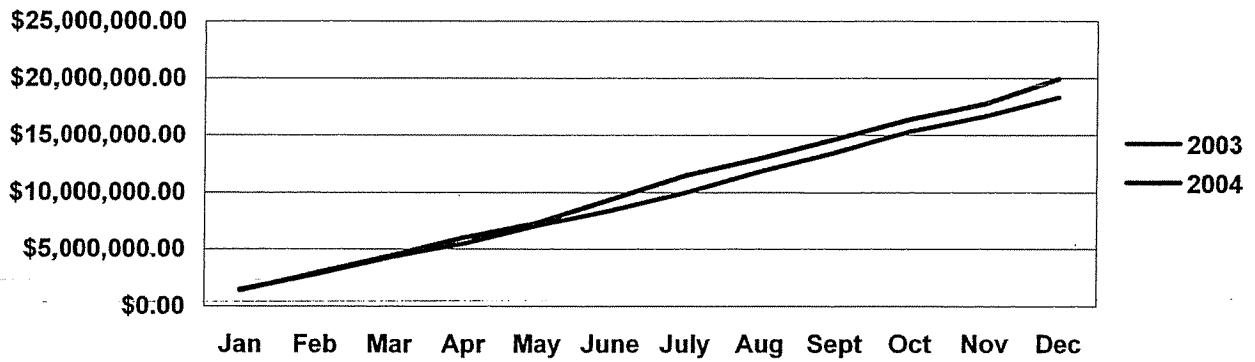
### NKWD O&M YTD Trending 2004 - Budget To Actual



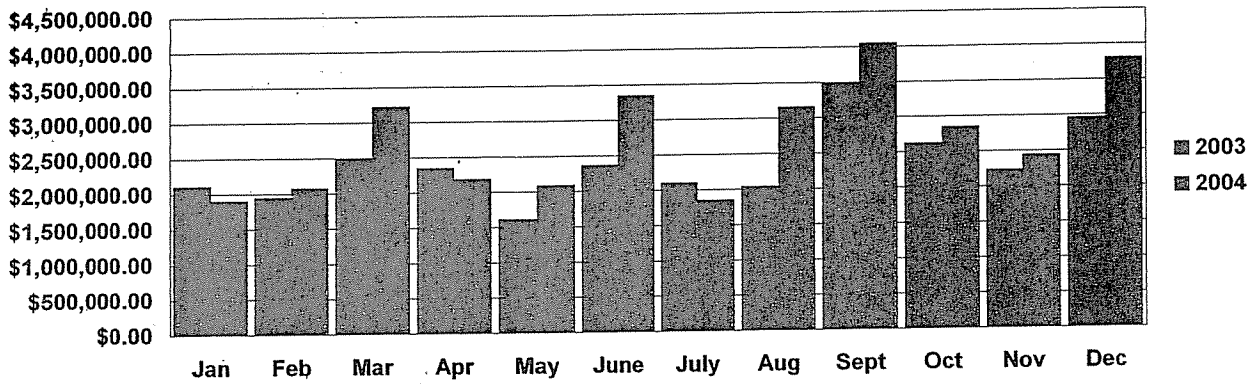
**NKWD**  
**O&M Monthly Comparison 2004 - Actual to Actual**



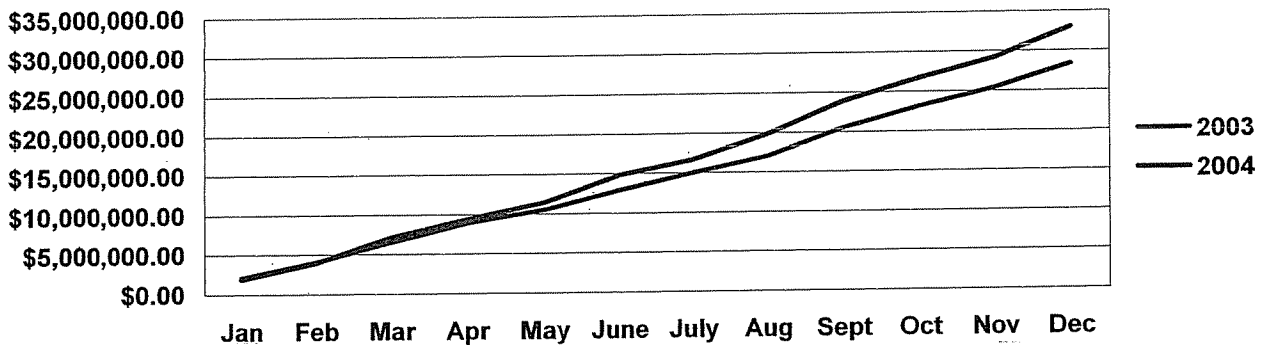
**NKWD**  
**O&M YTD Trending 2004 - Actual to Actual**



**NKWD**  
**Revenue by Month 2004 - Actual to Actual**



**NKWD**  
**Revenue Trending 2004 - Actual to Actual**



Northern Kentucky Water District							
Operational Capital Budget for 2004							
Projected Available for Capital Expenditures:							
		Budget		Transferred	Date		
Cash Balance 1/1/2004 - Operating Capital		\$2,167,636.35		\$500,000.00	02/24/2004		
From Operations		\$5,540,095.00		\$500,000.00	04/27/2004		
From Leftover Purchase of Gear Property		\$2,000.00		\$250,000.00	05/21/2004		
Grant for Sub-Dist D		\$175,410.00		\$500,000.00	07/26/2004		
Sub-Distd RF - 3rd Payment 184-122		\$101,063.00		\$125,000.00	09/30/2004		
Reimbursement from Bond 2004		\$3,472,476.71		\$250,000.00	11/07/2004		
Transfer to Bond 2003		(\$771,472.00)		\$375,000.00	12/09/2004		
Transfer to Bond 2003		(\$58,090.00)		\$438,584.00	12/13/2004		
<b>Total Cash Available</b>		<b>\$10,629,119.06</b>					
Executive Adm		\$132,500.00					
IT, Safety, Security		\$1,375,271.95					
Customer Service		\$838,300.00					
Distribution - Mains		\$2,508,311.75					
Distribution - Other		\$227,800.00					
Engineering		\$9,000.00					
Water Q & P		\$154,000.00					
Laboratory		\$15,000.00		2,938,584.00			
Plant and Pump Station Maintenance		\$227,000.00					
<b>Total Request</b>		<b>\$5,487,183.70</b>					
<b>Net Coverage/Lost</b>		<b>\$5,141,935.36</b>					
Actual YTD Cost							
Funds Remaining							
Future BAN	Project #	Project Cost	Paid in 2004	Prior Paid	Paid YTD	Line #	
BAN 2005 - Four Mile Pike (Popular Ridge to Nelson Rd) 12-8-2004	184-111	\$369,400.00	\$5,959.34		\$5,959.34	700	
BAN 2005 - Nelson Rd. (Four Mile to 4 & 12 Mile Rds.) 12-8-2004	184-112	\$720,400.00	\$5,959.33		\$5,959.33	701	
BAN 2004 - Glen Ave (#22 - Five Year List)	184-123	\$650,000.00	\$3,316.25	\$38,217.30	\$41,533.55	803	
BAN 2005 - Poplar Ridger Rd (Upper Tug Fork to 4 Mile 12-8-2004	184-132	\$340,200.00	\$5,959.34		\$5,959.34	702	
BAN 2004 - Pelly Rd from Ky 17 to Senouir Road	184-135	\$371,000.00	\$128,437.01		\$128,437.01	810	
