

NORTHERN KENTUCKY WATER
DISTRICT

Plan of Financing

Northern Kentucky Water District
Revenue Bonds, Series 2021B
Plan of Finance

Series 2021B Bond Schedules

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Northern Kentucky Water District

Refunding Revenue Bonds, Series 2021

Refund Series 2012-REF

Estimate Rates

Sources & Uses

Dated 12/14/2021 | Delivered 12/14/2021

Sources Of Funds

| | |
|----------------------|------------------------|
| Par Amount of Bonds | \$29,450,000.00 |
| Reoffering Premium | 1,002,742.75 |
| Total Sources | \$30,452,742.75 |

Uses Of Funds

| | |
|---------------------------------------|------------------------|
| Total Underwriter's Discount (1.000%) | 294,500.00 |
| Costs of Issuance | 114,500.00 |
| Deposit to Current Refunding Fund | 30,041,540.11 |
| Rounding Amount | 2,202.64 |
| Total Uses | \$30,452,742.75 |

Northern Kentucky Water District

Refunding Revenue Bonds, Series 2021

Refund Series 2012-REF

Estimate Rates

Current Refunding Escrow

| Date | Principal | Rate | Interest | Receipts | Disbursements | Cash Balance |
|--------------|------------------------|----------|-------------------|------------------------|------------------------|--------------|
| 12/14/2021 | - | - | - | 0.11 | - | 0.11 |
| 02/01/2022 | 30,041,540.00 | 0.030% | 1,209.89 | 30,042,749.89 | 30,042,750.00 | - |
| Total | \$30,041,540.00 | - | \$1,209.89 | \$30,042,750.00 | \$30,042,750.00 | - |

Investment Parameters

| | |
|--|-----------------|
| Investment Model [PV, GIC, or Securities] | Securities |
| Default investment yield target | Unrestricted |
| Cash Deposit | 0.11 |
| Cost of Investments Purchased with Bond Proceeds | 30,041,540.00 |
| Total Cost of Investments | \$30,041,540.11 |
| Target Cost of Investments at bond yield | \$30,042,750.00 |
| Actual positive or (negative) arbitrage | 1,209.89 |
| Yield to Receipt | 0.0308499% |
| Yield for Arbitrage Purposes | - |
| State and Local Government Series (SLGS) rates for | 7/21/2021 |

Northern Kentucky Water Service District

Refunding Revenue Bonds, Series 2012

FINAL Sold to US Bancorp on 05.31.12 Dated & Delivery 06.21.12

Debt Service To Maturity And To Call

| Date | Refunded Bonds | Refunded Interest | D/S To Call | Principal | Coupon | Interest | Refunded D/S |
|--------------|------------------------|---------------------|------------------------|------------------------|----------|-----------------------|------------------------|
| 12/14/2021 | - | - | - | - | - | - | - |
| 02/01/2022 | 29,310,000.00 | 732,750.00 | 30,042,750.00 | 4,590,000.00 | 5.000% | 732,750.00 | 5,322,750.00 |
| 08/01/2022 | - | - | - | - | - | 618,000.00 | 618,000.00 |
| 02/01/2023 | - | - | - | 4,720,000.00 | 5.000% | 618,000.00 | 5,338,000.00 |
| 08/01/2023 | - | - | - | - | - | 500,000.00 | 500,000.00 |
| 02/01/2024 | - | - | - | 4,970,000.00 | 5.000% | 500,000.00 | 5,470,000.00 |
| 08/01/2024 | - | - | - | - | - | 375,750.00 | 375,750.00 |
| 02/01/2025 | - | - | - | 5,220,000.00 | 5.000% | 375,750.00 | 5,595,750.00 |
| 08/01/2025 | - | - | - | - | - | 245,250.00 | 245,250.00 |
| 02/01/2026 | - | - | - | 5,495,000.00 | 5.000% | 245,250.00 | 5,740,250.00 |
| 08/01/2026 | - | - | - | - | - | 107,875.00 | 107,875.00 |
| 02/01/2027 | - | - | - | 4,315,000.00 | 5.000% | 107,875.00 | 4,422,875.00 |
| Total | \$29,310,000.00 | \$732,750.00 | \$30,042,750.00 | \$29,310,000.00 | - | \$4,426,500.00 | \$33,736,500.00 |

Yield Statistics

| | |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 12/14/2021 |
| Average Life | 2.651 Years |
| Average Coupon | 5.0000000% |
| Weighted Average Maturity (Par Basis) | 2.651 Years |
| Weighted Average Maturity (Original Price Basis) | 2.623 Years |

Refunding Bond Information

| | |
|-------------------------|------------|
| Refunding Dated Date | 12/14/2021 |
| Refunding Delivery Date | 12/14/2021 |

Series 2012 REF FINAL | SINGLE PURPOSE | 9/ 8/2021 | 11:30 AM

RSA Advisors, LLC

Northern Kentucky Water District

Refunding Revenue Bonds, Series 2021

Refund Series 2012-REF

Estimate Rates

Debt Service Comparison

| Date | Total P+I | Net New D/S | Old Net D/S | Savings |
|--------------|------------------------|------------------------|------------------------|-----------------------|
| 12/31/2021 | - | - | - | - |
| 12/31/2022 | 5,487,840.75 | 5,487,840.75 | 5,940,750.00 | 452,909.25 |
| 12/31/2023 | 5,384,206.26 | 5,384,206.26 | 5,838,000.00 | 453,793.74 |
| 12/31/2024 | 5,389,456.26 | 5,389,456.26 | 5,845,750.00 | 456,293.74 |
| 12/31/2025 | 5,387,656.26 | 5,387,656.26 | 5,841,000.00 | 453,343.74 |
| 12/31/2026 | 5,393,756.26 | 5,393,756.26 | 5,848,125.00 | 454,368.74 |
| 12/31/2027 | 3,970,628.13 | 3,970,628.13 | 4,422,875.00 | 452,246.87 |
| Total | \$31,013,543.92 | \$31,013,543.92 | \$33,736,500.00 | \$2,722,956.08 |

PV Analysis Summary (Net to Net)

| | |
|---|----------------|
| Gross PV Debt Service Savings | 2,627,336.01 |
| Net PV Cashflow Savings @ 1.273%(AIC) | 2,627,336.01 |
| Contingency or Rounding Amount | 2,202.64 |
| Net Present Value Benefit | \$2,629,538.65 |
| Net PV Benefit / \$29,310,000 Refunded Principal | 8.971% |
| Net PV Benefit / \$29,450,000 Refunding Principal | 8.929% |

Refunding Bond Information

| | |
|-------------------------|------------|
| Refunding Dated Date | 12/14/2021 |
| Refunding Delivery Date | 12/14/2021 |

Refund 2012 TE 09.0 | SINGLE PURPOSE | 9/ 8/2021 | 11:30 AM

RSA Advisors, LLC

Northern Kentucky Water District

Refunding Revenue Bonds, Series 2021

Refund Series 2012-REF

Estimate Rates

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|------------------------|----------|-----------------------|------------------------|
| 02/01/2022 | 5,160,000.00 | 2.000% | 78,562.62 | 5,238,562.62 |
| 08/01/2022 | - | - | 249,278.13 | 249,278.13 |
| 02/01/2023 | 4,935,000.00 | 2.000% | 249,278.13 | 5,184,278.13 |
| 08/01/2023 | - | - | 199,928.13 | 199,928.13 |
| 02/01/2024 | 5,040,000.00 | 2.000% | 199,928.13 | 5,239,928.13 |
| 08/01/2024 | - | - | 149,528.13 | 149,528.13 |
| 02/01/2025 | 5,140,000.00 | 2.000% | 149,528.13 | 5,289,528.13 |
| 08/01/2025 | - | - | 98,128.13 | 98,128.13 |
| 02/01/2026 | 5,250,000.00 | 2.000% | 98,128.13 | 5,348,128.13 |
| 08/01/2026 | - | - | 45,628.13 | 45,628.13 |
| 02/01/2027 | 3,925,000.00 | 2.325% | 45,628.13 | 3,970,628.13 |
| Total | \$29,450,000.00 | - | \$1,563,543.92 | \$31,013,543.92 |

Yield Statistics

| | |
|-----------------------------------|-------------|
| Bond Year Dollars | \$74,904.86 |
| Average Life | 2.543 Years |
| Average Coupon | 2.0873731% |
| Net Interest Cost (NIC) | 1.1418500% |
| True Interest Cost (TIC) | 1.1193538% |
| Bond Yield for Arbitrage Purposes | - |
| All Inclusive Cost (AIC) | 1.2731573% |

IRS Form 8038

| | |
|---------------------------|-------------|
| Net Interest Cost | 0.7147525% |
| Weighted Average Maturity | 2.576 Years |

Refund 2012 TE 09.0 | SINGLE PURPOSE | 9/ 8/2021 | 11:30 AM

RSA Advisors, LLC

Northern Kentucky Water District

Refunding Revenue Bonds, Series 2021

Refund Series 2012-REF

Estimate Rates

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|------------------------|----------|-----------------------|------------------------|
| 12/31/2021 | - | - | - | - |
| 12/31/2022 | 5,160,000.00 | 2.000% | 327,840.75 | 5,487,840.75 |
| 12/31/2023 | 4,935,000.00 | 2.000% | 449,206.26 | 5,384,206.26 |
| 12/31/2024 | 5,040,000.00 | 2.000% | 349,456.26 | 5,389,456.26 |
| 12/31/2025 | 5,140,000.00 | 2.000% | 247,656.26 | 5,387,656.26 |
| 12/31/2026 | 5,250,000.00 | 2.000% | 143,756.26 | 5,393,756.26 |
| 12/31/2027 | 3,925,000.00 | 2.325% | 45,628.13 | 3,970,628.13 |
| Total | \$29,450,000.00 | - | \$1,563,543.92 | \$31,013,543.92 |

Yield Statistics

| | |
|-----------------------------------|-------------|
| Bond Year Dollars | \$74,904.86 |
| Average Life | 2.543 Years |
| Average Coupon | 2.0873731% |
| Net Interest Cost (NIC) | 1.1418500% |
| True Interest Cost (TIC) | 1.1193538% |
| Bond Yield for Arbitrage Purposes | - |
| All Inclusive Cost (AIC) | 1.2731573% |

IRS Form 8038

| | |
|---------------------------|-------------|
| Net Interest Cost | 0.7147525% |
| Weighted Average Maturity | 2.576 Years |

Refund 2012 TE 09.0 | SINGLE PURPOSE | 9/ 8/2021 | 11:30 AM

RSA Advisors, LLC

Northern Kentucky Water District
Refunding Revenue Bonds, Series 2021B (EST)
(Savings Summary)

| Calendar Year | (A) Refunded Bond Payments | | | (B) Estimated New Bond Payments | | | (C) Savings |
|----------------|------------------------------------|--------------------|---------------------|---------------------------------|--------------------|---------------------|--------------------|
| | -----Prior 2012 Bond Payments----- | | | -----Series 2021B Bonds ----- | | | Annual Savings |
| | Principal | Interest | Totals | Principal Portion | Interest Portion | Payment Totals | |
| 2022 | \$4,590,000 | \$1,350,750 | \$5,940,750 | \$5,160,000 | \$327,841 | \$5,487,841 | \$452,909 |
| 2023 | \$4,720,000 | \$1,118,000 | \$5,838,000 | \$4,935,000 | \$449,206 | \$5,384,206 | \$453,794 |
| 2024 | \$4,970,000 | \$875,750 | \$5,845,750 | \$5,040,000 | \$349,456 | \$5,389,456 | \$456,294 |
| 2025 | \$5,220,000 | \$621,000 | \$5,841,000 | \$5,140,000 | \$247,656 | \$5,387,656 | \$453,344 |
| 2026 | \$5,495,000 | \$353,125 | \$5,848,125 | \$5,250,000 | \$143,756 | \$5,393,756 | \$454,369 |
| 2027 | \$4,315,000 | \$107,875 | \$4,422,875 | \$3,925,000 | \$45,628 | \$3,970,628 | \$452,247 |
| Totals: | \$29,310,000 | \$4,426,500 | \$33,736,500 | \$29,450,000 | \$1,563,544 | \$31,013,544 | \$2,722,956 |

Total Net Savings Summary

| | |
|-------------------------------|--------------------|
| Gross Savings Amount: | \$2,722,956 |
| Present Value Savings Amount: | <u>\$2,629,538</u> |
| NPV Savings % of Prior: | 8.929% |



Interest Rate Reduction Summary

| | |
|--------------------------------------|---------------|
| Series 2012 Average Interest Rate: | 5.000% |
| Series 2021B EST True Interest Cost: | <u>1.119%</u> |
| Interest Rate Reduction: | 3.881% |

Debt Capsule Summary Report

| Bond Series | Original Par Amount | Amount Outstanding | Interest Rate Range | Final Maturity | Call Information |
|---------------------------|---------------------|--------------------|---------------------|----------------|------------------|
| 2008KIA F08-07 | \$4,000,000 | \$2,396,942 | 1.200% | 12/01/32 | N/A |
| 2010KIA F09-02 | \$24,000,000 | \$15,527,521 | 2.250% | 06/01/33 | N/A |
| 2012-REF* | \$54,840,000 | \$0 | 4.000 - 5.000% | 02/01/28 | Feb 2022 @ 100% |
| 2013 | \$26,400,000 | \$20,890,000 | 2.000 - 5.000% | 02/01/38 | Feb 2023 @ 100% |
| 2013-REF | \$24,120,000 | \$11,485,000 | 5.000 - 4.000% | 02/01/28 | Aug 2023 @ 100% |
| 2014-REF | \$15,805,000 | \$4,210,000 | 3.125 - 5.000% | 02/01/29 | Aug 2023 @ 100% |
| 2016-REF | \$41,905,000 | \$30,830,000 | 5.000 - 3.000% | 02/01/31 | Feb 2026 @ 100% |
| 2019 | \$17,845,000 | \$16,855,000 | 3.000 - 5.000% | 02/01/44 | Aug 2027 @ 100% |
| USDA Loan 91-03 | \$1,733,000 | \$1,679,500 | 2.750% | 02/01/57 | N/A |
| KIA Fund B 15-003 | \$1,392,195 | \$1,164,649 | 0.950% | 12/01/37 | N/A |
| KIA Loan F15-011 | \$3,535,094 | \$3,080,079 | 2.000% | 06/01/38 | N/A |
| KIA Loan F14-015 | \$3,545,910 | \$3,089,502 | 2.000% | 06/01/38 | N/A |
| 2020-REF | \$22,325,000 | \$21,055,000 | 5.000 - 2.000% | 02/01/35 | Feb 2028 @ 100% |
| Series 2021 BAN | \$24,685,000 | \$24,685,000 | 0.375% | 02/01/23 | Aug 2022 @ 100% |
| Totals: | \$266,131,199 | \$156,948,193 | | | |
| <i>Proposed Debt</i> | | | | | |
| 2021B-REF | \$24,450,000 | \$24,450,000 | TBD | | |
| KIA Loan F13-012* | \$8,000,000 | \$4,523,000 | 2.000% | | |
| KIA Loan F16-027* | \$4,000,000 | \$1,304,928 | 2.000% | | |
| KIA Loan F20-044* | \$8,000,000 | \$0 | 1.750% | | |
| Total Proposed: | \$44,450,000 | \$30,277,928 | --- | --- | --- |
| Total Existing + Proposed | \$310,581,199 | \$187,226,121 | | | |

*To be Refunded with Series 2021B Bonds

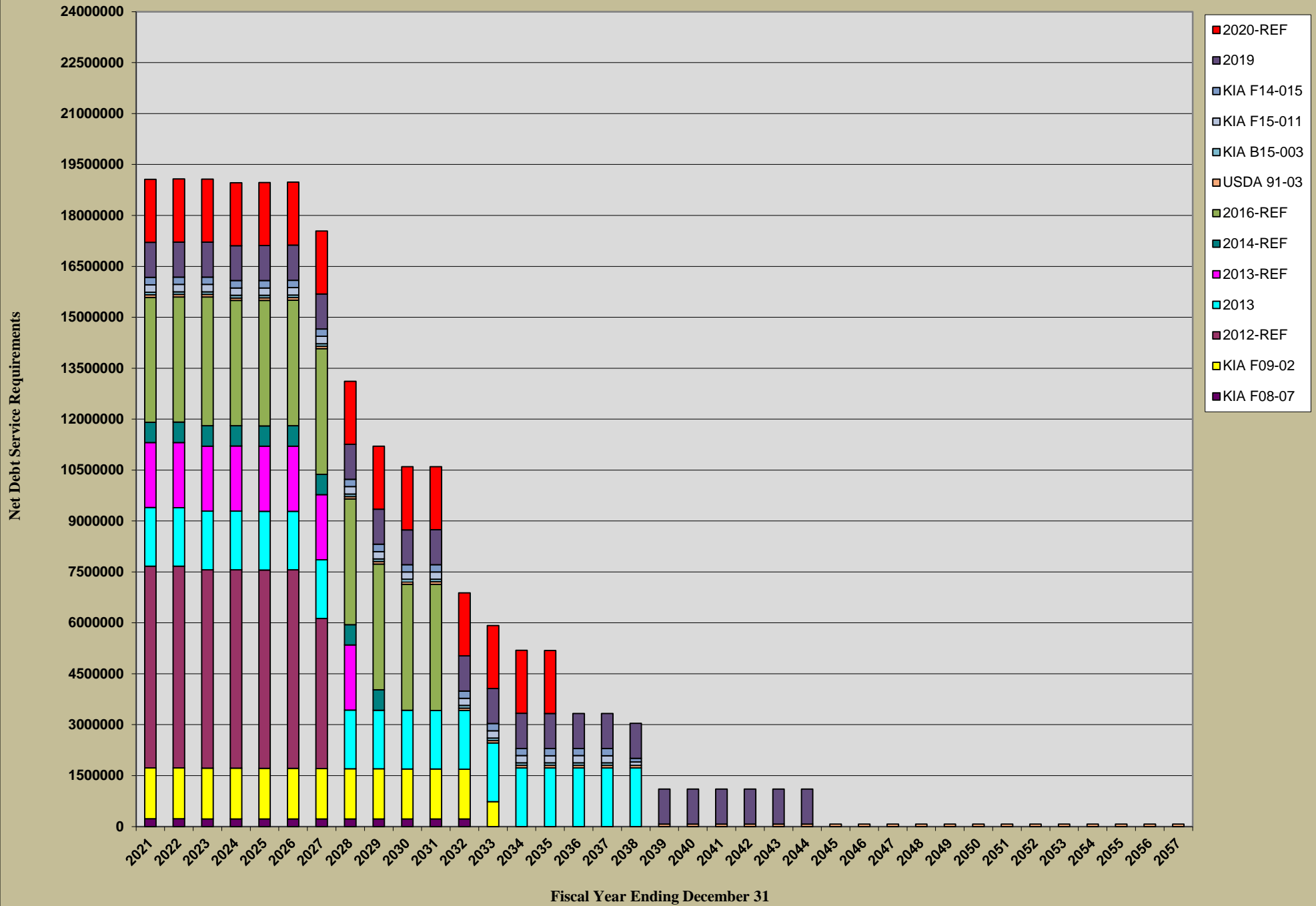
**Not Yet Closed

Gross Debt Service Structure Report

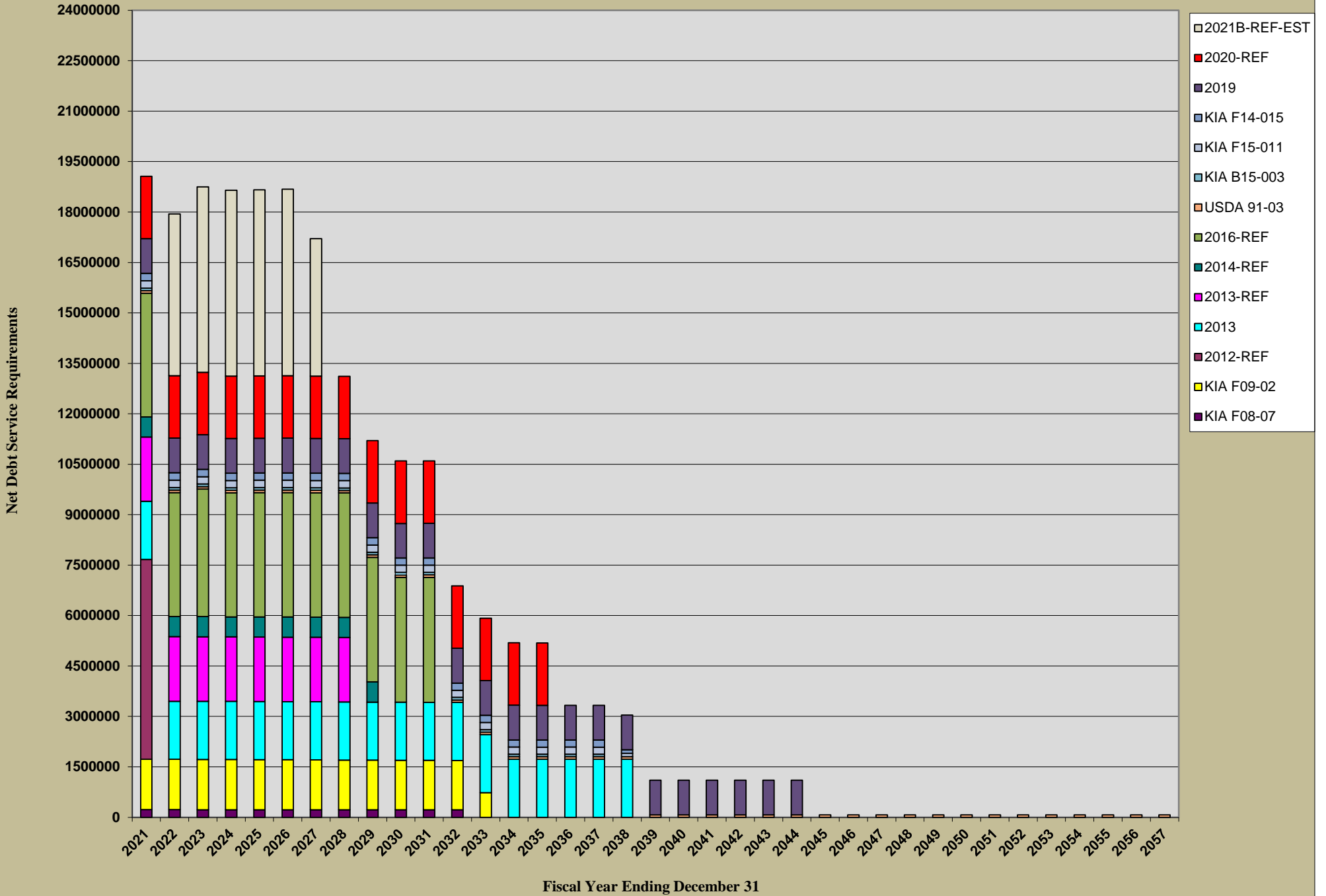
| FY Ending Dec 31st | KIA F08-07 Loan | KIA F09-02 Loan | Series 2012-REF Bonds | Series 2013 Bonds | Series 2013-REF Bonds | Series 2014-REF Bonds | Series 2016-REF Bonds | USDA 91-03 Loan | KIA B15-003 Loan | KIA F15-011 Loan | KIA F14-015 Loan | Series 2019 Bonds | Series 2020-REF Bonds | Debt Service |
|--------------------------|-----------------------|-----------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|------------------------|------------------------|------------------------|-------------------------|-----------------------------|-----------------|
| 2021 | \$227,279 | \$1,501,400 | \$5,939,625 | \$1,727,400 | \$1,914,075 | \$597,888 | \$3,680,275 | \$73,558 | \$77,537 | \$218,049 | \$218,716 | \$1,029,625 | \$1,857,587 | \$19,063,013 |
| 2022 | \$226,786 | \$1,498,522 | \$5,940,750 | \$1,726,650 | \$1,919,450 | \$600,263 | \$3,685,900 | \$73,801 | \$77,404 | \$217,658 | \$218,324 | \$1,030,750 | \$1,856,950 | \$19,073,208 |
| 2023 | \$226,288 | \$1,495,585 | \$5,838,000 | \$1,728,775 | \$1,916,200 | \$601,363 | \$3,792,525 | \$73,524 | \$77,270 | \$217,260 | \$217,925 | \$1,029,000 | \$1,855,075 | \$19,068,791 |
| 2024 | \$225,785 | \$1,492,590 | \$5,845,750 | \$1,728,650 | \$1,917,300 | \$596,663 | \$3,687,525 | \$73,727 | \$77,135 | \$216,856 | \$217,519 | \$1,029,200 | \$1,855,325 | \$18,964,025 |
| 2025 | \$225,277 | \$1,489,535 | \$5,841,000 | \$1,726,275 | \$1,918,200 | \$598,938 | \$3,698,025 | \$73,902 | \$76,999 | \$216,444 | \$217,106 | \$1,030,850 | \$1,857,450 | \$18,970,000 |
| 2026 | \$224,764 | \$1,486,418 | \$5,848,125 | \$1,726,525 | \$1,916,500 | \$602,838 | \$3,701,025 | \$73,556 | \$76,862 | \$216,025 | \$216,686 | \$1,033,600 | \$1,856,325 | \$18,979,248 |
| 2027 | \$224,246 | \$1,483,238 | \$4,422,875 | \$1,729,625 | \$1,918,000 | \$593,788 | \$3,701,400 | \$73,690 | \$76,724 | \$215,598 | \$216,258 | \$1,029,975 | \$1,856,825 | \$17,542,242 |
| 2028 | \$223,723 | \$1,479,995 | | \$1,726,025 | \$1,916,750 | \$596,988 | \$3,702,650 | \$73,796 | \$76,585 | \$215,164 | \$215,822 | \$1,029,975 | \$1,858,700 | \$13,116,174 |
| 2029 | \$223,194 | \$1,476,686 | | \$1,725,725 | | \$599,219 | \$3,709,650 | \$73,382 | \$76,445 | \$214,723 | \$215,380 | \$1,031,700 | \$1,854,900 | \$11,201,004 |
| 2030 | \$222,660 | \$1,473,311 | | \$1,728,525 | | | \$3,707,975 | \$73,447 | \$76,304 | \$214,273 | \$214,929 | \$1,028,825 | \$1,859,225 | \$10,599,475 |
| 2031 | \$222,121 | \$1,469,868 | | \$1,728,541 | | | \$3,714,900 | \$73,484 | \$76,162 | \$213,816 | \$214,470 | \$1,033,500 | \$1,854,800 | \$10,601,662 |
| 2032 | \$221,576 | \$1,466,356 | | \$1,728,181 | | | | \$73,494 | \$76,019 | \$213,351 | \$214,003 | \$1,032,500 | \$1,858,875 | \$6,884,356 |
| 2033 | | \$731,839 | | \$1,727,881 | | | | \$73,477 | \$75,875 | \$212,877 | \$213,529 | \$1,030,900 | \$1,855,350 | \$5,921,728 |
| 2034 | | | | \$1,726,669 | | | | \$73,432 | \$75,729 | \$212,395 | \$213,045 | \$1,033,625 | \$1,854,700 | \$5,189,596 |
| 2035 | | | | \$1,725,550 | | | | \$73,359 | \$75,583 | \$211,905 | \$212,554 | \$1,030,675 | \$1,853,350 | \$5,182,976 |
| 2036 | | | | \$1,727,747 | | | | \$73,753 | \$75,435 | \$211,406 | \$212,053 | \$1,032,050 | | \$3,332,444 |
| 2037 | | | | \$1,726,250 | | | | \$73,611 | \$75,287 | \$210,899 | \$211,544 | \$1,032,675 | | \$3,330,266 |
| 2038 | | | | \$1,725,913 | | | | \$73,443 | | \$105,256 | \$105,578 | \$1,032,550 | | \$3,042,739 |
| 2039 | | | | | | | | \$73,246 | | | | \$1,031,675 | | \$1,104,921 |
| 2040 | | | | | | | | \$73,516 | | | | \$1,030,050 | | \$1,103,566 |
| 2041 | | | | | | | | \$73,251 | | | | \$1,032,600 | | \$1,105,851 |
| 2042 | | | | | | | | \$73,451 | | | | \$1,029,325 | | \$1,102,776 |
| 2043 | | | | | | | | \$73,611 | | | | \$1,030,225 | | \$1,103,836 |
| 2044 | | | | | | | | \$73,236 | | | | \$1,030,225 | | \$1,103,461 |
| 2045 | | | | | | | | \$73,326 | | | | | | \$73,326 |
| 2046 | | | | | | | | \$73,376 | | | | | | \$73,376 |
| 2047 | | | | | | | | \$73,384 | | | | | | \$73,384 |
| 2048 | | | | | | | | \$73,351 | | | | | | \$73,351 |
| 2049 | | | | | | | | \$73,276 | | | | | | \$73,276 |
| 2050 | | | | | | | | \$73,161 | | | | | | \$73,161 |
| 2051 | | | | | | | | \$73,004 | | | | | | \$73,004 |
| 2052 | | | | | | | | \$73,299 | | | | | | \$73,299 |
| 2053 | | | | | | | | \$73,046 | | | | | | \$73,046 |
| 2054 | | | | | | | | \$73,244 | | | | | | \$73,244 |
| 2055 | | | | | | | | \$73,388 | | | | | | \$73,388 |
| 2056 | | | | | | | | \$72,984 | | | | | | \$72,984 |
| 2057 | | | | | | | | \$74,511 | | | | | | \$74,511 |
| Totals: | \$2,693,700 | \$18,545,345 | \$39,676,125 | \$31,090,906 | \$15,336,475 | \$5,387,944 | \$40,781,850 | \$2,718,094 | \$1,299,356 | \$3,753,955 | \$3,765,441 | \$24,746,075 | \$27,845,437 | \$217,640,703 |

Note: KIA Loan debt service includes servicing fee

Northern Kentucky Water District Gross Debt Service Structure Graph



Northern Kentucky Water District Gross Debt Service Structure Graph - Estimated After 2021B Bonds



Gross Debt Service Structure Report - Senior Debt Only - Estimated After 2021B Bonds

| FY Ending Dec 31st | Series 2012-Ref Bonds | Series 2013 Bonds | Series 2013-REF Bonds | Series 2014-REF Bonds | Series 2016-REF Bonds | USDA 91-03 Loan | Series 2019 Bonds | Series 2020-REF Bonds | Series 2021B-REF-EST Bonds | Debt Service |
|--------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|----------------------------------|-----------------|
| 2021 | \$5,939,625 | \$1,727,400 | \$1,914,075 | \$597,888 | \$3,680,275 | \$73,558 | \$1,029,625 | \$1,857,587 | | \$16,820,032 |
| 2022 | | \$1,726,650 | \$1,919,450 | \$600,263 | \$3,685,900 | \$73,801 | \$1,030,750 | \$1,856,950 | | \$10,893,764 |
| 2023 | | \$1,728,775 | \$1,916,200 | \$601,363 | \$3,792,525 | \$73,524 | \$1,029,000 | \$1,855,075 | \$5,487,841 | \$16,484,303 |
| 2024 | | \$1,728,650 | \$1,917,300 | \$596,663 | \$3,687,525 | \$73,727 | \$1,029,200 | \$1,855,325 | \$5,384,206 | \$16,272,596 |
| 2025 | | \$1,726,275 | \$1,918,200 | \$598,938 | \$3,698,025 | \$73,902 | \$1,030,850 | \$1,857,450 | \$5,389,456 | \$16,293,096 |
| 2026 | | \$1,726,525 | \$1,916,500 | \$602,838 | \$3,701,025 | \$73,556 | \$1,033,600 | \$1,856,325 | \$5,387,656 | \$16,298,025 |
| 2027 | | \$1,729,625 | \$1,918,000 | \$593,788 | \$3,701,400 | \$73,690 | \$1,029,975 | \$1,856,825 | \$5,393,756 | \$16,297,059 |
| 2028 | | \$1,726,025 | \$1,916,750 | \$596,988 | \$3,702,650 | \$73,796 | \$1,029,975 | \$1,858,700 | \$3,970,628 | \$14,875,512 |
| 2029 | | \$1,725,725 | | \$599,219 | \$3,709,650 | \$73,382 | \$1,031,700 | \$1,854,900 | | \$8,994,576 |
| 2030 | | \$1,728,525 | | | \$3,707,975 | \$73,447 | \$1,028,825 | \$1,859,225 | | \$8,397,997 |
| 2031 | | \$1,728,541 | | | \$3,714,900 | \$73,484 | \$1,033,500 | \$1,854,800 | | \$8,405,225 |
| 2032 | | \$1,728,181 | | | | \$73,494 | \$1,032,500 | \$1,858,875 | | \$4,693,051 |
| 2033 | | \$1,727,881 | | | | \$73,477 | \$1,030,900 | \$1,855,350 | | \$4,687,608 |
| 2034 | | \$1,726,669 | | | | \$73,432 | \$1,033,625 | \$1,854,700 | | \$4,688,426 |
| 2035 | | \$1,725,550 | | | | \$73,359 | \$1,030,675 | \$1,853,350 | | \$4,682,934 |
| 2036 | | \$1,727,747 | | | | \$73,753 | \$1,032,050 | | | \$2,833,549 |
| 2037 | | \$1,726,250 | | | | \$73,611 | \$1,032,675 | | | \$2,832,536 |
| 2038 | | | | | | \$73,443 | \$1,032,550 | | | \$1,105,993 |
| 2039 | | | | | | \$73,246 | \$1,031,675 | | | \$1,104,921 |
| 2040 | | | | | | \$73,516 | \$1,030,050 | | | \$1,103,566 |
| 2041 | | | | | | \$73,251 | \$1,032,600 | | | \$1,105,851 |
| 2042 | | | | | | \$73,451 | \$1,029,325 | | | \$1,102,776 |
| 2043 | | | | | | \$73,611 | \$1,030,225 | | | \$1,103,836 |
| 2044 | | | | | | \$73,236 | \$1,030,225 | | | \$1,103,461 |
| 2045 | | | | | | \$73,326 | | | | \$73,326 |
| 2046 | | | | | | \$73,376 | | | | \$73,376 |
| 2047 | | | | | | \$73,384 | | | | \$73,384 |
| 2048 | | | | | | \$73,351 | | | | \$73,351 |
| 2049 | | | | | | \$73,276 | | | | \$73,276 |
| 2050 | | | | | | \$73,161 | | | | \$73,161 |
| 2051 | | | | | | \$73,004 | | | | \$73,004 |
| 2052 | | | | | | \$73,299 | | | | \$73,299 |
| 2053 | | | | | | \$73,046 | | | | \$73,046 |
| 2054 | | | | | | \$73,244 | | | | \$73,244 |
| 2055 | | | | | | \$73,388 | | | | \$73,388 |
| 2056 | | | | | | \$72,984 | | | | \$72,984 |
| 2057 | | | | | | \$74,511 | | | | \$74,511 |
| Totals: | \$5,939,625 | \$29,364,994 | \$15,336,475 | \$5,387,944 | \$40,781,850 | \$2,718,094 | \$24,746,075 | \$27,845,437 | \$31,013,544 | \$183,134,038 |

Principal Reduction Report -- Senior Debt Only - Estimated After 2021B Bonds

| FY Ending Dec 31st | Series 2013 Bonds | Series 2013-REF Bonds | Series 2014-REF Bonds | Series 2016-REF Bonds | USDA 91-03 Loan | Series 2019 Bonds | Series 2020-REF Bonds | Series 2021B-REF-EST Bonds | Outstanding Principal | Debt Retirement (10 Years) |
|--------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|----------------------------------|--------------------------|----------------------------------|
| 2021 | \$795,000 | \$1,355,000 | \$440,000 | \$2,325,000 | \$27,000 | \$455,000 | \$1,270,000 | \$0 | \$136,454,500 | 77.97% |
| 2022 | \$835,000 | \$1,430,000 | \$465,000 | \$2,450,000 | \$28,000 | \$470,000 | \$1,110,000 | \$5,160,000 | \$124,506,500 | 78.90% |
| 2023 | \$880,000 | \$1,500,000 | \$485,000 | \$2,685,000 | \$28,500 | \$485,000 | \$1,165,000 | \$4,935,000 | \$112,343,000 | 80.08% |
| 2024 | \$925,000 | \$1,570,000 | \$495,000 | \$2,715,000 | \$29,500 | \$505,000 | \$1,225,000 | \$5,040,000 | \$99,838,500 | 81.62% |
| 2025 | \$970,000 | \$1,635,000 | \$515,000 | \$2,865,000 | \$30,500 | \$530,000 | \$1,290,000 | \$5,140,000 | \$86,863,000 | 83.64% |
| 2026 | \$1,020,000 | \$1,700,000 | \$540,000 | \$3,015,000 | \$31,000 | \$560,000 | \$1,355,000 | \$5,250,000 | \$73,392,000 | 83.90% |
| 2027 | \$1,070,000 | \$1,780,000 | \$550,000 | \$3,170,000 | \$32,000 | \$585,000 | \$1,425,000 | \$3,925,000 | \$60,855,000 | 84.67% |
| 2028 | \$1,110,000 | \$1,870,000 | \$570,000 | \$3,300,000 | \$33,000 | \$615,000 | \$1,500,000 | | \$51,857,000 | 86.99% |
| 2029 | \$1,155,000 | | \$590,000 | \$3,425,000 | \$33,500 | \$645,000 | \$1,565,000 | | \$44,443,500 | 86.89% |
| 2030 | \$1,205,000 | | | \$3,545,000 | \$34,500 | \$665,000 | \$1,625,000 | | \$37,369,000 | 86.94% |
| 2031 | \$1,255,000 | | | \$3,660,000 | \$35,500 | \$690,000 | \$1,670,000 | | \$30,058,500 | 87.01% |
| 2032 | \$1,310,000 | | | | \$36,500 | \$710,000 | \$1,725,000 | | \$26,277,000 | 88.96% |
| 2033 | \$1,370,000 | | | | \$37,500 | \$730,000 | \$1,765,000 | | \$22,374,500 | 91.66% |
| 2034 | \$1,430,000 | | | | \$38,500 | \$755,000 | \$1,800,000 | | \$18,351,000 | 95.63% |
| 2035 | \$1,490,000 | | | | \$39,500 | \$775,000 | \$1,835,000 | | \$14,211,500 | 94.73% |
| 2036 | \$1,555,000 | | | | \$41,000 | \$800,000 | | | \$11,815,500 | 94.11% |
| 2037 | \$1,620,000 | | | | \$42,000 | \$825,000 | | | \$9,328,500 | 93.13% |
| 2038 | \$1,690,000 | | | | \$43,000 | \$850,000 | | | \$6,745,500 | 91.33% |
| 2039 | | | | | \$44,000 | \$875,000 | | | \$5,826,500 | 90.96% |
| 2040 | | | | | \$45,500 | \$900,000 | | | \$4,881,000 | 90.43% |
| 2041 | | | | | \$46,500 | \$930,000 | | | \$3,904,500 | 89.60% |
| 2042 | | | | | \$48,000 | \$955,000 | | | \$2,901,500 | 88.18% |
| 2043 | | | | | \$49,500 | \$985,000 | | | \$1,867,000 | 85.08% |
| 2044 | | | | | \$50,500 | \$1,015,000 | | | \$801,500 | 73.55% |
| 2045 | | | | | \$52,000 | | | | \$749,500 | 80.85% |
| 2046 | | | | | \$53,500 | | | | \$696,000 | 89.44% |
| 2047 | | | | | \$55,000 | | | | \$641,000 | 100.00% |
| 2048 | | | | | \$56,500 | | | | \$584,500 | |
| 2049 | | | | | \$58,000 | | | | \$526,500 | |
| 2050 | | | | | \$59,500 | | | | \$467,000 | |
| 2051 | | | | | \$61,000 | | | | \$406,000 | |
| 2052 | | | | | \$63,000 | | | | \$343,000 | |
| 2053 | | | | | \$64,500 | | | | \$278,500 | |
| 2054 | | | | | \$66,500 | | | | \$212,000 | |
| 2055 | | | | | \$68,500 | | | | \$143,500 | |
| 2056 | | | | | \$70,000 | | | | \$73,500 | |
| 2057 | | | | | \$73,500 | | | | \$0 | |
| Totals: | \$21,685,000 | \$12,840,000 | \$4,650,000 | \$33,155,000 | \$1,706,500 | \$17,310,000 | \$22,325,000 | \$29,450,000 | --- | --- |

Municipal Advisor Disclosure of Conflicts of Interest and Other Information

RSA Advisors, LLC (“RSA Advisors”)

Introduction

RSA Advisors is a registered municipal advisory firm registered with the Securities and Exchange Commission (the “SEC”) and the Municipal Securities Rulemaking Board (the “MSRB”). In accordance with MSRB rules, this disclosure statement is provided by RSA Advisors to each client prior to the execution of its advisory agreement with written disclosures of any material conflicts of interest and legal or disciplinary events that are required to be disclosed with respect to providing financial advisory services pursuant to MSRB Rule G-42(b) and (c) (ii).

