

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN) CASE NO. 2024-00026
KENTUCKY WATER DISTRICT FOR APPROVAL)
TO REFINANCE BONDS)

APPLICATION

Northern Kentucky Water District (“NKWD”), by counsel, petitions for an order approving the refinancing of existing bonds pursuant to KRS 278.300 for the purpose of reduction of the interest rate and related debt service costs.

In support of the Application, NKWD states as follows:

1. NKWD is a non-profit water district organized under Chapter 74 and has no articles of incorporation; its web page is www.nkywater.org.
2. NKWD's office address is 2835 Crescent Springs Rd., Erlanger, KY 41018-0640. Its principal officers are listed in its current Annual Report, which is filed with the Commission as are its prior years Reports. Its contact officers and employees are:

Stacey Kampsen Vice President of Finance and Support Services 2835 Crescent Spring Road Erlanger, Kentucky 41018 Phone: (859) 578-9898 Fax: (859) 578-3668 Email: skampsen@nkywater.org	Tom Edge General Counsel and Director of Compliance, Communications, and Regulatory Affairs 2835 Crescent Spring Road Erlanger, Kentucky 41018 Phone: (859) 578-5457 Fax: (859) 578-3668 Email: tedge@nkywater.org
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3. A description of NKWD's water system and its property stated at original cost by accounts is contained in its 2022 Annual Report, which is incorporated by reference.
4. NKWD serves retail customers in Kenton, Boone and Campbell Counties and sells water at wholesale to non-affiliated water distribution systems in Kenton, Boone, Pendleton and Campbell Counties.

5. NKWD proposes to refinance existing bonds, which will reduce the current interest rate and the total financing costs. This will result in significant savings over the life of the bonds. The bonds, interest rates and projected savings are reflected in the enclosed Exhibits.

6. The projected savings in refinancing are possible due to current market conditions and interest rates being lower than those in place at the time of the initial issuance. This refinancing will benefit NKWD and its customers through lower debt costs which will offset future revenue requirements. No rate adjustment is being proposed in this application. The projected savings will be reflected in the next general rate application.

7. The resolution of the NKWD Board of Commissioners approving the refinancing is attached as Exhibit 2 and opinion of counsel stating that the refinancing is authorized by the bond covenants is attached as Exhibit 3.

8. Pursuant to 807 KAR 5:001 (14)(1), the facts relied upon to show that the application is in the public interest are as follows: See Exhibit 1 for detail on the savings in interest expense over the current life of the bonds and Exhibit 10 for a summary of the revised payments and savings.

9. Pursuant to 807 KAR 5:001(14)(2): Articles of Incorporation – none. NKWD is a statutorily created water district under KRS Chapter 74.

10. The following information is provided as required by 807 KAR 5:001 (18):

a. A general description of the property is contained in the 2022 Annual Report, incorporated by reference.

b. No stock is to be issued; No additional bonds are to be issued. Existing bonds are being refinanced.

c. There is no refunding of any obligation not related to the refinancing.

d. The proceeds of the refinancing will be used to reduce existing revenue requirements.

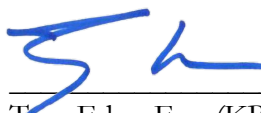
e. The par value, expenses, use of proceeds, interest rates and other information is included in Exhibits 1 and 7.

f. The notice to the state debt officer required by 807 KAR 5:001(18)(1)(g) is attached as Exhibit 11.

11. The following exhibits are provided pursuant to 807 KAR 5:001 (18)(2):
 - a. There are no trust deeds. All current bonds are listed in Exhibit 4 and 5.
 - b. No property is to be constructed or acquired.
12. The following information is provided pursuant to 807 KAR 5:001(12):
 - a. No stock is authorized.
 - b. No stock is issued.
 - c. There are no stock preferences.
 - d. Mortgages are listed in Exhibit 5.
 - e. Bonds are listed in Exhibits 1, 4, and 5.
 - f. Notes are listed in Exhibit 5.
 - g. Other indebtedness is listed in Exhibit 5.
 - h. No dividends have been paid.
 - i. Current balance sheet and income statement are attached as Exhibit 6.
 - k. The current independent audit report is attached as Exhibit 9.

For these reasons, NKWD requests authorization to refinance the bonds and any other order or authorization that may be necessary to obtain Commission approval.

RESPECTFULLY SUBMITTED:



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General Counsel
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Counsel for Northern Kentucky Water District

Exhibit List

Exhibit 1 – Plan of Financing

Exhibit 2 – 2024 Refunding Bond Resolution

Exhibit 3 – Bond Counsel Letter

Exhibit 4 – Summary of Debt Service with Detail

Exhibit 5 – List of Bonds, Notes, and Other Indebtedness

Exhibit 6 – Current Balance Sheet & Income Statement

Exhibit 7 – Description of Bonds

Exhibit 8 – Long Term Debt

Exhibit 9 – 2022 Audited Financial Statements

Exhibit 10 – Summary of Savings and Revised Payments

Exhibit 11 – Notice of Intent to Issue Securities

Exhibit 12 - Affidavit



Exhibit 1 – Plan of Financing

Northern Kentucky Water District
Revenue Bonds, Series 2024
Plan of Finance

Series 2024 Bond Schedules

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Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Total Issue Sources And Uses

Dated 04/17/2024 | Delivered 04/17/2024

	Refund 2013A Portion	Refund 2013B Portion	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$18,655,000.00	\$7,145,000.00	\$25,800,000.00
Total Sources	\$18,655,000.00	\$7,145,000.00	\$25,800,000.00
Uses Of Funds			
Total Underwriter's Discount (1.000%)	186,550.00	71,450.00	258,000.00
Costs of Issuance	68,777.65	26,342.35	95,120.00
Deposit to Current Refunding Fund	18,396,507.76	7,046,104.84	25,442,612.60
Rounding Amount	3,164.59	1,102.81	4,267.40
Total Uses	\$18,655,000.00	\$7,145,000.00	\$25,800,000.00

Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Current Refunding Escrow

Date	Principal	Rate	Interest	Receipts	Disbursements	Cash Balance
04/17/2024	-	-	-	1.60	-	1.60
05/17/2024	25,442,611.00	5.510%	115,223.65	25,557,834.65	25,557,836.25	-
Total	\$25,442,611.00	-	\$115,223.65	\$25,557,836.25	\$25,557,836.25	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cash Deposit	1.60
Cost of Investments Purchased with Bond Proceeds	25,442,611.00
Total Cost of Investments	\$25,442,612.60
Target Cost of Investments at bond yield	\$25,493,109.09
Actual positive or (negative) arbitrage	50,496.49
Yield to Receipt	5.4964220%
Yield for Arbitrage Purposes	3.0662126%
State and Local Government Series (SLGS) rates for	2/01/2024

Northern Kentucky Water District

Revenue Bonds, Series 2013 A

FINAL Sold to William Blair & Co. on 06.13.13 Dated Delivery 06.27.13

Debt Service To Maturity And To Call

Part 1 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/17/2024	-	-	-	-	-	-	-
05/17/2024	18,250,000.00	229,821.25	18,479,821.25	-	-	-	-
08/01/2024	-	-	-	-	-	390,262.50	390,262.50
02/01/2025	-	-	-	970,000.00	5.000%	390,262.50	1,360,262.50
08/01/2025	-	-	-	-	-	366,012.50	366,012.50
02/01/2026	-	-	-	1,020,000.00	5.000%	366,012.50	1,386,012.50
08/01/2026	-	-	-	-	-	340,512.50	340,512.50
02/01/2027	-	-	-	1,070,000.00	4.000%	340,512.50	1,410,512.50
08/01/2027	-	-	-	-	-	319,112.50	319,112.50
02/01/2028	-	-	-	1,110,000.00	4.000%	319,112.50	1,429,112.50
08/01/2028	-	-	-	-	-	296,912.50	296,912.50
02/01/2029	-	-	-	1,155,000.00	4.000%	296,912.50	1,451,912.50
08/01/2029	-	-	-	-	-	273,812.50	273,812.50
02/01/2030	-	-	-	1,205,000.00	4.000%	273,812.50	1,478,812.50
08/01/2030	-	-	-	-	-	249,712.50	249,712.50
02/01/2031	-	-	-	1,255,000.00	4.125%	249,712.50	1,504,712.50
08/01/2031	-	-	-	-	-	223,828.13	223,828.13
02/01/2032	-	-	-	1,310,000.00	4.500%	223,828.13	1,533,828.13
08/01/2032	-	-	-	-	-	194,353.13	194,353.13
02/01/2033	-	-	-	1,370,000.00	4.500%	194,353.13	1,564,353.13
08/01/2033	-	-	-	-	-	163,528.13	163,528.13
02/01/2034	-	-	-	1,430,000.00	4.250%	163,528.13	1,593,528.13
08/01/2034	-	-	-	-	-	133,140.63	133,140.63
02/01/2035	-	-	-	1,490,000.00	4.125%	133,140.63	1,623,140.63
08/01/2035	-	-	-	-	-	102,409.38	102,409.38
02/01/2036	-	-	-	1,555,000.00	4.125%	102,409.38	1,657,409.38
08/01/2036	-	-	-	-	-	70,337.50	70,337.50

Series 2013 FINAL - No DS | SINGLE PURPOSE | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kenutcky Water District

Revenue Bonds, Series 2013 A

FINAL Sold to William Blair & Co. on 06.13.13 Dated Delivery 06.27.13

Debt Service To Maturity And To Call

Part 2 of 2

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/01/2037	-	-	-	1,620,000.00	4.250%	70,337.50	1,690,337.50
08/01/2037	-	-	-	-	-	35,912.50	35,912.50
02/01/2038	-	-	-	1,690,000.00	4.250%	35,912.50	1,725,912.50
Total	\$18,250,000.00	\$229,821.25	\$18,479,821.25	\$18,250,000.00	-	\$6,319,693.80	\$24,569,693.80

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	4/17/2024
Average Life	7.971 Years
Average Coupon	4.2308454%
Weighted Average Maturity (Par Basis)	7.971 Years
Weighted Average Maturity (Original Price Basis)	7.820 Years

Refunding Bond Information

Refunding Dated Date	4/17/2024
Refunding Delivery Date	4/17/2024

Series 2013 FINAL - No DS | SINGLE PURPOSE | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kentucky Water Service District

Refunding Revenue Bonds, Series 2013 B

Final Sold to Fifth Third On 08.28.13 Dated & Delivery 09.25.13

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
04/17/2024	-	-	-	-	-	-	-
05/17/2024	6,985,000.00	93,015.00	7,078,015.00	-	-	-	-
08/01/2024	-	-	-	-	-	157,950.00	157,950.00
02/01/2025	-	-	-	1,635,000.00	4.000%	157,950.00	1,792,950.00
08/01/2025	-	-	-	-	-	125,250.00	125,250.00
02/01/2026	-	-	-	1,700,000.00	4.000%	125,250.00	1,825,250.00
08/01/2026	-	-	-	-	-	91,250.00	91,250.00
02/01/2027	-	-	-	1,780,000.00	5.000%	91,250.00	1,871,250.00
08/01/2027	-	-	-	-	-	46,750.00	46,750.00
02/01/2028	-	-	-	1,870,000.00	5.000%	46,750.00	1,916,750.00
Total	\$6,985,000.00	\$93,015.00	\$7,078,015.00	\$6,985,000.00	-	\$842,400.00	\$7,827,400.00

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	4/17/2024
Average Life	2.345 Years
Average Coupon	4.7356019%
Weighted Average Maturity (Par Basis)	2.345 Years
Weighted Average Maturity (Original Price Basis)	2.372 Years