BAN 2004 - 16" WM Extention Senour Rd from Fowler to Ext 8"	184-137	\$625,000.00	\$13,736.78		\$13,736.78	816	
BAN 2004 - Third Street Dayton - BAN 2004	184-160	\$297,830.00	\$5,794.19		\$5,794.19	807	
BAN 2004 - Latonia 24" Steet - Phase II	184-164	\$302,250.00	\$5,001.75		\$5,001.75	809	
BAN 2004 - Systematic Replacement Program 2004	184-167	\$1,000,000.00	\$20,932.24		\$20,932.24	811	
C7-26-2004 - 4 Mile Circle	184-168	\$115,000.00	\$7,770.79		\$7,770.79	813	
7/27/2004 - Forest Ave/John Street/Short John Street	184-174	\$1,700,000.00	\$14,554.00		\$14,554.00	818	
7/26/2004 - New Richmond Road	184-175	\$420,000.00	\$2,857.08		\$2,857.08	817	
Bond 2005 - Central Facility	184-305	\$9,500,000.00	\$428,973.48		\$428,973.48	815	
BAN 2005 - US27 Pumping Station - Expansion - BAN 2005	184-433	\$2,300,000.00	\$77,473.02		\$77,473.02	805	
BAN 2005 - TMTP Pump Station	184-434	\$140,000.00			\$0.00	806	
BAN 2005 - MPTP Chemical Bldg/Raw Water PS/Interconnection Line	184-435	\$5,085,000.00	\$43,485.20		\$43,485.20	812	
<b>TOTAL</b>		<b>\$22,846,280.00</b>	<b>\$758,291.13</b>	<b>\$38,217.30</b>	<b>\$796,508.43</b>		

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Administrative Dept.</b>					
	<b>2004</b>					
	Office Furniture and Other					
	- Storage Units		\$2,000.00		\$2,000.00	1
	- Two Office Chairs		\$500.00	\$0.00	\$500.00	3
	Bottle Machine Printer & Dater		\$15,000.00	\$169.00	\$14,831.00	5
	Software Update to CIS to Great Plains Acct		\$15,000.00	\$1,354.00	\$13,646.00	7
	Contingency: Emergency/Unknown		\$100,000.00	\$2,800.00	\$97,200.00	9
	<b>Department Sub-Total</b>		<b>\$132,500.00</b>	<b>\$4,323.00</b>	<b>\$128,177.00</b>	
	<b>Information Systems, Safety, Security</b>					
	<b>INFO SYSTEMS</b>					
	<b>2003</b>					
2003	Network Security		\$9,597.79	\$5,059.00	\$4,538.79	10-03
2003	Website Maintenance & Upgrade		\$47,362.45	\$0.00	\$47,362.45	18-03
	<b>2004</b>					
2004	PC Hardware Replacement Program		\$100,000.00	\$64,333.83	\$35,666.17	20
2004	Dev. Server With Windows Server 2003		\$4,000.00		\$4,000.00	22
2004	AutoCad Workstation Replacement		\$2,000.00		\$2,000.00	24
2004	Aqua Dr. Great Plains Server					26
	- Server Hardware		\$10,000.00	\$7,763.08	\$2,236.92	28
	- Windows Server 2003 & 15cals		\$1,200.00	\$405.00	\$795.00	30