RSA Advisors employs a number of resources to identify and subsequently manage actual or potential conflicts of interest. These resources include the implementation of policies and procedures and a supervisory structure.

General Conflict of Interest Disclosures

Disciplinary History: As a registered municipal advisory firm registered with the “SEC” and the “MSRB”, our disciplinary events are required to be disclosed on our forms MA and MA-I filed with the SEC. To review the disclosures on these forms, you may access them electronically via the SEC's Electronic Data Gathering, Analysis, and Retrieval System (EDGAR) at: www.sec.gov

Compensation Based: The fees due under a Municipal Advisor Agreement may be based on the size of the transaction and the payment of such fees shall be contingent upon the closing of the transaction. While this form of compensation is usual and customary in the municipal securities market, this may present a conflict of interest. RSA believes that this conflict of interest will not impair our ability to render unbiased advice or to fulfill our fiduciary duty to the client.

Sponsorships and Donations: Upon request, RSA Advisors may provide sponsorships or donations to various municipal organizations (to which you may be a member), charitable organizations or client sponsored events. RSA Advisors limits the size of any such sponsorship or donation to a reasonable level taking into consideration various matters such as the purpose of the organization, other sponsorships or donations made to the organization and RSA Advisors' role and physical presence in the community and the state.

Other Municipal Advisory Relationship: RSA Advisors serves a wide variety of clients that may potentially have interests that could have a direct or indirect impact on the interests of the client. RSA Advisors could potentially face a conflict of interest arising from these competing client interests. None of these other relationships or engagements would impair RSA Advisors' ability to fulfill its regulatory duties to the client.

To our knowledge, following reasonable inquiry, we are not aware of any actual or potential conflicts of interest that could reasonably be anticipated to impair our ability to provide advice to or on behalf of the client in accordance with the applicable standards of conduct of MSRB Rule G-42. If RSA becomes aware of any potential or actual conflict of interest after this disclosure, we will disclose the detailed information in writing to the client in a timely manner including a plan for mitigation.

Principal Reduction Report -- Senior Debt Only

| FY Ending Dec 31st | Series 2012-Ref Bonds | Series 2013 Bonds | Series 2013-REF Bonds | Series 2014-REF Bonds | Series 2016-REF Bonds | USDA 91-03 Loan | Series 2019 Bonds | Series 2020-REF Bonds | Outstanding Principal | Debt Retirement (10 Years) |
|--------------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|-------------------------|-----------------------------|--------------------------|----------------------------------|
| 2021 | \$4,365,000 | \$795,000 | \$1,355,000 | \$440,000 | \$2,325,000 | \$27,000 | \$455,000 | \$1,270,000 | \$136,314,500 | 77.95% |
| 2022 | \$4,590,000 | \$835,000 | \$1,430,000 | \$465,000 | \$2,450,000 | \$28,000 | \$470,000 | \$1,110,000 | \$124,936,500 | 78.97% |
| 2023 | \$4,720,000 | \$880,000 | \$1,500,000 | \$485,000 | \$2,685,000 | \$28,500 | \$485,000 | \$1,165,000 | \$112,988,000 | 80.20% |
| 2024 | \$4,970,000 | \$925,000 | \$1,570,000 | \$495,000 | \$2,715,000 | \$29,500 | \$505,000 | \$1,225,000 | \$100,553,500 | 81.75% |
| 2025 | \$5,220,000 | \$970,000 | \$1,635,000 | \$515,000 | \$2,865,000 | \$30,500 | \$530,000 | \$1,290,000 | \$87,498,000 | 83.76% |
| 2026 | \$5,495,000 | \$1,020,000 | \$1,700,000 | \$540,000 | \$3,015,000 | \$31,000 | \$560,000 | \$1,355,000 | \$73,782,000 | 83.99% |
| 2027 | \$4,315,000 | \$1,070,000 | \$1,780,000 | \$550,000 | \$3,170,000 | \$32,000 | \$585,000 | \$1,425,000 | \$60,855,000 | 84.67% |
| 2028 | | \$1,110,000 | \$1,870,000 | \$570,000 | \$3,300,000 | \$33,000 | \$615,000 | \$1,500,000 | \$51,857,000 | 86.99% |
| 2029 | | \$1,155,000 | | \$590,000 | \$3,425,000 | \$33,500 | \$645,000 | \$1,565,000 | \$44,443,500 | 86.89% |
| 2030 | | \$1,205,000 | | | \$3,545,000 | \$34,500 | \$665,000 | \$1,625,000 | \$37,369,000 | 86.94% |
| 2031 | | \$1,255,000 | | | \$3,660,000 | \$35,500 | \$690,000 | \$1,670,000 | \$30,058,500 | 87.01% |
| 2032 | | \$1,310,000 | | | | \$36,500 | \$710,000 | \$1,725,000 | \$26,277,000 | 88.96% |
| 2033 | | \$1,370,000 | | | | \$37,500 | \$730,000 | \$1,765,000 | \$22,374,500 | 91.66% |
| 2034 | | \$1,430,000 | | | | \$38,500 | \$755,000 | \$1,800,000 | \$18,351,000 | 95.63% |
| 2035 | | \$1,490,000 | | | | \$39,500 | \$775,000 | \$1,835,000 | \$14,211,500 | 94.73% |
| 2036 | | \$1,555,000 | | | | \$41,000 | \$800,000 | | \$11,815,500 | 94.11% |
| 2037 | | \$1,620,000 | | | | \$42,000 | \$825,000 | | \$9,328,500 | 93.13% |
| 2038 | | \$1,690,000 | | | | \$43,000 | \$850,000 | | \$6,745,500 | 91.33% |
| 2039 | | | | | | \$44,000 | \$875,000 | | \$5,826,500 | 90.96% |
| 2040 | | | | | | \$45,500 | \$900,000 | | \$4,881,000 | 90.43% |
| 2041 | | | | | | \$46,500 | \$930,000 | | \$3,904,500 | 89.60% |
| 2042 | | | | | | \$48,000 | \$955,000 | | \$2,901,500 | 88.18% |
| 2043 | | | | | | \$49,500 | \$985,000 | | \$1,867,000 | 85.08% |
| 2044 | | | | | | \$50,500 | \$1,015,000 | | \$801,500 | 73.55% |
| 2045 | | | | | | \$52,000 | | | \$749,500 | 80.85% |
| 2046 | | | | | | \$53,500 | | | \$696,000 | 89.44% |
| 2047 | | | | | | \$55,000 | | | \$641,000 | 100.00% |
| 2048 | | | | | | \$56,500 | | | \$584,500 | |
| 2049 | | | | | | \$58,000 | | | \$526,500 | |
| 2050 | | | | | | \$59,500 | | | \$467,000 | |
| 2051 | | | | | | \$61,000 | | | \$406,000 | |
| 2052 | | | | | | \$63,000 | | | \$343,000 | |
| 2053 | | | | | | \$64,500 | | | \$278,500 | |
| 2054 | | | | | | \$66,500 | | | \$212,000 | |
| 2055 | | | | | | \$68,500 | | | \$143,500 | |
| 2056 | | | | | | \$70,000 | | | \$73,500 | |
| 2057 | | | | | | \$73,500 | | | \$0 | |
| Totals: | \$33,675,000 | \$21,685,000 | \$12,840,000 | \$4,650,000 | \$33,155,000 | \$1,706,500 | \$17,310,000 | \$22,325,000 | --- | --- |

Gross Debt Service Structure Report - Estimated After 2021B Bonds

| FY Ending Dec 31st | KIA F08-07 Loan | KIA F09-02 Loan | Series 2012-REF Bonds | Series 2013 Bonds | Series 2013-REF Bonds | Series 2014-REF Bonds | Series 2016-REF Bonds | USDA 91-03 Loan | KIA B15-003 Loan | KIA F15-011 Loan | KIA F14-015 Loan | Series 2019 Bonds | Series 2020-REF Bonds | Series 2021B-REF-EST Bonds | Debt Service |
|--------------------------|-----------------------|-----------------------|-----------------------------|-------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------|------------------------|------------------------|------------------------|-------------------------|-----------------------------|----------------------------------|-----------------|
| 2021 | \$227,279 | \$1,501,400 | \$5,939,625 | \$1,727,400 | \$1,914,075 | \$597,888 | \$3,680,275 | \$73,558 | \$77,537 | \$218,049 | \$218,716 | \$1,029,625 | \$1,857,587 | \$0 | \$19,063,013 |
| 2022 | \$226,786 | \$1,498,522 | | \$1,726,650 | \$1,919,450 | \$600,263 | \$3,685,900 | \$73,801 | \$77,404 | \$217,658 | \$218,324 | \$1,030,750 | \$1,856,950 | \$4,808,203 | \$17,940,660 |
| 2023 | \$226,288 | \$1,495,585 | | \$1,728,775 | \$1,916,200 | \$601,363 | \$3,792,525 | \$73,524 | \$77,270 | \$217,260 | \$217,925 | \$1,029,000 | \$1,855,075 | \$5,519,400 | \$18,750,191 |
| 2024 | \$225,785 | \$1,492,590 | | \$1,728,650 | \$1,917,300 | \$596,663 | \$3,687,525 | \$73,727 | \$77,135 | \$216,856 | \$217,519 | \$1,029,200 | \$1,855,325 | \$5,529,100 | \$18,647,375 |
| 2025 | \$225,277 | \$1,489,535 | | \$1,726,275 | \$1,918,200 | \$598,938 | \$3,698,025 | \$73,902 | \$76,999 | \$216,444 | \$217,106 | \$1,030,850 | \$1,857,450 | \$5,531,600 | \$18,660,600 |
| 2026 | \$224,764 | \$1,486,418 | | \$1,726,525 | \$1,916,500 | \$602,838 | \$3,701,025 | \$73,556 | \$76,862 | \$216,025 | \$216,686 | \$1,033,600 | \$1,856,325 | \$5,547,000 | \$18,678,123 |
| 2027 | \$224,246 | \$1,483,238 | | \$1,729,625 | \$1,918,000 | \$593,788 | \$3,701,400 | \$73,690 | \$76,724 | \$215,598 | \$216,258 | \$1,029,975 | \$1,856,825 | \$4,090,000 | \$17,209,367 |
| 2028 | \$223,723 | \$1,479,995 | | \$1,726,025 | \$1,916,750 | \$596,988 | \$3,702,650 | \$73,796 | \$76,585 | \$215,164 | \$215,822 | \$1,029,975 | \$1,858,700 | | \$13,116,174 |
| 2029 | \$223,194 | \$1,476,686 | | \$1,725,725 | | \$599,219 | \$3,709,650 | \$73,382 | \$76,445 | \$214,723 | \$215,380 | \$1,031,700 | \$1,854,900 | | \$11,201,004 |
| 2030 | \$222,660 | \$1,473,311 | | \$1,728,525 | | | \$3,707,975 | \$73,447 | \$76,304 | \$214,273 | \$214,929 | \$1,028,825 | \$1,859,225 | | \$10,599,475 |
| 2031 | \$222,121 | \$1,469,868 | | \$1,728,541 | | | \$3,714,900 | \$73,484 | \$76,162 | \$213,816 | \$214,470 | \$1,033,500 | \$1,854,800 | | \$10,601,662 |
| 2032 | \$221,576 | \$1,466,356 | | \$1,728,181 | | | | \$73,494 | \$76,019 | \$213,351 | \$214,003 | \$1,032,500 | \$1,858,875 | | \$6,884,356 |
| 2033 | | \$731,839 | | \$1,727,881 | | | | \$73,477 | \$75,875 | \$212,877 | \$213,529 | \$1,030,900 | \$1,855,350 | | \$5,921,728 |
| 2034 | | | | \$1,726,669 | | | | \$73,432 | \$75,729 | \$212,395 | \$213,045 | \$1,033,625 | \$1,854,700 | | \$5,189,596 |
| 2035 | | | | \$1,725,550 | | | | \$73,359 | \$75,583 | \$211,905 | \$212,554 | \$1,030,675 | \$1,853,350 | | \$5,182,976 |
| 2036 | | | | \$1,727,747 | | | | \$73,753 | \$75,435 | \$211,406 | \$212,053 | \$1,032,050 | | | \$3,332,444 |
| 2037 | | | | \$1,726,250 | | | | \$73,611 | \$75,287 | \$210,899 | \$211,544 | \$1,032,675 | | | \$3,330,266 |
| 2038 | | | | \$1,725,913 | | | | \$73,443 | | \$105,256 | \$105,578 | \$1,032,550 | | | \$3,042,739 |
| 2039 | | | | | | | | \$73,246 | | | | \$1,031,675 | | | \$1,104,921 |
| 2040 | | | | | | | | \$73,516 | | | | \$1,030,050 | | | \$1,103,566 |
| 2041 | | | | | | | | \$73,251 | | | | \$1,032,600 | | | \$1,105,851 |
| 2042 | | | | | | | | \$73,451 | | | | \$1,029,325 | | | \$1,102,776 |
| 2043 | | | | | | | | \$73,611 | | | | \$1,030,225 | | | \$1,103,836 |
| 2044 | | | | | | | | \$73,236 | | | | \$1,030,225 | | | \$1,103,461 |
| 2045 | | | | | | | | \$73,326 | | | | | | | \$73,326 |
| 2046 | | | | | | | | \$73,376 | | | | | | | \$73,376 |
| 2047 | | | | | | | | \$73,384 | | | | | | | \$73,384 |
| 2048 | | | | | | | | \$73,351 | | | | | | | \$73,351 |
| 2049 | | | | | | | | \$73,276 | | | | | | | \$73,276 |
| 2050 | | | | | | | | \$73,161 | | | | | | | \$73,161 |
| 2051 | | | | | | | | \$73,004 | | | | | | | \$73,004 |
| 2052 | | | | | | | | \$73,299 | | | | | | | \$73,299 |
| 2053 | | | | | | | | \$73,046 | | | | | | | \$73,046 |
| 2054 | | | | | | | | \$73,244 | | | | | | | \$73,244 |
| 2055 | | | | | | | | \$73,388 | | | | | | | \$73,388 |
| 2056 | | | | | | | | \$72,984 | | | | | | | \$72,984 |
| 2057 | | | | | | | | \$74,511 | | | | | | | \$74,511 |
| Totals: | \$2,693,700 | \$18,545,345 | \$5,939,625 | \$31,090,906 | \$15,336,475 | \$5,387,944 | \$40,781,850 | \$2,718,094 | \$1,299,356 | \$3,753,955 | \$3,765,441 | \$24,746,075 | \$27,845,437 | \$31,025,303 | \$214,929,506 |

Note: KIA Loan debt service does not include servicing fee

NORTHERN KENTUCKY WATER
DISTRICT

2021 Refunding Bond Resolution

RESOLUTION NO. 025-091621

(SERIES 2021B BONDS)

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NORTHERN KENTUCKY WATER DISTRICT PROVIDING FOR UP TO \$32,395,000 PRINCIPAL AMOUNT OF WATER DISTRICT REFUNDING REVENUE BONDS, SERIES 2021B; DESIGNATING THE PAYING AGENT AND REGISTRAR IN RESPECT THEREOF; AUTHORIZING THE REDEMPTION OF CERTAIN OUTSTANDING BONDS OF THE DISTRICT; APPROVING THE PREPARATION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS IN RESPECT THEREOF; AUTHORIZING THE EXECUTION AND DELIVERY OF A CONTINUING DISCLOSURE CERTIFICATE FOR THE NOTES; AUTHORIZING ACCEPTANCE OF THE BID OF THE SUCCESSFUL BIDDER FOR THE NOTES; AUTHORIZING AND DIRECTING THE FILING OF A NOTICE WITH THE STATE LOCAL DEBT OFFICER; AND REPEALING INCONSISTENT RESOLUTIONS.

WHEREAS, the Northern Kentucky Water District (the "District"), is a water district duly organized pursuant to Chapter 74 of the Kentucky Revised Statutes, and a public body corporate and politic; and

WHEREAS, on November 19, 1985, the Board of Commissioners of the District adopted that certain 1985 General Bond Resolution, as amended by that certain First Supplemental Bond Resolution adopted November 17, 1987 (as amended, the "General Bond Resolution"), to govern the terms and conditions governing the revenue bonds and other obligations issued by the District to finance the costs of extensions, additions, and improvements to the Public Water System; and

WHEREAS, the District has heretofore issued \$54,840,000 original principal amount of its Revenue Refunding Bonds, Series 2012 dated June 21, 2012 (the "Prior Bonds") secured by the revenues of the water system described in the General Bond Resolution and the related series resolution authorizing the Prior Bonds; and

WHEREAS, in order to achieve debt service savings, the District desires to refund and retire the Prior Bonds currently outstanding (the "Refunded Bonds"); and

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

WHEREAS, the Board of Commissioners of the District has determined that it is necessary and desirable that the District issue a Series of Refunding Revenue Bonds, to be designated "Northern Kentucky Water District Refunding Revenue Bonds, Series 2021B," to provide moneys to carry out the purposes of the District as hereinafter particularly set forth, including without limitation retiring the Prior Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE NORTHERN KENTUCKY WATER DISTRICT, THAT PURSUANT TO THE GENERAL BOND RESOLUTION, THIS RESOLUTION IS HEREBY ADOPTED, AS FOLLOWS:

ARTICLE I
AUTHORITY AND DEFINITIONS

101. Short Title. This resolution may hereafter be cited by the District and is hereinafter sometimes referred to as the "Series 2021B Bond Resolution."

102. Defined Words and Terms. All words and terms which are defined in the General Bond Resolution, which General Bond Resolution is incorporated herein by reference, shall have the same and identical meanings respectively in this Series 2021B Bond Resolution as such terms are given in Article I of the General Bond Resolution.

In addition to the words and terms which are defined in the General Bond Resolution, the following words and terms shall have the following meanings, unless the context requires otherwise:

"Agent Member" means a member of, or participant in, the Securities Depository.

"Book-Entry Form" means, with respect to any Series 2021B Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in the Series 2021B Bonds and Series 2021B Bond service charges may be transferred only through a book entry, and (ii) physical Series 2021B Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as owner, with the physical Series 2021B Bond certificates in the custody of a Securities Depository.

"Bond Proceeds Depository" has the meaning provided in Section 301 hereof.

"Prior Bonds" means the Northern Kentucky Water District Revenue Refunding Bonds, Series 2012 dated June 21, 2012.

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

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

"Series 2021B Bond Proceeds Account" has the meaning provided in Section 301 hereof.

"Series 2021B Bonds" means the Northern Kentucky Water District Refunding Revenue Bonds, Series 2021B authorized by Article II of this Series 2021B Bond Resolution.

“Series 2021B Costs of Issuance Account” has the meaning provided in Section 302 hereof.

“Series 2021B Redemption Account” has the meaning provided in Section 303 hereof.

103. Authority. This Series 2021B Bond Resolution is adopted pursuant to authority of Article II, Section 204 of the 1985 General Bond Resolution, and pursuant to authority contained in the Act.

104. Determination in Respect of Redemption of an Outstanding Issue of Bonds Payable from the Revenues of the Public Water System of the District. It is hereby determined and declared by the District that, pursuant to the requirements of the General Bond Resolution, the District shall carry out the redemption of any or all of the Prior Bonds. The specific maturities of the Prior Bonds to be redeemed shall be selected by an Authorized Officer of the District.

105. Determination by District that Series 2021B Bonds Be Issued. It is hereby determined by the District that it is necessary and desirable that Northern Kentucky Water District Refunding Revenue Bonds, Series 2021B in an aggregate principal amount up to \$32,395,000 be authorized and issued by the District for the purpose of redeeming the Prior Bonds, funding the Debt Service Reserve in accordance with the General Bond Resolution, if necessary, and paying the costs of issuance of the Series 2021B Bonds, pursuant to the General Bond Resolution and the Act, as more specifically set forth in this Series 2021B Bond Resolution.

ARTICLE II AUTHORIZATION AND TERMS OF SERIES 2021B BONDS

201. Authorization of Bonds; Principal Amount; Designation and Series. To provide sufficient funds necessary for the redemption of any or all of the outstanding series of the Prior Bonds, funding of the Debt Service Reserve, and paying the Costs of Issuance in connection with the Series 2021B Bonds in accordance with and subject to the terms, conditions, and limitations established in the Act, the General Bond Resolution, and this Series 2021B Bond Resolution, a series of Northern Kentucky Water District Refunding Revenue Bonds, Series 2021B is hereby authorized to be issued in the aggregate principal amount up to \$32,395,000. As stated, aforesaid, the District is of the opinion and hereby determines that the issuance of the Series 2021B Bonds in an aggregate principal amount up to \$32,395,000 is necessary to provide sufficient funds to be used and expended for the purposes hereinafter set forth. As provided by Article II, Section 204 of the General Bond Resolution, in addition to the designation “Northern Kentucky Water District Refunding Revenue Bonds,” such Series of Bonds hereby authorized shall bear the additional designation “Series 2021B” or such other series designation as may be appropriate for the year and date that the Series 2021B Bonds are issued, and each Bond as so designated shall be a “Northern Kentucky Water District Refunding Revenue Bond, Series 2021B.” The Series 2021B Bonds shall consist of up to \$32,395,000 aggregate principal amount of Serial Bonds and/or Term Bonds as described in Section 204 hereof and shall be issued in fully registered form.

202. Purpose for Issue of Series 2021B Bonds. The purpose for which the Series 2021B Bonds are to be issued is to provide funds for the redemption in advance of maturity of the Prior Bonds, to provide funds for deposit in the Debt Service Reserve and to provide funds for deposit

in the Series 2021B Cost of Issuance Account and all to the extent and in the amounts or subject to the determinations provided in Article III of this Series 2021B Bond Resolution.

203. Issue Date. The Series 2021B Bonds shall be dated their date of delivery, or such other date as is determined by the Chairperson or President/CEO of the District without further action of this Board, set forth in an Award Certificate described in Section 401 hereof.

204. Maturities. The Series 2021B Bonds shall mature on February 1st of the years, and in the principal amounts, and shall bear interest from the date thereof, payable semiannually on each August 1st and February 1st on dates and in amounts, as set forth in an Award Certificate described in Section 401 hereof, on the date of sale of the Series 2021B Bonds.

205. Denominations, Numbers and Letters. The Series 2021B Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, not exceeding, however, the aggregate principal amount of Series 2021B Bonds maturing in the year of maturity of the Series 2021B Bond for which the denomination is to be specified. The Series 2021B Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

206. Place of Payment and Designation of Paying Agent and Registrar. The principal and Redemption Price on the Series 2021B Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent and Registrar, as may be designated in an Award Certificate described in Section 401 hereof. Interest on Series 2021B Bonds will be paid by check or draft mailed to the registered owner at such address as shall be shown by the registration records of the Registrar in accordance with the provisions of Article III of the General Bond Resolution.

207. Book-Entry Form. The Series 2021B Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members of the Securities Depository. Initially, the Series 2021B Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (c) below, the Series 2021B Bonds shall be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Board or to a nominee of such successor Securities Depository. As to any Series 2021B Bond, the person in whose name such Series 2021B Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Series 2021B Bond shall be made only to or upon the order of the registered owner thereof or his legal representative.

For any Series 2021B Bonds issued in Book-Entry Form, neither the Board, the Registrar or the Paying Agent shall have any responsibility or obligation with respect to (i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Series 2021B Bonds; (ii) the delivery to any Agent Member, any beneficial owner of the Series 2021B Bonds or any other person, other than the Securities Depository, of any notice with respect to the Series 2021B Bonds or the Series 2021B Bond Resolution; or (iii) the payment to any Agent Member, any beneficial owner of the Series 2021B

Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal of, premium, if any, or interest on the Series 2021B Bonds.

For any Series 2021B Bonds registered in Book-Entry Form, the Board, the Registrar and the Paying Agent shall treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Series 2021B Bonds for all purposes whatsoever, including without limitation:

- (1) the payment of principal of, premium, if any, and interest on the Series 2021B Bonds;
- (2) giving notices of redemption and other matters with respect to the Series 2021B Bonds;
- (3) registering transfers with respect to the Series 2021B Bonds;
- (4) the selection of Series 2021B Bonds for redemption;
- (5) for purposes of obtaining consents under the Series 2021B Bond Resolution; and
- (6) notwithstanding the definition of the terms “bondholder” or “holder” or “owner” in the General Bond Resolution as referencing the registered owners of the Series 2021B Bonds, the Paying Agent and Registrar shall be entitled to rely upon written instructions from a majority of the beneficial owners of the Series 2021B Bonds with reference to consent, if any, required from the owners of the Series 2021B Bonds pursuant to the terms of this Series 2021B Bond Resolution.

If at any time the Securities Depository notifies the Board that it is unwilling or unable to continue as Securities Depository with respect to any Series 2021B Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Board within ninety days after the Board receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable, and the Board shall execute and the Paying Agent and Registrar shall authenticate and deliver certificates representing the affected Series 2021B Bonds to the owners of such Series 2021B Bonds as otherwise provided in this Article II.

Payment of the principal of, premium, if any, and interest on any Series 2021B Bonds not registered in Book-Entry Form shall be made as provided in Section 208 hereof.

The principal of, premium, if any, and interest on the Series 2021B Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Paying Agent and Registrar to the Securities Depository or the Securities Depository Nominee, as the case may be.

208. Redemption of Series 2021B Bonds; Redemption Terms and Prices. The Series 2021B Bonds shall be subject to redemption on dates and under terms set forth in a certificate of award described in Section 401 hereof, in whole or in part, and if in part, in inverse order of maturity, less than all of a single maturity to be selected in such manner as the Registrar may determine, at redemption prices (expressed as percentages of the principal amount of the Series

2021B Bonds to be redeemed) plus accrued interest to the redemption date upon notice and pursuant to other conditions as prescribed by the General Bond Resolution or certificate of award not inconsistent therewith.

ARTICLE III DISPOSITION OF PROCEEDS OF SERIES 2021B BONDS

301. Series 2021B Bond Proceeds Account. In accordance with Section 502 of the General Bond Resolution, there is hereby established a bond proceeds fund for the Series 2021B Bonds designated as the “Bond Proceeds Fund-Series 2021B Bonds” (the “Series 2021B Bond Proceeds Account”). The Series 2021B Bond Proceeds Account shall be held and maintained in the custody of the entity selected by the District in the Award Certificate to serve as the Fiduciary for the Series 2021B Bonds (the “Bond Proceeds Depository”). Monies deposited within the Series 2021B Bond Proceeds Account may be used by the District only as set forth in this Series 2021B Bond Resolution and in the General Bond Resolution.

302. Series 2021B Costs of Issuance Account. Pursuant to Section 503 of the General Bond Resolution, there is hereby established within the Series 2021B Bond Proceeds Fund a Costs of Issuance account for the Series 2021B Bonds designated as the “Costs of Issuance Account-Series 2021B Bonds” (the “Series 2021B Costs of Issuance Account”). The Series 2021B Costs of Issuance Account shall be held and maintained in the custody of the Bond Proceeds Depository. Monies deposited within the Series 2021B Costs of Issuance Account may be used by the District only for the purposes set forth in this Series 2021B Bond Resolution and in the General Bond Resolution.

303. Series 2021B Redemption Account. Pursuant to Section 503 of the General Bond Resolution, there is hereby established within the Series 2021B Bond Proceeds Fund a redemption account for the Series 2021B Bonds designated as the “Redemption Account-Series 2021B Bonds” (the “Series 2021B Redemption Account”). The Series 2021B Redemption Account shall be held and maintained in the custody of The Bank of New York Mellon Trust Company, N.A., in its capacity as the Fiduciary for the Prior Bonds. Monies deposited within the Series 2021B Redemption Account may be used by the District only as set forth in this Series 2021B Bond Resolution and in the General Bond Resolution.

304. Application of Bond Proceeds. The proceeds of the Series 2021B Bonds shall first be deposited to the Series 2021B Redemption Account in an amount necessary to redeem, pay, and discharge the Prior Bonds on their first available call date, then be deposited to the Debt Service Reserve in an amount, if any, necessary to ensure that the Debt Service Reserve will equal the Aggregate Debt Service Requirement, then any remainder shall be deposited in the Series 2021B Costs of Issuance Account in an amount necessary to pay all Costs of Issuance of the Series 2021B Bonds, then, to the extent any such proceeds are remaining, any such remainder shall be deposited in the Interest Account of the Debt Service Fund in an amount sufficient to pay interest next coming due on the Series 2021B Bonds. Funds held from time to time in the Debt Service Fund shall be treated, invested, transferred, and applied in accordance with the provisions of Article V, Section 505 of the General Bond Resolution.

ARTICLE IV
ISSUANCE AND SALE OF THE SERIES 2021B BONDS

401. Award of Series 2021B Bonds to Best Bidder. The Series 2021B Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as an Authorized Officer, upon advice of the District's financial advisor, shall designate.

The Authorized Officers of the Board are hereby authorized and directed to cause an appropriate form or forms of a Notice of Bond Sale to be published. To the extent required by law, such notice shall be published at least once not less than seven nor more than twenty-one days before the scheduled date of sale of the Series 2021B Bonds.

Upon the date and at the respective hour set for the opening and consideration of purchase bids, as provided in the instruments hereinafter approved, the sealed bids theretofore received by an Authorized Officer shall be opened. If there shall be one or more bids which conform in all respects to the prescribed terms and conditions, such bids shall be compared, and such Authorized Officer, upon the advice of the financial advisor, is authorized to accept the best of such bids, as measured in terms of the lowest interest cost, as calculated in the manner prescribed in the Official Terms and Conditions of Bond Sale. Calculations shall be performed as are necessary to determine the exact amount of Series 2021B Bonds that are required to be issued in order to provide sufficient funds for the purposes described herein and the final principal amount and maturities of the Series 2021B Bonds shall thereupon be established, as prescribed in the Official Terms and Conditions of Bond Sale.

An Award Certificate shall (i) be executed on the date of the public sale of the Series 2021B Bonds; (ii) accept the bid which the Authorized Officer determines to be the best bid in accordance with the official terms and conditions of sale; and (iii) in accepting the successful bid, determine the exact principal amount and maturities of Series 2021B Bonds to be issued, the rates of interest which the Series 2021B Bonds shall bear and the optional and mandatory redemption terms for the Series 2021B Bonds.

402. Approval of Preliminary Official Statement and Official Statement. The District hereby approves the preparation and use of a Preliminary Official Statement and the public distribution of such Preliminary Official Statement and an Official Bid Form and Official Terms and Conditions of Bond Sale, to be prepared by the District and its financial advisor in the usual and customary form and approved by Dinsmore & Shohl LLP, as bond counsel. The Preliminary Official Statement shall, upon the sale of the Series 2021B Bonds, be completed to reflect the interest rates to be borne by the Series 2021B Bonds and other relevant facts to serve as the District's Official Statement regarding the Series 2021B Bonds. The President/CEO or other Authorized Officer of the District is further authorized to declare the Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12 (the "Rule").

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

403. General Authorization. The Chairman, Secretary, Treasurer, and President/CEO (the "Authorized Officers") are hereby authorized to do and perform any act or sign any and all documents required by the General Bond Resolution and perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, delivery, and issuance of the Series 2021B Bonds. The Series 2021B Bonds shall be executed, authenticated, and sealed pursuant to the General Bond Resolution and supplemental resolutions not inconsistent therewith, provided that the attestation shall be by an Authorized Officer.

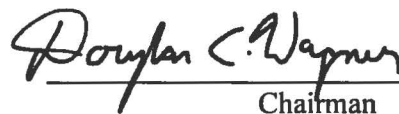
404. Delivery of Series 2021B Bonds. The Authorized Officers, and all Authorized Officers of the District as defined in the General Bond Resolution, are hereby severally authorized, after execution of the Series 2021B Bonds, to deliver the Series 2021B Bonds to or upon the order of the Purchaser thereof, to receive the proceeds of sale of the Series 2021B Bonds and give a written receipt thereof on behalf of the District, to apply the proceeds and any other moneys in accordance with the terms of the General Bond Resolution, and the Series 2021B Bond Resolution, and in such manner as is required to cause the conditions to the issuance of the Series 2021B Bonds as stipulated in the General Bond Resolution to be complied with and to do and perform, or cause to be done and performed, for and on behalf of the District, all acts and things that constitute conditions to the authentication and delivery of the Series 2021B Bonds, or that are otherwise required to be done and performed by or on behalf of the District before, or simultaneously with, the delivery of the Series 2021B Bonds.

ARTICLE V
EFFECTIVE DATE

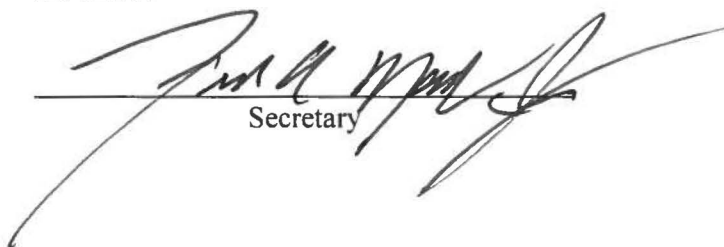
501. Effective upon Adoption. This Series 2021B Resolution and any supplement thereto shall be in full force and effect from and after its adoption.

Adopted on September 16, 2021.

APPROVED:


Chairman

ATTEST:


Secretary

CERTIFICATION

I, the undersigned, the duly appointed and qualified Secretary of the Northern Kentucky Water District, do hereby certify that the foregoing Resolution is a true, accurate, and complete copy of a Resolution duly adopted by the Board of Commissioners of the District at a duly and properly convened meeting of the Board of Commissioners held on September 16, 2021, on the same occasion signed in open session by the Chairman attested under seal by me as Secretary, and declared to be in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this December 14, 2021.


Secretary

NORTHERN KENTUCKY WATER
DISTRICT

Bond Counsel Letter



Legal Counsel.

DINSMORE & SHOHL LLP
101 S. Fifth St., Suite 2500
Louisville, KY 40202
www.dinsmore.com

Mark Franklin
(502) 540-2584 (direct) · (502) 581-8111 (fax)
Mark.Franklin@DINSMORE.COM

September 17, 2021

Kent A. Chandler
Chairman
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Northern Kentucky Water District

Dear Chairman Chandler:

We represent the Northern Kentucky Water District (the "District") as Bond Counsel concerning the issuance of the District's proposed Refunding Revenue Bonds, Series 2021B (the "Series 2021B Bonds"). Proceeds of the Series 2021B Bonds will be used (i) to refund and retire the District's outstanding Revenue Refunding Bonds, Series 2012 dated June 21, 2012 (the "Prior Bonds"); and (ii) to pay costs of issuance of the Series 2021B Bonds.

We have reviewed the terms under which the Prior Bonds were issued and have determined that the Prior Bonds are currently eligible to be refunded. Additionally, the District's Board has taken all necessary action to approve the issuance of the Series 2021B Bonds.

Please contact me at the address, phone number, or email address shown above if you have any questions.

Sincerely,

DINSMORE & SHOHL LLP

A handwritten signature in black ink that reads "Mark Franklin".