Refunding Bond Information

Refunding Dated Date	4/17/2024
Refunding Delivery Date	4/17/2024

Series 2013-REF FINAL | SINGLE PURPOSE | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2024	223,740.98	223,740.98	548,212.50	324,471.52
12/31/2025	3,530,388.00	3,530,388.00	3,644,475.00	114,087.00
12/31/2026	3,532,938.00	3,532,938.00	3,643,025.00	110,087.00
12/31/2027	3,536,378.00	3,536,378.00	3,647,625.00	111,247.00
12/31/2028	3,530,328.00	3,530,328.00	3,642,775.00	112,447.00
12/31/2029	1,640,268.00	1,640,268.00	1,725,725.00	85,457.00
12/31/2030	1,640,338.00	1,640,338.00	1,728,525.00	88,187.00
12/31/2031	1,644,358.00	1,644,358.00	1,728,540.63	84,182.63
12/31/2032	1,642,194.00	1,642,194.00	1,728,181.26	85,987.26
12/31/2033	1,643,635.00	1,643,635.00	1,727,881.26	84,246.26
12/31/2034	1,643,380.00	1,643,380.00	1,726,668.76	83,288.76
12/31/2035	1,640,890.00	1,640,890.00	1,725,550.01	84,660.01
12/31/2036	1,639,910.00	1,639,910.00	1,727,746.88	87,836.88
12/31/2037	1,639,395.00	1,639,395.00	1,726,250.00	86,855.00
12/31/2038	1,638,980.00	1,638,980.00	1,725,912.50	86,932.50
Total	\$30,767,120.98	\$30,767,120.98	\$32,397,093.80	\$1,629,972.82

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	1,359,240.90
Net PV Cashflow Savings @ 3.320%(AIC)	1,359,240.90
Contingency or Rounding Amount	4,267.40
Net Present Value Benefit	\$1,363,508.30
Net PV Benefit / \$25,235,000 Refunded Principal	5.403%
Net PV Benefit / \$25,800,000 Refunding Principal	5.285%

Refunding Bond Information

Refunding Dated Date	4/17/2024
Refunding Delivery Date	4/17/2024

Series 2024 REF Comp Sale | Issue Summary | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I
08/01/2024	-	-	223,740.98	223,740.98
02/01/2025	2,800,000.00	3.150%	387,244.00	3,187,244.00
08/01/2025	-	-	343,144.00	343,144.00
02/01/2026	2,890,000.00	3.000%	343,144.00	3,233,144.00
08/01/2026	-	-	299,794.00	299,794.00
02/01/2027	2,980,000.00	2.900%	299,794.00	3,279,794.00
08/01/2027	-	-	256,584.00	256,584.00
02/01/2028	3,060,000.00	2.800%	256,584.00	3,316,584.00
08/01/2028	-	-	213,744.00	213,744.00
02/01/2029	1,230,000.00	2.800%	213,744.00	1,443,744.00
08/01/2029	-	-	196,524.00	196,524.00
02/01/2030	1,265,000.00	2.800%	196,524.00	1,461,524.00
08/01/2030	-	-	178,814.00	178,814.00
02/01/2031	1,305,000.00	2.800%	178,814.00	1,483,814.00
08/01/2031	-	-	160,544.00	160,544.00
02/01/2032	1,340,000.00	2.820%	160,544.00	1,500,544.00
08/01/2032	-	-	141,650.00	141,650.00
02/01/2033	1,380,000.00	2.850%	141,650.00	1,521,650.00
08/01/2033	-	-	121,985.00	121,985.00
02/01/2034	1,420,000.00	2.900%	121,985.00	1,541,985.00
08/01/2034	-	-	101,395.00	101,395.00
02/01/2035	1,460,000.00	3.000%	101,395.00	1,561,395.00
08/01/2035	-	-	79,495.00	79,495.00
02/01/2036	1,505,000.00	3.200%	79,495.00	1,584,495.00
08/01/2036	-	-	55,415.00	55,415.00
02/01/2037	1,555,000.00	3.400%	55,415.00	1,610,415.00
08/01/2037	-	-	28,980.00	28,980.00
02/01/2038	1,610,000.00	3.600%	28,980.00	1,638,980.00
08/01/2038	-	3.600%	-	-
Total	\$25,800,000.00	-	\$4,967,120.98	\$30,767,120.98

Series 2024 REF Comp Sale | Issue Summary | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Debt Service Schedule

Part 2 of 2

Yield Statistics

Bond Year Dollars	\$161,403.33
Average Life	6.256 Years
Average Coupon	3.0774587%
Net Interest Cost (NIC)	3.2373067%
True Interest Cost (TIC)	3.2511662%
Bond Yield for Arbitrage Purposes	3.0662126%
All Inclusive Cost (AIC)	3.3201214%

IRS Form 8038

Net Interest Cost	3.0774587%
Weighted Average Maturity	6.256 Years

Northern Kentucky Water Service District

Revenue Refunding Bonds, Series 2024

Refund 2013A&B Bonds

Estimate Rates

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
12/31/2024	-	-	223,740.98	223,740.98
12/31/2025	2,800,000.00	3.150%	730,388.00	3,530,388.00
12/31/2026	2,890,000.00	3.000%	642,938.00	3,532,938.00
12/31/2027	2,980,000.00	2.900%	556,378.00	3,536,378.00
12/31/2028	3,060,000.00	2.800%	470,328.00	3,530,328.00
12/31/2029	1,230,000.00	2.800%	410,268.00	1,640,268.00
12/31/2030	1,265,000.00	2.800%	375,338.00	1,640,338.00
12/31/2031	1,305,000.00	2.800%	339,358.00	1,644,358.00
12/31/2032	1,340,000.00	2.820%	302,194.00	1,642,194.00
12/31/2033	1,380,000.00	2.850%	263,635.00	1,643,635.00
12/31/2034	1,420,000.00	2.900%	223,380.00	1,643,380.00
12/31/2035	1,460,000.00	3.000%	180,890.00	1,640,890.00
12/31/2036	1,505,000.00	3.200%	134,910.00	1,639,910.00
12/31/2037	1,555,000.00	3.400%	84,395.00	1,639,395.00
12/31/2038	1,610,000.00	3.600%	28,980.00	1,638,980.00
Total	\$25,800,000.00	-	\$4,967,120.98	\$30,767,120.98