	- Windows Conversion & labor cost		\$16,300.00		\$16,300.00	32
	- Windows Conversion & labor cost		\$15,000.00		\$15,000.00	34
2004	Cysco 2950G 48 Port (3) Ethernet Switches		\$2,500.00	\$735.40	\$1,764.60	36
2004	Replace (4) UPS's for Servers		\$5,000.00		\$5,000.00	38
2004	Cust. Serv. Monitor System & Software		\$8,260.00	\$2,008.00	\$6,252.00	40
2004	LaserFiche United Server		\$19,000.00	\$9,265.74	\$9,734.26	42
2004	File Servers for MPTP & TMTP		\$50,000.00		\$50,000.00	44
2004	Inventory Bar Coding System					
	<b>Sub-Total</b>		<b>\$290,220.24</b>	<b>\$89,570.05</b>	<b>\$200,650.19</b>	
	<b>SECURITY</b>					
	<b>2003</b>					
2003	Fencing at FTTP		\$173,032.65	\$142,886.00	\$30,146.65	32-03
2003	Vulnerability Assessment Improvements		\$87,019.06	\$11,913.71	\$75,105.35	36-03
2003	1 Access Control - Phase II		\$150,000.00	\$143,721.14	\$6,278.86	48
	<b>2004</b>					
2004	VA Fencing (Barrington, LRPS, S. Nept. Tank,ORPSZ,FTTP 2)		\$200,000.00	\$99,333.50	\$100,666.50	50
2004	VA Electronic Sensors (30 facilities @ \$10K each)		\$200,000.00	\$28,868.69	\$171,131.31	54
2004	Vulnerability Assessment Improvements - Phase II		\$275,000.00	\$17,998.13	\$257,001.87	56
	<b>Sub-Total</b>		<b>\$1,085,051.71</b>	<b>\$444,721.17</b>	<b>\$640,330.54</b>	
	<b>SAFETY</b>					
	<b>2004</b>					
						60
						62
	<b>Sub-Total</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	
	<b>Department Sub-total</b>		<b>\$1,375,271.95</b>	<b>\$534,291.22</b>	<b>\$840,980.73</b>	
	<b>CUSTOMER SERVICE</b>					
	<b>Billing</b>					
	<b>2004</b>					
2004	Miscellaneous Office Furniture					
2004	- 2 Office Chairs		\$1,000.00		\$1,000.00	70
2004	- 2 Counter Chairs		\$1,000.00		\$1,000.00	72
2004	- Check Endorser		\$2,300.00		\$2,300.00	74
2004	Out Bound Calling System		\$5,000.00	\$4,329.00	\$671.00	76
	<b>Sub-Total</b>		<b>\$9,300.00</b>	<b>\$0.00</b>	<b>\$4,971.00</b>	
	<b>CS - Field Services &amp; Flushing</b>					
	<b>2004</b>					
2004	Radio Read Meter Feasibility Study		\$75,000.00		\$75,000.00	80
2004	Hydro Guard Flushing Devices		\$6,500.00	\$5,997.85	\$502.15	84
2004	Replacement of Truck # 122 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	86
2004	Replacement of Truck # 123 - 3/4 Ton Pickup 4/4 - Serviceman		\$28,500.00	\$25,105.92	\$3,394.08	88
2004	Replacement of Truck # 125 - 3/4 Ton Pickup 4/2 - Serviceman		\$25,500.00	\$22,931.92	\$2,568.08	90