Mark Franklin, Partner

NORTHERN KENTUCKY WATER
DISTRICT

Summary of Debt Service with Detail

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| Year | Series | Principal | Interest | Total | Total Debt Service |
|--|---------------|---------------------|--------------------|---------------------|---------------------------|
| 2021 Total | | | | | |
| | 2012 | \$0 | \$732,750 | \$732,750 | |
| | 2013A | \$0 | \$456,263 | \$456,263 | |
| | 2013B | \$0 | \$262,600 | \$262,600 | |
| | 2014A | \$0 | \$23,093 | \$23,093 | |
| | 2014B | \$0 | \$73,444 | \$73,444 | |
| | 2016A | \$0 | \$648,575 | \$648,575 | |
| | 2019 | \$0 | \$283,900 | \$283,900 | |
| | 2020 | \$0 | \$387,350 | \$387,350 | |
| Total Senior Debt | | \$0 | \$2,867,975 | \$2,867,975 | \$2,867,975 |
| | KIA F-08-07 | \$98,597 | \$14,981 | \$113,578 | |
| | KIA F-09-02 | \$575,659 | \$174,685 | \$750,344 | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | |
| | KIA F-14-015 | \$78,414 | \$30,895 | \$109,309 | |
| | KIA F-15-011 | \$78,175 | \$30,801 | \$108,976 | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | |
| | KIA B-15-003 | \$33,220 | \$5,532 | \$38,752 | |
| Total Subordinate Debt | | \$864,066 | \$366,561 | \$1,230,627 | \$1,230,627 |
| Total Debt Service Senior & Subordinate | | | | | \$4,098,602 |
| 2022 Total | | | | | |
| | 2012 | \$4,590,000 | \$1,350,750 | \$5,940,750 | |
| | 2013A | \$835,000 | \$891,651 | \$1,726,651 | |
| | 2013B | \$1,430,000 | \$489,450 | \$1,919,450 | |
| | 2014A | \$28,000 | \$45,801 | \$73,801 | |
| | 2014B | \$465,000 | \$135,263 | \$600,263 | |
| | 2016A | \$2,450,000 | \$1,235,900 | \$3,685,900 | |
| | 2019 | \$470,000 | \$560,750 | \$1,030,750 | |
| | 2020 | \$1,110,000 | \$746,950 | \$1,856,950 | |
| Total Senior Debt | | \$11,378,000 | \$5,456,515 | \$16,834,515 | \$16,834,515 |
| | KIA F-08-07 | \$198,676 | \$28,110 | \$226,786 | |
| | KIA F-09-02 | \$1,168,646 | \$329,876 | \$1,498,522 | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | |
| | KIA F-14-015 | \$158,893 | \$59,431 | \$218,324 | |
| | KIA F-15-011 | \$158,409 | \$59,249 | \$217,658 | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | |
| | KIA B-15-003 | \$66,814 | \$10,590 | \$77,404 | |
| Total Subordinate Debt | | \$1,751,438 | \$596,924 | \$2,348,361 | \$2,348,361 |
| Total Debt Service Senior & Subordinate | | | | | \$19,182,876 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|---------------------|--------------------|---------------------|--|---------------------|
| 2023 Total | | | | | | |
| | 2012 | \$4,720,000 | \$1,118,000 | \$5,838,000 | | |
| | 2013A | \$880,000 | \$848,776 | \$1,728,776 | | |
| | 2013B | \$1,500,000 | \$416,200 | \$1,916,200 | | |
| | 2014A | \$28,500 | \$45,024 | \$73,524 | | |
| | 2014B | \$485,000 | \$116,363 | \$601,363 | | |
| | 2016A | \$2,685,000 | \$1,107,525 | \$3,792,525 | | |
| | 2019 | \$485,000 | \$544,000 | \$1,029,000 | | |
| | 2020 | \$1,165,000 | \$690,075 | \$1,855,075 | | |
| Total Senior Debt | | \$11,948,500 | \$4,885,963 | \$16,834,463 | | \$16,834,463 |
| | KIA F-08-07 | \$200,668 | \$25,620 | \$226,288 | | |
| | KIA F-09-02 | \$1,192,135 | \$303,450 | \$1,495,585 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$161,686 | \$56,239 | \$217,925 | | |
| | KIA F-15-011 | \$161,193 | \$56,067 | \$217,260 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$67,316 | \$9,954 | \$77,270 | | |
| Total Subordinate Debt | | \$1,782,998 | \$560,998 | \$2,343,995 | | \$2,343,995 |
| Total Debt Service Senior & Subordinate | | | | | | \$19,178,458 |
| 2024 Total | | | | | | |
| | 2012 | \$4,970,000 | \$875,750 | \$5,845,750 | | |
| | 2013A | \$925,000 | \$803,651 | \$1,728,651 | | |
| | 2013B | \$1,570,000 | \$347,300 | \$1,917,300 | | |
| | 2014A | \$29,500 | \$44,227 | \$73,727 | | |
| | 2014B | \$495,000 | \$101,663 | \$596,663 | | |
| | 2016A | \$2,715,000 | \$972,525 | \$3,687,525 | | |
| | 2019 | \$505,000 | \$524,200 | \$1,029,200 | | |
| | 2020 | \$1,225,000 | \$630,325 | \$1,855,325 | | |
| Total Senior Debt | | \$12,434,500 | \$4,299,641 | \$16,734,141 | | \$16,734,141 |
| | KIA F-08-07 | \$202,680 | \$23,106 | \$225,786 | | |
| | KIA F-09-02 | \$1,216,098 | \$276,493 | \$1,492,591 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$164,528 | \$52,991 | \$217,519 | | |
| | KIA F-15-011 | \$164,026 | \$52,829 | \$216,856 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$67,822 | \$9,314 | \$77,135 | | |
| Total Subordinate Debt | | \$1,815,154 | \$524,400 | \$2,339,554 | | \$2,339,554 |
| Total Debt Service Senior & Subordinate | | | | | | \$19,073,695 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | |
|--|--------------|---------------------|--------------------|---------------------|---------------------|
| 2025 Total | | | | | |
| | 2012 | \$5,220,000 | \$621,000 | \$5,841,000 | |
| | 2013A | \$970,000 | \$756,276 | \$1,726,276 | |
| | 2013B | \$1,635,000 | \$283,200 | \$1,918,200 | |
| | 2014A | \$30,500 | \$43,402 | \$73,902 | |
| | 2014B | \$515,000 | \$83,938 | \$598,938 | |
| | 2016A | \$2,865,000 | \$833,025 | \$3,698,025 | |
| | 2019 | \$530,000 | \$500,850 | \$1,030,850 | |
| | 2020 | \$1,290,000 | \$567,450 | \$1,857,450 | |
| Total Senior Debt | | \$13,055,500 | \$3,689,141 | \$16,744,641 | \$16,744,641 |
| | KIA F-08-07 | \$204,711 | \$20,566 | \$225,277 | |
| | KIA F-09-02 | \$1,240,541 | \$248,994 | \$1,489,535 | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | |
| | KIA F-14-015 | \$167,420 | \$49,686 | \$217,106 | |
| | KIA F-15-011 | \$166,909 | \$49,535 | \$216,444 | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | |
| | KIA B-15-003 | \$68,331 | \$8,668 | \$76,999 | |
| Total Subordinate Debt | | \$1,847,912 | \$487,116 | \$2,335,028 | \$2,335,028 |
| Total Debt Service Senior & Subordinate | | | | | \$19,079,669 |
| 2026 Total | | | | | |
| | 2012 | \$5,495,000 | \$353,125 | \$5,848,125 | |
| | 2013A | \$1,020,000 | \$706,526 | \$1,726,526 | |
| | 2013B | \$1,700,000 | \$216,500 | \$1,916,500 | |
| | 2014A | \$31,000 | \$42,556 | \$73,556 | |
| | 2014B | \$540,000 | \$62,838 | \$602,838 | |
| | 2016A | \$3,015,000 | \$686,025 | \$3,701,025 | |
| | 2019 | \$560,000 | \$473,600 | \$1,033,600 | |
| | 2020 | \$1,355,000 | \$501,325 | \$1,856,325 | |
| Total Senior Debt | | \$13,716,000 | \$3,042,495 | \$16,758,495 | \$16,758,495 |
| | KIA F-08-07 | \$206,764 | \$18,001 | \$224,765 | |
| | KIA F-09-02 | \$1,265,476 | \$220,942 | \$1,486,418 | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | |
| | KIA F-14-015 | \$170,362 | \$46,323 | \$216,686 | |
| | KIA F-15-011 | \$169,843 | \$46,182 | \$216,025 | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | |
| | KIA B-15-003 | \$68,845 | \$8,018 | \$76,862 | |
| Total Subordinate Debt | | \$1,881,290 | \$449,133 | \$2,330,423 | \$2,330,423 |
| Total Debt Service Senior & Subordinate | | | | | \$19,088,918 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|---------------------|--------------------|---------------------|--|---------------------|
| 2027 Total | | | | | | |
| | 2012 | \$4,315,000 | \$107,875 | \$4,422,875 | | |
| | 2013A | \$1,070,000 | \$659,626 | \$1,729,626 | | |
| | 2013B | \$1,780,000 | \$138,000 | \$1,918,000 | | |
| | 2014A | \$32,000 | \$41,690 | \$73,690 | | |
| | 2014B | \$550,000 | \$43,788 | \$593,788 | | |
| | 2016A | \$3,170,000 | \$531,400 | \$3,701,400 | | |
| | 2019 | \$585,000 | \$444,975 | \$1,029,975 | | |
| | 2020 | \$1,425,000 | \$431,825 | \$1,856,825 | | |
| Total Senior Debt | | \$12,927,000 | \$2,399,179 | \$15,326,179 | | \$15,326,179 |
| | KIA F-08-07 | \$208,837 | \$15,409 | \$224,246 | | |
| | KIA F-09-02 | \$1,290,912 | \$192,327 | \$1,483,239 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$173,357 | \$42,901 | \$216,258 | | |
| | KIA F-15-011 | \$172,828 | \$42,770 | \$215,598 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$69,362 | \$7,362 | \$76,724 | | |
| Total Subordinate Debt | | \$1,915,296 | \$410,437 | \$2,325,732 | | \$2,325,732 |
| Total Debt Service Senior & Subordinate | | | | | | \$17,651,911 |
| 2028 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,110,000 | \$616,026 | \$1,726,026 | | |
| | 2013B | \$1,870,000 | \$46,750 | \$1,916,750 | | |
| | 2014A | \$33,000 | \$40,796 | \$73,796 | | |
| | 2014B | \$570,000 | \$26,988 | \$596,988 | | |
| | 2016A | \$3,300,000 | \$402,650 | \$3,702,650 | | |
| | 2019 | \$615,000 | \$414,975 | \$1,029,975 | | |
| | 2020 | \$1,500,000 | \$358,700 | \$1,858,700 | | |
| Total Senior Debt | | \$8,998,000 | \$1,906,885 | \$10,904,885 | | \$10,904,885 |
| | KIA F-08-07 | \$210,930 | \$12,793 | \$223,723 | | |
| | KIA F-09-02 | \$1,316,859 | \$163,136 | \$1,479,995 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$176,404 | \$39,419 | \$215,822 | | |
| | KIA F-15-011 | \$175,866 | \$39,298 | \$215,164 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$69,883 | \$6,702 | \$76,585 | | |
| Total Subordinate Debt | | \$1,949,942 | \$371,015 | \$2,320,957 | | \$2,320,957 |
| Total Debt Service Senior & Subordinate | | | | | | \$13,225,842 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|--------------------|--------------------|--|---------------------|
| 2029 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,155,000 | \$570,726 | \$1,725,726 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$33,500 | \$39,882 | \$73,382 | | |
| | 2014B | \$590,000 | \$9,219 | \$599,219 | | |
| | 2016A | \$3,425,000 | \$284,650 | \$3,709,650 | | |
| | 2019 | \$645,000 | \$386,700 | \$1,031,700 | | |
| | 2020 | \$1,565,000 | \$289,900 | \$1,854,900 | | |
| Total Senior Debt | | \$7,413,500 | \$1,581,077 | \$8,994,577 | | \$8,994,577 |
| | KIA F-08-07 | \$213,045 | \$10,149 | \$223,194 | | |
| | KIA F-09-02 | \$1,343,328 | \$133,358 | \$1,476,686 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$179,504 | \$35,875 | \$215,380 | | |
| | KIA F-15-011 | \$178,957 | \$35,766 | \$214,723 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$70,408 | \$6,037 | \$76,445 | | |
| Total Subordinate Debt | | \$1,985,242 | \$330,852 | \$2,316,095 | | \$2,316,095 |
| Total Debt Service Senior & Subordinate | | | | | | \$11,310,672 |
| 2030 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,205,000 | \$523,526 | \$1,728,526 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$34,500 | \$38,947 | \$73,447 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$3,545,000 | \$162,975 | \$3,707,975 | | |
| | 2019 | \$665,000 | \$363,825 | \$1,028,825 | | |
| | 2020 | \$1,625,000 | \$234,225 | \$1,859,225 | | |
| Total Senior Debt | | \$7,074,500 | \$1,323,498 | \$8,397,998 | | \$8,397,998 |
| | KIA F-08-07 | \$215,181 | \$7,480 | \$222,661 | | |
| | KIA F-09-02 | \$1,370,329 | \$102,982 | \$1,473,311 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$182,659 | \$32,269 | \$214,929 | | |
| | KIA F-15-011 | \$182,102 | \$32,171 | \$214,273 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$70,937 | \$5,367 | \$76,304 | | |
| Total Subordinate Debt | | \$2,021,209 | \$289,937 | \$2,311,146 | | \$2,311,146 |
| Total Debt Service Senior & Subordinate | | | | | | \$10,709,144 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|--------------------|--------------------|--|---------------------|
| 2031 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,255,000 | \$473,541 | \$1,728,541 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$35,500 | \$37,984 | \$73,484 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$3,660,000 | \$54,900 | \$3,714,900 | | |
| | 2019 | \$690,000 | \$343,500 | \$1,033,500 | | |
| | 2020 | \$1,670,000 | \$184,800 | \$1,854,800 | | |
| Total Senior Debt | | \$7,310,500 | \$1,094,725 | \$8,405,225 | | \$8,405,225 |
| | KIA F-08-07 | \$217,338 | \$4,783 | \$222,121 | | |
| | KIA F-09-02 | \$1,397,873 | \$71,996 | \$1,469,869 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$185,870 | \$28,600 | \$214,470 | | |
| | KIA F-15-011 | \$185,303 | \$28,513 | \$213,816 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$71,470 | \$4,692 | \$76,162 | | |
| Total Subordinate Debt | | \$2,057,854 | \$248,251 | \$2,306,105 | | \$2,306,105 |
| Total Debt Service Senior & Subordinate | | | | | | \$10,711,330 |
| 2032 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,310,000 | \$418,181 | \$1,728,181 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$36,500 | \$36,994 | \$73,494 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$710,000 | \$322,500 | \$1,032,500 | | |
| | 2020 | \$1,725,000 | \$133,875 | \$1,858,875 | | |
| Total Senior Debt | | \$3,781,500 | \$911,550 | \$4,693,050 | | \$4,693,050 |
| | KIA F-08-07 | \$219,516 | \$2,060 | \$221,576 | | |
| | KIA F-09-02 | \$1,425,970 | \$40,387 | \$1,466,357 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$189,137 | \$24,867 | \$214,003 | | |
| | KIA F-15-011 | \$188,560 | \$24,791 | \$213,351 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$72,007 | \$4,012 | \$76,019 | | |
| Total Subordinate Debt | | \$2,095,190 | \$205,783 | \$2,300,973 | | \$2,300,973 |
| Total Debt Service Senior & Subordinate | | | | | | \$6,994,023 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|------------------|--------------------|--|--------------------|
| 2033 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,370,000 | \$357,881 | \$1,727,881 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$37,500 | \$35,977 | \$73,477 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$730,000 | \$300,900 | \$1,030,900 | | |
| | 2020 | \$1,765,000 | \$90,350 | \$1,855,350 | | |
| Total Senior Debt | | \$3,902,500 | \$785,108 | \$4,687,608 | | \$4,687,608 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$723,695 | \$8,141 | \$731,836 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$192,461 | \$21,067 | \$213,529 | | |
| | KIA F-15-011 | \$191,874 | \$21,003 | \$212,877 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$72,548 | \$3,326 | \$75,875 | | |
| Total Subordinate Debt | | \$1,180,579 | \$163,205 | \$1,343,784 | | \$1,343,784 |
| Total Debt Service Senior & Subordinate | | | | | | \$6,031,392 |
| 2034 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,430,000 | \$296,669 | \$1,726,669 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$38,500 | \$34,932 | \$73,432 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$755,000 | \$278,625 | \$1,033,625 | | |
| | 2020 | \$1,800,000 | \$54,700 | \$1,854,700 | | |
| Total Senior Debt | | \$4,023,500 | \$664,926 | \$4,688,426 | | \$4,688,426 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$195,844 | \$17,201 | \$213,045 | | |
| | KIA F-15-011 | \$195,247 | \$17,149 | \$212,395 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$73,094 | \$2,636 | \$75,729 | | |
| Total Subordinate Debt | | \$464,184 | \$146,653 | \$610,837 | | \$610,837 |
| Total Debt Service Senior & Subordinate | | | | | | \$5,299,263 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|------------------|--------------------|--|--------------------|
| 2035 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,490,000 | \$235,550 | \$1,725,550 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$39,500 | \$33,859 | \$73,359 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$775,000 | \$255,675 | \$1,030,675 | | |
| | 2020 | \$1,835,000 | \$18,350 | \$1,853,350 | | |
| Total Senior Debt | | \$4,139,500 | \$543,434 | \$4,682,934 | | \$4,682,934 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$199,286 | \$13,267 | \$212,554 | | |
| | KIA F-15-011 | \$198,679 | \$13,227 | \$211,905 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$73,643 | \$1,940 | \$75,583 | | |
| Total Subordinate Debt | | \$471,608 | \$138,101 | \$609,709 | | \$609,709 |
| Total Debt Service Senior & Subordinate | | | | | | \$5,292,643 |
| 2036 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,555,000 | \$172,747 | \$1,727,747 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$41,000 | \$32,752 | \$73,752 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$800,000 | \$232,050 | \$1,032,050 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$2,396,000 | \$437,549 | \$2,833,549 | | \$2,833,549 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$202,789 | \$9,264 | \$212,053 | | |
| | KIA F-15-011 | \$202,171 | \$9,236 | \$211,406 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$74,196 | \$1,239 | \$75,435 | | |
| Total Subordinate Debt | | \$479,156 | \$129,406 | \$608,562 | | \$608,562 |
| Total Debt Service Senior & Subordinate | | | | | | \$3,442,111 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|------------------|--------------------|--|--------------------|
| 2037 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,620,000 | \$106,251 | \$1,726,251 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$42,000 | \$31,611 | \$73,611 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$825,000 | \$207,675 | \$1,032,675 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$2,487,000 | \$345,537 | \$2,832,537 | | \$2,832,537 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$206,353 | \$5,190 | \$211,544 | | |
| | KIA F-15-011 | \$205,724 | \$5,175 | \$210,899 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$74,753 | \$533 | \$75,287 | | |
| Total Subordinate Debt | | \$486,831 | \$120,565 | \$607,396 | | \$607,396 |
| Total Debt Service Senior & Subordinate | | | | | | \$3,439,933 |
| 2038 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$1,690,000 | \$35,913 | \$1,725,913 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$43,000 | \$30,443 | \$73,443 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$850,000 | \$182,550 | \$1,032,550 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$2,583,000 | \$248,906 | \$2,831,906 | | \$2,831,906 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$90,677 | \$90,677 | | |
| | KIA F-14-015 | \$104,533 | \$1,045 | \$105,578 | | |
| | KIA F-15-011 | \$104,214 | \$1,042 | \$105,256 | | |
| | KIA F-16-027 | \$0 | \$18,990 | \$18,990 | | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | | |
| Total Subordinate Debt | | \$208,747 | \$111,755 | \$320,502 | | \$320,502 |
| Total Debt Service Senior & Subordinate | | | | | | \$3,152,408 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|------------------|------------------|--------------------|--|--------------------|
| 2039 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$0 | \$0 | \$0 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$44,000 | \$29,247 | \$73,247 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$875,000 | \$156,675 | \$1,031,675 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$919,000 | \$185,922 | \$1,104,922 | | \$1,104,922 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | | \$0 |
| Total Debt Service Senior & Subordinate | | | | | | \$1,104,922 |
| 2040 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$0 | \$0 | \$0 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$45,500 | \$28,016 | \$73,516 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$900,000 | \$130,050 | \$1,030,050 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$945,500 | \$158,066 | \$1,103,566 | | \$1,103,566 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | | \$0 |
| Total Debt Service Senior & Subordinate | | | | | | \$1,103,566 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | |
|--|--------------|--------------------|------------------|--------------------|--------------------|
| 2041 Total | | | | | |
| | 2012 | \$0 | \$0 | \$0 | |
| | 2013A | \$0 | \$0 | \$0 | |
| | 2013B | \$0 | \$0 | \$0 | |
| | 2014A | \$46,500 | \$26,751 | \$73,251 | |
| | 2014B | \$0 | \$0 | \$0 | |
| | 2016A | \$0 | \$0 | \$0 | |
| | 2019 | \$930,000 | \$102,600 | \$1,032,600 | |
| | 2020 | \$0 | \$0 | \$0 | |
| Total Senior Debt | | \$976,500 | \$129,351 | \$1,105,851 | \$1,105,851 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Senior & Subordinate | | | | | \$1,105,851 |
| 2042 Total | | | | | |
| | 2012 | \$0 | \$0 | \$0 | |
| | 2013A | \$0 | \$0 | \$0 | |
| | 2013B | \$0 | \$0 | \$0 | |
| | 2014A | \$48,000 | \$25,452 | \$73,452 | |
| | 2014B | \$0 | \$0 | \$0 | |
| | 2016A | \$0 | \$0 | \$0 | |
| | 2019 | \$955,000 | \$74,325 | \$1,029,325 | |
| | 2020 | \$0 | \$0 | \$0 | |
| Total Senior Debt | | \$1,003,000 | \$99,777 | \$1,102,777 | \$1,102,777 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Senior & Subordinate | | | | | \$1,102,777 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | | |
|--|--------------|--------------------|-----------------|--------------------|--|--------------------|
| 2043 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$0 | \$0 | \$0 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$49,500 | \$24,111 | \$73,611 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$985,000 | \$45,225 | \$1,030,225 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$1,034,500 | \$69,336 | \$1,103,836 | | \$1,103,836 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | | \$0 |
| Total Debt Service Senior & Subordinate | | | | | | \$1,103,836 |
| 2044 Total | | | | | | |
| | 2012 | \$0 | \$0 | \$0 | | |
| | 2013A | \$0 | \$0 | \$0 | | |
| | 2013B | \$0 | \$0 | \$0 | | |
| | 2014A | \$50,500 | \$22,736 | \$73,236 | | |
| | 2014B | \$0 | \$0 | \$0 | | |
| | 2016A | \$0 | \$0 | \$0 | | |
| | 2019 | \$1,015,000 | \$15,225 | \$1,030,225 | | |
| | 2020 | \$0 | \$0 | \$0 | | |
| Total Senior Debt | | \$1,065,500 | \$37,961 | \$1,103,461 | | \$1,103,461 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | | \$0 |
| Total Debt Service Senior & Subordinate | | | | | | \$1,103,461 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | |
|--|--------------|-----------------|-----------------|-----------------|-----------------|
| 2047 Total | | | | | |
| | 2012 | \$0 | \$0 | \$0 | |
| | 2013A | \$0 | \$0 | \$0 | |
| | 2013B | \$0 | \$0 | \$0 | |
| | 2014A | \$55,000 | \$18,384 | \$73,384 | |
| | 2014B | \$0 | \$0 | \$0 | |
| | 2016A | \$0 | \$0 | \$0 | |
| | 2019 | \$0 | \$0 | \$0 | |
| | 2020 | \$0 | \$0 | \$0 | |
| Total Senior Debt | | \$55,000 | \$18,384 | \$73,384 | \$73,384 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Senior & Subordinate | | | | | \$73,384 |
| 2048 Total | | | | | |
| | 2012 | \$0 | \$0 | \$0 | |
| | 2013A | \$0 | \$0 | \$0 | |
| | 2013B | \$0 | \$0 | \$0 | |
| | 2014A | \$56,500 | \$16,851 | \$73,351 | |
| | 2014B | \$0 | \$0 | \$0 | |
| | 2016A | \$0 | \$0 | \$0 | |
| | 2019 | \$0 | \$0 | \$0 | |
| | 2020 | \$0 | \$0 | \$0 | |
| Total Senior Debt | | \$56,500 | \$16,851 | \$73,351 | \$73,351 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Senior & Subordinate | | | | | \$73,351 |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

| | | | | | |
|--|--|-----------------|-----------------------------|--------------------|---------------------|
| 2057 Total | | | | | |
| | 2012 | \$0 | \$0 | \$0 | |
| | 2013A | \$0 | \$0 | \$0 | |
| | 2013B | \$0 | \$0 | \$0 | |
| | 2014A | \$73,500 | \$1,011 | \$74,511 | |
| | 2014B | \$0 | \$0 | \$0 | |
| | 2016A | \$0 | \$0 | \$0 | |
| | 2019 | \$0 | \$0 | \$0 | |
| | 2020 | \$0 | \$0 | \$0 | |
| Total Senior Debt | | \$73,500 | \$1,011 | \$74,511 | \$74,511 |
| | KIA F-08-07 | \$0 | \$0 | \$0 | |
| | KIA F-09-02 | \$0 | \$0 | \$0 | |
| | KIA F-13-012 | \$0 | \$0 | \$0 | |
| | KIA F-14-015 | \$0 | \$0 | \$0 | |
| | KIA F-15-011 | \$0 | \$0 | \$0 | |
| | KIA F-16-027 | \$0 | \$0 | \$0 | |
| | KIA B-15-003 | \$0 | \$0 | \$0 | |
| Total Subordinate Debt | | \$0 | \$0 | \$0 | \$0 |
| Total Debt Service Senior & Subordinate | | | | | \$74,511 |
| | | | Maximum Debt Service | | \$19,182,876 |
| | | | Maximum Senior Debt | | \$16,834,515 |
| Grand Totals: | | | | | |
| | Grand Total Senior Debt - Principal | | | 136,314,500 | |
| | Grand Total Senior Debt - Interest | | | 37,316,366 | |
| | Grand Total Senior Debt - Principal + Interest | | | 173,630,866 | |
| | Grand Total Subordinate Debt - Principal | | | 25,258,694 | |
| | Grand Total Subordinate Debt - Interest | | | 5,651,090 | |
| | Grand Total Subordinate Debt - Principal + Interest | | | 30,909,784 | |
| | Grand Total All Debt | | | 204,540,650 | |

Northern Kentucky Water District

Summary of Debt Service

Effective June 30, 2021

Totals by Series

Senior Debt Series

| Series | Principal | Interest | Total |
|---------------|------------------|-----------------|--------------|
| 2012 | 29,310,000 | 5,159,250 | 34,469,250 |
| 2013A | 20,890,000 | 8,929,780 | 29,819,780 |
| 2013B | 11,485,000 | 2,200,000 | 13,685,000 |
| 2014A | 1,679,500 | 988,132 | 2,667,632 |
| 2014B | 4,210,000 | 653,504 | 4,863,504 |
| 2016A | 30,830,000 | 6,920,150 | 37,750,150 |
| 2019 | 16,855,000 | 7,145,350 | 24,000,350 |
| 2020 | 21,055,000 | 5,320,200 | 26,375,200 |

| | | | |
|--------------------------|--------------------|-------------------|--------------------|
| Total Senior Debt | 136,314,500 | 37,316,366 | 173,630,866 |
|--------------------------|--------------------|-------------------|--------------------|

Subordinate Debt Series

| | | | |
|--------------|------------|-----------|------------|
| KIA F-08-07 | 2,396,943 | 183,058 | 2,580,001 |
| KIA F-09-02 | 15,527,521 | 2,266,767 | 17,794,288 |
| KIA F-13-012 | - | 1,632,183 | 1,632,183 |
| KIA F-14-015 | 3,089,502 | 566,531 | 3,656,034 |
| KIA F-15-011 | 3,080,079 | 564,803 | 3,644,882 |
| KIA F-16-027 | - | 341,824 | 341,824 |
| KIA B-15-003 | 1,164,649 | 95,922 | 1,260,571 |

| | | | |
|---------------------------|-------------------|------------------|-------------------|
| Total Subord. Debt | 25,258,694 | 5,651,090 | 30,909,784 |
|---------------------------|-------------------|------------------|-------------------|

| | | | |
|-----------------------------|--------------------|-------------------|--------------------|
| Grand Total All Debt | 161,573,194 | 42,967,456 | 204,540,650 |
|-----------------------------|--------------------|-------------------|--------------------|

| Series 2012 | | | | | |
|-------------------------|-----|--------------------|--------------|-------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$732,750 | \$732,750 |
| | | 2021 Total | \$0 | \$732,750 | \$732,750 |
| 2 | 1 | 2022 | \$4,590,000 | \$732,750 | \$5,322,750 |
| 8 | 1 | 2022 | \$0 | \$618,000 | \$618,000 |
| | | 2022 Total | \$4,590,000 | \$1,350,750 | \$5,940,750 |
| 2 | 1 | 2023 | \$4,720,000 | \$618,000 | \$5,338,000 |
| 8 | 1 | 2023 | \$0 | \$500,000 | \$500,000 |
| | | 2023 Total | \$4,720,000 | \$1,118,000 | \$5,838,000 |
| 2 | 1 | 2024 | \$4,970,000 | \$500,000 | \$5,470,000 |
| 8 | 1 | 2024 | \$0 | \$375,750 | \$375,750 |
| | | 2024 Total | \$4,970,000 | \$875,750 | \$5,845,750 |
| 2 | 1 | 2025 | \$5,220,000 | \$375,750 | \$5,595,750 |
| 8 | 1 | 2025 | \$0 | \$245,250 | \$245,250 |
| | | 2025 Total | \$5,220,000 | \$621,000 | \$5,841,000 |
| 2 | 1 | 2026 | \$5,495,000 | \$245,250 | \$5,740,250 |
| 8 | 1 | 2026 | \$0 | \$107,875 | \$107,875 |
| | | 2026 Total | \$5,495,000 | \$353,125 | \$5,848,125 |
| 2 | 1 | 2027 | \$4,315,000 | \$107,875 | \$4,422,875 |
| | | 2027 Total | \$4,315,000 | \$107,875 | \$4,422,875 |
| | | Grand Total | \$29,310,000 | \$5,159,250 | \$34,469,250 |

| Series 2013A | | | | | |
|-------------------------|-----|--------------------|--------------|-------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$456,263 | \$456,263 |
| | | 2021 Total | \$0 | \$456,263 | \$456,263 |
| 2 | 1 | 2022 | \$835,000 | \$456,263 | \$1,291,263 |
| 8 | 1 | 2022 | \$0 | \$435,388 | \$435,388 |
| | | 2022 Total | \$835,000 | \$891,651 | \$1,726,651 |
| 2 | 1 | 2023 | \$880,000 | \$435,388 | \$1,315,388 |
| 8 | 1 | 2023 | \$0 | \$413,388 | \$413,388 |
| | | 2023 Total | \$880,000 | \$848,776 | \$1,728,776 |
| 2 | 1 | 2024 | \$925,000 | \$413,388 | \$1,338,388 |
| 8 | 1 | 2024 | \$0 | \$390,263 | \$390,263 |
| | | 2024 Total | \$925,000 | \$803,651 | \$1,728,651 |
| 2 | 1 | 2025 | \$970,000 | \$390,263 | \$1,360,263 |
| 8 | 1 | 2025 | \$0 | \$366,013 | \$366,013 |
| | | 2025 Total | \$970,000 | \$756,276 | \$1,726,276 |
| 2 | 1 | 2026 | \$1,020,000 | \$366,013 | \$1,386,013 |
| 8 | 1 | 2026 | \$0 | \$340,513 | \$340,513 |
| | | 2026 Total | \$1,020,000 | \$706,526 | \$1,726,526 |
| 2 | 1 | 2027 | \$1,070,000 | \$340,513 | \$1,410,513 |
| 8 | 1 | 2027 | \$0 | \$319,113 | \$319,113 |
| | | 2027 Total | \$1,070,000 | \$659,626 | \$1,729,626 |
| 2 | 1 | 2028 | \$1,110,000 | \$319,113 | \$1,429,113 |
| 8 | 1 | 2028 | \$0 | \$296,913 | \$296,913 |
| | | 2028 Total | \$1,110,000 | \$616,026 | \$1,726,026 |
| 2 | 1 | 2029 | \$1,155,000 | \$296,913 | \$1,451,913 |
| 8 | 1 | 2029 | \$0 | \$273,813 | \$273,813 |
| | | 2029 Total | \$1,155,000 | \$570,726 | \$1,725,726 |
| 2 | 1 | 2030 | \$1,205,000 | \$273,813 | \$1,478,813 |
| 8 | 1 | 2030 | \$0 | \$249,713 | \$249,713 |
| | | 2030 Total | \$1,205,000 | \$523,526 | \$1,728,526 |
| 2 | 1 | 2031 | \$1,255,000 | \$249,713 | \$1,504,713 |
| 8 | 1 | 2031 | \$0 | \$223,828 | \$223,828 |
| | | 2031 Total | \$1,255,000 | \$473,541 | \$1,728,541 |
| 2 | 1 | 2032 | \$1,310,000 | \$223,828 | \$1,533,828 |
| 8 | 1 | 2032 | \$0 | \$194,353 | \$194,353 |
| | | 2032 Total | \$1,310,000 | \$418,181 | \$1,728,181 |
| 2 | 1 | 2033 | \$1,370,000 | \$194,353 | \$1,564,353 |
| 8 | 1 | 2033 | \$0 | \$163,528 | \$163,528 |
| | | 2033 Total | \$1,370,000 | \$357,881 | \$1,727,881 |
| 2 | 1 | 2034 | \$1,430,000 | \$163,528 | \$1,593,528 |
| 8 | 1 | 2034 | \$0 | \$133,141 | \$133,141 |
| | | 2034 Total | \$1,430,000 | \$296,669 | \$1,726,669 |
| 2 | 1 | 2035 | \$1,490,000 | \$133,141 | \$1,623,141 |
| 8 | 1 | 2035 | \$0 | \$102,409 | \$102,409 |
| | | 2035 Total | \$1,490,000 | \$235,550 | \$1,725,550 |
| 2 | 1 | 2036 | \$1,555,000 | \$102,409 | \$1,657,409 |
| 8 | 1 | 2036 | \$0 | \$70,338 | \$70,338 |
| | | 2036 Total | \$1,555,000 | \$172,747 | \$1,727,747 |
| 2 | 1 | 2037 | \$1,620,000 | \$70,338 | \$1,690,338 |
| 8 | 1 | 2037 | \$0 | \$35,913 | \$35,913 |
| | | 2037 Total | \$1,620,000 | \$106,251 | \$1,726,251 |
| 2 | 1 | 2038 | \$1,690,000 | \$35,913 | \$1,725,913 |
| 8 | 1 | 2038 | \$0 | \$0 | \$0 |
| | | 2038 Total | \$1,690,000 | \$35,913 | \$1,725,913 |
| | | Grand Total | \$20,890,000 | \$8,929,780 | \$29,819,780 |

| Series 2013B | | | | | |
|--------------------------------|------------|--------------------|------------------|-----------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$262,600 | \$262,600 |
| | | 2021 Total | \$0 | \$262,600 | \$262,600 |
| 2 | 1 | 2022 | \$1,430,000 | \$262,600 | \$1,692,600 |
| 8 | 1 | 2022 | \$0 | \$226,850 | \$226,850 |
| | | 2022 Total | \$1,430,000 | \$489,450 | \$1,919,450 |
| 2 | 1 | 2023 | \$1,500,000 | \$226,850 | \$1,726,850 |
| 8 | 1 | 2023 | \$0 | \$189,350 | \$189,350 |
| | | 2023 Total | \$1,500,000 | \$416,200 | \$1,916,200 |
| 2 | 1 | 2024 | \$1,570,000 | \$189,350 | \$1,759,350 |
| 8 | 1 | 2024 | \$0 | \$157,950 | \$157,950 |
| | | 2024 Total | \$1,570,000 | \$347,300 | \$1,917,300 |
| 2 | 1 | 2025 | \$1,635,000 | \$157,950 | \$1,792,950 |
| 8 | 1 | 2025 | \$0 | \$125,250 | \$125,250 |
| | | 2025 Total | \$1,635,000 | \$283,200 | \$1,918,200 |
| 2 | 1 | 2026 | \$1,700,000 | \$125,250 | \$1,825,250 |
| 8 | 1 | 2026 | \$0 | \$91,250 | \$91,250 |
| | | 2026 Total | \$1,700,000 | \$216,500 | \$1,916,500 |
| 2 | 1 | 2027 | \$1,780,000 | \$91,250 | \$1,871,250 |
| 8 | 1 | 2027 | \$0 | \$46,750 | \$46,750 |
| | | 2027 Total | \$1,780,000 | \$138,000 | \$1,918,000 |
| 2 | 1 | 2028 | \$1,870,000 | \$46,750 | \$1,916,750 |
| 8 | 1 | 2028 | \$0 | \$0 | \$0 |
| | | 2028 Total | \$1,870,000 | \$46,750 | \$1,916,750 |
| | | Grand Total | \$11,485,000 | \$2,200,000 | \$13,685,000 |

| Series 2014A | | | | | |
|-------------------------|-----|-------------------|-----------|----------|----------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$23,093 | \$23,093 |
| | | 2021 Total | \$0 | \$23,093 | \$23,093 |
| 2 | 1 | 2022 | \$28,000 | \$23,093 | \$51,093 |
| 8 | 1 | 2022 | \$0 | \$22,708 | \$22,708 |
| | | 2022 Total | \$28,000 | \$45,801 | \$73,801 |
| 2 | 1 | 2023 | \$28,500 | \$22,708 | \$51,208 |
| 8 | 1 | 2023 | \$0 | \$22,316 | \$22,316 |
| | | 2023 Total | \$28,500 | \$45,024 | \$73,524 |
| 2 | 1 | 2024 | \$29,500 | \$22,316 | \$51,816 |
| 8 | 1 | 2024 | \$0 | \$21,911 | \$21,911 |
| | | 2024 Total | \$29,500 | \$44,227 | \$73,727 |
| 2 | 1 | 2025 | \$30,500 | \$21,911 | \$52,411 |
| 8 | 1 | 2025 | \$0 | \$21,491 | \$21,491 |
| | | 2025 Total | \$30,500 | \$43,402 | \$73,902 |
| 2 | 1 | 2026 | \$31,000 | \$21,491 | \$52,491 |
| 8 | 1 | 2026 | \$0 | \$21,065 | \$21,065 |
| | | 2026 Total | \$31,000 | \$42,556 | \$73,556 |
| 2 | 1 | 2027 | \$32,000 | \$21,065 | \$53,065 |
| 8 | 1 | 2027 | \$0 | \$20,625 | \$20,625 |
| | | 2027 Total | \$32,000 | \$41,690 | \$73,690 |
| 2 | 1 | 2028 | \$33,000 | \$20,625 | \$53,625 |
| 8 | 1 | 2028 | \$0 | \$20,171 | \$20,171 |
| | | 2028 Total | \$33,000 | \$40,796 | \$73,796 |
| 2 | 1 | 2029 | \$33,500 | \$20,171 | \$53,671 |
| 8 | 1 | 2029 | \$0 | \$19,711 | \$19,711 |
| | | 2029 Total | \$33,500 | \$39,882 | \$73,382 |
| 2 | 1 | 2030 | \$34,500 | \$19,711 | \$54,211 |
| 8 | 1 | 2030 | \$0 | \$19,236 | \$19,236 |
| | | 2030 Total | \$34,500 | \$38,947 | \$73,447 |
| 2 | 1 | 2031 | \$35,500 | \$19,236 | \$54,736 |
| 8 | 1 | 2031 | \$0 | \$18,748 | \$18,748 |
| | | 2031 Total | \$35,500 | \$37,984 | \$73,484 |
| 2 | 1 | 2032 | \$36,500 | \$18,748 | \$55,248 |
| 8 | 1 | 2032 | \$0 | \$18,246 | \$18,246 |
| | | 2032 Total | \$36,500 | \$36,994 | \$73,494 |
| 2 | 1 | 2033 | \$37,500 | \$18,246 | \$55,746 |
| 8 | 1 | 2033 | \$0 | \$17,731 | \$17,731 |
| | | 2033 Total | \$37,500 | \$35,977 | \$73,477 |
| 2 | 1 | 2034 | \$38,500 | \$17,731 | \$56,231 |
| 8 | 1 | 2034 | \$0 | \$17,201 | \$17,201 |
| | | 2034 Total | \$38,500 | \$34,932 | \$73,432 |