Yield Statistics

Bond Year Dollars	\$161,403.33
Average Life	6.256 Years
Average Coupon	3.0774587%
Net Interest Cost (NIC)	3.2373067%
True Interest Cost (TIC)	3.2511662%
Bond Yield for Arbitrage Purposes	3.0662126%
All Inclusive Cost (AIC)	3.3201214%

IRS Form 8038

Net Interest Cost	3.0774587%
Weighted Average Maturity	6.256 Years

Series 2024 REF Comp Sale | Issue Summary | 2/28/2024 | 2:40 PM

RSA Advisors, LLC

Northern Kentucky Water District
Refunding Revenue Bonds, Series 2024 (EST)
(Savings Summary)

Calendar Year	(A) Refunded Bond Payments			(B) Estimated New Bond Payments			(C) Savings
	Series 2013 Debt Service	Series 2013B Debt Service	Totals	-----Series 2024 Bonds -----			
				Principal Portion	Interest Portion	Payment Totals	Annual Savings
2024	\$390,263	\$157,950	\$548,213	\$0	\$223,741	\$223,741	\$324,472
2025	\$1,726,275	\$1,918,200	\$3,644,475	\$2,800,000	\$730,388	\$3,530,388	\$114,087
2026	\$1,726,525	\$1,916,500	\$3,643,025	\$2,890,000	\$642,938	\$3,532,938	\$110,087
2027	\$1,729,625	\$1,918,000	\$3,647,625	\$2,980,000	\$556,378	\$3,536,378	\$111,247
2028	\$1,726,025	\$1,916,750	\$3,642,775	\$3,060,000	\$470,328	\$3,530,328	\$112,447
2029	\$1,725,725		\$1,725,725	\$1,230,000	\$410,268	\$1,640,268	\$85,457
2030	\$1,728,525		\$1,728,525	\$1,265,000	\$375,338	\$1,640,338	\$88,187
2031	\$1,728,541		\$1,728,541	\$1,305,000	\$339,358	\$1,644,358	\$84,183
2032	\$1,728,181		\$1,728,181	\$1,340,000	\$302,194	\$1,642,194	\$85,987
2033	\$1,727,881		\$1,727,881	\$1,380,000	\$263,635	\$1,643,635	\$84,246
2034	\$1,726,669		\$1,726,669	\$1,420,000	\$223,380	\$1,643,380	\$83,289
2035	\$1,725,550		\$1,725,550	\$1,460,000	\$180,890	\$1,640,890	\$84,660
2036	\$1,727,747		\$1,727,747	\$1,505,000	\$134,910	\$1,639,910	\$87,837
2037	\$1,726,250		\$1,726,250	\$1,555,000	\$84,395	\$1,639,395	\$86,855
2038	\$1,725,913		\$1,725,913	\$1,610,000	\$28,980	\$1,638,980	\$86,933
Totals:	\$24,569,694	\$7,827,400	\$32,397,094	\$25,800,000	\$4,967,121	\$30,767,121	\$1,629,973

Total Net Savings Summary	
Gross Savings Amount:	\$1,629,973
Present Value Savings Amount:	\$1,363,508
NPV Savings % of Prior:	5.403%



Interest Rate Reduction Summary	
Series 2013 & 13B Avg Interest Rate:	4.282%
Series 2024 EST True Interest Cost:	3.251%
Interest Rate Reduction:	1.031%

Debt Capsule Summary Report

Bond Series	Original Par Amount	Amount Outstanding	Interest Rate Range	Final Maturity	Call Information
2008KIA F08-07	\$4,000,000	\$1,899,000	1.200%	12/01/32	N/A
2010KIA F09-02	\$24,000,000	\$12,591,081	2.250%	06/01/33	N/A
2013	\$26,400,000	\$18,250,000	4.000 - 5.000%	02/01/38	Aug 2023 @ 100%
2013-REF	\$24,120,000	\$6,985,000	5.000 - 4.000%	02/01/28	Aug 2023 @ 100%
2014-REF	\$15,805,000	\$2,765,000	3.000 - 4.000%	02/01/29	Aug 2023 @ 100%
2016-REF	\$41,905,000	\$22,980,000	5.000 - 3.000%	02/01/31	Feb 2026 @ 100%
2019	\$17,845,000	\$15,395,000	3.000 - 5.000%	02/01/44	Aug 2027 @ 100%
USDA Loan 91-03	\$1,733,000	\$1,593,500	2.750%	02/01/57	N/A
KIA Fund B 15-003	\$1,392,195	\$997,300	0.950%	12/01/37	N/A
KIA Loan F15-011	\$3,535,094	\$2,682,302	2.000%	06/01/38	N/A
KIA Loan F14-015	\$3,545,910	\$2,690,509	2.000%	06/01/38	N/A
2020-REF	\$22,325,000	\$17,555,000	5.000 - 2.000%	02/01/35	Feb 2028 @ 100%
2021B-REF	\$27,730,000	\$13,755,000	4.000%	02/01/27	Non-Callable
2023	\$17,615,000	\$17,230,000	4.125% - 5.000%	02/01/48	Feb 2030 @ 100%
Totals:	\$231,951,199	\$137,368,692			
<i>Proposed Debt</i>					
KIA Loan F13-012**	\$8,000,000	\$4,523,000	2.000%		
KIA Loan F16-027**	\$4,000,000	\$1,558,034	2.000%		
KIA Loan F20-044**	\$8,000,000	\$0	1.750%		
Total Proposed:	\$20,000,000	\$6,081,034	---	---	---
Total Existing + Proposed	\$251,951,199	\$143,449,726			