2004	Replacement of Truck # 140 - SubCompact 4/4 - Serviceman		\$20,000.00	\$19,015.61	\$984.39	92
2004	Replacement of Truck # 141 - SubCompact 4/4 - Serviceman		\$20,000.00	\$18,618.00	\$1,382.00	94
2004	Replacement of Truck # 200 - SubCompact 4/2 - Serviceman		\$20,000.00	\$1,294.00	\$18,706.00	96
	<b>Meter Shop</b>					
2004	Replacement of Truck #218 - 4/4 3/4ton Pickup		\$28,500.00	\$25,105.92	\$3,394.08	100
2004	Replacement of Truck #218 - 4/2 3/4ton Pickup		\$25,500.00	\$22,931.92	\$2,568.08	102



	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
2004	Small Water Meters 5/8" to 2"		\$400,000.00	\$399,951.88	\$48.12	104
2004	Largel Water Meters >2"		\$6,000.00	\$5,700.00	\$300.00	106
2004	Meters for New Services <1"		\$100,000.00	\$99,914.82	\$85.18	108
2004	Meters for New Services >1"		\$15,000.00	\$13,194.10	\$1,805.90	110
2004	Meter Pit for A&K Apts.		\$30,000.00	\$24,982.00	\$5,018.00	112
	<b>Sub-Total</b>		\$829,000.00	\$709,849.86	\$119,150.14	
	<b>Department Sub-Total</b>		\$838,300.00	\$709,849.86	\$124,121.14	
	<b>DISTRIBUTION</b>					
	<b>Mainlines</b>					
	<b>Mainline Improvement</b>					
2004	2 - Pressure Reducing Pits		\$40,000.00		\$40,000.00	02-94
2004	City Street Projects		\$50,000.00		\$50,000.00	130
2004	Airport/BCWD Emergency Interconnection		\$50,000.00	\$31,572.47	\$18,427.53	132
2004	Riley Road Water Main Extension		\$75,000.00	\$0.00	\$75,000.00	134
2004	50' Extension Fund		\$40,000.00		\$40,000.00	136
9/4/2003	Sub-District D - Phase 5 (funds by Grants & leftover from original)	184-130	\$424,059.00	\$0.00	\$424,059.00	138
	<b>Sub-Total</b>		\$679,059.00	\$31,572.47	\$647,486.53	
	<b>KDOT Engineering Work</b>					
2002	KDOT - Buttermilk 12" Upgrade to Post office	184-208	\$27,978.75	\$0.00	\$27,978.75	00-61B
2004	KDOT - Madison from Pelle to Nicholson	184-211	\$15,000.00	\$10,553.40	\$4,446.60	142
6/24/2002	KDOT - Ky 16 Road Straightening	184-212	\$5,000.00	\$0.00	\$5,000.00	02-109
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	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	\$0.00	\$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	\$0.00	\$18,049.00	03-114C
2004	KDOT - Stevens Branch Water Main Relocation	184-225	\$35,000.00	\$13,728.44	\$21,271.56	146