| Series 2014A | | | | | |
|-------------------------|-----|-------------------|-----------|----------|----------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2035 | \$39,500 | \$17,201 | \$56,701 |
| 8 | 1 | 2035 | \$0 | \$16,658 | \$16,658 |
| | | 2035 Total | \$39,500 | \$33,859 | \$73,359 |
| 2 | 1 | 2036 | \$41,000 | \$16,658 | \$57,658 |
| 8 | 1 | 2036 | \$0 | \$16,094 | \$16,094 |
| | | 2036 Total | \$41,000 | \$32,752 | \$73,752 |
| 2 | 1 | 2037 | \$42,000 | \$16,094 | \$58,094 |
| 8 | 1 | 2037 | \$0 | \$15,517 | \$15,517 |
| | | 2037 Total | \$42,000 | \$31,611 | \$73,611 |
| 2 | 1 | 2038 | \$43,000 | \$15,517 | \$58,517 |
| 8 | 1 | 2038 | \$0 | \$14,926 | \$14,926 |
| | | 2038 Total | \$43,000 | \$30,443 | \$73,443 |
| 2 | 1 | 2039 | \$44,000 | \$14,926 | \$58,926 |
| 8 | 1 | 2039 | \$0 | \$14,321 | \$14,321 |
| | | 2039 Total | \$44,000 | \$29,247 | \$73,247 |
| 2 | 1 | 2040 | \$45,500 | \$14,321 | \$59,821 |
| 8 | 1 | 2040 | \$0 | \$13,695 | \$13,695 |
| | | 2040 Total | \$45,500 | \$28,016 | \$73,516 |
| 2 | 1 | 2041 | \$46,500 | \$13,695 | \$60,195 |
| 8 | 1 | 2041 | \$0 | \$13,056 | \$13,056 |
| | | 2041 Total | \$46,500 | \$26,751 | \$73,251 |
| 2 | 1 | 2042 | \$48,000 | \$13,056 | \$61,056 |
| 8 | 1 | 2042 | \$0 | \$12,396 | \$12,396 |
| | | 2042 Total | \$48,000 | \$25,452 | \$73,452 |
| 2 | 1 | 2043 | \$49,500 | \$12,396 | \$61,896 |
| 8 | 1 | 2043 | \$0 | \$11,715 | \$11,715 |
| | | 2043 Total | \$49,500 | \$24,111 | \$73,611 |
| 2 | 1 | 2044 | \$50,500 | \$11,715 | \$62,215 |
| 8 | 1 | 2044 | \$0 | \$11,021 | \$11,021 |
| | | 2044 Total | \$50,500 | \$22,736 | \$73,236 |
| 2 | 1 | 2045 | \$52,000 | \$11,021 | \$63,021 |
| 8 | 1 | 2045 | \$0 | \$10,306 | \$10,306 |
| | | 2045 Total | \$52,000 | \$21,327 | \$73,327 |
| 2 | 1 | 2046 | \$53,500 | \$10,306 | \$63,806 |
| 8 | 1 | 2046 | \$0 | \$9,570 | \$9,570 |
| | | 2046 Total | \$53,500 | \$19,876 | \$73,376 |
| 2 | 1 | 2047 | \$55,000 | \$9,570 | \$64,570 |
| 8 | 1 | 2047 | \$0 | \$8,814 | \$8,814 |
| | | 2047 Total | \$55,000 | \$18,384 | \$73,384 |
| 2 | 1 | 2048 | \$56,500 | \$8,814 | \$65,314 |
| 8 | 1 | 2048 | \$0 | \$8,037 | \$8,037 |
| | | 2048 Total | \$56,500 | \$16,851 | \$73,351 |
| 2 | 1 | 2049 | \$58,000 | \$8,037 | \$66,037 |
| 8 | 1 | 2049 | \$0 | \$7,239 | \$7,239 |
| | | 2049 Total | \$58,000 | \$15,276 | \$73,276 |
| 2 | 1 | 2050 | \$59,500 | \$7,239 | \$66,739 |
| 8 | 1 | 2050 | \$0 | \$6,421 | \$6,421 |
| | | 2050 Total | \$59,500 | \$13,660 | \$73,160 |
| 2 | 1 | 2051 | \$61,000 | \$6,421 | \$67,421 |
| 8 | 1 | 2051 | \$0 | \$5,583 | \$5,583 |
| | | 2051 Total | \$61,000 | \$12,004 | \$73,004 |
| 2 | 1 | 2052 | \$63,000 | \$5,583 | \$68,583 |
| 8 | 1 | 2052 | \$0 | \$4,716 | \$4,716 |
| | | 2052 Total | \$63,000 | \$10,299 | \$73,299 |
| 2 | 1 | 2053 | \$64,500 | \$4,716 | \$69,216 |
| 8 | 1 | 2053 | \$0 | \$3,829 | \$3,829 |
| | | 2053 Total | \$64,500 | \$8,545 | \$73,045 |

| Series 2014A | | | | | |
|-------------------------|-----|--------------------|-------------|-----------|-------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2054 | \$66,500 | \$3,829 | \$70,329 |
| 8 | 1 | 2054 | \$0 | \$2,915 | \$2,915 |
| | | 2054 Total | \$66,500 | \$6,744 | \$73,244 |
| 2 | 1 | 2055 | \$68,500 | \$2,915 | \$71,415 |
| 8 | 1 | 2055 | \$0 | \$1,973 | \$1,973 |
| | | 2055 Total | \$68,500 | \$4,888 | \$73,388 |
| 2 | 1 | 2056 | \$70,000 | \$1,973 | \$71,973 |
| 8 | 1 | 2056 | \$0 | \$1,011 | \$1,011 |
| | | 2056 Total | \$70,000 | \$2,984 | \$72,984 |
| 2 | 1 | 2057 | \$73,500 | \$1,011 | \$74,511 |
| 8 | 1 | 2057 | \$0 | \$0 | \$0 |
| | | 2057 Total | \$73,500 | \$1,011 | \$74,511 |
| | | Grand Total | \$1,679,500 | \$988,132 | \$2,667,632 |

| Series 2014B | | | | | |
|--------------------------------|------------|--------------------|------------------|-----------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$73,444 | \$73,444 |
| | | 2021 Total | \$0 | \$73,444 | \$73,444 |
| 2 | 1 | 2022 | \$465,000 | \$73,444 | \$538,444 |
| 8 | 1 | 2022 | \$0 | \$61,819 | \$61,819 |
| | | 2022 Total | \$465,000 | \$135,263 | \$600,263 |
| 2 | 1 | 2023 | \$485,000 | \$61,819 | \$546,819 |
| 8 | 1 | 2023 | \$0 | \$54,544 | \$54,544 |
| | | 2023 Total | \$485,000 | \$116,363 | \$601,363 |
| 2 | 1 | 2024 | \$495,000 | \$54,544 | \$549,544 |
| 8 | 1 | 2024 | \$0 | \$47,119 | \$47,119 |
| | | 2024 Total | \$495,000 | \$101,663 | \$596,663 |
| 2 | 1 | 2025 | \$515,000 | \$47,119 | \$562,119 |
| 8 | 1 | 2025 | \$0 | \$36,819 | \$36,819 |
| | | 2025 Total | \$515,000 | \$83,938 | \$598,938 |
| 2 | 1 | 2026 | \$540,000 | \$36,819 | \$576,819 |
| 8 | 1 | 2026 | \$0 | \$26,019 | \$26,019 |
| | | 2026 Total | \$540,000 | \$62,838 | \$602,838 |
| 2 | 1 | 2027 | \$550,000 | \$26,019 | \$576,019 |
| 8 | 1 | 2027 | \$0 | \$17,769 | \$17,769 |
| | | 2027 Total | \$550,000 | \$43,788 | \$593,788 |
| 2 | 1 | 2028 | \$570,000 | \$17,769 | \$587,769 |
| 8 | 1 | 2028 | \$0 | \$9,219 | \$9,219 |
| | | 2028 Total | \$570,000 | \$26,988 | \$596,988 |
| 2 | 1 | 2029 | \$590,000 | \$9,219 | \$599,219 |
| 8 | 1 | 2029 | \$0 | \$0 | \$0 |
| | | 2029 Total | \$590,000 | \$9,219 | \$599,219 |
| | | Grand Total | \$4,210,000 | \$653,504 | \$4,863,504 |

| Series 2016A | | | | | |
|--------------------------------|------------|--------------------|------------------|-----------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$648,575 | \$648,575 |
| | | 2021 Total | \$0 | \$648,575 | \$648,575 |
| 2 | 1 | 2022 | \$2,450,000 | \$648,575 | \$3,098,575 |
| 8 | 1 | 2022 | \$0 | \$587,325 | \$587,325 |
| | | 2022 Total | \$2,450,000 | \$1,235,900 | \$3,685,900 |
| 2 | 1 | 2023 | \$2,685,000 | \$587,325 | \$3,272,325 |
| 8 | 1 | 2023 | \$0 | \$520,200 | \$520,200 |
| | | 2023 Total | \$2,685,000 | \$1,107,525 | \$3,792,525 |
| 2 | 1 | 2024 | \$2,715,000 | \$520,200 | \$3,235,200 |
| 8 | 1 | 2024 | \$0 | \$452,325 | \$452,325 |
| | | 2024 Total | \$2,715,000 | \$972,525 | \$3,687,525 |
| 2 | 1 | 2025 | \$2,865,000 | \$452,325 | \$3,317,325 |
| 8 | 1 | 2025 | \$0 | \$380,700 | \$380,700 |
| | | 2025 Total | \$2,865,000 | \$833,025 | \$3,698,025 |
| 2 | 1 | 2026 | \$3,015,000 | \$380,700 | \$3,395,700 |
| 8 | 1 | 2026 | \$0 | \$305,325 | \$305,325 |
| | | 2026 Total | \$3,015,000 | \$686,025 | \$3,701,025 |
| 2 | 1 | 2027 | \$3,170,000 | \$305,325 | \$3,475,325 |
| 8 | 1 | 2027 | \$0 | \$226,075 | \$226,075 |
| | | 2027 Total | \$3,170,000 | \$531,400 | \$3,701,400 |
| 2 | 1 | 2028 | \$3,300,000 | \$226,075 | \$3,526,075 |
| 8 | 1 | 2028 | \$0 | \$176,575 | \$176,575 |
| | | 2028 Total | \$3,300,000 | \$402,650 | \$3,702,650 |
| 2 | 1 | 2029 | \$3,425,000 | \$176,575 | \$3,601,575 |
| 8 | 1 | 2029 | \$0 | \$108,075 | \$108,075 |
| | | 2029 Total | \$3,425,000 | \$284,650 | \$3,709,650 |
| 2 | 1 | 2030 | \$3,545,000 | \$108,075 | \$3,653,075 |
| 8 | 1 | 2030 | \$0 | \$54,900 | \$54,900 |
| | | 2030 Total | \$3,545,000 | \$162,975 | \$3,707,975 |
| 2 | 1 | 2031 | \$3,660,000 | \$54,900 | \$3,714,900 |
| 8 | 1 | 2031 | \$0 | \$0 | \$0 |
| | | 2031 Total | \$3,660,000 | \$54,900 | \$3,714,900 |
| | | Grand Total | \$30,830,000 | \$6,920,150 | \$37,750,150 |

| Series 2019 | | | | | |
|-------------------------|-----|-------------------|-----------|-----------|-------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$283,900 | \$283,900 |
| | | 2021 Total | \$0 | \$283,900 | \$283,900 |
| 2 | 1 | 2022 | \$470,000 | \$283,900 | \$753,900 |
| 8 | 1 | 2022 | \$0 | \$276,850 | \$276,850 |
| | | 2022 Total | \$470,000 | \$560,750 | \$1,030,750 |
| 2 | 1 | 2023 | \$485,000 | \$276,850 | \$761,850 |
| 8 | 1 | 2023 | \$0 | \$267,150 | \$267,150 |
| | | 2023 Total | \$485,000 | \$544,000 | \$1,029,000 |
| 2 | 1 | 2024 | \$505,000 | \$267,150 | \$772,150 |
| 8 | 1 | 2024 | \$0 | \$257,050 | \$257,050 |
| | | 2024 Total | \$505,000 | \$524,200 | \$1,029,200 |
| 2 | 1 | 2025 | \$530,000 | \$257,050 | \$787,050 |
| 8 | 1 | 2025 | \$0 | \$243,800 | \$243,800 |
| | | 2025 Total | \$530,000 | \$500,850 | \$1,030,850 |
| 2 | 1 | 2026 | \$560,000 | \$243,800 | \$803,800 |
| 8 | 1 | 2026 | \$0 | \$229,800 | \$229,800 |
| | | 2026 Total | \$560,000 | \$473,600 | \$1,033,600 |
| 2 | 1 | 2027 | \$585,000 | \$229,800 | \$814,800 |
| 8 | 1 | 2027 | \$0 | \$215,175 | \$215,175 |
| | | 2027 Total | \$585,000 | \$444,975 | \$1,029,975 |
| 2 | 1 | 2028 | \$615,000 | \$215,175 | \$830,175 |
| 8 | 1 | 2028 | \$0 | \$199,800 | \$199,800 |
| | | 2028 Total | \$615,000 | \$414,975 | \$1,029,975 |
| 2 | 1 | 2029 | \$645,000 | \$199,800 | \$844,800 |
| 8 | 1 | 2029 | \$0 | \$186,900 | \$186,900 |
| | | 2029 Total | \$645,000 | \$386,700 | \$1,031,700 |
| 2 | 1 | 2030 | \$665,000 | \$186,900 | \$851,900 |
| 8 | 1 | 2030 | \$0 | \$176,925 | \$176,925 |
| | | 2030 Total | \$665,000 | \$363,825 | \$1,028,825 |
| 2 | 1 | 2031 | \$690,000 | \$176,925 | \$866,925 |
| 8 | 1 | 2031 | \$0 | \$166,575 | \$166,575 |
| | | 2031 Total | \$690,000 | \$343,500 | \$1,033,500 |
| 2 | 1 | 2032 | \$710,000 | \$166,575 | \$876,575 |
| 8 | 1 | 2032 | \$0 | \$155,925 | \$155,925 |
| | | 2032 Total | \$710,000 | \$322,500 | \$1,032,500 |
| 2 | 1 | 2033 | \$730,000 | \$155,925 | \$885,925 |
| 8 | 1 | 2033 | \$0 | \$144,975 | \$144,975 |
| | | 2033 Total | \$730,000 | \$300,900 | \$1,030,900 |
| 2 | 1 | 2034 | \$755,000 | \$144,975 | \$899,975 |
| 8 | 1 | 2034 | \$0 | \$133,650 | \$133,650 |
| | | 2034 Total | \$755,000 | \$278,625 | \$1,033,625 |

| Series 2019 | | | | | |
|-------------------------|-----|--------------------|-----------------|----------------|-----------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2035 | \$775,000 | \$133,650 | \$908,650 |
| 8 | 1 | 2035 | \$0 | \$122,025 | \$122,025 |
| | | 2035 Total | \$775,000 | \$255,675 | \$1,030,675 |
| 2 | 1 | 2036 | \$800,000 | \$122,025 | \$922,025 |
| 8 | 1 | 2036 | \$0 | \$110,025 | \$110,025 |
| | | 2036 Total | \$800,000 | \$232,050 | \$1,032,050 |
| 2 | 1 | 2037 | \$825,000 | \$110,025 | \$935,025 |
| 8 | 1 | 2037 | \$0 | \$97,650 | \$97,650 |
| | | 2037 Total | \$825,000 | \$207,675 | \$1,032,675 |
| 2 | 1 | 2038 | \$850,000 | \$97,650 | \$947,650 |
| 8 | 1 | 2038 | \$0 | \$84,900 | \$84,900 |
| | | 2038 Total | \$850,000 | \$182,550 | \$1,032,550 |
| 2 | 1 | 2039 | \$875,000 | \$84,900 | \$959,900 |
| 8 | 1 | 2039 | \$0 | \$71,775 | \$71,775 |
| | | 2039 Total | \$875,000 | \$156,675 | \$1,031,675 |
| 2 | 1 | 2040 | \$900,000 | \$71,775 | \$971,775 |
| 8 | 1 | 2040 | \$0 | \$58,275 | \$58,275 |
| | | 2040 Total | \$900,000 | \$130,050 | \$1,030,050 |
| 2 | 1 | 2041 | \$930,000 | \$58,275 | \$988,275 |
| 8 | 1 | 2041 | \$0 | \$44,325 | \$44,325 |
| | | 2041 Total | \$930,000 | \$102,600 | \$1,032,600 |
| 2 | 1 | 2042 | \$955,000 | \$44,325 | \$999,325 |
| 8 | 1 | 2042 | \$0 | \$30,000 | \$30,000 |
| | | 2042 Total | \$955,000 | \$74,325 | \$1,029,325 |
| 2 | 1 | 2043 | \$985,000 | \$30,000 | \$1,015,000 |
| 8 | 1 | 2043 | \$0.00 | \$15,225.00 | \$15,225.00 |
| | | 2043 Total | \$985,000.00 | \$45,225.00 | \$1,030,225.00 |
| 2 | 1 | 2044 | \$1,015,000.00 | \$15,225.00 | \$1,030,225.00 |
| 8 | 1 | 2044 | \$0.00 | \$0.00 | \$0 |
| | | 2044 Total | \$1,015,000.00 | \$15,225.00 | \$1,030,225.00 |
| | | Grand Total | \$16,855,000.00 | \$7,145,350.00 | \$24,000,350.00 |

| Series 2020 | | | | | |
|-------------------------|-----|--------------------|-----------------|----------------|-----------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 2 | 1 | 2021 | \$0 | \$0 | \$0 |
| 8 | 1 | 2021 | \$0 | \$387,350 | \$387,350 |
| | | 2021 Total | \$0 | \$387,350 | \$387,350 |
| 2 | 1 | 2022 | \$1,110,000 | \$387,350 | \$1,497,350 |
| 8 | 1 | 2022 | \$0 | \$359,600 | \$359,600 |
| | | 2022 Total | \$1,110,000 | \$746,950 | \$1,856,950 |
| 2 | 1 | 2023 | \$1,165,000 | \$359,600 | \$1,524,600 |
| 8 | 1 | 2023 | \$0 | \$330,475 | \$330,475 |
| | | 2023 Total | \$1,165,000 | \$690,075 | \$1,855,075 |
| 2 | 1 | 2024 | \$1,225,000 | \$330,475 | \$1,555,475 |
| 8 | 1 | 2024 | \$0 | \$299,850 | \$299,850 |
| | | 2024 Total | \$1,225,000 | \$630,325 | \$1,855,325 |
| 2 | 1 | 2025 | \$1,290,000 | \$299,850 | \$1,589,850 |
| 8 | 1 | 2025 | \$0 | \$267,600 | \$267,600 |
| | | 2025 Total | \$1,290,000 | \$567,450 | \$1,857,450 |
| 2 | 1 | 2026 | \$1,355,000 | \$267,600 | \$1,622,600 |
| 8 | 1 | 2026 | \$0 | \$233,725 | \$233,725 |
| | | 2026 Total | \$1,355,000 | \$501,325 | \$1,856,325 |
| 2 | 1 | 2027 | \$1,425,000 | \$233,725 | \$1,658,725 |
| 8 | 1 | 2027 | \$0 | \$198,100 | \$198,100 |
| | | 2027 Total | \$1,425,000 | \$431,825 | \$1,856,825 |
| 2 | 1 | 2028 | \$1,500,000 | \$198,100 | \$1,698,100 |
| 8 | 1 | 2028 | \$0 | \$160,600 | \$160,600 |
| | | 2028 Total | \$1,500,000 | \$358,700 | \$1,858,700 |
| 2 | 1 | 2029 | \$1,565,000 | \$160,600 | \$1,725,600 |
| 8 | 1 | 2029 | \$0 | \$129,300 | \$129,300 |
| | | 2029 Total | \$1,565,000 | \$289,900 | \$1,854,900 |
| 2 | 1 | 2030 | \$1,625,000 | \$129,300 | \$1,754,300 |
| 8 | 1 | 2030 | \$0 | \$104,925 | \$104,925 |
| | | 2030 Total | \$1,625,000 | \$234,225 | \$1,859,225 |
| 2 | 1 | 2031 | \$1,670,000 | \$104,925 | \$1,774,925 |
| 8 | 1 | 2031 | \$0 | \$79,875 | \$79,875 |
| | | 2031 Total | \$1,670,000 | \$184,800 | \$1,854,800 |
| 2 | 1 | 2032 | \$1,725,000 | \$79,875 | \$1,804,875 |
| 8 | 1 | 2032 | \$0 | \$54,000 | \$54,000 |
| | | 2032 Total | \$1,725,000 | \$133,875 | \$1,858,875 |
| 2 | 1 | 2033 | \$1,765,000 | \$54,000 | \$1,819,000 |
| 8 | 1 | 2033 | \$0 | \$36,350 | \$36,350 |
| | | 2033 Total | \$1,765,000 | \$90,350 | \$1,855,350 |
| 2 | 1 | 2034 | \$1,800,000 | \$36,350 | \$1,836,350 |
| 8 | 1 | 2034 | \$0 | \$18,350 | \$18,350 |
| | | 2034 Total | \$1,800,000 | \$54,700 | \$1,854,700 |
| 2 | 1 | 2035 | \$1,835,000 | \$18,350 | \$1,853,350 |
| 8 | 1 | 2035 | \$0 | \$0 | \$0 |
| | | 2035 Total | \$1,835,000 | \$18,350 | \$1,853,350 |
| | | Grand Total | \$21,055,000.00 | \$5,320,200.00 | \$26,375,200.00 |

| KIA F-08-07 | | | | | |
|-------------------------|-----|--------------------|-------------|-----------|-------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 6 | 1 | 2021 | \$0 | \$0 | \$0 |
| 12 | 1 | 2021 | \$98,597 | \$14,981 | \$113,578 |
| | | 2021 Total | \$98,597 | \$14,981 | \$113,578 |
| 6 | 1 | 2022 | \$99,090 | \$14,365 | \$113,455 |
| 12 | 1 | 2022 | \$99,586 | \$13,745 | \$113,331 |
| | | 2022 Total | \$198,676 | \$28,110 | \$226,786 |
| 6 | 1 | 2023 | \$100,084 | \$13,123 | \$113,207 |
| 12 | 1 | 2023 | \$100,584 | \$12,497 | \$113,081 |
| | | 2023 Total | \$200,668 | \$25,620 | \$226,288 |
| 6 | 1 | 2024 | \$101,087 | \$11,869 | \$112,956 |
| 12 | 1 | 2024 | \$101,593 | \$11,237 | \$112,830 |
| | | 2024 Total | \$202,680 | \$23,106 | \$225,786 |
| 6 | 1 | 2025 | \$102,100 | \$10,602 | \$112,702 |
| 12 | 1 | 2025 | \$102,611 | \$9,964 | \$112,575 |
| | | 2025 Total | \$204,711 | \$20,566 | \$225,277 |
| 6 | 1 | 2026 | \$103,124 | \$9,323 | \$112,447 |
| 12 | 1 | 2026 | \$103,640 | \$8,678 | \$112,318 |
| | | 2026 Total | \$206,764 | \$18,001 | \$224,765 |
| 6 | 1 | 2027 | \$104,158 | \$8,030 | \$112,188 |
| 12 | 1 | 2027 | \$104,679 | \$7,379 | \$112,058 |
| | | 2027 Total | \$208,837 | \$15,409 | \$224,246 |
| 6 | 1 | 2028 | \$105,202 | \$6,725 | \$111,927 |
| 12 | 1 | 2028 | \$105,728 | \$6,068 | \$111,796 |
| | | 2028 Total | \$210,930 | \$12,793 | \$223,723 |
| 6 | 1 | 2029 | \$106,257 | \$5,406 | \$111,663 |
| 12 | 1 | 2029 | \$106,788 | \$4,743 | \$111,531 |
| | | 2029 Total | \$213,045 | \$10,149 | \$223,194 |
| 6 | 1 | 2030 | \$107,322 | \$4,075 | \$111,397 |
| 12 | 1 | 2030 | \$107,859 | \$3,405 | \$111,264 |
| | | 2030 Total | \$215,181 | \$7,480 | \$222,661 |
| 6 | 1 | 2031 | \$108,398 | \$2,730 | \$111,128 |
| 12 | 1 | 2031 | \$108,940 | \$2,053 | \$110,993 |
| | | 2031 Total | \$217,338 | \$4,783 | \$222,121 |
| 6 | 1 | 2032 | \$109,484 | \$1,372 | \$110,856 |
| 12 | 1 | 2032 | \$110,032 | \$688 | \$110,720 |
| | | 2032 Total | \$219,516 | \$2,060 | \$221,576 |
| | | Grand Total | \$2,396,943 | \$183,058 | \$2,580,001 |

| KIA F-09-02 | | | | | |
|-------------------------|-----|--------------------|--------------|-------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 6 | 1 | 2021 | \$0 | \$0 | \$0 |
| 12 | 1 | 2021 | \$575,659 | \$174,685 | \$750,344 |
| | | 2021 Total | \$575,659 | \$174,685 | \$750,344 |
| 6 | 1 | 2022 | \$581,416 | \$168,208 | \$749,624 |
| 12 | 1 | 2022 | \$587,230 | \$161,668 | \$748,898 |
| | | 2022 Total | \$1,168,646 | \$329,876 | \$1,498,522 |
| 6 | 1 | 2023 | \$593,102 | \$155,061 | \$748,163 |
| 12 | 1 | 2023 | \$599,033 | \$148,389 | \$747,422 |
| | | 2023 Total | \$1,192,135 | \$303,450 | \$1,495,585 |
| 6 | 1 | 2024 | \$605,024 | \$141,650 | \$746,674 |
| 12 | 1 | 2024 | \$611,074 | \$134,843 | \$745,917 |
| | | 2024 Total | \$1,216,098 | \$276,493 | \$1,492,591 |
| 6 | 1 | 2025 | \$617,185 | \$127,969 | \$745,154 |
| 12 | 1 | 2025 | \$623,356 | \$121,025 | \$744,381 |
| | | 2025 Total | \$1,240,541 | \$248,994 | \$1,489,535 |
| 6 | 1 | 2026 | \$629,590 | \$114,012 | \$743,602 |
| 12 | 1 | 2026 | \$635,886 | \$106,930 | \$742,816 |
| | | 2026 Total | \$1,265,476 | \$220,942 | \$1,486,418 |
| 6 | 1 | 2027 | \$642,245 | \$99,776 | \$742,021 |
| 12 | 1 | 2027 | \$648,667 | \$92,551 | \$741,218 |
| | | 2027 Total | \$1,290,912 | \$192,327 | \$1,483,239 |
| 6 | 1 | 2028 | \$655,154 | \$85,253 | \$740,407 |
| 12 | 1 | 2028 | \$661,705 | \$77,883 | \$739,588 |
| | | 2028 Total | \$1,316,859 | \$163,136 | \$1,479,995 |
| 6 | 1 | 2029 | \$668,322 | \$70,438 | \$738,760 |
| 12 | 1 | 2029 | \$675,006 | \$62,920 | \$737,926 |
| | | 2029 Total | \$1,343,328 | \$133,358 | \$1,476,686 |
| 6 | 1 | 2030 | \$681,756 | \$55,326 | \$737,082 |
| 12 | 1 | 2030 | \$688,573 | \$47,656 | \$736,229 |
| | | 2030 Total | \$1,370,329 | \$102,982 | \$1,473,311 |
| 6 | 1 | 2031 | \$695,459 | \$39,910 | \$735,369 |
| 12 | 1 | 2031 | \$702,414 | \$32,086 | \$734,500 |
| | | 2031 Total | \$1,397,873 | \$71,996 | \$1,469,869 |
| 6 | 1 | 2032 | \$709,438 | \$24,184 | \$733,622 |
| 12 | 1 | 2032 | \$716,532 | \$16,203 | \$732,735 |
| | | 2032 Total | \$1,425,970 | \$40,387 | \$1,466,357 |
| 6 | 1 | 2033 | \$723,695 | \$8,141 | \$731,836 |
| | | 2033 Total | \$723,695 | \$8,141 | \$731,836 |
| | | Grand Total | \$15,527,521 | \$2,266,767 | \$17,794,288 |

| KIA F-14-015 | | | | | |
|-------------------------|-----|--------------------|--------------|------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 6 | 1 | 2021 | - | - | - |
| 12 | 1 | 2021 | 78,414.42 | 30,895.03 | 109,309.45 |
| | | 2021 Total | 78,414.42 | 30,895.03 | 109,309.45 |
| 6 | 1 | 2022 | 79,100.55 | 30,110.88 | 109,211.43 |
| 12 | 1 | 2022 | 79,792.68 | 29,319.87 | 109,112.55 |
| | | 2022 Total | 158,893.23 | 59,430.75 | 218,323.98 |
| 6 | 1 | 2023 | 80,490.87 | 28,521.94 | 109,012.81 |
| 12 | 1 | 2023 | 81,195.16 | 27,717.04 | 108,912.20 |
| | | 2023 Total | 161,686.03 | 56,238.98 | 217,925.01 |
| 6 | 1 | 2024 | 81,905.62 | 26,905.09 | 108,810.71 |
| 12 | 1 | 2024 | 82,622.29 | 26,086.03 | 108,708.32 |
| | | 2024 Total | 164,527.91 | 52,991.12 | 217,519.03 |
| 6 | 1 | 2025 | 83,345.24 | 25,259.81 | 108,605.05 |
| 12 | 1 | 2025 | 84,074.51 | 24,426.35 | 108,500.86 |
| | | 2025 Total | 167,419.75 | 49,686.16 | 217,105.91 |
| 6 | 1 | 2026 | 84,810.16 | 23,585.61 | 108,395.77 |
| 12 | 1 | 2026 | 85,552.25 | 22,737.51 | 108,289.76 |
| | | 2026 Total | 170,362.41 | 46,323.12 | 216,685.53 |
| 6 | 1 | 2027 | 86,300.83 | 21,881.99 | 108,182.82 |
| 12 | 1 | 2027 | 87,055.96 | 21,018.98 | 108,074.94 |
| | | 2027 Total | 173,356.79 | 42,900.97 | 216,257.76 |
| 6 | 1 | 2028 | 87,817.70 | 20,148.42 | 107,966.12 |
| 12 | 1 | 2028 | 88,586.11 | 19,270.24 | 107,856.35 |
| | | 2028 Total | 176,403.81 | 39,418.66 | 215,822.47 |
| 6 | 1 | 2029 | 89,361.24 | 18,384.38 | 107,745.62 |
| 12 | 1 | 2029 | 90,143.15 | 17,490.77 | 107,633.92 |
| | | 2029 Total | 179,504.39 | 35,875.15 | 215,379.54 |
| 6 | 1 | 2030 | 90,931.90 | 16,589.34 | 107,521.24 |
| 12 | 1 | 2030 | 91,727.55 | 15,680.02 | 107,407.57 |
| | | 2030 Total | 182,659.45 | 32,269.36 | 214,928.81 |
| 6 | 1 | 2031 | 92,530.17 | 14,762.74 | 107,292.91 |
| 12 | 1 | 2031 | 93,339.81 | 13,837.44 | 107,177.25 |
| | | 2031 Total | 185,869.98 | 28,600.18 | 214,470.16 |
| 6 | 1 | 2032 | 94,156.53 | 12,904.05 | 107,060.58 |
| 12 | 1 | 2032 | 94,980.40 | 11,962.48 | 106,942.88 |
| | | 2032 Total | 189,136.93 | 24,866.53 | 214,003.46 |
| 6 | 1 | 2033 | 95,811.48 | 11,012.67 | 106,824.15 |
| 12 | 1 | 2033 | 96,649.83 | 10,054.56 | 106,704.39 |
| | | 2033 Total | 192,461.31 | 21,067.23 | 213,528.54 |
| 6 | 1 | 2034 | 97,495.52 | 9,088.06 | 106,583.58 |
| 12 | 1 | 2034 | 98,348.60 | 8,113.11 | 106,461.71 |
| | | 2034 Total | 195,844.12 | 17,201.17 | 213,045.29 |
| 6 | 1 | 2035 | 99,209.15 | 7,129.62 | 106,338.77 |
| 12 | 1 | 2035 | 100,077.23 | 6,137.53 | 106,214.76 |
| | | 2035 Total | 199,286.38 | 13,267.15 | 212,553.53 |
| 6 | 1 | 2036 | 100,952.91 | 5,136.75 | 106,089.66 |
| 12 | 1 | 2036 | 101,836.25 | 4,127.22 | 105,963.47 |
| | | 2036 Total | 202,789.16 | 9,263.97 | 212,053.13 |
| 6 | 1 | 2037 | 102,727.31 | 3,108.87 | 105,836.18 |
| 12 | 1 | 2037 | 103,626.18 | 2,081.59 | 105,707.77 |
| | | 2037 Total | 206,353.49 | 5,190.46 | 211,543.95 |
| 6 | 1 | 2038 | 104,532.85 | 1,045.39 | 105,578.24 |
| 12 | 1 | 2038 | - | - | - |
| | | 2038 Total | 104,532.85 | 1,045.39 | 105,578.24 |
| | | Grand Total | 3,089,502.41 | 566,531.38 | 3,656,033.79 |

| KIA F-15-011 | | | | | |
|-------------------------|-----|--------------------|--------------|------------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 6 | 1 | 2021 | - | - | - |
| 12 | 1 | 2021 | 78,175.25 | 30,800.79 | 108,976.04 |
| | | 2021 Total | 78,175.25 | 30,800.79 | 108,976.04 |
| 6 | 1 | 2022 | 78,859.28 | 30,019.04 | 108,878.32 |
| 12 | 1 | 2022 | 79,549.30 | 29,230.45 | 108,779.75 |
| | | 2022 Total | 158,408.58 | 59,249.49 | 217,658.07 |
| 6 | 1 | 2023 | 80,245.36 | 28,434.95 | 108,680.31 |
| 12 | 1 | 2023 | 80,947.50 | 27,632.50 | 108,580.00 |
| | | 2023 Total | 161,192.86 | 56,067.45 | 217,260.31 |
| 6 | 1 | 2024 | 81,655.80 | 26,823.02 | 108,478.82 |
| 12 | 1 | 2024 | 82,370.28 | 26,006.47 | 108,376.75 |
| | | 2024 Total | 164,026.08 | 52,829.49 | 216,855.57 |
| 6 | 1 | 2025 | 83,091.02 | 25,182.77 | 108,273.79 |
| 12 | 1 | 2025 | 83,818.07 | 24,351.85 | 108,169.92 |
| | | 2025 Total | 166,909.09 | 49,534.62 | 216,443.71 |
| 6 | 1 | 2026 | 84,551.48 | 23,513.67 | 108,065.15 |
| 12 | 1 | 2026 | 85,291.30 | 22,668.16 | 107,959.46 |
| | | 2026 Total | 169,842.78 | 46,181.83 | 216,024.61 |
| 6 | 1 | 2027 | 86,037.60 | 21,815.25 | 107,852.85 |
| 12 | 1 | 2027 | 86,790.43 | 20,954.87 | 107,745.30 |
| | | 2027 Total | 172,828.03 | 42,770.12 | 215,598.15 |
| 6 | 1 | 2028 | 87,549.85 | 20,086.96 | 107,636.81 |
| 12 | 1 | 2028 | 88,315.91 | 19,211.46 | 107,527.37 |
| | | 2028 Total | 175,865.76 | 39,298.42 | 215,164.18 |
| 6 | 1 | 2029 | 89,088.67 | 18,328.31 | 107,416.98 |
| 12 | 1 | 2029 | 89,868.20 | 17,437.42 | 107,305.62 |
| | | 2029 Total | 178,956.87 | 35,765.73 | 214,722.60 |
| 6 | 1 | 2030 | 90,654.55 | 16,538.73 | 107,193.28 |
| 12 | 1 | 2030 | 91,447.77 | 15,632.19 | 107,079.96 |
| | | 2030 Total | 182,102.32 | 32,170.92 | 214,273.24 |
| 6 | 1 | 2031 | 92,247.94 | 14,717.71 | 106,965.65 |
| 12 | 1 | 2031 | 93,055.11 | 13,795.23 | 106,850.34 |
| | | 2031 Total | 185,303.05 | 28,512.94 | 213,815.99 |
| 6 | 1 | 2032 | 93,869.34 | 12,864.69 | 106,734.03 |
| 12 | 1 | 2032 | 94,690.70 | 11,925.99 | 106,616.69 |
| | | 2032 Total | 188,560.04 | 24,790.68 | 213,350.72 |
| 6 | 1 | 2033 | 95,519.24 | 10,979.09 | 106,498.33 |
| 12 | 1 | 2033 | 96,355.04 | 10,023.89 | 106,378.93 |
| | | 2033 Total | 191,874.28 | 21,002.98 | 212,877.26 |
| 6 | 1 | 2034 | 97,198.14 | 9,060.34 | 106,258.48 |
| 12 | 1 | 2034 | 98,048.63 | 8,088.35 | 106,136.98 |
| | | 2034 Total | 195,246.77 | 17,148.69 | 212,395.46 |
| 6 | 1 | 2035 | 98,906.55 | 7,107.87 | 106,014.42 |
| 12 | 1 | 2035 | 99,771.98 | 6,118.81 | 105,890.79 |
| | | 2035 Total | 198,678.53 | 13,226.68 | 211,905.21 |
| 6 | 1 | 2036 | 100,644.99 | 5,121.09 | 105,766.08 |
| 12 | 1 | 2036 | 101,525.63 | 4,114.64 | 105,640.27 |
| | | 2036 Total | 202,170.62 | 9,235.73 | 211,406.35 |
| 6 | 1 | 2037 | 102,413.98 | 3,099.38 | 105,513.36 |
| 12 | 1 | 2037 | 103,310.10 | 2,075.25 | 105,385.35 |
| | | 2037 Total | 205,724.08 | 5,174.63 | 210,898.71 |
| 6 | 1 | 2038 | 104,213.97 | 1,042.24 | 105,256.21 |
| | | 2038 Total | 104,213.97 | 1,042.24 | 105,256.21 |
| | | Grand Total | 3,080,078.96 | 564,803.43 | 3,644,882.39 |

| KIA B15-003 | | | | | |
|-------------------------|-----|--------------------|--------------|-----------|--------------|
| Effective June 30, 2021 | | | | | |
| Payment Date | | | | | |
| Month | Day | Year | Principal | Interest | Total |
| 6 | 1 | 2021 | - | - | - |
| 12 | 1 | 2021 | 33,219.75 | 5,532.09 | 38,751.84 |
| | | 2021 Total | 33,219.75 | 5,532.09 | 38,751.84 |
| 6 | 1 | 2022 | 33,344.33 | 5,374.29 | 38,718.62 |
| 12 | 1 | 2022 | 33,469.38 | 5,215.90 | 38,685.28 |
| | | 2022 Total | 66,813.71 | 10,590.19 | 77,403.90 |
| 6 | 1 | 2023 | 33,594.88 | 5,056.92 | 38,651.80 |
| 12 | 1 | 2023 | 33,720.86 | 4,897.35 | 38,618.21 |
| | | 2023 Total | 67,315.74 | 9,954.27 | 77,270.01 |
| 6 | 1 | 2024 | 33,847.31 | 4,737.18 | 38,584.49 |
| 12 | 1 | 2024 | 33,974.24 | 4,576.40 | 38,550.64 |
| | | 2024 Total | 67,821.55 | 9,313.58 | 77,135.13 |
| 6 | 1 | 2025 | 34,101.65 | 4,415.02 | 38,516.67 |
| 12 | 1 | 2025 | 34,229.53 | 4,253.03 | 38,482.56 |
| | | 2025 Total | 68,331.18 | 8,668.05 | 76,999.23 |
| 6 | 1 | 2026 | 34,357.89 | 4,090.45 | 38,448.34 |
| 12 | 1 | 2026 | 34,486.74 | 3,927.24 | 38,413.98 |
| | | 2026 Total | 68,844.63 | 8,017.69 | 76,862.32 |
| 6 | 1 | 2027 | 34,616.05 | 3,763.45 | 38,379.50 |
| 12 | 1 | 2027 | 34,745.86 | 3,599.01 | 38,344.87 |
| | | 2027 Total | 69,361.91 | 7,362.46 | 76,724.37 |
| 6 | 1 | 2028 | 34,876.17 | 3,433.96 | 38,310.13 |
| 12 | 1 | 2028 | 35,006.95 | 3,268.30 | 38,275.25 |
| | | 2028 Total | 69,883.12 | 6,702.26 | 76,585.38 |
| 6 | 1 | 2029 | 35,138.23 | 3,102.02 | 38,240.25 |
| 12 | 1 | 2029 | 35,269.99 | 2,935.12 | 38,205.11 |
| | | 2029 Total | 70,408.22 | 6,037.14 | 76,445.36 |
| 6 | 1 | 2030 | 35,402.26 | 2,767.58 | 38,169.84 |
| 12 | 1 | 2030 | 35,535.01 | 2,599.43 | 38,134.44 |
| | | 2030 Total | 70,937.27 | 5,367.01 | 76,304.28 |
| 6 | 1 | 2031 | 35,668.27 | 2,430.63 | 38,098.90 |
| 12 | 1 | 2031 | 35,802.02 | 2,261.21 | 38,063.23 |
| | | 2031 Total | 71,470.29 | 4,691.84 | 76,162.13 |
| 6 | 1 | 2032 | 35,936.29 | 2,091.15 | 38,027.44 |
| 12 | 1 | 2032 | 36,071.04 | 1,920.45 | 37,991.49 |
| | | 2032 Total | 72,007.33 | 4,011.60 | 76,018.93 |
| 6 | 1 | 2033 | 36,206.31 | 1,749.11 | 37,955.42 |
| 12 | 1 | 2033 | 36,342.09 | 1,577.12 | 37,919.21 |
| | | 2033 Total | 72,548.40 | 3,326.23 | 75,874.63 |
| 6 | 1 | 2034 | 36,478.37 | 1,404.50 | 37,882.87 |
| 12 | 1 | 2034 | 36,615.16 | 1,231.24 | 37,846.40 |
| | | 2034 Total | 73,093.53 | 2,635.74 | 75,729.27 |
| 6 | 1 | 2035 | 36,752.47 | 1,057.32 | 37,809.79 |
| 12 | 1 | 2035 | 36,890.29 | 882.74 | 37,773.03 |
| | | 2035 Total | 73,642.76 | 1,940.06 | 75,582.82 |
| 6 | 1 | 2036 | 37,028.63 | 707.51 | 37,736.14 |
| 12 | 1 | 2036 | 37,167.48 | 531.63 | 37,699.11 |
| | | 2036 Total | 74,196.11 | 1,239.14 | 75,435.25 |
| 6 | 1 | 2037 | 37,306.86 | 355.09 | 37,661.95 |
| 12 | 1 | 2037 | 37,446.61 | 178.03 | 37,624.64 |
| | | 2037 Total | 74,753.47 | 533.12 | 75,286.59 |
| | | Grand Total | 1,164,648.97 | 95,922.47 | 1,260,571.44 |