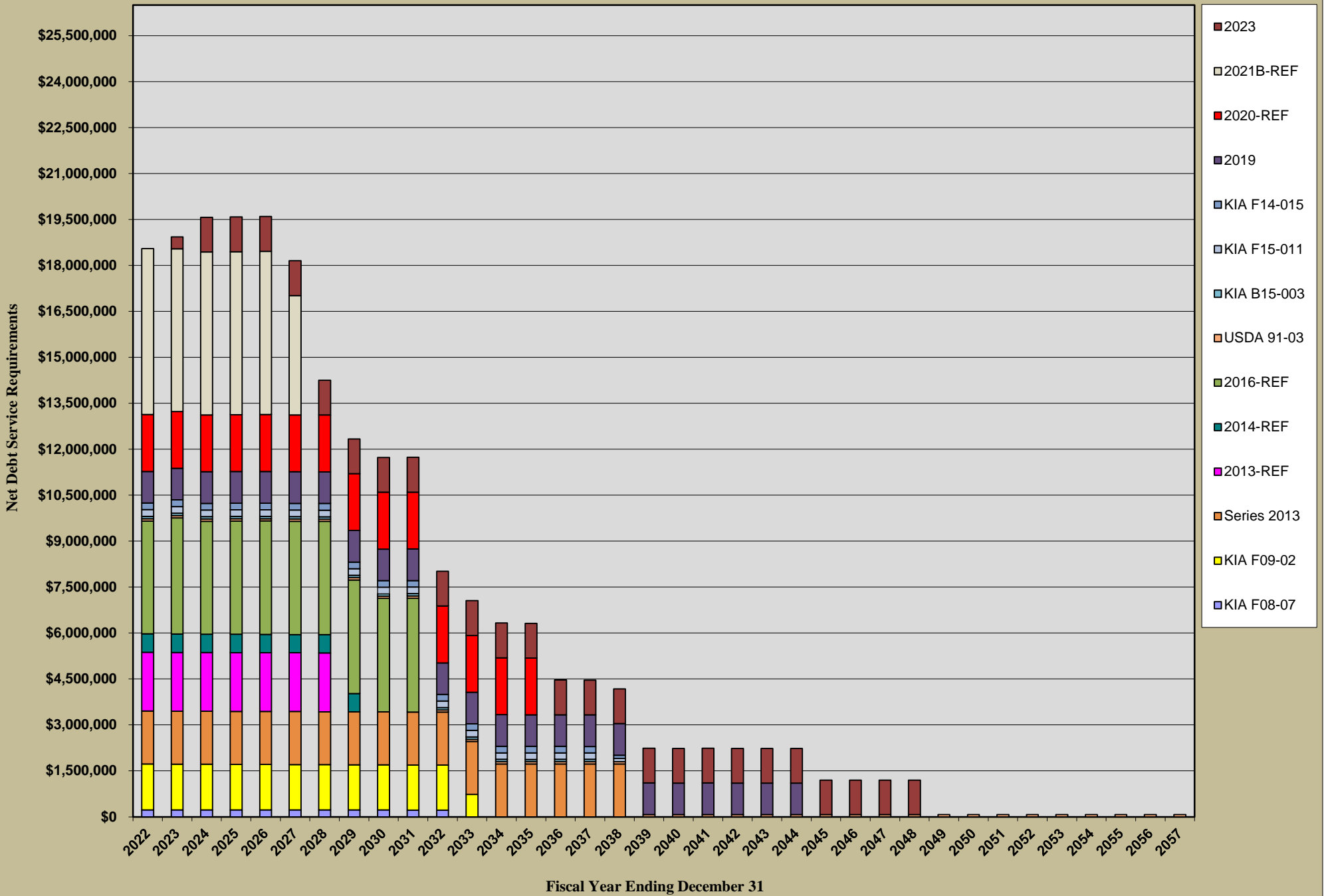
**Not Yet Closed

Gross Debt Service Structure Report

FY Ending Dec 31st	KIA F08-07 Loan	KIA F09-02 Loan	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 Bonds	Series 2023 Bonds	Debt Service
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	\$5,418,112	\$387,553	\$18,550,570
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	\$5,311,900		\$18,930,243
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	\$5,318,700	\$1,129,531	\$19,566,506
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	\$5,317,900	\$1,134,656	\$19,581,557
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	\$5,324,200	\$1,138,531	\$19,593,855
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	\$3,896,400	\$1,136,281	\$18,152,049
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		\$1,133,031	\$14,249,205
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		\$1,133,656	\$12,334,660
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		\$1,133,031	\$11,732,506
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		\$1,136,031	\$11,737,694
2032	\$221,576	\$1,466,356	\$1,728,181				\$73,494	\$76,019	\$213,351	\$214,003	\$1,032,500	\$1,858,875		\$1,132,656	\$8,017,012
2033		\$731,839	\$1,727,881				\$73,477	\$75,875	\$212,877	\$213,529	\$1,030,900	\$1,855,350		\$1,135,956	\$7,057,684
2034			\$1,726,669				\$73,432	\$75,729	\$212,395	\$213,045	\$1,033,625	\$1,854,700		\$1,136,056	\$6,325,652
2035			\$1,725,550				\$73,359	\$75,583	\$211,905	\$212,554	\$1,030,675	\$1,853,350		\$1,135,156	\$6,318,132
2036			\$1,727,747				\$73,753	\$75,435	\$211,406	\$212,053	\$1,032,050			\$1,133,256	\$4,465,700
2037			\$1,726,250				\$73,611	\$75,287	\$210,899	\$211,544	\$1,032,675			\$1,130,356	\$4,460,622
2038			\$1,725,913				\$73,443		\$105,256	\$105,578	\$1,032,550			\$1,131,356	\$4,174,096
2039							\$73,246				\$1,031,675			\$1,131,156	\$2,236,078
2040							\$73,516				\$1,030,050			\$1,129,756	\$2,233,322
2041							\$73,251				\$1,032,600			\$1,132,056	\$2,237,907
2042							\$73,451				\$1,029,325			\$1,128,056	\$2,230,833
2043							\$73,611				\$1,030,225			\$1,127,756	\$2,231,592
2044							\$73,236				\$1,030,225			\$1,125,472	\$2,228,933
2045							\$73,326							\$1,126,078	\$1,199,404
2046							\$73,376							\$1,125,034	\$1,198,410
2047							\$73,384							\$1,127,238	\$1,200,621
2048							\$73,351							\$1,122,688	\$1,196,038
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:	\$2,466,421	\$17,043,944	\$29,363,506	\$13,422,400	\$4,790,056	\$37,101,575	\$2,644,537	\$1,221,820	\$3,535,906	\$3,546,724	\$23,716,450	\$25,987,850	\$30,587,212	\$28,672,387	\$224,100,790