	<b>Sub-Total</b>		\$178,162.75	\$24,281.84	\$153,880.91	
	<b>2003 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2003	Waterworks Road Water Main Replacement	184-151	\$50,000.00	\$1,299.53	\$48,700.47	03-108
2003	Pleasant Ridge WM Replacement	184-149	\$43,000.00	\$41,278.84	\$1,721.16	03-110
2003	Highland Ave. Water Main Replacement	184-163	\$58,090.00	\$0.00	\$161,700.00	03-106C
	<b>Sub-Total</b>		\$151,090.00	\$42,578.37	\$212,121.63	
	<b>2004 Water Main Replacement Program</b>					
	<b>Unobligated Water Main Replacement Fund</b>					
2004	- Engineering Services.		\$60,000.00	\$2,640.87	\$57,359.13	151
6/28/2004	- Thomas Street, Covington	184-0158			\$0.00	
1/27/2004	- Lorup Ave. Waterline Replacement - Ft. Wirght	184-165	\$100,000.00	\$110,680.96	-\$10,680.96	150A
1/27/2004	- Barbara Circle - Ft. Wirght	184-166	\$100,000.00	\$4,500.00	\$95,500.00	150B
8/31/2004	- Ross Ave - WM - Ft. Thomas	184-170	\$45,000.00	\$5,000.50	\$39,999.50	150E
8/31/2004	- Taylor & Eden - WM - Bellevue	184-171	\$50,000.00	\$1,460.00	\$48,540.00	150F
6/28/2004	- Four Mile CC 8"	184-0172	\$15,815.60	\$16,829.25	-\$1,013.65	150C
8/16/2004	- Arcadia Avel	184-0118	\$10,000.00	\$7,645.40	\$2,354.60	150D
10/1/2004	- Waterworks Road Water Main Replacement	184-151	\$176,000.00			
10/10/2004	- Dudley Construction (Eaton Asphalt 18" Replacement)	184-173	\$46,500.00	\$894.25	\$45,605.75	150E
10/10/2004	- Wilder Industrail Park (50% Participation)	184-	\$45,000.00	\$894.25	\$44,105.75	150F
10/10/2004	- Orphanage Road 16" Erosion Problem Stabilization	184.00	\$250,000.00	\$5,036.30	\$244,963.70	150G
10/10/2004	- Brookwood Circle (City Interconnection Project)	184.00	\$30,000.00	\$0.00	\$30,000.00	150I
11/4/2004	- Garvey Ave. Phase II	184-176	\$0.00		\$0.00	05-220
11/29/2004	- Reimburse Main Line Expenses - Reitman Rd			\$19,999.00	-\$19,999.00	150J
10/10/2004	- Industrial Road Widening	184.00	\$30,000.00	\$0.00	-\$30,000.00	150H
	<b>Sub-Total</b>		\$1,500,000.00	\$175,580.78	\$1,324,419.22	
	<b>Sub-Total Mainlines</b>		\$2,508,311.75	\$274,013.46	\$2,337,908.29	
	<b>Distribution</b>					
	<b>Capital Purchases</b>					
2/26/2004	Tap Machine		\$2,000.00	\$2,000.00	\$0.00	170
2/26/2004	Quick Saw		\$1,200.00	\$823.99	\$376.01	172
2/26/2004	Water Pump		\$1,000.00		\$1,000.00	174
2/26/2004	Locator		\$2,500.00	\$2,951.39	-\$451.39	176