NORTHERN KENTUCKY WATER
DISTRICT

List of Bonds, Notes, and Other Indebtedness

| Northern Kentucky Water District | | |
|---|----------------------|--|
| Bonds & Notes | | |
| As of 6/30/2021 | | |
| Bonds | | |
| Series 2012 | \$29,310,000 | |
| Series 2013A | \$20,890,000 | |
| Series 2013B | \$11,485,000 | |
| Series 2014A | \$1,679,500 | |
| Series 2014B | \$4,210,000 | |
| Series 2016 | \$30,830,000 | |
| Series 2019 | \$16,855,000 | |
| Series 2020 | \$21,055,000 | |
| Sub-Total Bonds | \$136,314,500 | |
| KIA Notes Currently Servicing | | |
| F08-07 | \$2,396,941 | |
| F09-02 | \$15,527,521 | |
| F13-012 | \$4,523,000 | |
| F-14-015 | \$3,089,502 | |
| F-15-011 | \$3,080,079 | |
| B-15-003 | \$1,164,649 | |
| F16-027 | \$1,304,928 | |
| Sub-Total KIA | \$31,086,620 | |
| Other Notes | | |
| Series 2021 BAN | \$24,685,000 | |
| Deferred Note Kenton County | \$100,000 | |
| Sub-Total Notes | \$24,785,000 | |
| Grand Total Bonds & Notes | \$192,186,120 | |
| | | |
| | | |

NORTHERN KENTUCKY WATER
DISTRICT

Current Balance Sheet & Income Statement

NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

| | | |
|---|----|-------------------|
| Cash and Cash Equivalents | \$ | 36,415,624 |
| Investments | | 4,384,176 |
| Accounts Receivable | | |
| Customers, Net | | 7,024,865 |
| Unbilled Customers | | 7,460,000 |
| Others | | 159,998 |
| Assessments Receivable | | 165,091 |
| Inventory Supplies for New Installation and Maintenance, at Cost | | 2,102,990 |
| Prepaid Items | | 1,453,560 |
| Restricted Assets - Cash and Cash Equivalents | | |
| Debt Service Account | | 2,469,867 |
| Improvement, Repair & Replacement | | 45,919 |
| | | <u>61,682,090</u> |
| Total Current Assets | | |

Noncurrent Assets

| | | |
|---|--|--------------------|
| Restricted Assets - Cash and Cash Equivalents | | |
| Bond Proceeds Fund | | \$25,060,166 |
| Debt Service Account | | \$12,516,895 |
| Improvement, Repair and Replacement | | \$7,764,336 |
| Customer Deposits Fund | | \$806,971 |
| Restricted Assets - Investments | | |
| Debt Service Reserve Account | | \$17,199,715 |
| Miscellaneous Deferred Charges | | \$3,686,750 |
| Capital Assets | | |
| Land, System, Buildings and Equipment | | 521,714,132 |
| Construction in Progress | | 7,838,889 |
| | | <u>529,553,021</u> |
| Less Accumulated Depreciation | | 190,904,270 |
| | | <u>338,648,751</u> |
| Total Capital Assets, Net of Accumulated Depreciation | | |
| Total Noncurrent Assets | | <u>405,683,584</u> |
| Total Assets | | <u>467,365,673</u> |

Deferred Outflows of Resources

| | | |
|--|-----------|---------------------------|
| Deferred Outflows Related to Pension | | 4,066,559 |
| Deferred Outflows Related to Other Postemployment Benefits | | 3,597,789 |
| Deferred Loss on Refundings | | 3,499,036 |
| | | <u>11,163,384</u> |
| Total Deferred Outflows of Resources | | |
| Total Assets and Deferred Outflows of Resources | \$ | <u>478,529,057</u> |

NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF NET POSITION
June 30, 2021

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities and Deferred Inflows of Resources

Current Liabilities

| | | |
|---------------------------------------|----|------------|
| Bonded Indebtedness | \$ | 12,747,280 |
| Notes Payable | | 1,735,876 |
| Accounts Payable | | 413,690 |
| Accrued Payroll and Taxes | | 523,962 |
| Compensated Absences | | 99,611 |
| Other Accrued Liabilities | | 297,713 |
| Liabilities Payable-Restricted Assets | | |
| Accrued Interest Payable | | 2,469,867 |
| Accounts Payable | | 45,919 |
| | | 18,333,918 |
| Total Current Liabilities | | 18,333,918 |

Noncurrent Liabilities (Net of Current Portion)

| | | |
|---|--|-------------|
| Liabilities Payable-Restricted Assets | | |
| Accounts Payable | | 120,466 |
| Customer Deposits | | 806,971 |
| Compensated Absences | | 1,586,678 |
| Arbitrage Liability | | 295,084 |
| Bond Indebtedness | | 136,901,178 |
| Bond Anticipation Notes Payable | | 24,685,000 |
| Notes Payable | | 29,450,746 |
| Net Pension Liability | | 26,055,399 |
| Net Other Postemployment Benefits Liability | | 8,200,549 |
| | | 228,102,072 |
| Total Long-Term Liabilities | | 228,102,072 |
| Total Liabilities | | 246,435,990 |

Deferred Inflows of Resources

| | | |
|---|--|-------------|
| Deferred Inflows Related to Pension | | 53,168 |
| Deferred Inflows Related to Other Postemployment Benefits | | 1,472,539 |
| | | 1,525,707 |
| Total Deferred Inflows of Resources | | 1,525,707 |
| Total Liabilities and Deferred Inflows of Resources | | 247,961,697 |

Net Position

| | | |
|----------------------------------|--|-------------|
| Net Investment in Capital Assets | | 136,627,708 |
| Restricted For | | |
| Debt Service Funds | | 29,716,609 |
| Capital Improvement Projects | | 32,704,036 |
| Unrestricted | | 31,519,007 |
| | | 230,567,360 |
| Total Net Position | | 230,567,360 |

**Total Liabilities, Deferred Inflows
of Resources, and Net Position**

\$ 478,529,057

NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
12 MONTH PERIOD ENDED June 30, 2021

| | |
|---|---------------------------|
| Operating Revenues | |
| Water Sales | \$ 60,781,042 |
| Forfeited Discounts | 109,138 |
| Rents From Property | 370,497 |
| Other Water Revenues | <u>162,587</u> |
| Total Operating Revenues | <u>61,423,264</u> |
| Operating Expenses | |
| Operating and Maintenance Expense | 28,878,851 |
| Depreciation Expense | <u>12,321,469</u> |
| Total Operating Expenses | <u>41,200,320</u> |
| Net Operating Income | <u>20,222,944</u> |
| Non-Operating Income (Expense) | |
| Investment Income | 458,516 |
| Miscellaneous Non-Operating Income/(Expense) | 108,374 |
| Loss on Abandonment of Mains | (210,412) |
| Gain/(Loss) on Disposal of Fixed Assets | (12,669) |
| Interest on Long-Term Debt and Customer Deposits | (6,245,847) |
| Pension Expense | (2,604,502) |
| Other Postemployment Benefit Expense | (564,502) |
| Arbitrage Rebate (Expense) | 27,184 |
| Amortization of Debt Premiums and Defeasance Costs | 926,570 |
| Bond Issuance Costs | <u>(278,731)</u> |
| Total Non-Operating Income (Expenses) | <u>(8,396,019)</u> |
| Change in Net Position Before Capital Contributions | 11,826,925 |
| Capital Contributions | <u>2,199,302</u> |
| Change in Net Position | 14,026,227 |
| Net Position - Beginning of Year | <u>216,541,133</u> |
| Net Position - End of Year | <u>\$ 230,567,360</u> |

NORTHERN KENTUCKY WATER
DISTRICT

Description of Bonds

Description of Bonds

1. A full description of all terms of the proposed issuance.

The terms of the proposed issuance are included in Exhibit 1. The actual terms of the refinancing cannot be determined until the bonds are sold. The assumptions made are based on current market conditions and the best estimate of the Northern Kentucky Water District (NKWD)'s financial advisor.

2. The interest rates of the proposed bonds.

See Exhibit 1. The interest rates assumed for the refinancing of each issuance are reflected on page 3 of the Savings Summary in Exhibit 1.

3. Whether the proposed bonded debt will be secured and, if secured, how it is secured.

The debt will be secured by the NKWD's revenues.

4. The par value of each bond series to be refunded.

See Exhibit 1, Debt Capsule Summary Report on page 12.

5. The amount for which the outstanding obligations sold.

The sale amount for the 2012 bond issuance was \$54,840,000.00

6. The expenses and application of the proceeds of the proposed issuance.

See Exhibit 1.

7. The date of outstanding obligations that will be refunded.

The date cannot be known until approval from the Commission is obtained. The bonds will be sold as soon as practicable after approval - approximately 30 to 60 days.

8. The total principal amount of each refunded obligation.

See Exhibit 1.

9. The interest rate of each refunded obligation.

See Exhibit 1.

10. The length of time that each of the refunded obligations were held.

See Exhibit 1. The obligations have been held since the issuance date.

11. The payees.

The actual holders of the bonds are unknown to NKWD. The purchaser of the 2012 Series was US Bankcorp.

12. The amount of bonds authorized.

The authorized amount of bonds for the 2012 Series issuance was \$65,000,000.

13. The amount of bonds issued.

The amount of bonds issued for the 2012 Series was \$54,840,000.

14. The utility who issued the bonds.

NKWD issued the bonds.

15. Class of bonds issued.

The bonds are parity revenue bonds.

16. Date of issuance of each bond issuance.

The issuance date of the 2012 Series is June 21, 2012.

17. The date of maturity of each bond issuance.

The maturity date of the 2012 Series is February 1, 2027.

18. How each bond issuance is secured.

The bonds are secured with general revenues of NKWD.

19. The date of issuance for each series of outstanding notes.

See Exhibit 6B and 2020 Annual Report for the issuance date.

20. The amount of each series of outstanding notes.

See Exhibit 6B and 2020 Annual Report for the amount of each note.

21. The rate of interest for each series of outstanding notes.

The interest rate is shown on Exhibit 6B.

22. Identify in whose favor the notes were issued.

The note holders are identified in Exhibit 6B.

23. Other necessary information:

The 2020 Annual Report is incorporated by reference for any additional information related to the outstanding indebtedness related to this refinancing.

NORTHERN KENTUCKY WATER
DISTRICT

Long Term Debt

Account 221, BONDS

| Line No. | Par Value of Actual Issue 1 | Cash Realized on Actual Issue 2 | Par Value of Amount Held by or for Respondent 3 | Actually Outstanding at Close of year 4 | Interest During Year | |
|----------|--------------------------------|------------------------------------|--|--|----------------------|--------------------|
| | | | | | Accrued 5 | Actually Paid 6 |
| 1 | 11,225,000 | 11,131,694 | | - | - | - |
| 2 | 11,355,000 | 11,141,619 | | - | - | - |
| 3 | 2,287,000 | 2,287,000 | | | 71,565 | 85,665 |
| 4 | 16,325,000 | 15,835,250 | | - | - | - |
| 5 | 45,485,000 | 44,121,624 | | - | - | - |
| 6 | 10,575,000 | 10,525,204 | | - | - | - |
| 7 | 1,615,000 | 1,583,553 | | - | - | - |
| 8 | 30,270,000 | 30,068,115 | | - | - | - |
| 9 | 23,790,000 | 23,532,357 | | - | - | - |
| 10 | 10,455,000 | 10,195,116 | | - | - | - |
| 11 | 29,000,000 | 28,736,444 | | - | - | - |
| 12 | 29,290,000 | 27,430,236 | | - | - | - |
| 13 | 30,830,000 | 28,862,016 | | | 854,844 | 1,289,746 |
| 14 | 54,840,000 | 64,562,144 | | 33,675,000 | 1,701,042 | 1,787,500 |
| 15 | 26,400,000 | 25,807,113 | | 21,685,000 | 955,422 | 971,151 |
| 16 | 24,120,000 | 25,856,745 | | 12,840,000 | 598,346 | 625,325 |
| 17 | 1,733,000 | 1,733,000 | | 1,706,500 | 46,989 | 47,293 |
| 18 | 15,805,000 | 17,014,821 | | 4,650,000 | 175,158 | 206,513 |
| 19 | 41,905,000 | 46,952,177 | | 33,155,000 | 1,423,317 | 1,472,900 |
| 20 | 17,845,000 | 18,858,627 | | 17,310,000 | 583,241 | 498,190 |
| 21 | 22,325,000 | 24,574,698 | | 22,325,000 | 133,491 | - |
| Total | 457,475,000 | 470,809,553 | - | 147,346,500 | 6,543,415 | 6,984,283 |

Schedule of Bond Maturities

| Line No. | Bond Numbers 7 | Maturity Date 8 | Interest Rate 9 | Principal Amount 10 | Amount Paid 11 | Remaining Bonds Outstanding 12 |
|----------|-------------------|--|--------------------|------------------------|-------------------|-----------------------------------|
| 1 | | | | | | |
| 2 | | See Attachments 23.01 Through 23.10 | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | | | | | |
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| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |

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

Attachment 23.01

| Year | Maturity Date | Interest Rate | Principal Amount | Amounts Paid | Outstanding |
|---------------|------------------------------|---------------|---------------------|---------------------|-------------|
| 2000 | | | 0.00 | 0.00 | 0.00 |
| 2001 | | | 0.00 | 0.00 | 0.00 |
| 2002 | | | 21,000.00 | 21,000.00 | 0.00 |
| 2003 | | | 22,000.00 | 22,000.00 | 0.00 |
| 2004 | | | 24,000.00 | 24,000.00 | 0.00 |
| 2005 | | | 24,000.00 | 24,000.00 | 0.00 |
| 2006 | | | 26,000.00 | 26,000.00 | 0.00 |
| 2007 | | | 27,000.00 | 27,000.00 | 0.00 |
| 2008 | | | 28,000.00 | 28,000.00 | 0.00 |
| 2009 | | | 30,000.00 | 30,000.00 | 0.00 |
| 2010 | | | 31,000.00 | 31,000.00 | 0.00 |
| 2011 | | | 33,000.00 | 33,000.00 | 0.00 |
| 2012 | | | 34,000.00 | 34,000.00 | 0.00 |
| 2013 | | | 36,000.00 | 36,000.00 | 0.00 |
| 2014 | | | 38,000.00 | 38,000.00 | 0.00 |
| 2015 | | | 40,000.00 | 40,000.00 | 0.00 |
| 2016 | | | 42,000.00 | 42,000.00 | 0.00 |
| 2017 | | | 44,000.00 | 44,000.00 | 0.00 |
| 2018 | | | 46,000.00 | 46,000.00 | 0.00 |
| 2019 | | | 49,000.00 | 49,000.00 | 0.00 |
| 2020 | | | 51,000.00 | 51,000.00 | 0.00 |
| 2020 | Refinanced 11/05/2020 | | 1,641,000.00 | 1,641,000.00 | 0.00 |
| 2021 | | | 0.00 | 0.00 | 0.00 |
| 2022 | | | 0.00 | 0.00 | 0.00 |
| 2023 | | | 0.00 | 0.00 | 0.00 |
| 2024 | | | 0.00 | 0.00 | 0.00 |
| 2025 | | | 0.00 | 0.00 | 0.00 |
| 2026 | | | 0.00 | 0.00 | 0.00 |
| 2027 | | | 0.00 | 0.00 | 0.00 |
| 2028 | | | 0.00 | 0.00 | 0.00 |
| 2029 | | | 0.00 | 0.00 | 0.00 |
| 2030 | | | 0.00 | 0.00 | 0.00 |
| 2031 | | | 0.00 | 0.00 | 0.00 |
| 2032 | | | 0.00 | 0.00 | 0.00 |
| 2033 | | | 0.00 | 0.00 | 0.00 |
| 2034 | | | 0.00 | 0.00 | 0.00 |
| 2035 | | | 0.00 | 0.00 | 0.00 |
| 2036 | | | 0.00 | 0.00 | 0.00 |
| 2037 | | | 0.00 | 0.00 | 0.00 |
| 2038 | | | 0.00 | 0.00 | 0.00 |
| 2039 | | | 0.00 | 0.00 | 0.00 |
| Totals | | | 2,287,000.00 | 2,287,000.00 | 0.00 |

| Northern Kentucky Water Service District | | | Series 2011 | Attachment 23.02 | |
|--|------------------------------|-----------------|----------------------|----------------------|-------------|
| Bond Issue | 05/31/11 | \$30,830,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2012 | 3.000% | 825,000.00 | 825,000.00 | 0.00 |
| Registered | 2/1/2013 | 3.000% | 850,000.00 | 850,000.00 | 0.00 |
| Registered | 2/1/2014 | 3.000% | 875,000.00 | 875,000.00 | 0.00 |
| Registered | 2/1/2015 | 3.000% | 900,000.00 | 900,000.00 | 0.00 |
| Registered | 2/1/2016 | 3.000% | 930,000.00 | 930,000.00 | 0.00 |
| Registered | 2/1/2017 | 3.000% | 960,000.00 | 960,000.00 | 0.00 |
| Registered | 2/1/2018 | 3.000% | 985,000.00 | 985,000.00 | 0.00 |
| Registered | 2/1/2019 | 3.000% | 1,015,000.00 | 1,015,000.00 | 0.00 |
| Registered | 2/1/2020 | 4.000% | 1,055,000.00 | 1,055,000.00 | 0.00 |
| | Refinanced 11/05/2020 | | 22,435,000.00 | 22,435,000.00 | 0.00 |
| Registered | 2/1/2021 | 4.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2022 | 4.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2023 | 4.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2024 | 4.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2025 | 4.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2026 | 4.125% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2027 | 4.250% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2028 | 4.250% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2029 | 4.250% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2030 | 4.500% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2031 | 4.500% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2032 | 5.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2033 | 5.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2034 | 5.000% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2035 | 5.000% | 0.00 | 0.00 | 0.00 |
| TOTALS | | | 30,830,000.00 | 30,830,000.00 | 0.00 |

| Northern Kentucky Water Service District | | | Series 2012 | Attachment 23.03 | |
|--|----------|-----------------|----------------------|----------------------|----------------------|
| Bond Issue | 06/21/12 | \$54,840,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2013 | 4.000% | 1,725,000.00 | 1,725,000.00 | 0.00 |
| Registered | 2/1/2014 | 4.000% | 1,800,000.00 | 1,800,000.00 | 0.00 |
| Registered | 2/1/2015 | 4.000% | 1,875,000.00 | 1,875,000.00 | 0.00 |
| Registered | 2/1/2016 | 4.000% | 1,960,000.00 | 1,960,000.00 | 0.00 |
| Registered | 2/1/2017 | 5.000% | 2,530,000.00 | 2,530,000.00 | 0.00 |
| Registered | 2/1/2018 | 5.000% | 3,475,000.00 | 3,475,000.00 | 0.00 |
| Registered | 2/1/2019 | 5.000% | 3,650,000.00 | 3,650,000.00 | 0.00 |
| Registered | 2/1/2020 | 5.000% | 4,150,000.00 | 4,150,000.00 | 0.00 |
| Registered | 2/1/2021 | 5.000% | 4,365,000.00 | | 4,365,000.00 |
| Registered | 2/1/2022 | 5.000% | 4,590,000.00 | | 4,590,000.00 |
| Registered | 2/1/2023 | 5.000% | 4,720,000.00 | | 4,720,000.00 |
| Registered | 2/1/2024 | 5.000% | 4,970,000.00 | | 4,970,000.00 |
| Registered | 2/1/2025 | 5.000% | 5,220,000.00 | | 5,220,000.00 |
| Registered | 2/1/2026 | 5.000% | 5,495,000.00 | | 5,495,000.00 |
| Registered | 2/1/2027 | 5.000% | 4,315,000.00 | | 4,315,000.00 |
| | | | | | |
| TOTALS | | | 54,840,000.00 | 21,165,000.00 | 33,675,000.00 |

| Northern Kentucky Water Service District | | | Series 2013A | | Attachment 23.04 |
|--|----------|-----------------|----------------------|---------------------|----------------------|
| Bond Issue | 01/27/13 | \$26,400,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2014 | 2.000% | 615,000.00 | 615,000.00 | 0.00 |
| Registered | 2/1/2015 | 2.000% | 630,000.00 | 630,000.00 | 0.00 |
| Registered | 2/1/2016 | 3.000% | 645,000.00 | 645,000.00 | 0.00 |
| Registered | 2/1/2017 | 3.000% | 665,000.00 | 665,000.00 | 0.00 |
| Registered | 2/1/2018 | 4.000% | 685,000.00 | 685,000.00 | 0.00 |
| Registered | 2/1/2019 | 5.000% | 720,000.00 | 720,000.00 | 0.00 |
| Registered | 2/1/2020 | 5.000% | 755,000.00 | 755,000.00 | 0.00 |
| Registered | 2/1/2021 | 5.000% | 795,000.00 | | 795,000.00 |
| Registered | 2/1/2022 | 5.000% | 835,000.00 | | 835,000.00 |
| Registered | 2/1/2023 | 5.000% | 880,000.00 | | 880,000.00 |
| Registered | 2/1/2024 | 5.000% | 925,000.00 | | 925,000.00 |
| Registered | 2/1/2025 | 5.000% | 970,000.00 | | 970,000.00 |
| Registered | 2/1/2026 | 5.000% | 1,020,000.00 | | 1,020,000.00 |
| Registered | 2/1/2027 | 4.000% | 1,070,000.00 | | 1,070,000.00 |
| Registered | 2/1/2028 | 4.000% | 1,110,000.00 | | 1,110,000.00 |
| Registered | 2/1/2029 | 4.000% | 1,155,000.00 | | 1,155,000.00 |
| Registered | 2/1/2030 | 4.000% | 1,205,000.00 | | 1,205,000.00 |
| Registered | 2/1/2031 | 4.125% | 1,255,000.00 | | 1,255,000.00 |
| Registered | 2/1/2032 | 4.500% | 1,310,000.00 | | 1,310,000.00 |
| Registered | 2/1/2033 | 4.500% | 1,370,000.00 | | 1,370,000.00 |
| Registered | 2/1/2034 | 4.250% | 1,430,000.00 | | 1,430,000.00 |
| Registered | 2/1/2035 | 4.125% | 1,490,000.00 | | 1,490,000.00 |
| Registered | 2/1/2036 | 4.125% | 1,555,000.00 | | 1,555,000.00 |
| Registered | 2/1/2037 | 4.250% | 1,620,000.00 | | 1,620,000.00 |
| Registered | 2/1/2038 | 4.250% | 1,690,000.00 | | 1,690,000.00 |
| TOTALS | | | 26,400,000.00 | 4,715,000.00 | 21,685,000.00 |

| Northern Kentucky Water Service District | | | 2013B | | Attachment 23.05 |
|--|----------|-----------------|----------------------|----------------------|----------------------|
| Bond Issue | 06/21/12 | \$24,120,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2014 | 5.000% | 2,000,000.00 | 2,000,000.00 | 0.00 |
| Registered | 2/1/2015 | 5.000% | 1,920,000.00 | 1,920,000.00 | 0.00 |
| Registered | 2/1/2016 | 5.000% | 2,020,000.00 | 2,020,000.00 | 0.00 |
| Registered | 2/1/2017 | 5.000% | 1,645,000.00 | 1,645,000.00 | 0.00 |
| Registered | 2/1/2018 | 5.000% | 1,170,000.00 | 1,170,000.00 | 0.00 |
| Registered | 2/1/2019 | 5.000% | 1,230,000.00 | 1,230,000.00 | 0.00 |
| Registered | 2/1/2020 | 5.000% | 1,295,000.00 | 1,295,000.00 | 0.00 |
| Registered | 2/1/2021 | 5.000% | 1,355,000.00 | | 1,355,000.00 |
| Registered | 2/1/2022 | 5.000% | 1,430,000.00 | | 1,430,000.00 |
| Registered | 2/1/2023 | 5.000% | 1,500,000.00 | | 1,500,000.00 |
| Registered | 2/1/2024 | 4.000% | 1,570,000.00 | | 1,570,000.00 |
| Registered | 2/1/2025 | 4.000% | 1,635,000.00 | | 1,635,000.00 |
| Registered | 2/1/2026 | 4.000% | 1,700,000.00 | | 1,700,000.00 |
| Registered | 2/1/2027 | 5.000% | 1,780,000.00 | | 1,780,000.00 |
| Registered | 2/1/2028 | 5.000% | 1,870,000.00 | | 1,870,000.00 |
| | | | | | |
| TOTALS | | | 24,120,000.00 | 11,280,000.00 | 12,840,000.00 |

| Northern Kentucky Water Service District | | | 2014A | | Attachment 23.06 |
|--|----------|----------------|---------------------|------------------|---------------------|
| Bond Issue | 12/11/17 | \$1,733,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2017 | 2.750% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2018 | 2.750% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2019 | 2.750% | 0.00 | 0.00 | 0.00 |
| Registered | 2/1/2020 | 2.750% | 26,500.00 | 26,500.00 | 0.00 |
| Registered | 2/1/2021 | 2.750% | 27,000.00 | | 27,000.00 |
| Registered | 2/1/2022 | 2.750% | 28,000.00 | | 28,000.00 |
| Registered | 2/1/2023 | 2.750% | 28,500.00 | | 28,500.00 |
| Registered | 2/1/2024 | 2.750% | 29,500.00 | | 29,500.00 |
| Registered | 2/1/2025 | 2.750% | 30,500.00 | | 30,500.00 |
| Registered | 2/1/2026 | 2.750% | 31,000.00 | | 31,000.00 |
| Registered | 2/1/2027 | 2.750% | 32,000.00 | | 32,000.00 |
| Registered | 2/1/2028 | 2.750% | 33,000.00 | | 33,000.00 |
| Registered | 2/1/2029 | 2.750% | 33,500.00 | | 33,500.00 |
| Registered | 2/1/2030 | 2.750% | 34,500.00 | | 34,500.00 |
| Registered | 2/1/2031 | 2.750% | 35,500.00 | | 35,500.00 |
| Registered | 2/1/2032 | 2.750% | 36,500.00 | | 36,500.00 |
| Registered | 2/1/2033 | 2.750% | 37,500.00 | | 37,500.00 |
| Registered | 2/1/2034 | 2.750% | 38,500.00 | | 38,500.00 |
| Registered | 2/1/2035 | 2.750% | 39,500.00 | | 39,500.00 |
| Registered | 2/1/2036 | 2.750% | 41,000.00 | | 41,000.00 |
| Registered | 2/1/2037 | 2.750% | 42,000.00 | | 42,000.00 |
| Registered | 2/1/2038 | 2.750% | 43,000.00 | | 43,000.00 |
| Registered | 2/1/2039 | 2.750% | 44,000.00 | | 44,000.00 |
| Registered | 2/1/2040 | 2.750% | 45,500.00 | | 45,500.00 |
| Registered | 2/1/2041 | 2.750% | 46,500.00 | | 46,500.00 |
| Registered | 2/1/2042 | 2.750% | 48,000.00 | | 48,000.00 |
| Registered | 2/1/2043 | 2.750% | 49,500.00 | | 49,500.00 |
| Registered | 2/1/2044 | 2.750% | 50,500.00 | | 50,500.00 |
| Registered | 2/1/2045 | 2.750% | 52,000.00 | | 52,000.00 |
| Registered | 2/1/2046 | 2.750% | 53,500.00 | | 53,500.00 |
| Registered | 2/1/2047 | 2.750% | 55,000.00 | | 55,000.00 |
| Registered | 2/1/2048 | 2.750% | 56,500.00 | | 56,500.00 |
| Registered | 2/1/2049 | 2.750% | 58,000.00 | | 58,000.00 |
| Registered | 2/1/2050 | 2.750% | 59,500.00 | | 59,500.00 |
| Registered | 2/1/2051 | 2.750% | 61,000.00 | | 61,000.00 |
| Registered | 2/1/2052 | 2.750% | 63,000.00 | | 63,000.00 |
| Registered | 2/1/2053 | 2.750% | 64,500.00 | | 64,500.00 |
| Registered | 2/1/2054 | 2.750% | 66,500.00 | | 66,500.00 |
| Registered | 2/1/2055 | 2.750% | 68,500.00 | | 68,500.00 |
| Registered | 2/1/2056 | 2.750% | 70,000.00 | | 70,000.00 |
| Registered | 2/1/2057 | 2.750% | 73,500.00 | | 73,500.00 |
| TOTALS | | | 1,733,000.00 | 26,500.00 | 1,706,500.00 |

| Northern Kentucky Water Service District | | | 2014B | | Attachment 23.07 |
|--|----------|-----------------|----------------------|----------------------|---------------------|
| Bond Issue | 12/23/14 | \$15,805,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2015 | 5.000% | 2,000,000.00 | 2,000,000.00 | 0.00 |
| Registered | 2/1/2016 | 5.000% | 1,850,000.00 | 1,850,000.00 | 0.00 |
| Registered | 2/1/2017 | 5.000% | 1,940,000.00 | 1,940,000.00 | 0.00 |
| Registered | 2/1/2018 | 5.000% | 1,880,000.00 | 1,880,000.00 | 0.00 |
| Registered | 2/1/2019 | 5.000% | 1,980,000.00 | 1,980,000.00 | 0.00 |
| Registered | 2/1/2020 | 5.000% | 1,505,000.00 | 1,505,000.00 | 0.00 |
| Registered | 2/1/2021 | 5.000% | 440,000.00 | | 440,000.00 |
| Registered | 2/1/2022 | 5.000% | 465,000.00 | | 465,000.00 |
| Registered | 2/1/2023 | 3.000% | 485,000.00 | | 485,000.00 |
| Registered | 2/1/2024 | 3.000% | 495,000.00 | | 495,000.00 |
| Registered | 2/1/2025 | 4.000% | 515,000.00 | | 515,000.00 |
| Registered | 2/1/2026 | 4.000% | 540,000.00 | | 540,000.00 |
| Registered | 2/1/2027 | 3.000% | 550,000.00 | | 550,000.00 |
| Registered | 2/1/2028 | 3.000% | 570,000.00 | | 570,000.00 |
| Registered | 2/1/2029 | 3.125% | 590,000.00 | | 590,000.00 |
| | | | | | |
| TOTALS | | | 15,805,000.00 | 11,155,000.00 | 4,650,000.00 |

| Northern Kentucky Water Service District | | | 2016A | | Attachment 23.08 |
|--|----------|-----------------|----------------------|---------------------|----------------------|
| Bond Issue | 11/22/16 | \$41,905,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2017 | 5.000% | 2,455,000.00 | 2,455,000.00 | 0.00 |
| Registered | 2/1/2018 | 5.000% | 1,910,000.00 | 1,910,000.00 | 0.00 |
| Registered | 2/1/2019 | 5.000% | 2,005,000.00 | 2,005,000.00 | 0.00 |
| Registered | 2/1/2020 | 5.000% | 2,380,000.00 | 2,380,000.00 | 0.00 |
| Registered | 2/1/2021 | 5.000% | 2,325,000.00 | | 2,325,000.00 |
| Registered | 2/1/2022 | 5.000% | 2,450,000.00 | | 2,450,000.00 |
| Registered | 2/1/2023 | 5.000% | 2,685,000.00 | | 2,685,000.00 |
| Registered | 2/1/2024 | 5.000% | 2,715,000.00 | | 2,715,000.00 |
| Registered | 2/1/2025 | 5.000% | 2,865,000.00 | | 2,865,000.00 |
| Registered | 2/1/2026 | 5.000% | 3,015,000.00 | | 3,015,000.00 |
| Registered | 2/1/2027 | 5.000% | 3,170,000.00 | | 3,170,000.00 |
| Registered | 2/1/2028 | 3.000% | 3,300,000.00 | | 3,300,000.00 |
| Registered | 2/1/2029 | 4.000% | 3,425,000.00 | | 3,425,000.00 |
| Registered | 2/1/2030 | 3.000% | 3,545,000.00 | | 3,545,000.00 |
| Registered | 2/1/2031 | 3.000% | 3,660,000.00 | | 3,660,000.00 |
| | | | | | |
| TOTALS | | | 41,905,000.00 | 8,750,000.00 | 33,155,000.00 |

| Northern Kentucky Water Service District | | | 2019 | | Attachment 23.09 |
|--|----------|-----------------|----------------------|-------------------|----------------------|
| Bond Issue | 09/26/19 | \$17,845,000.00 | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2020 | 3.000% | 535,000.00 | 535,000.00 | 0.00 |
| Registered | 2/1/2021 | 3.000% | 455,000.00 | | 455,000.00 |
| Registered | 2/1/2022 | 3.000% | 470,000.00 | | 470,000.00 |
| Registered | 2/1/2023 | 4.000% | 485,000.00 | | 485,000.00 |
| Registered | 2/1/2024 | 4.000% | 505,000.00 | | 505,000.00 |
| Registered | 2/1/2025 | 5.000% | 530,000.00 | | 530,000.00 |
| Registered | 2/1/2026 | 5.000% | 560,000.00 | | 560,000.00 |
| Registered | 2/1/2027 | 5.000% | 585,000.00 | | 585,000.00 |
| Registered | 2/1/2028 | 5.000% | 615,000.00 | | 615,000.00 |
| Registered | 2/1/2029 | 4.000% | 645,000.00 | | 645,000.00 |
| Registered | 2/1/2030 | 3.000% | 665,000.00 | | 665,000.00 |
| Registered | 2/1/2031 | 3.000% | 690,000.00 | | 690,000.00 |
| Registered | 2/1/2032 | 3.000% | 710,000.00 | | 710,000.00 |
| Registered | 2/1/2033 | 3.000% | 730,000.00 | | 730,000.00 |
| Registered | 2/1/2034 | 3.000% | 755,000.00 | | 755,000.00 |
| Registered | 2/1/2035 | 3.000% | 775,000.00 | | 775,000.00 |
| Registered | 2/1/2036 | 3.000% | 800,000.00 | | 800,000.00 |
| Registered | 2/1/2037 | 3.000% | 825,000.00 | | 825,000.00 |
| Registered | 2/1/2038 | 3.000% | 850,000.00 | | 850,000.00 |
| Registered | 2/1/2039 | 3.000% | 875,000.00 | | 875,000.00 |
| Registered | 2/1/2040 | 3.000% | 900,000.00 | | 900,000.00 |
| Registered | 2/1/2041 | 3.000% | 930,000.00 | | 930,000.00 |
| Registered | 2/1/2042 | 3.000% | 955,000.00 | | 955,000.00 |
| Registered | 2/1/2043 | 3.000% | 985,000.00 | | 985,000.00 |
| Registered | 2/1/2044 | 3.000% | 1,015,000.00 | | 1,015,000.00 |
| | | | | | |
| TOTALS | | | 17,845,000.00 | 535,000.00 | 17,310,000.00 |

| Northern Kentucky Water Service District | | | 2020 | | Attachment 23.10 |
|--|----------|----------|----------------------|-------------|----------------------|
| Bond Issue | 11/05/20 | | | | |
| Bond | Maturity | Interest | Principal | Amounts | Outstanding |
| Number | Date | Rate | Amount | Paid | |
| Registered | 2/1/2021 | 5.000% | 1,270,000.00 | | 1,270,000.00 |
| Registered | 2/1/2022 | 5.000% | 1,110,000.00 | | 1,110,000.00 |
| Registered | 2/1/2023 | 5.000% | 1,165,000.00 | | 1,165,000.00 |
| Registered | 2/1/2024 | 5.000% | 1,225,000.00 | | 1,225,000.00 |
| Registered | 2/1/2025 | 5.000% | 1,290,000.00 | | 1,290,000.00 |
| Registered | 2/1/2026 | 5.000% | 1,355,000.00 | | 1,355,000.00 |
| Registered | 2/1/2027 | 5.000% | 1,425,000.00 | | 1,425,000.00 |
| Registered | 2/1/2028 | 5.000% | 1,500,000.00 | | 1,500,000.00 |
| Registered | 2/1/2029 | 4.000% | 1,565,000.00 | | 1,565,000.00 |
| Registered | 2/1/2030 | 3.000% | 1,625,000.00 | | 1,625,000.00 |
| Registered | 2/1/2031 | 3.000% | 1,670,000.00 | | 1,670,000.00 |
| Registered | 2/1/2032 | 3.000% | 1,725,000.00 | | 1,725,000.00 |
| Registered | 2/1/2033 | 2.000% | 1,765,000.00 | | 1,765,000.00 |
| Registered | 2/1/2034 | 2.000% | 1,800,000.00 | | 1,800,000.00 |
| Registered | 2/1/2035 | 2.000% | 1,835,000.00 | | 1,835,000.00 |
| TOTALS | | | 22,325,000.00 | 0.00 | 22,325,000.00 |

Notes Payable (Acct. 232 & 234)

| 2020 a | Nominal Date of Issue b | Date of Maturity c | INTEREST | | Principal Amount per Balance Sheet f |
|--|---|--|----------------------|--------------------------------------|--|
| | | | Rate d | Amount of payment e | |
| Account 232 - Note Payable | | | | | |
| Campbell Co. Fiscal Court | | | 0.00% | \$ _____ | \$ 100,000 |
| | | | | | - |
| | | | | | |
| Total Account 232 | | | | \$ _____ | \$ 100,000 |
| | | | | | |
| Account 234 - Notes Payable To Associated Companies | | N/A | | \$ _____ | \$ _____ |
| | | | | | |
| | | | | | |
| Total Account 234 | | | | \$ _____ | \$ _____ |

Accounts Payable to Associated Companies (Acct. 233)

| Show Payable to Each Associated Company Separately | Amount |
|--|----------|
| | \$ _____ |
| N/A | _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| | _____ |
| Total | \$ _____ |

NORTHERN KENTUCKY WATER
DISTRICT

2020 Audited Financial Statements

NORTHERN KENTUCKY WATER DISTRICT

December 31, 2020

*FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS'
REPORT INCLUDING SUPPLEMENTARY INFORMATION*

**NORTHERN KENTUCKY WATER DISTRICT
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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Northern Kentucky Water District
Erlanger, Kentucky

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Northern Kentucky Water District (the District), as of and for the years ended December 31, 2020 and 2019 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Northern Kentucky Water District as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, schedule of the District's proportionate share of the net OPEB liability, and schedule of the District's OPEB contributions on pages 1 – 6 and 52 – 55, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Northern Kentucky Water District's basic financial statements. The other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated April 15, 2021, on our consideration of the Northern Kentucky Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Northern Kentucky Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Northern Kentucky Water District's internal control over financial reporting and compliance.