Note: KIA Loan debt service does not include servicing fee

Northern Kentucky Water District Gross Debt Service Structure Graph



Principal Reduction Report -- Senior Debt Only

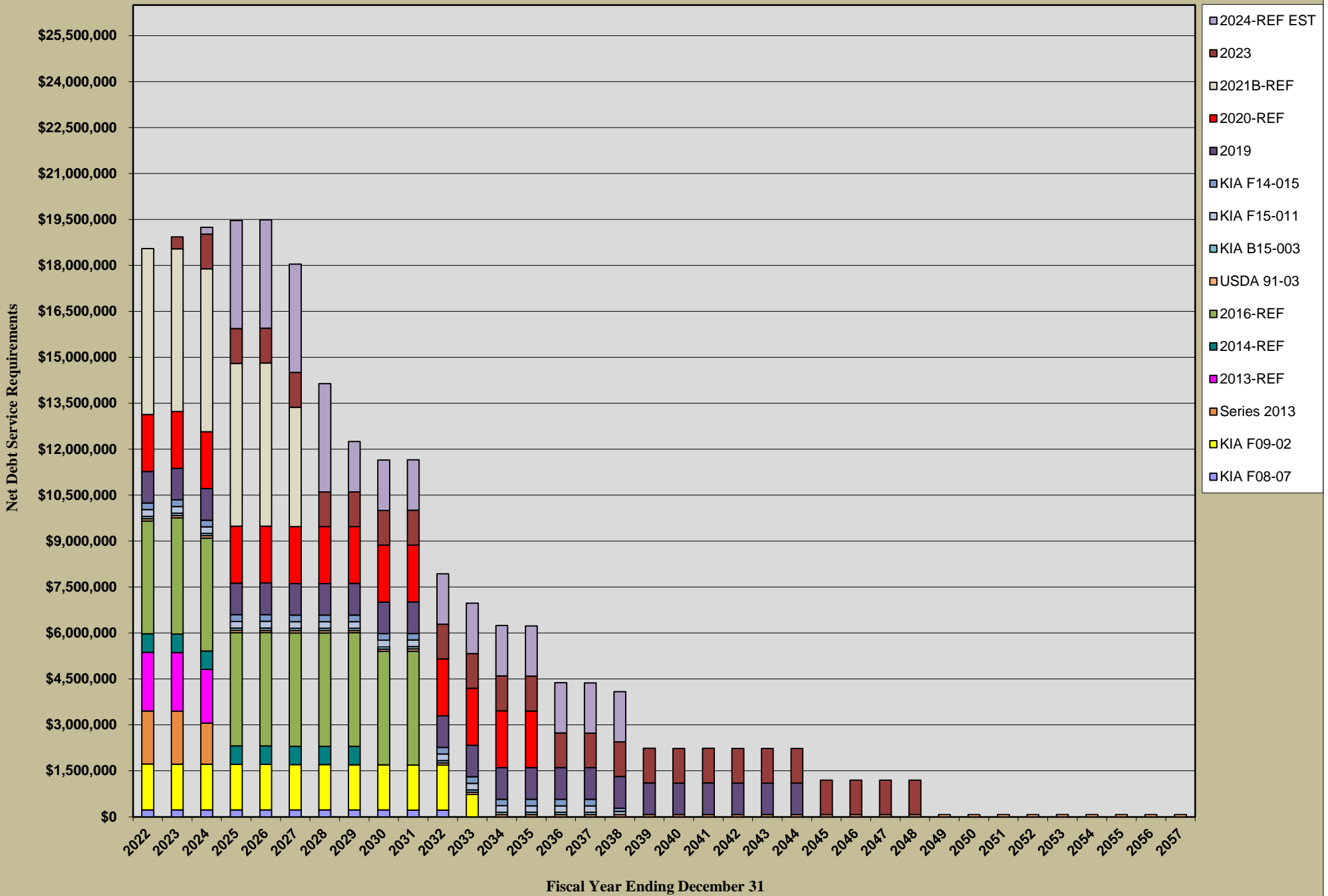
FY Ending Dec 31st	Series 2013 Bonds	Series 2013-REF Bonds	Series 2014-REF Bonds	Series 2016-REF Bonds	USDA 91-03 Loan	Series 2019 Bonds	Series 2020-REF Bonds	Series 2021B-REF Bonds	Series 2023 Bonds	Outstanding Principal	Debt Retirement (10 Years)
2022	\$835,000	\$1,430,000	\$465,000	\$2,450,000	\$28,000	\$470,000	\$1,110,000	\$4,815,000		\$140,746,500	71.88%
2023	\$880,000	\$1,500,000	\$485,000	\$2,685,000	\$28,500	\$485,000	\$1,165,000	\$4,485,000		\$129,033,000	72.83%
2024	\$925,000	\$1,570,000	\$495,000	\$2,715,000	\$29,500	\$505,000	\$1,225,000	\$4,675,000	\$385,000	\$116,508,500	73.91%
2025	\$970,000	\$1,635,000	\$515,000	\$2,865,000	\$30,500	\$530,000	\$1,290,000	\$4,865,000	\$410,000	\$103,398,000	75.24%
2026	\$1,020,000	\$1,700,000	\$540,000	\$3,015,000	\$31,000	\$560,000	\$1,355,000	\$5,070,000	\$435,000	\$89,672,000	74.89%
2027	\$1,070,000	\$1,780,000	\$550,000	\$3,170,000	\$32,000	\$585,000	\$1,425,000	\$3,820,000	\$455,000	\$76,785,000	74.83%
2028	\$1,110,000	\$1,870,000	\$570,000	\$3,300,000	\$33,000	\$615,000	\$1,500,000		\$475,000	\$67,312,000	76.23%
2029	\$1,155,000		\$590,000	\$3,425,000	\$33,500	\$645,000	\$1,565,000		\$500,000	\$59,398,500	75.91%
2030	\$1,205,000			\$3,545,000	\$34,500	\$665,000	\$1,625,000		\$525,000	\$51,799,000	75.74%
2031	\$1,255,000			\$3,660,000	\$35,500	\$690,000	\$1,670,000		\$555,000	\$43,933,500	75.52%
2032	\$1,310,000				\$36,500	\$710,000	\$1,725,000		\$580,000	\$39,572,000	77.54%
2033	\$1,370,000				\$37,500	\$730,000	\$1,765,000		\$610,000	\$35,059,500	80.17%
2034	\$1,430,000				\$38,500	\$755,000	\$1,800,000		\$635,000	\$30,401,000	83.71%
2035	\$1,490,000				\$39,500	\$775,000	\$1,835,000		\$660,000	\$25,601,500	84.67%
2036	\$1,555,000				\$41,000	\$800,000			\$685,000	\$22,520,500	87.32%
2037	\$1,620,000				\$42,000	\$825,000			\$710,000	\$19,323,500	90.99%
2038	\$1,690,000				\$43,000	\$850,000			\$740,000	\$16,000,500	96.35%
2039					\$44,000	\$875,000			\$770,000	\$14,311,500	96.32%
2040					\$45,500	\$900,000			\$800,000	\$12,566,000	96.28%
2041					\$46,500	\$930,000			\$835,000	\$10,754,500	96.22%
2042					\$48,000	\$955,000			\$865,000	\$8,886,500	96.14%
2043					\$49,500	\$985,000			\$900,000	\$6,952,000	95.99%
2044					\$50,500	\$1,015,000			\$935,000	\$4,951,500	95.72%
2045					\$52,000				\$975,000	\$3,924,500	96.34%
2046					\$53,500				\$1,015,000	\$2,856,000	97.43%
2047					\$55,000				\$1,060,000	\$1,741,000	100.00%
2048					\$56,500				\$1,100,000	\$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					\$73,500	
Totals:	\$20,890,000	\$11,485,000	\$4,210,000	\$30,830,000	\$1,679,500	\$16,855,000	\$21,055,000	\$27,730,000	\$17,615,000	---	--- 14