2004	Allied Hoe Ram		\$12,000.00	\$9,215.00	\$2,785.00	180
2004	96" Long X 15" high X 20" wide tool box to replace tool box that is too small		\$1,000.00	\$1,080.00	-\$80.00	182
2004	Stanley Impact Wrench		\$7,000.00	\$0.00	\$7,000.00	184
2004	Refabricate old seat wrench to fit new wrench		\$3,000.00	\$0.00	\$3,000.00	186
2004	Portable Hydraulic Shoring 24" to 54" spreading (2-Sets)		\$1,500.00	\$0.00	\$1,500.00	188
2004	2- Concrete quickie Saws		\$2,500.00	\$1,847.98	\$652.02	190
2004	5- 2" dewatering pumps and Hoses (replace)		\$2,100.00	\$0.00	\$2,100.00	192
2004	2-Medium Duty Dump Trucks (Replace 283 & 284)		\$134,500.00	\$122,345.00	\$12,155.00	194
2004	3/4 Ton Extended Cab Pick Up (Replace 229)		\$21,000.00	\$19,600.00	\$1,400.00	196
2004	10 Ton Air Brake Drag		\$11,500.00	\$11,500.00	\$0.00	198
2004	Dead End Flushing Devices-Campbell Service Area		\$25,000.00	\$14,906.10	\$10,093.90	200
	<b>Sub-Total</b>		\$227,800.00	\$186,269.46	\$41,530.54	
	<b>ENGINEERING</b>					
	2004					

	Description	Project #	AS Budgeted	Actual Cost	Under/(Over)	Line #
	<b>Capital Purchases</b>					
2004	Truck Cap (Replacing Tool Box)		\$1,000.00	\$0.00	\$1,000.00	220
2004	Letter Folding Machine		\$3,000.00	\$0.00	\$3,000.00	222
2004	Locators (2)		\$5,000.00	\$0.00	\$5,000.00	224
	-Shelving for project files (\$300)					
	<b>Sub-Total</b>		\$9,000.00	\$0.00	\$9,000.00	
	<b>Department Sub-Total</b>		\$2,745,111.75	\$460,282.92	\$2,388,438.83	
	<b>Water Quality &amp; Production Operations 2004</b>					
2004	Actuators					
2004	- 2 FTTP Sludge Actuators		\$6,000.00	\$30.25	\$5,969.75	240
2004	- 1 Filter Valve Actuator		\$3,000.00	\$2,732.80	\$267.20	242
2004	- 1 Backwash Valve Actuator		\$3,000.00	\$3,225.00	-\$225.00	246
2004	SCADA Improvements					
2004	- Surge Suppression (OR1, TM,Dud, Brist, Brom)		\$6,000.00	\$884.35	\$5,115.65	250
2004	- Tank Transmitters ( S New, Barr, Ida, & Harr)		\$9,000.00	\$7,233.16	\$1,766.84	252
2004	- PLC Replacement (TM, Dud, Dyp, ORPS1)		\$10,000.00	\$5,353.58	\$4,646.42	254
2004	- Flowmeters (Bromley, Hands, Ripple)		\$10,000.00	\$10,061.49	-\$61.49	256
2004	Analyzers					
2004	- Waterworks Road PS		\$4,000.00	\$3,510.50	\$489.50	260
2004	- Ripple Creek PS		\$4,000.00	\$4,181.00	-\$181.00	262
2004	- Bromley PS		\$4,000.00	\$1,586.10	\$2,413.90	264