VonLehman & Company Inc.

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

Our discussion and analysis of Northern Kentucky Water District's financial performance provides an overview of the District's financial activities for the year ended December 31, 2020. This information is presented in conjunction with the audited financial statements that follow this section.

Financial Highlights

The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows at the close of the most recent year by \$223,957,521 (net position). This was an increase of \$13,367,262 in comparison to the prior year.

- Operating revenues increased \$3,183,762 or 5.5% from 2019.
- The debt coverage ratio increased from 1.70 in 2019 to 1.99 in 2020.

Overview of the Financial Statements

The discussion and analysis serves as an introduction to the District's basic financial statements. The basic financial statements are comprised of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, the Statement of Cash Flows and the Notes to the Financial Statements. The report also contains additional required supplementary information and other supplementary information in addition to the basic financial statements themselves.

The financial statements of the District are designed to provide the readers with a broad overview of the District's finances in a manner similar to a private sector business.

The Statement of Net Position presents information on all the District's assets, liabilities, deferred inflows and deferred outflows with the differences between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the District's net position changed during the years presented. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods.

The Statement of Cash Flows presents information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Basis of Accounting

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

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

Overview of Annual Financial Report

Table 1 provides a summary of the District's net position for 2020 compared to 2019.

**Table 1
Net Position**

| | December 31, | |
|---|----------------------------------|----------------------------------|
| | 2020 | 2019 |
| Assets | | |
| Current Assets | \$ 64,887,811 | \$ 53,909,267 |
| Restricted Assets Noncurrent | 38,901,855 | 44,662,876 |
| Miscellaneous Deferred Charges | 4,136,001 | 4,480,782 |
| Capital Assets | <u>341,687,056</u> | <u>343,654,137</u> |
| Total Assets | <u>449,612,723</u> | <u>446,707,062</u> |
| Deferred Outflows of Resources | <u>11,359,648</u> | <u>10,676,186</u> |
| Liabilities | | |
| Current Liabilities | 19,358,024 | 20,614,679 |
| Restricted Liabilities Noncurrent | 1,024,188 | 1,220,428 |
| Other Noncurrent Liabilities | <u>215,106,931</u> | <u>222,172,952</u> |
| Total Liabilities | <u>235,489,143</u> | <u>244,008,059</u> |
| Deferred Inflows of Resources | <u>1,525,707</u> | <u>2,784,930</u> |
| Net Position | | |
| Net Investment in Capital Assets | 151,974,245 | 140,884,382 |
| Restricted | 37,877,667 | 43,442,448 |
| Unrestricted | <u>34,105,609</u> | <u>26,263,429</u> |
| Total Net Position | <u>\$ 223,957,521</u> | <u>\$ 210,590,259</u> |

The District's net position for 2020 increased 6.35% to \$223,957,521 compared to \$210,590,259 for 2019. The increase was mainly attributable to the Phase II rate adjustment that was approved by the Kentucky Public Service Commission in Case No. 2018-00291.

A portion of the District's net position (16.9%) is considered to be restricted. This amount represents resources that are subject to external restrictions on how they may be used.

An additional portion of the District's net position (67.9%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets still outstanding. The District uses these capital assets to provide services to its customers. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

The remaining balance of unrestricted net position (15.2%) may be used to meet the District's ongoing obligations to customers and creditors.

The following points explain the major changes impacting net position as shown on the previous page:

- Cash and cash equivalents increased \$7,516,216 from the previous year due to reduced spending because of the pandemic, in addition to cash conservation for new projects that are expected to begin in the upcoming year.
- Accounts receivable, net increased \$1,634,349 from the previous year due to slower payments resulting from the temporary suspension of water turn offs because of the pandemic. Additionally, the second phase of rate increases went into effect in March 2020.
- Capital assets, net of accumulated depreciation decreased \$1,967,081 from the previous year due to continued depreciation expense incurred on capital assets.
- Bond indebtedness decreased \$12,414,016 from the previous year due to continued payments on outstanding bonds. Additionally, the District issued Refunding Revenue Bonds, Series 2020 for \$22,325,000 during 2020 to refund the District's outstanding Revenue Bonds Series 2011 and Rural Development Loan 91-02 at a lower interest rate.
- Net pension liability increased \$2,786,289 and net OPEB liability increased \$2,637,180 as a result of an overall increase in the net pension and net OPEB liability of the Kentucky Retirement System's non-hazardous plan. Additionally, the District had an increase in their proportionate share percentage in the current year.

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

Table 2 shows the changes in net assets for 2020, as well as revenue and expense comparisons to 2019.

**Table 2
Changes in Net Position**

| | Years Ended December 31, | |
|---|---------------------------------|-----------------------------|
| | 2020 | 2019 |
| Operating Revenues | | |
| Water Sales | \$ 59,767,687 | \$ 55,764,229 |
| Forfeited Discounts | 237,109 | 830,599 |
| Rents From Property | 548,933 | 385,845 |
| Other Water Revenues | 197,927 | 587,221 |
| Total Operating Revenues | <u>60,751,656</u> | <u>57,567,894</u> |
| Operating Expenses | | |
| Operating and Maintenance Expense | 28,706,549 | 28,738,889 |
| Depreciation Expense | 12,301,512 | 12,179,078 |
| Total Operating Expenses | <u>41,008,061</u> | <u>40,917,967</u> |
| Net Operating Income | <u>19,743,595</u> | <u>16,649,927</u> |
| Non-Operating Income (Expense) | | |
| Investment Income | 688,108 | 1,881,532 |
| Miscellaneous Non-Operating Income | 112,631 | 494,748 |
| Loss on Abandonment of Mains | (264,847) | (532,386) |
| Interest on Long-Term Debt and Customer Deposits | (6,555,100) | (7,075,292) |
| Amortization of Debt Premiums and Defeasance Costs | 851,294 | 887,155 |
| Bond Issuance Costs | (226,603) | (103,192) |
| Pension Expense | (2,604,502) | (2,476,972) |
| Other Post Employment Benefit Expense | (564,502) | (97,596) |
| Arbitrage Expense | 27,184 | (178,770) |
| Gain on Sale of Capital Assets | 60,861 | 48,374 |
| Total Non-Operating Expenses | <u>(8,475,476)</u> | <u>(7,152,399)</u> |
| Change in Net Position Before Capital Contributions | 11,268,119 | 9,497,528 |
| Capital Contributions | <u>2,099,143</u> | <u>1,551,675</u> |
| Change in Net Position | <u>\$ 13,367,262</u> | <u>\$ 11,049,203</u> |

In reviewing income before capital contributions, the financial statements showed net income for the year of \$11,268,119. Operating revenues increased 5.5% mainly as a result of the Phase II rate adjustment that was implemented March 25, 2020. Operating expenses (including depreciation) increased 0.2% and overall remained comparable to the previous year. Non-Operating Income (Expense) decreased \$1,323,077 due to increased pension and OPEB expense as a result of changes in the District's proportionate share of the Kentucky Retirement Systems' non-hazardous plan's net pension and OPEB liabilities. Capital contributions increased by \$547,468 (35.3%) primarily due to the increase of mains constructed by other entities and contributed to the District.

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

The District budgeted for \$58,097,724 in operating revenues. Actual revenues were \$60,751,656, a difference of \$2,653,932. The largest differences were due to water sales being overbudget by \$3,238,963 and forfeited discounts being underbudget by \$583,991. The water sales were overbudget primarily due to conservative budgeting practices, while forfeited discounts were underbudget due to temporary suspension of penalties because of the pandemic. Operation, maintenance, and administration expenses were budgeted at \$31,169,960. Actual expenses were \$28,706,549, a difference of \$2,463,411. The largest portion of this difference was related to salaries and wages, and employee pension and benefits having a total combined budget of \$16,007,761, while actual expenses totaled \$14,549,045. The District budgeted for an increase in CERS contribution rates, however during the 2020 regular session, Senate Bill 249 froze the CERS employer rate phase-in for one year. Additionally, the District's salary expense was lower than budgeted due to various full-time budgeted positions remaining vacant at various times throughout the year and also as a result of the reduced need for part-time staff to perform disconnections since water service disconnections for non-payments were suspended during the pandemic.

Capital Assets

At December 31, 2020, the capital assets reported were \$341,687,056 including land, buildings, water systems, equipment, and vehicles. This represents a net decrease of \$1,974,481, or (0.6%), over last year due. Additional information on the District's capital assets can be found in Note 6 of this report.

**Table 3
Capital Assets, Net of Depreciation**

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2020 | 2019 |
| Not Being Depreciated | | |
| Land | \$ 3,267,226 | \$ 3,267,226 |
| Construction in Progress | 9,363,904 | 13,054,992 |
| Plant Acquisition Adjustment | 5,516,136 | 5,516,136 |
| Other Capital Assets | | |
| Utility Plants | | |
| Transmission and Distribution, Source of Supply, Pumping System, Power Generation, Water Treatment, and General Plant and Equipment | 508,590,398 | 495,430,358 |
| Subtotal | 526,737,664 | 517,268,712 |
| Less Accumulated Depreciation | 185,050,608 | 173,614,575 |
| Totals | \$ 341,687,056 | \$ 343,654,137 |

Major capital additions during the year included adding mains for approximately \$8,803,408 and services for approximately \$1,802,607.

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

Long-Term Liabilities

Table 4 summarizes the District's long-term liabilities at the end of 2020 as compared to 2019.

**Table 4
Outstanding Long-Term Liabilities at Year End**

| | December 31, | |
|----------------------|---------------------|----------------|
| | 2020 | 2019 |
| Compensated Absences | \$ 1,369,138 | \$ 1,005,126 |
| Arbitrage Liability | 295,084 | 734,477 |
| Bond Indebtedness | 161,365,097 | 173,779,113 |
| Notes Payable | 32,043,014 | 32,997,722 |
| | \$ 195,072,333 | \$ 208,516,438 |

At year-end, the District had \$193,408,111 in outstanding notes and bonds compared to \$206,776,835 last year. That is a decrease of 6.5% as shown in Table 4.

Economic Factors and Next Year's Budget

The District's budget for 2021 is allowing for a decrease in revenue from previously budgeted amounts due to the fact that no rate increase will go into effect in 2021 and due to uncertainty with respect to interest income in an unstable market. A modest increase is anticipated for operating expenses as a result of the modest increase in employee related expenses along with projected increases in materials and supplies, contractual services, insurance, bad debt expense, and competitively bid chemicals, along with a slight decrease in transportation expenses.

The District is not legally required to adopt and adhere to a budget or to present budgetary comparison information. However, the Board chooses to approve an annual budget as a management tool, which serves as the foundation for the District's financial planning and control. Additionally, the Board also chooses to present the budgetary comparison as part of the supplementary information to the financial statements. The Board does not formally amend the budget after approval.

Contacting the District's Financial Management

This report is designed to provide our customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Administrative Office at 2835 Crescent Springs Road, Erlanger, KY, 41018.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENTS OF NET POSITION**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2020 | 2019 |
| Assets and Deferred Outflows of Resources | | |
| Current Assets | | |
| Cash and Cash Equivalents | \$ 39,074,049 | \$ 31,557,833 |
| Investments | 3,884,495 | 2,341,386 |
| Accounts Receivable | | |
| Customers, Net | 7,785,823 | 6,756,320 |
| Unbilled Customers | 7,460,000 | 6,500,000 |
| Others | 70,350 | 425,504 |
| Assessments Receivable | 165,091 | 155,813 |
| Inventory Supplies for New Installation and Maintenance, at Cost | 1,854,834 | 1,667,269 |
| Prepaid Items | 1,084,532 | 813,405 |
| Restricted Assets - Cash and Cash Equivalents | | |
| Bond Proceeds Fund | 37,000 | 339,698 |
| Debt Service Account | 2,453,994 | 2,898,212 |
| Improvement, Repair & Replacement | 1,017,643 | 453,827 |
| Total Current Assets | 64,887,811 | 53,909,267 |
| Non-current Assets | | |
| Restricted Assets - Cash and Cash Equivalents | | |
| Bond Proceeds Fund | 674,652 | 2,960,095 |
| Debt Service Account | 18,091,707 | 20,021,398 |
| Improvement, Repair and Replacement | 164,656 | 689,509 |
| Customer Deposits Fund | 859,532 | 942,820 |
| Restricted Assets - Investments | | |
| Debt Service Reserve Account | 19,111,308 | 20,049,054 |
| Miscellaneous Deferred Charges | 4,136,001 | 4,480,782 |
| Capital Assets | | |
| Land, System, Buildings and Equipment | 517,373,760 | 504,213,720 |
| Construction in Progress | 9,363,904 | 13,054,992 |
| Total Capital Assets | 526,737,664 | 517,268,712 |
| Less Accumulated Depreciation | 185,050,608 | 173,614,575 |
| Total Capital Assets, Net of Accumulated Depreciation | 341,687,056 | 343,654,137 |
| Total Noncurrent Assets | 384,724,912 | 392,797,795 |
| Total Assets | 449,612,723 | 446,707,062 |
| Deferred Outflows of Resources | | |
| Deferred Outflows Related to Pension | 4,066,559 | 4,558,221 |
| Deferred Outflows Related to Other Postemployment Benefits | 3,597,789 | 2,110,885 |
| Deferred Loss on Refundings | 3,695,300 | 4,007,080 |
| Total Deferred Outflows of Resources | 11,359,648 | 10,676,186 |
| Total Assets and Deferred Outflows of Resources | \$ 460,972,371 | \$ 457,383,248 |

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENTS OF NET POSITION
(Continued)**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

| | December 31, | |
|---|-----------------------|-----------------------|
| | 2020 | 2019 |
| Liabilities and Deferred Inflows of Resources | | |
| Current Liabilities | | |
| Bonded Indebtedness | \$ 12,401,280 | \$ 12,966,128 |
| Notes Payable | 1,720,459 | 1,690,053 |
| Accounts Payable | 942,005 | 1,011,597 |
| Accrued Payroll and Taxes | 396,705 | 457,014 |
| Compensated Absences | 99,611 | 107,575 |
| Arbitrage Liability | - | 412,209 |
| Other Accrued Liabilities | 289,327 | 278,366 |
| Liabilities Payable - Restricted Assets | | |
| Accrued Interest Payable | 2,453,994 | 2,898,212 |
| Accounts Payable | 1,054,643 | 793,525 |
| | 19,358,024 | 20,614,679 |
| Non-current Liabilities | | |
| Liabilities Payable - Restricted Assets | | |
| Accounts Payable | 164,656 | 277,608 |
| Customer Deposits | 859,532 | 942,820 |
| Compensated Absences | 1,269,527 | 897,551 |
| Arbitrage Liability | 295,084 | 322,268 |
| Bond Indebtedness | 148,963,817 | 160,812,985 |
| Notes Payable | 30,322,555 | 31,307,669 |
| Net Pension Liability | 26,055,399 | 23,269,110 |
| Net Other Postemployment Benefits Liability | 8,200,549 | 5,563,369 |
| | 216,131,119 | 223,393,380 |
| Total Long-Term Liabilities | 216,131,119 | 223,393,380 |
| Total Liabilities | 235,489,143 | 244,008,059 |
| Deferred Inflows of Resources | | |
| Deferred Inflows Related to Pension | 53,168 | 726,617 |
| Deferred Inflows Related to Other Postemployment Benefits | 1,472,539 | 2,058,313 |
| | 1,525,707 | 2,784,930 |
| Total Deferred Inflows of Resources | 1,525,707 | 2,784,930 |
| Total Liabilities and Deferred Inflows of Resources | 237,014,850 | 246,792,989 |
| Net Position | | |
| Net Investment in Capital Assets | 151,974,245 | 140,884,382 |
| Restricted For Debt Service Funds | 37,203,015 | 40,070,452 |
| Restricted For Capital Improvement Projects | 674,652 | 3,371,996 |
| Unrestricted | 34,105,609 | 26,263,429 |
| | 223,957,521 | 210,590,259 |
| Total Net Position | 223,957,521 | 210,590,259 |
| Total Liabilities, Deferred Inflows of Resources, and Net Position | \$ 460,972,371 | \$ 457,383,248 |

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**

| | Years Ended December 31, | |
|---|---------------------------------|-----------------------|
| | 2020 | 2019 |
| Operating Revenues | | |
| Water Sales | \$ 59,767,687 | \$ 55,764,229 |
| Forfeited Discounts | 237,109 | 830,599 |
| Rents From Property | 548,933 | 385,845 |
| Other Water Revenues | 197,927 | 587,221 |
| | <u>60,751,656</u> | <u>57,567,894</u> |
| Operating Expenses | | |
| Operating and Maintenance Expense | 28,706,549 | 28,738,889 |
| Depreciation Expense | 12,301,512 | 12,179,078 |
| | <u>41,008,061</u> | <u>40,917,967</u> |
| | | |
| Net Operating Income | <u>19,743,595</u> | <u>16,649,927</u> |
| Non-Operating Income (Expense) | | |
| Investment Income | 688,108 | 1,881,532 |
| Miscellaneous Non-Operating Income | 112,631 | 494,748 |
| Loss on Abandonment of Mains | (264,847) | (532,386) |
| Interest on Long-Term Debt and Customer Deposits | (6,555,100) | (7,075,292) |
| Amortization of Debt Premiums and Defeasance Costs | 851,294 | 887,155 |
| Bond Issuance Costs | (226,603) | (103,192) |
| Pension Expense | (2,604,502) | (2,476,972) |
| Other Post Employment Benefit Expense | (564,502) | (97,596) |
| Arbitrage Rebate (Expense) | 27,184 | (178,770) |
| Gain on Sale of Capital Assets | 60,861 | 48,374 |
| | <u>(8,475,476)</u> | <u>(7,152,399)</u> |
| | | |
| Change in Net Position Before Capital Contributions | 11,268,119 | 9,497,528 |
| Capital Contributions | <u>2,099,143</u> | <u>1,551,675</u> |
| | | |
| Change in Net Position | 13,367,262 | 11,049,203 |
| Net Position - Beginning of Year | <u>210,590,259</u> | <u>199,541,056</u> |
| | | |
| Net Position - End of Year | <u>\$ 223,957,521</u> | <u>\$ 210,590,259</u> |

See accompanying notes.

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

| | Years Ended December 31, | |
|---|---------------------------------|---------------|
| | 2020 | 2019 |
| Cash Flows From Operating Activities | | |
| Received From Customers | \$ 59,024,741 | \$ 55,410,698 |
| Received for Miscellaneous Non-Operating Income | 112,631 | - |
| Paid to Suppliers for Goods and Services | (14,181,880) | (13,748,106) |
| Paid to or on Behalf of Employees for Services | (14,245,342) | (14,172,043) |
| Net Cash Provided by Operating Activities | 30,710,150 | 27,490,549 |
| Cash Flows From Investing Activities | | |
| Purchase of Investments | (53,241,616) | (65,223,668) |
| Proceeds From Sale of Investments | 52,656,436 | 64,516,409 |
| Investment Income | 667,923 | 132,255 |
| Net Cash Provided (Used) by Investing Activities | 82,743 | (575,004) |
| Cash Flows From Capital and Related Financing Activities | | |
| Principal Paid on Debt | (13,442,555) | (12,309,207) |
| Debt Proceeds | 735,347 | 2,174,496 |
| Interest Paid on Bonds and Notes | (6,724,363) | (7,261,207) |
| Acquisition and Construction of Capital Assets | (8,531,994) | (9,857,174) |
| Proceeds on Sale of Capital Assets | 92,722 | (52,661) |
| Payment on Arbitrage Liability | (412,209) | - |
| Miscellaneous Non-Operating Income | - | 521,552 |
| Net Cash Used by Capital and Related Financing Activities | (28,283,052) | (26,784,201) |
| Net Change in Cash | 2,509,841 | 131,344 |
| Cash and Cash Equivalents Beginning of Year | 59,863,392 | 59,732,048 |
| Cash and Cash Equivalents End of Year | \$ 62,373,233 | \$ 59,863,392 |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | |
| Net Operating Income | \$ 19,743,595 | \$ 16,649,927 |
| Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation | 12,301,512 | 12,179,078 |
| Miscellaneous Non-Operating Income | 112,631 | - |
| Change in Assets and Liabilities | | |
| Accounts Receivable, Net | (1,634,349) | (2,059,124) |
| Assessments Receivable | (9,278) | (8,740) |
| Inventory Supplies | (187,565) | (97,235) |
| Prepaid Expenses | (271,127) | (340,291) |
| Miscellaneous Deferred Charges | 344,781 | 417,582 |
| Accounts Payable | 78,574 | 402,831 |
| Accrued Payroll and Taxes | (60,309) | 67,566 |
| Accrued Compensated Absences | 364,012 | 342,206 |
| Other Accrued Liabilities | 10,961 | 26,081 |
| Customer Deposits | (83,288) | (89,332) |
| Net Cash Provided by Operating Activities | \$ 30,710,150 | \$ 27,490,549 |

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENTS OF CASH FLOWS
(Continued)**

| | <u>Years Ended December 31,</u> | |
|---|---------------------------------|-----------------------------|
| | <u>2020</u> | <u>2019</u> |
| Supplemental Schedule of Noncash Capital and Related Financing Activities | | |
| Change in Fair Value of Investments | \$ <u>(1,673,767)</u> | \$ <u>(1,139,986)</u> |
| Contributions of Capital Assets | \$ <u>2,099,143</u> | \$ <u>1,551,675</u> |
| Current Refunding of Revenue Bonds, Series 2011 | \$ <u>22,587,779</u> | \$ <u>-</u> |
| Retirement of Rural Development Loan 91-02 through Refunding Revenue Bonds, Series 2020 | \$ <u>1,641,000</u> | \$ <u>-</u> |
| Accrued Interest on Refunding | \$ <u>274,955</u> | \$ <u>-</u> |
| Bond Issuance Costs on Refunding | \$ <u>226,603</u> | \$ <u>-</u> |
| Deferred Loss on Refunding | \$ <u>76,496</u> | \$ <u>-</u> |
| Bond Anticipation Note Retired through Bond Issuance | \$ <u>-</u> | \$ <u>17,325,000</u> |
| Pension Expense | \$ <u>(2,604,502)</u> | \$ <u>(2,476,972)</u> |
| Other Post Employment Benefit Expense | \$ <u>(564,502)</u> | \$ <u>(97,596)</u> |
| Amortization Expense | \$ <u>(851,294)</u> | \$ <u>(886,538)</u> |
| Reconciliations of Cash and Cash Equivalents to the Statement of Net Position | | |
| Cash and Cash Equivalents - Current | \$ 39,074,049 | \$ 31,557,833 |
| Cash and Cash Equivalents - Restricted | <u>23,299,184</u> | <u>28,305,559</u> |
| Total Cash and Cash Equivalents | \$ <u>62,373,233</u> | \$ <u>59,863,392</u> |

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Northern Kentucky Water District (the District) was established August 28, 1996 and became operational January 1, 1997 as a result of a merger agreement executed by the Kenton District Water District No. 1 and the Campbell District Kentucky Water District. The District was organized and operates under the provisions of Kentucky Revised Statutes (Chapter 74). The District owns and operates water production and distribution facilities which are used to furnish water supplies within their service area as approved by the Commonwealth of Kentucky Public Service Commission.

Presentation, Basis of Accounting, and Measurement Focus

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) for state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles for state and local governments in the United States of America.

The District's operations are presented, in a proprietary, as a single enterprise fund. Proprietary funds report operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charged; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The enterprise fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses when they are incurred. Claims incurred but not reported are included in payables and expenses.

The enterprise fund is reported using an economic resources measurement focus. This measurement focus includes all assets and liabilities (whether current or noncurrent) associated with the activity in the fund's statement of net position.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires the use of estimates and assumptions regarding certain types of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Operating Revenues and Expenses

Enterprise funds distinguish operating revenues and expenses from non-operating items in accordance with the flow of economic resources measurement focus and the accrual basis of accounting. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues from water sales, forfeited discounts, rents from property, and other water revenues are reported as operating revenues. Operating expenses for enterprise funds includes the costs of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statements of cash flows, the District considers all highly liquid unrestricted debt instruments purchased with a maturity of three months or less to be cash equivalents.

The District is authorized by bond resolution to invest in direct obligations of the United States, or obligations guaranteed by the United States, obligations of certain federal agencies and instrumentalities, including U.S. dollar-denominated deposits in commercial banks which are insured by the Federal Deposit Insurance Corporation or fully collateralized by the foregoing, and public housing bonds or project notes issued by public housing authorities annual contribution contracts with the United States or by requisition or payment agreement with the United States.

Investments

Investments are reported at fair value based on quoted market prices.

Accounts Receivable - Customers

The District follows a quarterly cycle billing procedure with approximately one-third of the meter readings billed each month. When meter readings are delayed, bills are rendered based on estimated meter readings to promote consistency of water revenue. In order to accomplish a proper matching of revenues with expenses and to fairly state assets, an analysis is prepared of the final quarterly billings in the year to determine the estimated amount of water delivered but unbilled at year end.

Accounts receivable are stated at their contractual outstanding balances, net of any allowance for doubtful accounts. Accounts are considered past due if any portion of an account has not been paid in full within the contractual terms of the account. The District begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the District's collection history, the financial stability and recent payment history of the customer, and other pertinent factors. Receivables are written off as uncollectible after the District has used reasonable collection efforts and deems them uncollectible. Based on these criteria, the District has estimated an allowance for doubtful accounts of \$470,000 and \$35,000 at December 31, 2020 and 2019, respectively.

Assessments Receivable

Direct assessments from property owners are recorded as a receivable by the District at the time the improvement project is completed.

Inventory

Inventory is valued at the lower of cost, using the moving average method, or market. Inventories consist of expendable supplies held for new water line installations and maintenance and are charged to expenditures on an "as used" basis.

Deferred Inflows and Outflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period, and is therefore deferred until that time. A deferred gain on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The District also recognizes deferred inflows of resources related to pensions and other postemployment benefits.

Deferred outflows of resources represent a consumption of net positions that applies to a future period, and therefore deferred until that time. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and the reacquisition price. The District also recognizes deferred outflows of resources related to pensions and other postemployment benefits.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Prior to 1978, capital assets were recorded as expenditures at the time of purchase and capitalized to the Plant Fund. No depreciation was provided on capital assets and continuing property records were not maintained.

The District obtained an independent appraisal which includes a detailed listing of District buildings, structures and contents. The appraisal serves as the basis for detailed property records that is updated on a continuous basis.

Capital assets are stated at cost or appraised value and depreciated over the estimated useful lives of the related assets. The cost of current repairs and maintenance is charged to expense, while the cost of replacements or betterments is capitalized.

Depreciation of the capital assets is computed on the straight-line method over the estimated the following useful lives of the assets:

| | |
|---------------------------------------|---------------|
| Structures and Improvements | 35 - 40 Years |
| Supply Mains | 35 - 45 Years |
| Pumping and Water Treatment Equipment | 20 - 40 Years |
| Distribution Reservoirs and Mains | 30 - 75 Years |
| Services, Meters, Hydrants | 35 - 75 Years |
| Office Furniture and Equipment | 5 - 25 Years |
| Other Equipment | 7 - 20 Years |

Construction in Progress

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

Capital Contributions

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

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the County Employees Retirement System (CERS) and additions to/deductions from CERS' fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Compensated Absences**

Employees of the District are entitled to paid vacation and sick depending on length of service and other factors. The amounts recorded for accumulated vacation and sick for the years ended December 31, 2020 and 2019 were \$1,369,138 and \$1,005,126, respectively.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net position is classified as net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use through enabling legislation or through external restrictions imposed by creditors, grantors, or laws and regulations of other governments. All other net position that does not meet the definition of “restricted” or “net investment in capital assets” is considered unrestricted.

Bond Premiums and Issue Costs

Bonds payable are reported, net of any premium, which are amortized over the life of the applicable bonds using the straight-line method, which approximates the effective interest method. Issuance costs are recognized as an expense in the year incurred.

Adoption of New Accounting Standards*Certain Disclosures Related to Debt*

GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, was issued to improve the information that is disclosed in notes to the government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of GASB Statement No. 88 are effective for reporting periods beginning after June 15, 2019. The impact of GASB Statement No. 88 has been implemented in the Long-Term Debt note to the financial statements.

Recently Issued Significant Accounting Standards*Lease Accounting Standard*

GASB Statement No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The requirements of GASB Statement No. 87 are effective for fiscal years beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 87 may have on its financial statements.

Conduit Debt Obligations

GASB Statement No. 91, *Conduit Debt Obligations*, was issued to provide a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related not disclosures. The requirements of GASB Statement No. 91 are effective for reporting periods beginning after December 15, 2021. The District is currently evaluating the impact GASB Statement No. 91 may have on its financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Omnibus 2020*

GASB Statement No. 92, *Omnibus 2020*, was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of GASB Statement No. 92 are effective for fiscal years or reporting periods beginning after June 15, 2021, other than the requirements related to the effective date of GASB Statement No. 87, which is effective upon issuance. The District is currently evaluating the impact GASB Statement No. 92 may have on its financial statements.

Replacement of Interbank Offered Rates

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was issued to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The requirements of GASB Statement No. 93, except paragraphs 11b, 13, and 14 are effective for reporting periods beginning after June 15, 2020. The requirements in paragraph 11b is effective for reporting periods ending after December 31, 2021. The requirements in paragraphs 13 and 14 are effective for fiscal year periods beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 93 may have on its financial statements.

Public-Private and Public-Public Partnerships and Availability Payment Arrangements

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements and to provide guidance for accounting and financial reporting for availability payment arrangements. The requirements of GASB Statement No. 94 are effective for fiscal years beginning after June 15, 2022. The District is currently evaluating the impact GASB Statement No. 94 may have on its financial statements.

Subscription-Based Information Technology Arrangements

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, was issued to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The requirements of GASB Statement No. 96 are effective for fiscal years beginning after June 15, 2022. The District is currently evaluating the impact GASB Statement No. 96 may have on its financial statements.

Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32, was issued to (1) increase consistency and comparability related to the fiduciary reporting of component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans that meet the definition of a pension plan for benefits provided through those plans. Aspects of GASB Statement No. 97 are effective immediately, however there was no significant impact to the District's financial statements for the year ended December 31, 2020. Other requirements of GASB Statement No. 97 are effective for fiscal years or reporting periods beginning after June 15, 2021. The District is currently evaluating the impact GASB Statement No. 97 may have on its financial statements.

NOTE 2 – DEPOSITS AND INVESTMENTS

Investment Policy

General Policy

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

Authorized Investment Instruments

In accordance with KRS 66.480, the District is authorized to invest in the following:

- A) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, provided that delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian.
- B) U.S. Treasury and other U.S. government obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest.
- C) Federal Agency or U.S. government-sponsored enterprises obligations, participations or other instruments.
- D) CDs issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky and that are insured by the Federal Deposit Insurance Corporation or similar entity or that are collateralized by any obligations, including surety bonds permitted by KRS 41.240. KRS 66.480(1)(d).
- E) Uncollateralized CDs issued by any bank or savings and loan having a physical presence in Kentucky rated in one of three highest categories by a competent rating agency.
- F) Bankers' acceptances, which must be rated in one of the three highest categories by a competent rating agency.
- G) Commercial paper, rated in the highest tier (e.g., A-1, P-1, F-1, or D-1 or higher) by a competent rating organization.
- H) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities.
- I) Investment-grade obligations of state or local governments or instrumentality thereof rated one of three highest categories by a competent rating agency.
- J) Shares of mutual funds and exchange traded funds as identified by KRS 66.480(1)(j).
- K) Individual equity securities if the funds are managed by a professional investment manager regulated by a federal regulatory agency and are included within the S&P 500 pursuant to KRS 66.480(1)(k).
- L) Individual high-quality corporate bonds managed by a professional investment manager pursuant to KRS 66.480(1)(l).

Overall investments in (E), (F), (G), (K), and (L) investment types are restricted to 20% of total local government investments.

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

Deposits and Investments

The District had investments in certificates of deposit as of December 31, 2020 and 2019 in the amounts of \$3,884,495 and \$2,341,386, respectively.

Custodial Credit Risk – Deposits. For deposits, this is the risk that in the event of a bank failure, the District’s deposits may not be returned. The District maintains deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As allowed by law, the depository bank should pledge securities along with FDIC insurance at least equal to the amount on deposit at all times. As of December 31, 2020 and 2019, the District’s deposits are entirely insured and/or collateralized with securities held by the financial institutions on the District’s behalf and the FDIC insurance.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District had no custodial credit risk at December 31, 2020 and 2019.

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

NOTE 3 – RESTRICTED ASSETS

Restricted assets consist of monies and other resources which are restricted legally as described below:

Bond Proceeds Fund – These assets contain the bond proceeds plus investment interest earned that are available for paying the cost of construction and acquisition contracts relating to the water system as provided in the various bond ordinances.

| | December 31 | |
|---------------------------|-------------|--------------|
| | 2020 | 2019 |
| Cash and Cash Equivalents | \$ 711,652 | \$ 3,299,793 |

Debt Service Reserve Account – These assets hold an amount that will equal the aggregate debt service reserve requirement (defined as the maximum annual debt service requirement in any succeeding bond fiscal year). The account assets are:

| | | |
|--|----------------------|----------------------|
| Cash and Cash Equivalents | \$ 12,378,350 | \$ 10,199,049 |
| Purchase and Resale Agreements | 732,136 | 2,003,619 |
| FAMC and FHLB Discount Notes | 4,076,931 | 4,118,452 |
| United States Treasuries | 1,871,691 | 3,093,614 |
| FNMA | - | 499,645 |
| Accrued Interest Receivable and CD Market Change | 52,200 | 134,675 |
| | <u>\$ 19,111,308</u> | <u>\$ 20,049,054</u> |

NOTE 3 – RESTRICTED ASSETS (Continued)

Debt Service Account – These assets accumulate monies for the purpose of paying interest on the bonds when due and payable and paying the principal of the bonds when due and payable. The account assets are:

| | December 31 | |
|---------------------------|---------------|---------------|
| | 2020 | 2019 |
| Cash and Cash Equivalents | \$ 20,545,701 | \$ 22,919,610 |

Improvement, Repair, and Replacement – These assets are available to make major repairs and replacements and to pay the cost of construction of additions, extensions and improvements to the water system. The account assets are:

| | | |
|---------------------------|--------------|--------------|
| Cash and Cash Equivalents | \$ 1,182,299 | \$ 1,143,336 |
|---------------------------|--------------|--------------|

Customer Deposits – These assets are available to secure deposits paid by customers that have been collected in accordance with the District’s tariff. When services are terminated, the deposit, plus interest, is applied to any unpaid bills or refunded to the customer if all billings have been paid. The account assets are:

| | | |
|---------------------------|------------|------------|
| Cash and Cash Equivalents | \$ 859,532 | \$ 942,820 |
|---------------------------|------------|------------|

NOTE 4 – ACCOUNTS RECEIVABLE

| | | |
|--|---------------|---------------|
| Accounts Receivable Arising From Billings of | | |
| Metered Water Sales, Net of Allowance | \$ 7,785,823 | \$ 6,756,320 |
| Accrual for Estimated Unbilled Water Revenue | 7,460,000 | 6,500,000 |
| Other | 70,350 | 425,504 |
| Total | \$ 15,316,173 | \$ 13,681,824 |

NOTE 5 – FAIR VALUE MEASUREMENT

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the markets for the security type and the inputs used to determine their fair value, as follows:

LEVEL 1 – Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that the District has the ability to access.

LEVEL 2 – Other observable inputs (included but no limited to, quotes process for similar assets or liabilities in the markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks, and default rates) or other market- corroborated inputs).

LEVEL 3 – Unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

NOTE 5 – FAIR VALUE MEASUREMENT (Continued)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Restricted assets are classified in Level 2 and are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor.