Gross Debt Service Structure Report - Estimated After 2024 Bonds

FY Ending Dec 31st	KIA F08-07 Loan	KIA F09-02 Loan	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 Bonds	Series 2023 Bonds	Series 2024-REF EST Bonds	Debt Service
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	\$5,418,112			\$18,550,570
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	\$5,311,900	\$387,553		\$18,930,243
2024	\$225,785	\$1,492,590	\$1,338,388	\$1,759,350	\$596,663	\$3,687,525	\$73,727	\$77,135	\$216,856	\$217,519	\$1,029,200	\$1,855,325	\$5,318,700	\$1,129,531	\$223,741	\$19,242,034
2025	\$225,277	\$1,489,535			\$598,938	\$3,698,025	\$73,902	\$76,999	\$216,444	\$217,106	\$1,030,850	\$1,857,450	\$5,317,900	\$1,134,656	\$3,530,388	\$19,467,470
2026	\$224,764	\$1,486,418			\$602,838	\$3,701,025	\$73,556	\$76,862	\$216,025	\$216,686	\$1,033,600	\$1,856,325	\$5,324,200	\$1,138,531	\$3,532,938	\$19,483,768
2027	\$224,246	\$1,483,238			\$593,788	\$3,701,400	\$73,690	\$76,724	\$215,598	\$216,258	\$1,029,975	\$1,856,825	\$3,896,400	\$1,136,281	\$3,536,378	\$18,040,802
2028	\$223,723	\$1,479,995			\$596,988	\$3,702,650	\$73,796	\$76,585	\$215,164	\$215,822	\$1,029,975	\$1,858,700		\$1,133,031	\$3,530,328	\$14,136,758
2029	\$223,194	\$1,476,686			\$599,219	\$3,709,650	\$73,382	\$76,445	\$214,723	\$215,380	\$1,031,700	\$1,854,900		\$1,133,656	\$1,640,268	\$12,249,203
2030	\$222,660	\$1,473,311				\$3,707,975	\$73,447	\$76,304	\$214,273	\$214,929	\$1,028,825	\$1,859,225		\$1,133,031	\$1,640,338	\$11,644,319
2031	\$222,121	\$1,469,868				\$3,714,900	\$73,484	\$76,162	\$213,816	\$214,470	\$1,033,500	\$1,854,800		\$1,136,031	\$1,644,358	\$11,653,511
2032	\$221,576	\$1,466,356					\$73,494	\$76,019	\$213,351	\$214,003	\$1,032,500	\$1,858,875		\$1,132,656	\$1,642,194	\$7,931,025
2033		\$731,839					\$73,477	\$75,875	\$212,877	\$213,529	\$1,030,900	\$1,855,350		\$1,135,956	\$1,643,635	\$6,973,438
2034							\$73,432	\$75,729	\$212,395	\$213,045	\$1,033,625	\$1,854,700		\$1,136,056	\$1,643,380	\$6,242,363
2035							\$73,359	\$75,583	\$211,905	\$212,554	\$1,030,675	\$1,853,350		\$1,135,156	\$1,640,890	\$6,233,472
2036							\$73,753	\$75,435	\$211,406	\$212,053	\$1,032,050			\$1,133,256	\$1,639,910	\$4,377,864
2037							\$73,611	\$75,287	\$210,899	\$211,544	\$1,032,675			\$1,130,356	\$1,639,395	\$4,373,767
2038							\$73,443		\$105,256	\$105,578	\$1,032,550			\$1,131,356	\$1,638,980	\$4,087,163
2039							\$73,246				\$1,031,675			\$1,131,156		\$2,236,078
2040							\$73,516				\$1,030,050			\$1,129,756		\$2,233,322
2041							\$73,251				\$1,032,600			\$1,132,056		\$2,237,907
2042							\$73,451				\$1,029,325			\$1,128,056		\$2,230,833
2043							\$73,611				\$1,030,225			\$1,127,756		\$2,231,592
2044							\$73,236				\$1,030,225			\$1,125,472		\$2,228,933
2045							\$73,326							\$1,126,078		\$1,199,404
2046							\$73,376							\$1,125,034		\$1,198,410
2047							\$73,384							\$1,127,238		\$1,200,621
2048							\$73,351							\$1,122,688		\$1,196,038
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:	\$2,466,421	\$17,043,944	\$4,793,813	\$5,595,000	\$4,790,056	\$37,101,575	\$2,644,537	\$1,221,820	\$3,535,906	\$3,546,724	\$23,716,450	\$25,987,850	\$30,587,212	\$28,672,387	\$30,767,121	\$222,470,817