2004	Filter Control Improvements					
2004	- MPTP PLC-based filter control system		\$15,000.00	\$13,060.44	\$1,939.56	270
2004	Instruments for WTP labs					
2004	- Chlorine Analyzers FT & Tom		\$650.00	\$0.00	\$650.00	280
2004	- Turbidimeters FT, TM, and MP		\$9,000.00	\$7,927.15	\$1,072.85	282
2004	- pH Meters FT, TM, MP		\$4,200.00	\$324.28	\$3,875.72	284
2004	- Fluoride Meters FT, MP, TM		\$4,500.00	\$4,658.62	-\$158.62	286
2004	- Titrator		\$1,650.00	\$1,299.70	\$350.30	288
2004	- ION Chromgraph		\$35,000.00	\$0.00	\$35,000.00	290
2004	- GAS Chromgraph		\$25,000.00		\$25,000.00	292
	<b>Sub-Total</b>		\$154,000.00	\$66,068.42	\$87,931.58	
	<b>LABORATORY 2004</b>					
2004	Deionizing System					
2004	- DI Unit		\$9,000.00	\$3,891.11	\$5,108.89	300
2004	- Reverse Osmosis unit		\$5,000.00	\$2,746.32	\$2,253.68	302
2004	- Reservoir		\$1,000.00	\$556.56	\$443.44	304
	<b>Sub-Total</b>		\$15,000.00	\$7,193.99	\$7,806.01	
	<b>MAINTENANCE 2004</b>					
2004	Valves					
	- ORPS2 - Replacement 16"		\$20,000.00	\$11,255.00	\$8,745.00	320
	- Bromley 1 & 3 - Replacement - PC 8"		\$20,000.00	\$19,106.93	\$893.07	322
	- Johns Hill Regulator - Replacement 8"		\$10,000.00	\$9,939.17	\$60.83	324
	- Bromley Isolation Valves - Replacement 8"		\$15,000.00	\$13,923.83	\$1,076.17	326
2004	Valve pits					
8/25/2004	- TMTP Diversion Valve - Eliminated need for VFD		\$0.00	\$0.00	\$0.00	330
2004	Concrete					
	- LRPS Catwalk, replacement of damage area & structural		\$105,000.00	\$55,896.11	\$49,103.89	340
	- Bromley - replacement and structural support issue		\$10,000.00	\$8,255.00	\$1,745.00	342
2004	Electrical Repair at FTTP					
8/25/2004	- Trace & Mark Circuits at FTTP - Open Lines, etc.		\$0.00	\$0.00	\$0.00	350
2004	Ventilation system improvements					
8/25/2004	- TMTP Pump Ventilation system - None at present		\$45,000.00	\$22,340.75	\$22,659.25	360
8/25/2004	- Bromley Ventilation System - None at present		\$2,000.00	\$464.22	\$1,535.78	362
2004	Maintenance garage wall - FTTP (former Chemical Bldg)					
8/25/2004	- To sperate office space from work area with fumes.		\$0.00	\$0.00	\$0.00	370
	<b>Sub-Total</b>		\$227,000.00	\$141,181.01	\$85,818.99	
	<b>Department Sub-Total</b>		\$396,000.00	\$214,443.42	\$181,556.58	
	<b>TOTAL of Departments</b>		\$5,487,183.70	\$1,923,190.42	\$3,663,274.28	