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value at December 31, 2020:

| | Level 1 | Level 2 | Level 3 | Total |
|--|---------|--------------|---------|--------------|
| <i>Restricted Assets</i> | | | | |
| Purchase and Resale Agreements | \$ - | \$ 732,136 | \$ - | \$ 732,136 |
| FAMC and FHLB Discount Notes | - | 4,076,931 | - | 4,076,931 |
| United States Treasuries | - | 1,871,691 | - | 1,871,691 |
| | | | | |
| Total Restricted Assets at Fair Value | \$ - | \$ 6,680,758 | \$ - | \$ 6,680,758 |

The following table sets forth by level, within the fair value hierarchy, the District's assets at fair value at December 31, 2019:

| | | | | |
|--|------|--------------|------|--------------|
| <i>Restricted Assets</i> | | | | |
| Purchase and Resale Agreements | \$ - | \$ 2,003,619 | \$ - | \$ 2,003,619 |
| FAMC and FHLB Discount Notes | - | 4,118,452 | - | 4,118,452 |
| United States Treasuries | - | 3,093,614 | - | 3,093,614 |
| FNMA | - | 499,645 | - | 499,645 |
| | | | | |
| Total Restricted Assets at Fair Value | \$ - | \$ 9,715,330 | \$ - | \$ 9,715,330 |

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the District for the year ended December 31, 2020, was as follows:

| | Balance December 31, 2019 | Additions | Deductions | Balance December 31, 2020 |
|--|---------------------------------|--------------|-----------------|---------------------------------|
| Land, System, Buildings and Equipment | | | | |
| Land and Land Rights | \$ 3,267,226 | \$ - | \$ - | \$ 3,267,226 |
| Structures and Improvements | 127,650,495 | 1,305,882 | (7,589) | 128,948,788 |
| Lake River and Other Intakes | 1,463,171 | - | - | 1,463,171 |
| Supply Mains | 2,865,693 | - | - | 2,865,693 |
| Power Generation Plant | 3,491,523 | - | - | 3,491,523 |
| Pumping Equipment | 11,920,406 | 61,860 | - | 11,982,266 |
| Water Treatment Equipment | 30,195,064 | 58,202 | - | 30,253,266 |
| Distribution Reservoirs and Standpipes | 11,414,093 | - | (60,000) | 11,354,093 |
| Transmissions and Distribution Mains | 221,336,326 | 8,803,408 | (397,539) | 229,742,195 |
| Services | 32,900,511 | 1,802,607 | (219,601) | 34,483,517 |
| Meters and Meter Installations Hydrants | 20,158,876 | 500,049 | (108,534) | 20,550,391 |
| 10,379,057 | 430,690 | (31,031) | 10,778,716 | |
| Other Plant and Miscellaneous Equipment | 3,419,128 | - | - | 3,419,128 |
| Office Furniture and Equipment | 4,086,335 | 169,021 | (41,227) | 4,214,129 |
| Transportation Equipment | 4,327,386 | 1,032,182 | (290,446) | 5,069,122 |
| Tools, Shop, and Garage Equipment | 860,258 | 132,837 | (2,079) | 991,016 |
| Laboratory Equipment | 821,248 | 6,430 | - | 827,678 |
| Power Operated Equipment | 1,272,390 | 7,675 | (4,139) | 1,275,926 |
| Communication Equipment | 6,287,274 | - | - | 6,287,274 |
| Miscellaneous Equipment | 581,124 | 11,382 | - | 592,506 |
| Utility Plant Acquisition Adjustment | 545,925 | - | - | 545,925 |
| Acquisition Adjustment - Newport | 4,970,211 | - | - | 4,970,211 |
| Total Land, System, Buildings and Equipment | 504,213,720 | 14,322,225 | (1,162,185) | 517,373,760 |
| Construction in Progress | 13,054,992 | 6,463,851 | (10,154,939) | 9,363,904 |
| Total Capital Assets | 517,268,712 | 20,786,076 | (11,317,124) | 526,737,664 |
| Less Accumulated Depreciation | 173,614,575 | 12,301,512 | (865,479) | 185,050,608 |
| Capital Assets - Net | \$ 343,654,137 | \$ 8,484,564 | \$ (10,451,645) | \$ 341,687,056 |

NOTE 7 – ARBITRAGE

The Tax Reform Act of 1986 (Act) substantially revised the treatment to be afforded to earnings on the proceeds of tax-exempt debt, and requires the District to calculate and remit rebatable arbitrage earnings to the Internal Revenue Service. Certain of the District’s debt and interest earned on the proceeds thereof are subject to the requirements of the Act. The District has accrued a liability for estimated rebatable arbitrage earnings and has set aside such earnings as restricted cash. At December 31, 2020 and 2019, the arbitrage rebate liability was \$295,084 and \$734,477, respectively.

Rebate calculations are prepared annually. However, any liability due is only required to be paid every 5 years from the original date of the bond. During the year ended December 31, 2020, the District paid \$412,209. In the upcoming year, no payment is due and therefore no current portion is accrued for.

NOTE 8 – LONG-TERM DEBT

Revenue Bonds

Water District Revenue Bonds, Series 2011

In May 2011, the District sold \$30,830,000 of its Revenue Bonds in order to fund various construction projects. The bonds were refunded in October 2020 by the Refunding Revenue Bonds, Series 2020

Water District Refunding Revenue Bonds, Series 2012

In June 2012, the District issued \$54,840,000 of Refunding Revenue Bonds, Series 2012 for the purpose of refunding in advance of maturity the District’s outstanding Revenue Bonds Series 1997, 1998, 2001A and 2002A-REF in the principal amount of \$63,350,000. The bonds were sold at a premium of \$9,620,827, for total source of funds of \$64,460,827. The 2012 bonds maturing on or after February 2022 are subject to redemption after 2022 at a redemption price of 100%.

The Water District Refunding Revenue Bonds, Series 2012 are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 4,365,000 | \$ 1,574,625 | \$ 5,939,625 |
| 2022 | 5.00% | 4,590,000 | 1,350,750 | 5,940,750 |
| 2023 | 5.00% | 4,720,000 | 1,118,000 | 5,838,000 |
| 2024 | 5.00% | 4,970,000 | 875,750 | 5,845,750 |
| 2025 | 5.00% | 5,220,000 | 621,000 | 5,841,000 |
| 2026-2027 | 5.00% | 9,810,000 | 461,000 | 10,271,000 |
| Total | | \$ <u>33,675,000</u> | \$ <u>6,001,125</u> | \$ <u>39,676,125</u> |

NOTE 8 – LONG-TERM DEBT (Continued)

Water District Revenue Bonds, Series 2013A

In June 2013, the District sold \$26,400,000 of its Revenue Bonds in order to fund various construction projects. The 2013 bonds maturing on or after February 2023 are subject to redemption after 2023 at a redemption price of 100%.

The Water District Revenue Bonds, Series 2013A are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 795,000 | \$ 932,401 | \$ 1,727,401 |
| 2022 | 5.00% | 835,000 | 891,651 | 1,726,651 |
| 2023 | 5.00% | 880,000 | 848,776 | 1,728,776 |
| 2024 | 5.00% | 925,000 | 803,651 | 1,728,651 |
| 2025 | 5.00% | 970,000 | 756,276 | 1,726,276 |
| 2026-2030 | 4.00-5.00% | 5,560,000 | 3,076,430 | 8,636,430 |
| 2031-2035 | 4.13-4.50% | 6,855,000 | 1,781,822 | 8,636,822 |
| 2036-2038 | 4.13-4.25% | 4,865,000 | 314,911 | 5,179,911 |
| Total | | <u>\$ 21,685,000</u> | <u>\$ 9,405,918</u> | <u>\$ 31,090,918</u> |

Water District Refunding Revenue Bonds, Series 2013B

In September 2013, the District issued \$24,120,000 of Refunding Revenue Bonds, Series 2013B for the purpose of refunding in advance of maturity the District's outstanding Revenue Bonds Series 2002B, 2003A, and 2003B in the principal amount \$25,685,000. The bonds were sold at a premium of \$1,789,625, for a total source of funds of \$25,909,625. The 2013 bonds maturing on or after February 2023 are subject to redemption after 2023 at a redemption price of 100%.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$364,880. This amount is netted against the new debt and amortized over the remaining life of the new debt. The refunding reduces its total debt service over 18 years by \$1,302,804 and obtains an economic gain (difference between the present values of the old and new debt service) of \$1,081,327.

The Water District Refunding Revenue Bonds, Series 2013B are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 1,355,000 | \$ 559,075 | \$ 1,914,075 |
| 2022 | 5.00% | 1,430,000 | 489,450 | 1,919,450 |
| 2023 | 5.00% | 1,500,000 | 416,200 | 1,916,200 |
| 2024 | 4.00% | 1,570,000 | 347,300 | 1,917,300 |
| 2025 | 4.00% | 1,635,000 | 283,200 | 1,918,200 |
| 2026-2028 | 4.00-5.00% | 5,350,000 | 401,250 | 5,751,250 |
| Total | | <u>\$ 12,840,000</u> | <u>\$ 2,496,475</u> | <u>\$ 15,336,475</u> |

NOTE 8 – LONG-TERM DEBT (Continued)

Water District Refunding Revenue Bonds, Series 2014B

In December 2014, the District issued \$15,805,000 of Refunding Revenue Bonds, Series 2014B for the purpose of refunding in advance of maturity the District's outstanding Revenue Bonds Series 2003C and 2004 in the principal amount \$16,715,000. The bonds were sold at a premium of \$1,263,374, for a total source of funds of \$17,068,374. The 2014 bonds maturing on or after August 2023 are subject to redemption after 2023 at a redemption price of 100%.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$290,040. This amount is netted against the new debt and amortized over the remaining life of the new debt. The refunding reduces its total debt service over 15 years by \$1,678,190 and obtains an economic gain (difference between the present values of the old and new debt service) of \$1,469,689.

The Water District Refunding Revenue Bonds, Series 2014B are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 440,000 | \$ 157,888 | \$ 597,888 |
| 2022 | 5.00% | 465,000 | 135,263 | 600,263 |
| 2023 | 3.00% | 485,000 | 116,363 | 601,363 |
| 2024 | 3.00% | 495,000 | 101,663 | 596,663 |
| 2025 | 4.00% | 515,000 | 83,938 | 598,938 |
| 2026-2029 | 3.00-4.00% | <u>2,250,000</u> | <u>142,833</u> | <u>2,392,833</u> |
| Total | | <u>\$ 4,650,000</u> | <u>\$ 737,948</u> | <u>\$ 5,387,948</u> |

Water District Refunding Revenue Bonds, Series 2016A

In November 2016, the District issued \$41,905,000 of Refunding Revenue Bonds, Series 2016A for the purpose of refunding in advance of maturity the District's outstanding Revenue Bonds Series 2009 and for the current refunding of the outstanding Revenue Bond Series 2006 in the principal amount \$44,340,000. The bonds were sold at a premium of \$5,161,005, for a total source of funds of \$47,066,005. The 2016 bonds maturing on or after August 2026 are subject to redemption after 2026 at a redemption price of 100%.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$2,629,474. This amount is netted against the new debt and amortized over the remaining life of the new debt. The refunding reduces its total debt service over 15 years by \$1,678,190 and obtains an economic gain (difference between the present values of the old and new debt service) of \$7,844,962.

The Water District Refunding Revenue Bonds, Series 2016A are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 2,325,000 | \$ 1,355,275 | \$ 3,680,275 |
| 2022 | 5.00% | 2,450,000 | 1,235,900 | 3,685,900 |
| 2023 | 5.00% | 2,685,000 | 1,107,525 | 3,792,525 |
| 2024 | 5.00% | 2,715,000 | 972,525 | 3,687,525 |
| 2025 | 5.00% | 2,865,000 | 833,025 | 3,698,025 |
| 2026-2030 | 3.00-5.00% | 16,455,000 | 2,067,700 | 18,522,700 |
| 2031 | 3.00% | <u>3,660,000</u> | <u>54,900</u> | <u>3,714,900</u> |
| Total | | <u>\$ 33,155,000</u> | <u>\$ 7,626,850</u> | <u>\$ 40,781,850</u> |

NOTE 8 – LONG-TERM DEBT (Continued)

Water District Refunding Revenue Bonds, Series 2019

In September 2019, the District issued \$17,845,000 of Revenue Bonds, Series 2019 for the purpose of refunding Revenue Bond Anticipation Notes, Series 2017. The bonds were sold at a premium of \$1,804,915, for a total source of funds of \$18,929,915. The Series 2019 bonds maturing on or after February 2028 are subject to redemption after August 2027 at a redemption price of 100%.

The Water District Refunding Revenue Bonds, Series 2019 are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 3.00% | \$ 455,000 | \$ 574,625 | \$ 1,029,625 |
| 2022 | 3.00% | 470,000 | 560,750 | 1,030,750 |
| 2023 | 4.00% | 485,000 | 544,000 | 1,029,000 |
| 2024 | 4.00% | 505,000 | 524,200 | 1,029,200 |
| 2025 | 5.00% | 530,000 | 500,850 | 1,030,850 |
| 2026-2030 | 3.00-5.00% | 3,070,000 | 2,084,075 | 5,154,075 |
| 2031-2035 | 3.00% | 3,660,000 | 1,501,200 | 5,161,200 |
| 2036-2040 | 3.00% | 4,250,000 | 909,000 | 5,159,000 |
| 2041-2044 | 3.00% | <u>3,885,000</u> | <u>237,375</u> | <u>4,122,375</u> |
| Total | | \$ <u>17,310,000</u> | \$ <u>7,436,075</u> | \$ <u>24,746,075</u> |

Water District Refunding Revenue Bonds, Series 2020

In October 2020, the District issued \$22,325,000 of Refunding Revenue Bonds, Series 2020 for the purpose of current refunding of the District's outstanding Revenue Bonds Series 2011 in the principal amount of \$22,435,000 and for the refunding of the Rural Development Loan 91-02 in the principal amount \$1,641,000. The bonds were sold at a premium of \$2,481,834, for a total source of funds of \$24,656,070. The 2020 bonds maturing on or after February 2035 are subject to redemption after February 2028 at a redemption price of 100%.

The reacquisition price exceeded the net carrying amount of the refunded debt by \$76,496. This amount is netted against the new debt and amortized over the remaining life of the new debt. The refunding reduces its total debt service over 15 years by \$5,828,770 and obtains an economic gain (difference between the present values of the old and new debt service) of \$5,051,126.

The Water District Refunding Revenue Bonds, Series 2020 are scheduled to mature as follows:

| <u>Years</u> | <u>Interest Rates</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------|-------------------------|------------------------|---------------------------|
| 2021 | 5.00% | \$ 1,270,000 | \$ 587,587 | \$ 1,857,587 |
| 2022 | 5.00% | 1,110,000 | 746,950 | 1,856,950 |
| 2023 | 5.00% | 1,165,000 | 690,075 | 1,855,075 |
| 2024 | 5.00% | 1,225,000 | 630,325 | 1,855,325 |
| 2025 | 5.00% | 1,290,000 | 567,450 | 1,857,450 |
| 2026-2030 | 3.00-5.00% | 7,470,000 | 1,815,975 | 9,285,975 |
| 2031-2035 | 2.00-3.00% | <u>8,795,000</u> | <u>482,075</u> | <u>9,277,075</u> |
| Total | | \$ <u>22,325,000</u> | \$ <u>5,520,437</u> | \$ <u>27,845,437</u> |

NOTE 8 – LONG-TERM DEBT (Continued)

Rural Development Loan 91-02

In August 2000, the District closed on a loan agreement with the Department of Agriculture for the Sub District C Construction project. The amount of the loan was \$2,287,000 with an annual interest rate of 5.00%. The remaining balance of this loan was paid in full in October 2020 through the Refunding Revenue Bonds, Series 2020.

Rural Development Loan 91-03

In December 2017, the District closed on a loan agreement with the Department of Agriculture for the purpose of making certain improvements to the Water System. The amount of the loan was \$1,733,000 with an annual interest rate of 2.75%. The repayment of the loan is on a 40 year amortization schedule.

The following is a schedule of future debt service requirements to maturity:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 27,000 | \$ 46,557 | \$ 73,557 |
| 2022 | 28,000 | 45,801 | 73,801 |
| 2023 | 28,500 | 45,024 | 73,524 |
| 2024 | 29,500 | 44,227 | 73,727 |
| 2025 | 30,500 | 43,402 | 73,902 |
| 2026-2030 | 164,000 | 203,871 | 367,871 |
| 2031-2035 | 187,500 | 179,746 | 367,246 |
| 2036-2040 | 215,500 | 152,069 | 367,569 |
| 2041-2045 | 246,500 | 120,377 | 366,877 |
| 2046-2050 | 282,500 | 84,047 | 366,547 |
| 2051-2055 | 323,500 | 42,480 | 365,980 |
| 2056-2057 | 143,500 | 3,995 | 147,495 |
| Total | <u>\$ 1,706,500</u> | <u>\$ 1,011,596</u> | <u>\$ 2,718,096</u> |

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

Mortgage Lien: The District's bonds are secured by a statutory mortgage lien on all properties of the District.

Events of Default: Each of the following events in the bond ordinances is defined as and shall constitute an event of default:

- a) Default by the District in the payment of any principal installment or premium, if any, on any bond when due;
- b) Default by the District in the payment of any installment of interest on the bonds when due;
- c) Failure or refusal by the District to comply with the act pursuant to which the District was created, or default in the performance or observance of any other of the covenants, agreements or conditions contained in the Resolution, any series resolution, any supplemental resolution or the bonds, and such failure, refusal or default shall continue for a period of forty-five days after written notice thereof by the holder of not less than five percent in principal amount of the outstanding bonds.

NOTE 8 – LONG-TERM DEBT (Continued)

Enforcement of Remedies: In the event of default, the holders of not less than twenty-five percent in principal amount of the outstanding bonds may proceed, subject to certain provisions in the resolution, to protect and enforce the rights of the bondholders by such of the following remedies as such bondholders shall deem most effectual, including the following:

- a) Enforce by mandamus or other suit, action or proceedings at law or in equity all rights of the bondholders, including the right to require the District to enforce, collect and receive water rates, rentals and charges adequate to carry out the covenants and agreements of the District as to production of income, and to require the District to carry out any other covenant or agreement with bondholders and to perform its duties under the Act;
- b) Bring suit upon the bonds;
- c) Require the District by action or suit to account as if it were the trustee of an express trust for the holders of the bonds;
- d) Enjoin by action or suit any act or things which may be unlawful or in violation of the rights of the holders of the bonds;
- e) By action or suit in equity, seek the appointment of a receiver who shall take charge of and administer the affairs of the District;
- f) Declare all bonds due and payable, and if all default shall be made good (excepting acceleration provisions), then with the written consent of not less than twenty-five percent (25%) in principal amount of the holders of outstanding bonds, to annul such declaration and its consequences; and
- g) In the event that all bonds are declared due and payable, and a receiver is appointed, to sell all investments and all other assets of the District (to the extent not theretofore set aside for redemption of bonds for which call has been made), and to cause the receiver to take over the public water system and operate same in the name of the District for the use and benefit of the bondholders.

Notes from Direct Borrowings

Fiscal Court of Kenton District, Kentucky

The Kenton District Water District received a \$100,000 deferred payment loan at 3.0%. This loan was required as a local match to qualify for a \$750,000 Community Development Block Grant for Phase 1 of a water project in southern Kenton District. This loan will become due and payable only after sufficient customers in southern Kenton District are obtained in order to reduce the user rates, including surcharges, to approximately \$26 per month.

Kentucky Infrastructure Authority Loan F08-07

In November 2008, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$4,000,000 at an interest rate of 1.0%. As of December 31, 2013, all funds have been received.

NOTE 8 – LONG-TERM DEBT (Continued)

The Kentucky Infrastructure Authority Loan F08-07 is scheduled to mature as follows:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 196,704 | \$ 30,575 | \$ 227,279 |
| 2022 | 198,676 | 28,110 | 226,786 |
| 2023 | 200,668 | 25,620 | 226,288 |
| 2024 | 202,680 | 23,106 | 225,786 |
| 2025 | 204,711 | 20,566 | 225,277 |
| 2026-2030 | 1,054,757 | 63,832 | 1,118,589 |
| 2031-2032 | <u>436,852</u> | <u>6,843</u> | <u>443,695</u> |
| Total | <u>\$ 2,495,048</u> | <u>\$ 198,652</u> | <u>\$ 2,693,700</u> |

Kentucky Infrastructure Authority Loan F09-02

In October 2010, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$8,000,000 at an interest rate of 2.0%. As of December 31, 2013, all funds have been received.

The Kentucky Infrastructure Authority Loan F09-02 is scheduled to mature as follows:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 1,145,619 | \$ 355,782 | \$ 1,501,401 |
| 2022 | 1,168,646 | 329,876 | 1,498,522 |
| 2023 | 1,192,135 | 303,450 | 1,495,585 |
| 2024 | 1,216,098 | 276,493 | 1,492,591 |
| 2025 | 1,240,541 | 248,994 | 1,489,535 |
| 2026-2030 | 6,586,904 | 812,745 | 7,399,649 |
| 2031-2033 | <u>3,547,538</u> | <u>120,524</u> | <u>3,668,062</u> |
| Total | <u>\$ 16,097,481</u> | <u>\$ 2,447,864</u> | <u>\$ 18,545,345</u> |

Kentucky Infrastructure Authority Loan F13-012

In May 2013, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$8,000,000 at an interest rate of 2.0%. As of December 31, 2017, \$4,523,000 has been received. Payments will not begin until one year after the initiation of operation of the project, and therefore a maturity date has not been determined.

Kentucky Infrastructure Authority Loan F14-015

In December 2013, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$4,000,000 at an interest rate of 2.0%. As of December 31, 2018, all funds have been received.

NOTE 8 – LONG-TERM DEBT (Continued)

The Kentucky Infrastructure Authority Loan F14-015 is scheduled to mature as follows:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 156,149 | \$ 62,567 | \$ 218,716 |
| 2022 | 158,893 | 59,431 | 218,324 |
| 2023 | 161,686 | 56,239 | 217,925 |
| 2024 | 164,529 | 52,991 | 217,520 |
| 2025 | 167,420 | 49,686 | 217,106 |
| 2026-2030 | 882,286 | 196,787 | 1,079,073 |
| 2031-2035 | 962,598 | 105,002 | 1,067,600 |
| 2036-2038 | <u>513,676</u> | <u>15,501</u> | <u>529,177</u> |
| Total | <u>\$ 3,167,237</u> | <u>\$ 598,204</u> | <u>\$ 3,765,441</u> |

Kentucky Infrastructure Authority Loan F15-011

In November 2014, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$4,000,000 at an interest rate of 2.0%. As of December 31, 2018, all funds have been received.

The Kentucky Infrastructure Authority Loan F15-011 is scheduled to mature as follows:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 155,672 | \$ 62,377 | \$ 218,049 |
| 2022 | 158,409 | 59,249 | 217,658 |
| 2023 | 161,193 | 56,067 | 217,260 |
| 2024 | 164,026 | 52,829 | 216,855 |
| 2025 | 166,909 | 49,535 | 216,444 |
| 2026-2030 | 879,596 | 196,187 | 1,075,783 |
| 2031-2035 | 959,663 | 104,683 | 1,064,346 |
| 2036-2038 | <u>512,108</u> | <u>15,452</u> | <u>527,560</u> |
| Total | <u>\$ 3,157,576</u> | <u>\$ 596,379</u> | <u>\$ 3,753,955</u> |

NOTE 8 – LONG-TERM DEBT (Continued)

Kentucky Infrastructure Authority Loan B15-003

In July 2016, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$1,500,000 at an interest rate of 0.75%. As of December 31, 2018, all funds have been received.

The Kentucky Infrastructure Authority Loan B15-003 is scheduled to mature as follows:

| <u>Years</u> | <u>Principal Amount</u> | <u>Interest Amount</u> | <u>Total Debt Service</u> |
|--------------|-----------------------------|----------------------------|-------------------------------|
| 2021 | \$ 66,315 | \$ 11,221 | \$ 77,536 |
| 2022 | 66,814 | 10,590 | 77,404 |
| 2023 | 67,316 | 9,954 | 77,270 |
| 2024 | 67,822 | 9,314 | 77,136 |
| 2025 | 68,331 | 8,668 | 76,999 |
| 2026-2030 | 349,435 | 33,486 | 382,921 |
| 2031-2035 | 362,762 | 16,606 | 379,368 |
| 2036-2037 | 148,949 | 1,772 | 150,721 |
| Total | <u>\$ 1,197,744</u> | <u>\$ 101,611</u> | <u>\$ 1,299,355</u> |

Kentucky Infrastructure Authority Loan F16-027

In July 2017, the District entered into an agreement with the Kentucky Infrastructure Authority (KIA) for a reimbursement loan for the cost of constructing various projects to the District's water system. The full amount of allowable funds is \$5,385,000 at an interest rate of 1.75%. As of December 31, 2020, \$1,304,928 has been received. Payments will not begin until one year after the initiation of operation of the project, and therefore a maturity date has not been determined.

Events of Default: The District's outstanding notes from direct borrowings contain an event of default that changes the timing of repayment of outstanding amounts to become immediately due if the District is unable to make a payment at the times specified in the note agreements.

Collateral: The District's outstanding notes from direct borrowings are collateralized by future revenue.

NORTHERN KENTUCKY WATER DISTRICT

NOTE 8 – LONG-TERM DEBT (Continued)

Changes in long-term debt are as follows:

| | Debt Outstanding December 31, 2019 | Additions of New Debt | Retirements and Repayments | Debt Outstanding December 31, 2020 | Amounts Due Within 1 Year |
|--|---|-----------------------------|----------------------------------|---|------------------------------------|
| Bond Indebtedness | | | | | |
| Rural Development Loan 91-02 | \$ 1,692,000 | \$ - | \$ 1,692,000 | \$ - | \$ - |
| Rural Development Loan 91-03 | 1,733,000 | - | 26,500 | 1,706,500 | 27,000 |
| Series 2011 | 23,490,000 | - | 23,490,000 | - | - |
| Series 2011 Bond Premium | 160,949 | - | 160,949 | - | - |
| Series 2012 | 37,825,000 | - | 4,150,000 | 33,675,000 | 4,365,000 |
| Series 2012 Bond Premium | 4,782,032 | - | 562,592 | 4,219,440 | 562,592 |
| Series 2013 A | 22,440,000 | - | 755,000 | 21,685,000 | 795,000 |
| Series 2013 A Bond Premium | 929,355 | - | 50,236 | 879,119 | 50,235 |
| Series 2013 B | 14,135,000 | - | 1,295,000 | 12,840,000 | 1,355,000 |
| Series 2013 B Bond Premium | 1,043,948 | - | 119,309 | 924,639 | 119,308 |
| Series 2014 B | 6,155,000 | - | 1,505,000 | 4,650,000 | 440,000 |
| Series 2014 B Bond Premium | 842,249 | - | 84,225 | 758,024 | 84,225 |
| Series 2016 | 35,535,000 | - | 2,380,000 | 33,155,000 | 2,325,000 |
| Series 2016 Bond Premium | 4,100,131 | - | 344,067 | 3,756,064 | 344,067 |
| Series 2019 | 17,845,000 | - | 535,000 | 17,310,000 | 455,000 |
| Series 2019 Bond Premium | 1,070,449 | - | 43,396 | 1,027,053 | 43,397 |
| Series 2020 | - | 22,325,000 | - | 22,325,000 | 1,270,000 |
| Series 2020 Bond Premium | - | 2,481,834 | 27,576 | 2,454,258 | 165,456 |
| Total Bond Indebtedness | 173,779,113 | 24,806,834 | 37,220,850 | 161,365,097 | 12,401,280 |
| Notes Payable - Direct Borrowings | | | | | |
| KIA Loan F08-07 | 2,689,800 | - | 194,752 | 2,495,048 | 196,704 |
| KIA Loan F09-02 | 17,220,527 | - | 1,123,046 | 16,097,481 | 1,145,619 |
| KIA Loan F13-012 | 4,523,000 | - | - | 4,523,000 | - |
| KIA Loan F14-015 | 3,320,689 | - | 153,452 | 3,167,237 | 156,149 |
| KIA Loan F15-011 | 3,310,559 | - | 152,983 | 3,157,576 | 155,672 |
| KIA Loan B15-003 | 1,263,566 | - | 65,822 | 1,197,744 | 66,315 |
| KIA Loan F16-027 | 569,581 | 735,347 | - | 1,304,928 | - |
| Kenton County Fiscal Court | 100,000 | - | - | 100,000 | - |
| Total Notes Payable - Direct Borrowings | 32,997,722 | 735,347 | 1,690,055 | 32,043,014 | 1,720,459 |
| Arbitrage Liability | 734,477 | - | 439,393 | 295,084 | - |
| Compensated Absences | 1,005,126 | 364,012 | - | 1,369,138 | 99,611 |
| Total Long-Term Debt | \$ 208,516,438 | \$ 25,906,193 | \$ 39,350,298 | \$ 195,072,333 | \$ 14,221,350 |

NOTE 9 – PENSION PLAN

General Information about the Pension Plan

Plan description: County Employees Retirement System consists of two plans, Non-Hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky Retirement Systems (KRS) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS. The District only participates in the non-hazardous plan.

Benefits provided: These systems provide for retirement, disability, and death benefits to system members. Retirement benefits may be extended to beneficiaries of plan members under certain circumstances.

**Tier 1: Retirement Eligibility for Members
Whose Participation Began Before 09/01/2008**

| Age | Years of Service | Allowance Reduction |
|------------|-------------------------|--|
| 65 | 1 month | None |
| Any | 27 | None |
| 55 | 5 | 6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service. |
| Any | 25 | 6.5% per year for first five years, and 4.5% for next five years before age 65 or 27 years of service. |

**Tier 2: Retirement Eligibility for Members
Whose Participation Began On or After 09/01/2008 but before 01/01/2014**

| Age | Years of Service | Allowance Reduction |
|------------|-------------------------|---|
| 65 | 5 | None |
| 57 | Rule of 87 | None |
| 60 | 10 | 6.5% per year for first five years, and 4.5% for next five years before age 65 or Rule of 87 (age plus years of service). |

**Tier 3: Retirement Eligibility for Members
Whose Participation Began On or After 01/01/2014**

| Age | Years of Service | Allowance Reduction |
|------------|-------------------------|----------------------------|
| 65 | 5 | None |
| 57 | Rule of 87 | None |

NOTE 9 – PENSION PLAN (Continued)

| Benefit Formula for Tiers 1 & 2 | | | | |
|--|----------|---|---|--|
| <u>Final Compensation</u> | X | <u>Benefit Factor</u> | X | <u>Years of Service</u> |
| Average of the five highest years of compensation if participation began before 09/01/2008. | | 2.20% if: | Member begins participating prior to 08/01/2004. | Includes earned service, purchased service, prior service, and sick leave service (if the member's employer participates in an approved sick leave program). |
| | | 2.00% if: | Member begins participating on or after 08/01/2004 and before 09/01/2008. | |
| Average of the last complete five years of compensation if participation began on or after 09/01/2008 but before 01/01/2014. | | Increasing percent based on service at retirement up to 30 years* plus 2.00% for each year of service over 30 if: | Member begins participating on or after 09/01/2008 but before 01/01/2014. | |

* **Service (and Benefit Factor): 10 years or less (1.10%); 10 - 20 years (1.30%); 20 - 26 years (1.50%); 26 - 30 years (1.75%)**

| Benefit Formula for Tier 3 | | | | | |
|---|-------------------------------|-----------------------------|--|-------------------------|--|
| Accumulate Account Balance / Actuarial Factor = Monthly Life Annuity | | | | | |
| Accumulate Account Balance | | | | | |
| Member Contributions | Employer Contributions | Base Annual Interest | Upside Sharing Interest (FY 2020) | Actuarial Factor | |
| 5.00% | 4.00% | 4.00% | 0.97% | Various* | |

* See www.kyret.ky.gov for most recent Actuarial Factors

For post-retirement death benefits, if the member is receiving a monthly benefit based on at least four (4) years of creditable service, the retirement system will pay a \$5,000 death benefit payment to the beneficiary named by the member specifically for this benefit.

For disability benefits, members participating before August 1, 2004 may retire on account of disability provided the member has at least 60 months of service credit (requirement is waived if line of duty disability) and is not eligible for an unreduced benefit. Additional service credit may be added for computation of benefits under the benefit formula. Members participating on or after August 1, 2004 but before January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. Benefits are computed as the greater of 20% of member's monthly final rate of pay or the amount calculated under the benefit formula based upon actual service. Members participating on or after January 1, 2014 may retire on account of disability provided the member has at least 60 months of service credit. The hybrid account which includes member contributions, employer contributions, and interest credits can be withdrawn from the System as a lump sum or an annuity equal to the greater of 20% of the member's monthly final rate of pay or the annuitized hypothetical account into a single life annuity option. Members disabled as a result of a single duty-related injury or act of violence related to their job may be eligible for special benefits.

NOTE 9 – PENSION PLAN (Continued)

For pre-retirement death benefits, the beneficiary of a deceased active member is eligible for a monthly benefit if the member died while in the line of duty with one month of service credit. The beneficiary of a deceased active member who did not die in the line of duty is eligible for a monthly benefit if the member was: (1) eligible for retirement at the time of death or, (2) under the age of 65 with at least 60 months of service credit and currently working for a participating agency at the time of death or (3) no longer working for a participating agency but at the time of death had at least 144 months of service credit. If the beneficiary of a deceased active member is not eligible for a monthly benefit, the beneficiary will receive a lump sum payment of the member's contributions and any accumulated interest.

The Kentucky General Assembly has the authority to increase, suspend, or reduce Cost of Living Adjustments (COLAs). Senate Bill (SB) 2 of 2013 eliminated all future COLAs unless the State Legislature so authorizes on a biennial basis and either (1) the system is over 100.00% funded or (2) the Legislature appropriates sufficient funds to pay the increased liability for the COLA.

House Bill 271 passed during the 2020 legislative session which removed provisions that reduce the monthly payment to a surviving spouse of a member whose death was due to an in line of duty or duty-related injury upon remarriage of the surviving spouse. It also increased benefits for a very small number of surviving spouses and dependent children who did not initially elect the in line of duty or duty-related benefit. There were no other material benefit provision changes since the prior valuation.

Contributions: The employee contribution rate is set by state statute. Non-Hazardous employees contribute 5% of their annual creditable compensation. Employees hired on or after September 1, 2008, contribute an additional 1% to health insurance.

Plan members who began participating on, or after, September 1, 2008, were required to contribute a total of 6.00% for non-hazardous of their annual creditable compensation. The 1.00% was deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Pension Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members' accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

Plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. These member were classified in the Tier 3 structure of benefits. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5.00% non-hazardous of their annual creditable compensation and 1.00% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with 4.00% non-hazardous employer pay credit. The employer pay credit represents a portion of the employer contribution.

The employer contribution rates are set by the KRS Board under Kentucky Revised Statute 61.565 based on an annual actuarial valuation, unless altered by legislation enacted by the Kentucky General Assembly. SB 249 (passed during the 2020 legislative session) froze the contribution rates for one year so that the rates for fiscal year ended June 30, 2021 were equal to the rates for fiscal year ended June 30, 2020. For the fiscal years ended June 30, 2021, 2020, and 2019, participating employers contributed 24.06% (19.30% pension fund and 4.76% insurance fund), 24.06% (19.30% pension fund and 4.76% insurance fund), and 21.48% (16.22% pension fund and 5.26% insurance fund), respectively, for the non-hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the pension fund (excluding the insurance portion) from the District were \$1,723,667 and \$1,557,127 for the years ended December 31, 2020 and 2019, respectively.

NOTE 9 – PENSION PLAN (Continued)

Plan Information for December 31, 2020 Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the District reported a liability of \$26,055,399 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion for the non-hazardous system was 0.339709% which was an increase of 0.008855% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2020, the District recognized pension expense of \$2,604,502. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ 652,004 | \$ - |
| Difference between expected and actual experience | 649,739 | - |
| Changes of assumptions | 1,017,419 | - |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 862,116 | 53,168 |
| District contributions after measurement date | <u>885,281</u> | <u>-</u> |
| Total | <u>\$ 4,066,559</u> | <u>\$ 53,168</u> |

The \$885,281 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Years Ending December 31,</u> | |
|--------------------------------------|---------------------|
| 2021 | \$ 1,508,684 |
| 2022 | 1,014,444 |
| 2023 | 343,123 |
| 2024 | <u>261,859</u> |
| Total | <u>\$ 3,128,110</u> |

NOTE 9 – PENSION PLAN (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|---|
| Valuation Date | June 30, 2019 |
| Experience Study | July 1, 2013 – June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay Amortization Method |
| Remaining Amortization Period | 30 years, closed |
| Asset Valuation Method | 20% of the Difference Between the Market Value of Assets and the Expected Actuarial Value of Assets is Recognized |
| Inflation | 2.30% |
| Payroll Growth Rate | 2.00% |
| Salary Increase | 3.30% to 10.30%, Varies by Service |
| Investment Rate of Return | 6.25% Net of Pension Plan Investment Expense, Including Inflation |

The Board of Trustees for the Kentucky Retirement Systems adopted new actuarial assumptions since June 30, 2018. The Total Pension liability as of June 30, 2020 was determined using these updated assumptions.

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases, This change does not impact the calculation of the Total Pension Liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan provision changes.

The mortality table used for active members was a PUB-2010 General Mortality table with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2020. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

NOTE 9 – PENSION PLAN (Continued)

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|-----------------------------|----------------------------|---|
| Growth | | |
| US Equity | 18.75 % | 4.50 % |
| Non-US Equity | 18.75 | 5.25 |
| Private Equity | 10.00 | 6.65 |
| Specialty Credit/High Yield | 15.00 | 3.90 |
| Liquidity | | |
| Core Bonds | 13.50 | (0.25) |
| Cash | 1.00 | (0.75) |
| Diversifying Strategies | | |
| Real Estate | 5.00 | 5.30 |
| Opportunistic | 3.00 | 2.25 |
| Real Return | <u>15.00</u> | 3.95 |
| Total | <u><u>100.00 %</u></u> | |

Discount rate: The single discount rate used to measure the total pension liability was 6.25%. The single discount rate was based on the expected rate of return on pension plan investments for the system. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan’s fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan member. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability for the system.

The projections of cash flows used to determine the single discount rate includes an assumption regarding actual employer contributions made each future year. Except where noted, the future contributions are projected assuming that each participating employer in the system contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 Legislative Session. This includes the phase-in provisions from House Bill 362 (passed in 2020) which kept CERS contributions level for fiscal year ending 2021.

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

| | <u>1% Decrease</u> | Current <u>Discount Rate</u> | <u>1% Increase</u> |
|---------------|--------------------|---------------------------------|--------------------|
| Non-Hazardous | \$ 32,131,977 | \$ 26,055,399 | \$ 21,023,762 |

Changes of assumptions: There were no changes in actuarial assumptions for the June 30, 2020 valuation date.

NOTE 9 – PENSION PLAN (Continued)

Plan Information for December 31, 2019 Financial Statements

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the District reported a liability of \$23,269,110 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion for the non-hazardous system was 0.330854%, which was an increase of 0.018579% from its proportion measured as of December 31, 2018.

For the year ended December 31, 2019, the District recognized pension expense of \$2,476,972. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ 375,107 |
| Difference between expected and actual experience | 594,130 | 98,318 |
| Changes of assumptions | 2,355,098 | - |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 752,506 | 253,192 |
| District contributions after measurement date | <u>856,487</u> | <u>-</u> |
| Total | <u>\$ 4,558,221</u> | <u>\$ 726,617</u> |

The \$856,487 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Years Ending December 31,</u> | |
|--------------------------------------|---------------------|
| 2020 | \$ 1,741,617 |
| 2021 | 845,880 |
| 2022 | 361,006 |
| 2023 | <u>26,614</u> |
| Total | <u>\$ 2,975,117</u> |

NOTE 9 – PENSION PLAN (Continued)

Actuarial assumptions: The total pension liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|-------------------------------|---|
| Valuation Date | June 30, 2018 |
| Experience Study | July 1, 2013 – June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percent of Pay Amortization Method |
| Remaining Amortization Period | 24 Years, Closed |
| Asset Valuation Method | 20% of the Difference Between the Market Value of Assets and the Expected Actuarial Value of Assets is Recognized |
| Inflation | 2.30% |
| Payroll Growth Rate | 2.00% |
| Salary Increase | 3.30% to 10.30%, Varies by Service |
| Investment Rate of Return | 6.25% Net of Pension Plan Investment Expense, Including Inflation |

The mortality table used for active members was a Pub-2010 General Mortality table, for the Non-Hazardous System projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010. The mortality table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013-2018, projected with the ultimate rates from MP-2014 mortality improvement scale using a base year of 2019. The mortality table used for the disabled members was PUB-2010 Disabled Mortality table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from the MP-2014 mortality improvement scale using a base year of 2010.

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Growth | | |
| US Equity | 18.75 % | 4.30 % |
| Non-US Equity | 18.75 | 4.80 |
| Private Equity | 10.00 | 6.65 |
| Specialty Credit/High Yield | 15.00 | 2.60 |
| Liquidity | | |
| Core Bonds | 13.50 | 1.35 |
| Cash | 1.00 | 0.20 |
| Diversifying Strategies | | |
| Real Estate | 5.00 | 4.85 |
| Opportunistic | 3.00 | 2.97 |
| Real Return | <u>15.00</u> | 4.10 |
| Total | <u><u>100.00 %</u></u> | |

NOTE 9 – PENSION PLAN (Continued)

Discount rate: The single discount rate used to measure the total pension liability was 6.25%. The single discount rate was based on the expected rate of return on pension plan investments for the system. Based on the stated assumptions and the projection of cash flows as of each fiscal year ending, the pension plan’s fiduciary net position and future contributions were projected to be sufficient to finance all the future benefit payments of the current plan member. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability for the system. The projection of cash flows used to determine the single discount rate assumes that each fund receives the employer required contributions each year as determined by the current funding policy established in statute, which includes the phase-in provisions from House Bill 362 (passed in 2018) that applies to CERS.

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

| | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|---------------|--------------------|----------------------------------|--------------------|
| Non-Hazardous | \$ 29,103,056 | \$ 23,269,110 | \$ 18,406,571 |

Changes of assumptions: As a result of the 2018 experience study, the salary increase assumptions, retirement rate assumptions, mortality assumptions, withdraw rates, and rates of disablement were updated for the 2019 actuarial valuation.

Other Information about the Pension Plan

Payable to the pension plan: At December 31, 2020 and 2019, the District reported a payable of \$167,861 and \$130,935 for the outstanding amount of contributions to the pension plan required for the years ended December 31, 2020 and 2019, respectively.

Pension plan fiduciary net position: Detailed information about the pension plan’s fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.kyret.ky.gov.

401(k) Plan and 457 Plan: The District also permits employees to participate in a voluntary 401(k) or 457 plan. There is no employer match.

NOTE 10 – OPEB PLAN

General Information about the OPEB Plan

Plan description: County Employees Retirement System consists of two plans, Non-Hazardous and Hazardous. Each plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Kentucky Retirement Systems (KRS) under the provision of Kentucky Revised Statute 61.645. The plan covers all regular full-time members employed in non-hazardous and hazardous duty positions of each participating county, city, and any additional eligible local agencies electing to participate in CERS. The District only participates in the non-hazardous plan.

NOTE 10 – OPEB PLAN (Continued)

Benefits provided: The KRS’ Insurance Fund was established to provide hospital and medical insurance for eligible members receiving benefits from CERS. The eligible non-Medicare retirees are covered by the Department of Employee Insurance (DEI) plans. KRS submits the premium payments to DEI. The Board contracts with Humana to provide health care benefits to the eligible Medicare retirees through a Medicare Advantage Plan. The Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The Insurance Fund pays the same proportion of hospital and medical insurance premiums for the spouse and dependents of retired hazardous members killed in the line of duty.

As a result of House Bill 290 (2004 Kentucky General Assembly), medical insurance benefits are calculated differently for members who began participating on, or after July 1, 2003. Once members reach a minimum vesting period of 10 years, non-hazardous employees whose participation began on, or after July 1, 2003, earn \$10 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Hazardous employees whose participation began on, or after July 1, 2003 earn \$15 per month for insurance benefits at retirement for every year of earned service without regard to a maximum dollar amount. Upon death of a hazardous employee, the employee’s spouse receives \$10 per month for insurance benefits for each year of the deceased employee’s earned hazardous service. This dollar amount is subject to adjustment annually, which is currently 1.5% based upon Kentucky Revised Statutes. This benefit is not protected under the inviolable contract provisions of KRS 61.692. The Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgment, the welfare of the Commonwealth so demands.

The amount of contribution paid by the Insurance Fund is based on years of service. For members participating prior to July 1, 2003, years of service and respective percentages of the maximum contribution are as follows:

| Portion Paid by Insurance Fund | |
|---------------------------------------|---|
| Years of Service | Paid by Insurance Fund (%) |
| 20 + Years | 100.00% |
| 15 - 19 Years | 75.00% |
| 10 - 14 Years | 50.00% |
| 4 - 9 Years | 25.00% |
| Less Than 4 Years | 0.00% |

Contributions: The employee contribution rate is set by state statute. Non-Hazardous employees contribute 5% of their annual creditable compensation. Employees hired on or after September 1, 2008, contribute an additional 1% to health insurance.

Plan members who began participating on, or after, September 1, 2008, were required to contribute a total of 6.00% for non-hazardous of their annual creditable compensation. The 1.00% was deposited to an account created for the payment of health insurance benefits under 26 USC section 401(h) in the Pension Fund. These members were classified in the Tier 2 structure of benefits. Interest is paid each June 30 on members’ accounts at a rate of 2.50%. If a member terminates employment and applies to take a refund, the member is entitled to a full refund of contributions and interest; however, the 1.00% contribution to the 401(h) account is non-refundable and is forfeited.

NOTE 10 – OPEB PLAN (Continued)

Plan members who began participating on or after January 1, 2014, were required to contribute to the Cash Balance Plan. These member were classified in the Tier 3 structure of benefits. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the plan contribute a set percentage of their salary each month to their own account. Members contribute 5.00% non-hazardous of their annual creditable compensation and 1.00% to the health insurance fund which is not credited to the member's account and is not refundable. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of the member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. A member's account is credited with 4.00% non-hazardous employer pay credit. The employer pay credit represents a portion of the employer contribution.

The employer contribution rates are set by the KRS Board under Kentucky Revised Statute 61.565 based on an annual actuarial valuation, unless altered by legislation enacted by the Kentucky General Assembly. SB 249 (passed during the 2020 legislative session) froze the contribution rates for one year so that the rates for fiscal year ended June 30, 2021 were equal to the rates for fiscal year ended June 30, 2020. For the fiscal years ended June 30, 2021, 2020, and 2019, participating employers contributed 24.06% (19.30% pension fund and 4.76% insurance fund), 24.06% (19.30% pension fund and 4.76% insurance fund), and 21.48% (16.22% pension fund and 5.26% insurance fund), respectively, for the non-hazardous system of each employee's creditable compensation. The actuarially determined rates set by the Board for the fiscal years was a percentage of each employee's creditable compensation. Contributions to the pension fund (excluding the insurance portion) from the District were \$425,112 and \$438,448 for the years ended December 31, 2020 and 2019, respectively.

Plan Information for December 31, 2020 Financial Statements

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2020, the District reported a liability of \$8,200,549 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2020, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion for the non-hazardous system was 0.339610%, which was an increase of 0.008842% from its proportion measured as of December 31, 2019.

NOTE 10 – OPEB PLAN (Continued)

For the year ended December 31, 2020, the District recognized OPEB expense of \$564,502. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ 272,567 | \$ - |
| Difference between expected and actual experience | 1,370,140 | 1,371,210 |
| Changes of assumptions | 1,426,411 | 8,674 |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 310,333 | 92,655 |
| District contributions after measurement date | <u>218,338</u> | <u>-</u> |
| Total | <u>\$ 3,597,789</u> | <u>\$ 1,472,539</u> |

The \$218,338 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Years Ending December 31,</u> | |
|--------------------------------------|---------------------|
| 2021 | \$ 495,356 |
| 2022 | 576,020 |
| 2023 | 421,400 |
| 2024 | 420,964 |
| 2025 | <u>(6,828)</u> |
| Total | <u>\$ 1,906,912</u> |

NOTE 10 – OPEB PLAN (Continued)

Actuarial assumptions: The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|---------------------------------------|---|
| Valuation Date | June 30, 2019 |
| Experience Study | July 1, 2013 – June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal |
| Amortization Method | Level Percentage of Pay Amortization Method |
| Amortization Period | 30 Years, Closed |
| Asset Valuation Method | 20% of the Difference Between the Market Value of Assets and the Expected Actuarial Value of Assets is Recognized |
| Inflation | 2.30% |
| Payroll Growth Rate | 2.00% |
| Salary Increase | 3.30% to 11.55%, Varies by Services |
| Investment Rate of Return | 6.25% |
| Healthcare Cost Trend Rates (Pre-65) | Initial Trend Starting at 6.40% at January 1, 2022 and Gradually Decreasing to an Ultimate Trend Rate of 4.05% Over a Period of 14 Years. |
| Healthcare Cost Trend Rates (Post-65) | Initial Trend Starting at 2.90% at January 1, 2022, and Increasing to 6.30% in 2023, then Gradually Decreasing to an Ultimate Trend Rate of 4.05% Over a period of 14 Years. |
| Mortality | |
| Pre-retirement | PUB-2010 General Mortality Table, for the Non-Hazardous Systems, Projected with the Ultimate Rates from the MP-2014 Mortality Improvement Scale Using a Base Year of 2010 |
| Post Retirement (non-disabled) | System-Specific Mortality Table Based on Mortality Experience from 2013-2018, Projected with the Ultimate Rates from MP-2014 Mortality Improvement Scale Using a Base Year of 2010. |
| Post Retirement (disabled) | PUB-2010 Disabled Mortality Table, with a 4-year Set-forward for both Male and Female Rates, Projected With the Ultimate Rates from the MP-2014 Mortality Improvement Scale Using a Base Year of 2010 |

Senate Bill 249 passed during the 2020 legislative session and changed the funding period for the amortization of the unfunded liability to 30 years as of June 30, 2019. Gains and losses incurring in future years will be amortized over separate 20-year amortization bases. This change does not impact the calculation of the total OPEB liability and only impacts the calculation of the contribution rates that would be payable starting July 1, 2020. There were no other material plan changes.

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

NOTE 10 – OPEB PLAN (Continued)

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Growth | | |
| US Equity | 18.75 % | 4.50 % |
| Non-US Equity | 18.75 | 5.25 |
| Private Equity | 10.00 | 6.65 |
| Specialty Credit/High Yield | 15.00 | 3.90 |
| Liquidity | | |
| Core Bonds | 13.50 | (0.25) |
| Cash | 1.00 | (0.75) |
| Diversifying Strategies | | |
| Real Estate | 5.00 | 5.30 |
| Opportunistic | 3.00 | 2.25 |
| Real Return | <u>15.00</u> | 3.95 |
| Total | <u><u>100.00 %</u></u> | |

Discount rate: The single discount rate used to measure the total OPEB liability was 5.34% for non-hazardous. The single discount rate was based on the expected rate of return on the OPEB plan investments of 6.25% and a municipal bond rate of 2.45%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 28, 2020. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan’s insurance fiduciary net position an future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on Insurance Plan investments was applied to all period of the projected benefit payments paid from the retirement plan. However, the cost associated with the implicit subsidy is not currently being included in the calculation of the system’s actuarial determined contributions, and it is understood that any cost associated with the implicit subsidy will not be paid out of the plan’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

The projection of cash flows used to determine the single discount rate include an assumption regarding actual employer contributions made each future year. The future contributions are projected assuming that each participating employer in system contributes the actuarially determined employer contribution rate each future year calculated in accordance with the current funding policy, as most recently revised by Senate Bill 249, passed during the 2020 Legislative Session. This includes the phase-in provisions from House Bill 362 (passed in 2018) that applies to the CERS Funds as well as the provisions from Senate Bill 249 (passed in 2020) which kept CERS contributions level from fiscal year ending 2021.

NOTE 10 – OPEB PLAN (Continued)

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate: The following present's the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.34% for non-hazardous) or 1-percentage-point higher (6.34% for non-hazardous) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount</u> | <u>1% Increase</u> |
|------------------|--------------------|-----------------------------|--------------------|
| Non-Hazardous \$ | 10,535,298 | \$ 8,200,549 | \$ 6,282,942 |

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following present's the District's proportionate share of the net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Current Healthcare Cost Trend Rate</u> | <u>1% Increase</u> |
|------------------|--------------------|---|--------------------|
| Non-Hazardous \$ | 6,349,274 | \$ 8,200,549 | \$ 10,447,114 |

Changes of assumptions: There were no changes in actuarial assumptions for the June 30, 2020 valuation date.

Plan Information for December 31, 2019 Financial Statements

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2019, the District reported a liability of \$5,563,369 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2019, using generally accepted actuarial principles. The District's proportion of the net OPEB liability was based on the District's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2019, the District's proportion for the non-hazardous system was 0.330768%, which was an increase of 0.018493% from its proportion measured as of December 31, 2018.

NOTE 10 – OPEB PLAN (Continued)

For the year ended December 31, 2019, the District recognized OPEB expense of \$97,596. At December 31, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Net difference between projected and actual earnings on pension plan investments | \$ - | \$ 247,100 |
| Difference between expected and actual experience | - | 1,678,597 |
| Changes of assumptions | 1,646,252 | 11,008 |
| Changes in proportion and difference between employer contributions and proportionate share of contributions | 253,396 | 121,608 |
| District contributions after measurement date | <u>211,237</u> | <u>-</u> |
| Total | <u>\$ 2,110,885</u> | <u>\$ 2,058,313</u> |

The \$211,237 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Years Ending December 31,</u> | |
|--------------------------------------|-------------------------|
| 2020 | \$ (22,267) |
| 2021 | (22,267) |
| 2022 | 56,297 |
| 2023 | (94,244) |
| 2024 | (69,873) |
| Thereafter | <u>(6,311)</u> |
| Total | <u>\$ (158,665)</u> |

NOTE 10 – OPEB PLAN (Continued)

Actuarial assumptions: The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|---------------------------------------|---|
| Valuation Date | June 30, 2019 |
| Experience Study | July 1, 2013 – June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal Cost |
| Amortization Method | Level Percent of Pay Amortization Method |
| Amortization Period | 24 Years, Closed |
| Asset Valuation Method | 20% of the Difference Between the Market Value of Assets and the Expected Actuarial Value of Assets is Recognized |
| Inflation | 2.00% |
| Payroll Growth Rate | 2.30% |
| Salary Increase | 3.30 to 10.30%, Varies by Service |
| Investment Rate of Return | 6.25% |
| Healthcare Cost Trend Rates (Pre-65) | Initial Trend Starting at 7.00% at January 1, 2020 and Gradually Decreasing to an Ultimate Trend Rate of 4.05% Over a Period of 12 Years |
| Healthcare Cost Trend Rates (Post-65) | Initial trend starting at 5.00% at January 1, 2020 and 4.05% Over a Period of 10 Years. |
| Mortality | |
| Pre-retirement | PUB-2010 General Mortality Table, for the Non-Hazardous Systems, Projected with the Ultimate Rates from the MP-2014 Mortality Improvement Scale Using a Base Year of 2010 |
| Post Retirement (non-disabled) | System-Specific Mortality Table Based on Mortality Experience from 2013-2018, Projected with the Ultimate Rates from MP-2014 Mortality Improvement Scale Using a Base Year of 2019. |
| Post Retirement (disabled) | PUB-2010 Disabled Mortality Table, with a 4-year Set-forward for both Male and Female Rates, Projected With the Ultimate Rates from the MP-2014 Mortality Improvement Scale Using a Base Year of 2010 |

The long-term expected return on plan assets was determined by using a building-block method in which best-estimate ranges of expected future real returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage.

NOTE 10 – OPEB PLAN (Continued)

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

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long Term Expected Real Rate of Return</u> |
|-----------------------------|----------------------------|---|
| Growth | | |
| US Equity | 18.75 % | 4.30 % |
| Non-US Equity | 18.75 | 4.80 |
| Private Equity | 10.00 | 6.65 |
| Specialty Credit/High Yield | 15.00 | 2.60 |
| Liquidity | | |
| Core Bonds | 13.50 | 1.35 |
| Cash | 1.00 | 0.20 |
| Diversifying Strategies | | |
| Real Estate | 5.00 | 4.85 |
| Opportunistic | 3.00 | 2.97 |
| Real Return | <u>15.00</u> | 4.10 |
| Total | <u><u>100.00</u></u> % | |

Discount rate: The discount rate used to measure the total OPEB liability was 5.68% for non-hazardous. The single discount rate was based on the expected rate of return on the OPEB plan investments of 6.25% and a municipal bond rate of 3.13%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2019. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan’s insurance fiduciary net position an future contributions were projected to be sufficient to finance the future benefit payments of the current plan members. Therefore, the long-term expected rate of return on Insurance Plan investments was applied to all period of the projected benefit payments paid from the retirement plan. However, the cost associated with the implicit subsidy will not be paid out of the Plan’s trust. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy. The projection of cash flows used to determine the single discount rate assumes that the fund receive the required employer contributions each future year, as determined by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018).

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the discount rate: The following present’s the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.68% for non-hazardous) or 1-percentage-point higher (6.68% for non-hazardous) than the current rate:

| | <u>1% Decrease</u> | <u>Current Discount</u> | <u>1% Increase</u> |
|------------------|--------------------|-------------------------|--------------------|
| Non-Hazardous \$ | 7,452,625 \$ | 5,563,369 \$ | 4,006,747 |

NOTE 10 – OPEB PLAN (Continued)

Sensitivity of the District’s proportionate share of the net OPEB liability to changes in the healthcare cost trend rates: The following presents the District’s proportionate share of the net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Current Healthcare Cost Trend Rate</u> | <u>1% Increase</u> |
|------------------|--------------------|---|--------------------|
| Non-Hazardous \$ | 4,137,506 \$ | 5,563,369 \$ | 7,292,397 |

Changes of assumptions: As a result of the 2018 experience study, the salary increase assumptions, retirement rate assumptions, mortality assumptions, withdraw rates, and rates of disablement were updated for the 2019 actuarial valuation. The medical trend assumption rate was also updated for the 2019 actuarial valuation as a result of an annual review of this particular assumption.

Other Information about the OPEB Plan

Payable to the OPEB Plan: At December 31, 2020 and 2019, the District reported a payable of \$41,400 and \$32,293 for the outstanding amount of contributions to the OPEB plan required for the years ended December 31, 2020 and 2019, respectively.

Pension plan fiduciary net position: Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued Kentucky Retirement Systems Comprehensive Annual Financial Report on the KRS website at www.kyret.ky.gov.

NOTE 11 – OPERATING LEASES

The District is obligated under certain non-cancelable leases for equipment. The leases expire at various dates through June 2024. Lease expense for the years ended December 31, 2020 and 2019 were \$16,041 and \$11,312, respectively.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year are:

| <u>Years Ending December 31,</u> | |
|--------------------------------------|------------------|
| 2021 | \$ 16,041 |
| 2022 | 16,041 |
| 2023 | 16,041 |
| 2024 | <u>5,827</u> |
| | <u>\$ 53,950</u> |

NOTE 12 – ECONOMIC DEPENDENCY

The District receives the majority of its operating revenues from customers in Kenton, Campbell, Boone, and Pendleton counties of Kentucky.

NOTE 13 – RISKS AND UNCERTAINTIES – COVID-19 OUTBREAK

Prior to year-end, the World Health Organization announced a global health emergency later classified as a global pandemic as a result of the COVID-19 outbreak. The outbreak and response has impacted financial and economic markets across the World and within the United States. The full impact continues to evolve and as such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the possible effects on every aspect of the District.

NOTE 14 – SUBSEQUENT EVENTS

The District has evaluated subsequent events through April 15, 2021, which is the date the financial statements were available to be issued.

In March 2021, the District issued \$24,685,000 of Revenue Bond Anticipation Notes, Series 2021A. The proceeds are to be used to finance the costs of additions and improvements to the District's public water system.

In February 2021, the Board of Commissioners of the District passed a resolution to authorize the issuance, sale, execution, and delivery of its Revenue Bonds, Series 2023A, in an approximate aggregate amount of \$27,000,000. The proceeds are to be used to discharge the Series 2021A Notes on their scheduled maturity date and to provide a permanent means of financing the costs of the additions and improvements to the public water system.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2020**

**County Employees Retirement System
Last 10 Calendar Years***

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|----------------------|----------------------|-------------------|----------------------|----------------------|----------------------|----------------------|
| District's Proportion of the Net Pension Liability - Non-Hazardous | 0.339709% | 0.330854% | 0.312275% | 0.320590% | 0.335200% | 0.344120% | 0.333600% |
| Total District's Proportionate Share of the Net Pension Liability | \$ <u>26,055,399</u> | \$ <u>23,269,110</u> | <u>19,018,499</u> | \$ <u>18,765,118</u> | \$ <u>16,504,154</u> | \$ <u>14,819,690</u> | \$ <u>11,002,199</u> |
| District's Covered Payroll | \$ <u>8,757,359</u> | \$ <u>8,040,890</u> | <u>7,779,594</u> | \$ <u>7,880,340</u> | \$ <u>7,925,067</u> | \$ <u>7,972,340</u> | \$ <u>7,931,952</u> |
| District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll | 297.53% | 289.38% | 244.47% | 238.13% | 208.25% | 185.89% | 138.71% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Non-Hazardous | 47.81% | 50.45% | 53.54% | 53.32% | 55.50% | 59.97% | 66.80% |

* Only seven years of information available. Additional years' information will be displayed as it becomes available.

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
DECEMBER 31, 2020**

**County Employees Retirement System
Last 10 Calendar Years***

| <u>Non-Hazardous</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually Required Contribution | \$ 1,723,667 | \$ 1,557,127 | \$ 1,230,042 | \$ 1,099,103 | \$ 1,045,628 | \$ 1,429,517 | \$ 1,483,609 |
| Contributions in Relation to the Contractually Required Contribution | <u>(1,723,667)</u> | <u>(1,557,127)</u> | <u>(1,230,042)</u> | <u>(1,099,103)</u> | <u>(1,045,628)</u> | <u>(1,429,517)</u> | <u>(1,483,609)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 8,930,918 | \$ 8,757,359 | \$ 8,040,890 | \$ 7,732,260 | \$ 7,925,067 | \$ 7,972,340 | \$ 7,931,952 |
| Contributions as a Percentage of Covered Payroll | 19.30% | 17.78% | 15.30% | 14.21% | 13.19% | 17.93% | 18.70% |

* Only seven years of information available. Additional years' information will be displayed as it becomes available.

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
DECEMBER 31, 2020**

**County Employees Retirement System
Last 10 Calendar Years***

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| District's Proportion of the Net OPEB Liability - Non-Hazardous | 0.339610% | 0.330768% | 0.312275% | 0.320590% | 0.335200% |
| Total District's Proportionate Share of the Net OPEB Liability | \$ <u>8,200,549</u> | \$ <u>5,563,369</u> | \$ <u>5,544,345</u> | \$ <u>6,444,956</u> | \$ <u>5,055,231</u> |
| District's Covered Payroll | \$ <u>8,757,359</u> | \$ <u>8,040,890</u> | \$ <u>7,779,594</u> | \$ <u>7,880,340</u> | \$ <u>7,925,067</u> |
| District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll | 93.64% | 69.19% | 71.27% | 81.79% | 63.79% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Non-Hazardous | 51.67% | 60.44% | 57.62% | 52.39% | 55.24% |

** Only five years of information available. Additional years' information will be displayed as it becomes available.*

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
DECEMBER 31, 2020**

**County Employees Retirement System
Last 10 Calendar Years***

| <u>Non-Hazardous</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Contractually Required Contribution | \$ 425,112 | \$ 438,448 | \$ 399,058 | \$ 364,575 | \$ 371,330 |
| Contributions in Relation to the Contractually Required Contribution | <u>(425,112)</u> | <u>(438,448)</u> | <u>(399,058)</u> | <u>(364,575)</u> | <u>(371,330)</u> |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's Covered Payroll | \$ 8,930,918 | \$ 8,757,359 | \$ 8,040,890 | \$ 7,732,260 | \$ 7,925,067 |
| Contributions as a Percentage of Covered Payroll | 4.76% | 5.01% | 4.96% | 4.71% | 4.69% |

* Only five years of information available. Additional years' information will be displayed as it becomes available.

OTHER SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2020**

| | Original and Final Budget | Actual | Variance Favorable (Unfavorable) |
|--|--|----------------------|---|
| Operating Revenues | | | |
| Water Sales | \$ 56,528,724 | \$ 59,767,687 | \$ 3,238,963 |
| Forfeited Discounts | 821,100 | 237,109 | (583,991) |
| Rents From Property | 367,900 | 548,933 | 181,033 |
| Other Water Revenues | 380,000 | 197,927 | (182,073) |
| | <u>58,097,724</u> | <u>60,751,656</u> | <u>2,653,932</u> |
| Operating Expenses | | | |
| Operation and Maintenance Expense | 31,169,960 | 28,706,549 | 2,463,411 |
| Depreciation Expense | 11,952,000 | 12,301,512 | (349,512) |
| | <u>43,121,960</u> | <u>41,008,061</u> | <u>2,113,899</u> |
| | <u>14,975,764</u> | <u>19,743,595</u> | <u>4,767,831</u> |
| Non-Operating Income (Expense) | | | |
| Investment Income | 1,506,800 | 688,108 | (818,692) |
| Miscellaneous Non-Operating Income | 120,400 | 112,631 | (7,769) |
| Loss on Abandonment of Mains | - | (264,847) | (264,847) |
| Interest on Long-Term Debt and Customer Deposits | (7,437,585) | (6,555,100) | 882,485 |
| Amortization of Debt Premiums and Defeasance Costs | - | 851,294 | 851,294 |
| Bond Issuance Costs | - | (226,603) | (226,603) |
| Pension Expense | - | (2,604,502) | (2,604,502) |
| Other Post Employment Benefit Expense | - | (564,502) | (564,502) |
| Arbitrage Rebate | - | 27,184 | 27,184 |
| Gain on Sale of Capital Assets | - | 60,861 | 60,861 |
| | <u>(5,810,385)</u> | <u>(8,475,476)</u> | <u>(2,665,091)</u> |
| Change in Net Position Before Capital Contributions | 9,165,379 | 11,268,119 | 2,102,740 |
| Capital Contributions | - | 2,099,143 | 2,099,143 |
| Change in Net Position | <u>\$ 9,165,379</u> | <u>\$ 13,367,262</u> | <u>\$ 4,201,883</u> |

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

| | Years Ended December 31, | |
|-------------------------------------|---------------------------------|-----------------------------|
| | <u>2020</u> | <u>2019</u> |
| Operating Revenues | | |
| Metered Sales | | |
| Sales to Residential Customers | \$ 37,580,425 | \$ 34,204,142 |
| Sales to Commercial Customers | 7,564,583 | 7,752,357 |
| Sales to Industrial Customers | 4,697,395 | 4,239,685 |
| Sales to Public Authorities | 2,152,780 | 2,673,446 |
| Sales to Multiple Family Dwellings | 5,830,240 | 5,048,482 |
| Sales Through Bulk Loading Stations | <u>72,063</u> | <u>66,697</u> |
| Total Metered Sales | 57,897,486 | 53,984,809 |
| Fire Protection Revenue | 44,657 | 66,062 |
| Sales For Resale | <u>1,825,544</u> | <u>1,713,358</u> |
| Total Sales of Water | 59,767,687 | 55,764,229 |
| Other Revenue | <u>983,969</u> | <u>1,803,665</u> |
| Total Operating Revenues | <u><u>\$ 60,751,656</u></u> | <u><u>\$ 57,567,894</u></u> |

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENTS OF COMBINED OPERATION AND MAINTENANCE EXPENSES**

| | Years Ended December 31, | |
|---|---------------------------------|----------------------|
| | 2020 | 2019 |
| Operating and Maintenance Expenses | | |
| Salaries and Wages | \$ 9,222,495 | \$ 9,158,236 |
| Employee Pensions and Benefits | 5,326,550 | 5,423,579 |
| Taxes Other Than Income Taxes | 651,852 | 648,930 |
| Purchased Power | 2,585,613 | 2,718,677 |
| Chemicals | 2,573,311 | 2,664,632 |
| Materials and Supplies | 2,413,632 | 2,375,356 |
| Contractual Services | 3,998,476 | 3,744,244 |
| Transportation Expenses | 506,318 | 605,498 |
| Insurance | 719,772 | 614,425 |
| Bad Debt Expense | 355,158 | 424,805 |
| Miscellaneous Expense | 209,775 | 228,075 |
| Regulatory Commission Assessment | 143,597 | 132,432 |
| | <hr/> | <hr/> |
| Total Operating and Maintenance Expenses | \$ 28,706,549 | \$ 28,738,889 |
| | <hr/> <hr/> | <hr/> <hr/> |

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF INSURANCE COVERAGES
December 31, 2020**

| <u>Company</u> | <u>Policy Number</u> | <u>Description of Coverage</u> | <u>Amount of Coverage</u> | <u>Effective Period</u> | |
|-------------------------------------|----------------------|--------------------------------|---------------------------|-------------------------|------------|
| | | | | <u>From</u> | <u>To</u> |
| Travelers Insurance | ZLP14T8065319 | General Liability | \$ 1,000,000 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | ZUP14T8066519 | Umbrella | \$ 19,000,000 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | ZLP14T8065319 | Public Officials | \$ 1,000,000 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | H8102721X112COF19 | Business Auto | \$ 1,000,000 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | H6302721X112TIL19 | Property-Including Equipment | \$ 299,407,063 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | H6302721X112TIL19 | Employee Dishonesty | \$ 500,000 | 1/1/2020 | 1/1/2021 |
| Travelers Insurance | ZPL14P0759919 | Cyber Liability | \$ 2,000,000 | 1/1/2020 | 1/1/2021 |
| Kentucky Employers Mutual Insurance | WC 338786 | Worker's Compensation | \$ 1,000,000 | 7/1/2019 | 7/1/2020 |
| Kentucky Employers Mutual Insurance | WC 338786 | Worker's Compensation | \$ 1,000,000 | 7/1/2020 | 7/1/2021 |
| Cincinnati Insurance | 8877070 | Fidelity Bond | Per Application | 1/1/2020 | 12/31/2020 |
| Great American Insurance | PEL1093742-02 | Pollution Liability | \$ 15,000,000 | 1/1/2019 | 1/1/2022 |

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF RATES, RULES AND REGULATIONS
DECEMBER 31, 2020**

RETAIL WATER RATES

1. Monthly Service Rate

| | | |
|-------|--------------------|---------------------------|
| First | 1,500 Cubic Feet | \$4.77 per 100 Cubic Feet |
| Next | 163,500 Cubic Feet | \$4.44 per 100 Cubic Feet |
| Over | 165,000 Cubic Feet | \$3.25 per 100 Cubic Feet |

| | | |
|--|----|-------|
| Sub District B shall be assessed a monthly surcharge in the amount of | \$ | 12.53 |
| Sub District C shall be assessed a monthly surcharge in the amount of | \$ | 10.87 |
| Sub District D shall be assessed a monthly surcharge in the amount of | \$ | 39.30 |
| Sub District E shall be assessed a monthly surcharge in the amount of | \$ | 30.00 |
| Sub District F shall be assessed a monthly surcharge in the amount of | \$ | 15.55 |
| Sub District G shall be assessed a monthly surcharge in the amount of | \$ | 20.55 |
| Sub District H shall be assessed a monthly surcharge in the amount of | \$ | 30.00 |
| Sub District I shall be assessed a monthly surcharge in the amount of | \$ | 30.00 |
| Sub District K shall be assessed a monthly surcharge in the amount of | \$ | 6.45 |
| Sub District M shall be assessed a monthly surcharge in the amount of | \$ | 30.00 |
| Sub District R shall be assessed a monthly surcharge in the amount of | \$ | 19.09 |
| Sub District RF shall be assessed a monthly surcharge in the amount of | \$ | 21.61 |
| Sub District RL shall be assessed a monthly surcharge in the amount of | \$ | 24.84 |

2. Quarterly Rates

| | | |
|-------|--------------------|---------------------------|
| First | 4,500 Cubic Feet | \$4.77 per 100 Cubic Feet |
| Next | 490,500 Cubic Feet | \$4.44 per 100 Cubic Feet |
| Next | 495,000 Cubic Feet | \$3.25 per 100 Cubic Feet |

3. Fixed Service Charge

| <u>Meter Size</u> | <u>Monthly</u> | <u>Quarterly</u> |
|-------------------|----------------|------------------|
| 5/8" | \$ 18.50 | \$ 40.50 |
| 3/4" | \$ 19.00 | \$ 42.50 |
| 1" | \$ 20.80 | \$ 48.80 |
| 1½" | \$ 23.40 | \$ 57.70 |
| 2" | \$ 29.60 | \$ 80.90 |
| 3" | \$ 71.30 | \$ 251.80 |
| 4" | \$ 89.50 | \$ 315.50 |
| 6" | \$ 132.40 | \$ 466.20 |
| 8" | \$ 178.80 | \$ 637.10 |
| 10" and Larger | \$ 237.80 | \$ 831.90 |

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF RATES, RULES AND REGULATIONS
DECEMBER 31, 2020
(CONTINUED)**

WHOLESALE WATER RATES

| | |
|----------------------------|---|
| Bullock Pen Water District | \$3.98 per 1,000 Gallons (or) \$2.98 per 100 Cubic Feet |
| City of Walton | \$3.98 per 1,000 Gallons (or) \$2.98 per 100 Cubic Feet |
| Pendleton District | \$3.98 per 1,000 Gallons (or) \$2.98 per 100 Cubic Feet |

MISCELLANEOUS SERVICE FEES

Service Area Non-Recurring Charges

| | | |
|-----------------------|----|--------------------------|
| Returned Check Charge | \$ | 20.00 |
| Water Hauling Station | \$ | 6.38 / per 1,000 Gallons |
| Reconnection Fee | \$ | 25.00 |
| Overtime Charge | \$ | 60.00 |

**NORTHERN KENTUCKY WATER DISTRICT
MEMBERS OF THE COMMISSION AND ADMINISTRATIVE STAFF
DECEMBER 31, 2020**

| <u>COMMISSIONERS</u> | <u>TITLE</u> | <u>TERM EXPIRES</u> |
|-----------------------------|---------------------|----------------------------|
| Douglas C Wagner, CDT | Chair | August 26, 2021 |
| Joseph J. Koester | Vice-Chair | July 31, 2024 |
| Jody R. Lange, CPA, CGMA | Treasurer | August 28, 2023 |
| Fred A. Macke, Jr. | Secretary | August 26, 2024 |
| Clyde Cunningham | | August 28, 2023 |
| Dr. Patricia Sommercamp | | August 28, 2021 |

| <u>ADMINISTRATIVE STAFF</u> | <u>TITLE</u> |
|------------------------------------|---|
| C. Ronald Lovan, PE | President/CEO |
| Lindsey Rehtin, CPA | Vice President of Finance and Support Services |
| Amy Kramer, PE | Vice President of Engineering, Production, and Distribution |

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

Board of Commissioners
Northern Kentucky Water District
Erlanger, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Northern Kentucky Water District (the District) as of and for the year ended December 31, 2020 and the related notes to the financial statements, which collectively comprise the Northern Kentucky Water District's basic financial statements, and have issued our report thereon dated April 15, 2021.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

VonLehman & Company Inc.

Fort Wright, Kentucky
April 15, 2021

NORTHERN KENTUCKY WATER
DISTRICT

Summary of Savings and Revised Payments

| Northern Kentucky Water District | | | | | | | |
|--------------------------------------|---------------------|--------------------|---------------------|--|--------------------|---------------------|--------------------|
| Refunding Revenue Bonds Series 2021B | | | | | | | |
| Current Payments to Be Refunded | | | | New Bond payments | | | Savings |
| Year | Series 2012 | | Payment | Principal Portion | Interest Portion | Payment Totals | Annual Savings |
| | Principal | Interest | Totals | | | | |
| 2022 | \$4,590,000 | \$1,350,750 | \$5,940,750 | \$5,160,000 | \$327,841 | \$5,487,841 | \$452,909 |
| 2023 | \$4,720,000 | \$1,118,000 | \$5,838,000 | \$4,935,000 | \$449,206 | \$5,384,206 | \$453,794 |
| 2024 | \$4,970,000 | \$875,750 | \$5,845,750 | \$5,040,000 | \$349,456 | \$5,389,456 | \$456,294 |
| 2025 | \$5,220,000 | \$621,000 | \$5,841,000 | \$5,140,000 | \$247,656 | \$5,387,656 | \$453,344 |
| 2026 | \$5,495,000 | \$353,125 | \$5,848,125 | \$5,250,000 | \$143,756 | \$5,393,756 | \$454,369 |
| 2027 | \$4,315,000 | \$107,875 | \$4,422,875 | \$3,925,000 | \$45,629 | \$3,970,629 | \$452,246 |
| Totals | \$29,310,000 | \$4,426,500 | \$33,736,500 | \$29,450,000 | \$1,563,544 | \$31,013,544 | \$2,722,956 |
| Gross Savings Amt. | | \$2,722,956 | | Series 2012 Average Interest Rate | | | 5.000% |
| | | | | Series 2021B True Int. Cost | | | 1.119% |
| | | | | Interest Rate Reduction | | | 3.881% |

NORTHERN KENTUCKY WATER
DISTRICT

Notice of Intent to Issue Securities



September 16, 2021

Commissioner Dennis Keene and State Local Debt Officer
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Re: Northern Kentucky Water District
Notice of Intent to Issue Refunding Securities

Dear Sir or Madam:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Northern Kentucky Water District (the "District") hereby notifies the State Local Debt Officer that the District intends on issuing securities in the form of a revenue bond for the purpose of refunding its existing 2012 revenue bond in order to achieve substantial interest cost savings for the District.

The appropriate documents will be filed with your office in accordance with the requirements of KRS 65.117 once the securities are issued.

Very truly yours,

The Northern Kentucky Water District

A handwritten signature in black ink that reads "Lindsey Rechten".

By: Lindsey Rechten, Incoming
President/CEO, VP of Finance and Support
Services

NORTHERN KENTUCKY WATER
DISTRICT

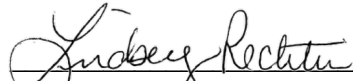
Affidavit

AFFIDAVIT


COMMONWEALTH OF KENTUCKY

COUNTY OF KENTON

Affiant, Lindsey Rechten, after being first sworn, deposes and says that she is the Incoming President/CEO, VP of Finance and Support Services, that she is authorized to submit this Petition on behalf of Northern Kentucky Water District, and that the information contained in the Petition is true and correct to the best of her knowledge and belief except as to those matters that are based on information provided to her and as to those she believes to be true and correct.


Lindsey Rechten

This instrument was produced, signed and declared by Lindsey Rechten to be her act and deed the 20th day of September 2021.


Notary Public
Registration Number KYNP17828

My Commission expires: 12/21/2024