Note: KIA Loan debt service does not include servicing fee

Northern Kentucky Water District Gross Debt Service Structure Graph - Estimated after 2024 Bonds



Gross Debt Service Structure Report - Senior Debt Only - Estimated After 2024 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 Bonds	Series 2023 Bonds	Series 2024-REF EST Bonds	Debt Service
2022	\$1,726,650	\$1,919,450	\$600,263	\$3,685,900	\$73,801	\$1,030,750	\$1,856,950	\$5,418,112			\$16,311,876
2023	\$1,728,775	\$1,916,200	\$601,363	\$3,792,525	\$73,524	\$1,029,000	\$1,855,075	\$5,311,900	\$387,553		\$16,695,914
2024	\$1,338,388	\$1,759,350	\$596,663	\$3,687,525	\$73,727	\$1,029,200	\$1,855,325	\$5,318,700	\$1,129,531	\$223,741	\$17,012,149
2025			\$598,938	\$3,698,025	\$73,902	\$1,030,850	\$1,857,450	\$5,317,900	\$1,134,656	\$3,530,388	\$17,242,109
2026			\$602,838	\$3,701,025	\$73,556	\$1,033,600	\$1,856,325	\$5,324,200	\$1,138,531	\$3,532,938	\$17,263,013
2027			\$593,788	\$3,701,400	\$73,690	\$1,029,975	\$1,856,825	\$3,896,400	\$1,136,281	\$3,536,378	\$15,824,737
2028			\$596,988	\$3,702,650	\$73,796	\$1,029,975	\$1,858,700		\$1,133,031	\$3,530,328	\$11,925,468
2029			\$599,219	\$3,709,650	\$73,382	\$1,031,700	\$1,854,900		\$1,133,656	\$1,640,268	\$10,042,775
2030				\$3,707,975	\$73,447	\$1,028,825	\$1,859,225		\$1,133,031	\$1,640,338	\$9,442,841
2031				\$3,714,900	\$73,484	\$1,033,500	\$1,854,800		\$1,136,031	\$1,644,358	\$9,457,074
2032					\$73,494	\$1,032,500	\$1,858,875		\$1,132,656	\$1,642,194	\$5,739,720
2033					\$73,477	\$1,030,900	\$1,855,350		\$1,135,956	\$1,643,635	\$5,739,318
2034					\$73,432	\$1,033,625	\$1,854,700		\$1,136,056	\$1,643,380	\$5,741,193
2035					\$73,359	\$1,030,675	\$1,853,350		\$1,135,156	\$1,640,890	\$5,733,431
2036					\$73,753	\$1,032,050			\$1,133,256	\$1,639,910	\$3,878,969
2037					\$73,611	\$1,032,675			\$1,130,356	\$1,639,395	\$3,876,038
2038					\$73,443	\$1,032,550			\$1,131,356	\$1,638,980	\$3,876,329
2039					\$73,246	\$1,031,675			\$1,131,156		\$2,236,078
2040					\$73,516	\$1,030,050			\$1,129,756		\$2,233,322
2041					\$73,251	\$1,032,600			\$1,132,056		\$2,237,907
2042					\$73,451	\$1,029,325			\$1,128,056		\$2,230,833
2043					\$73,611	\$1,030,225			\$1,127,756		\$2,231,592
2044					\$73,236	\$1,030,225			\$1,125,472		\$2,228,933
2045					\$73,326				\$1,126,078		\$1,199,404
2046					\$73,376				\$1,125,034		\$1,198,410
2047					\$73,384				\$1,127,238		\$1,200,621
2048					\$73,351				\$1,122,688		\$1,196,038
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:	\$4,793,813	\$5,595,000	\$4,790,056	\$37,101,575	\$2,644,537	\$23,716,450	\$25,987,850	\$30,587,212	\$28,672,387	\$30,767,121	\$194,656,001

Principal Reduction Report -- Senior Debt Only

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 Bonds	Series 2023 Bonds	Series 2024-REF EST Bonds	Outstanding Principal	Debt Retirement (10 Years)
2022	\$835,000	\$1,430,000	\$465,000	\$2,450,000	\$28,000	\$470,000	\$1,110,000	\$4,815,000			\$141,311,500	72.16%
2023	\$880,000	\$1,500,000	\$485,000	\$2,685,000	\$28,500	\$485,000	\$1,165,000	\$4,485,000			\$129,598,000	73.13%
2024	\$925,000	\$1,570,000	\$495,000	\$2,715,000	\$29,500	\$505,000	\$1,225,000	\$4,675,000	\$385,000		\$117,073,500	74.22%
2025			\$515,000	\$2,865,000	\$30,500	\$530,000	\$1,290,000	\$4,865,000	\$410,000	\$2,800,000	\$103,768,000	75.52%
2026			\$540,000	\$3,015,000	\$31,000	\$560,000	\$1,355,000	\$5,070,000	\$435,000	\$2,890,000	\$89,872,000	75.10%
2027			\$550,000	\$3,170,000	\$32,000	\$585,000	\$1,425,000	\$3,820,000	\$455,000	\$2,980,000	\$76,855,000	74.96%
2028			\$570,000	\$3,300,000	\$33,000	\$615,000	\$1,500,000		\$475,000	\$3,060,000	\$67,302,000	76.23%
2029			\$590,000	\$3,425,000	\$33,500	\$645,000	\$1,565,000		\$500,000	\$1,230,000	\$59,313,500	75.87%
2030				\$3,545,000	\$34,500	\$665,000	\$1,625,000		\$525,000	\$1,265,000	\$51,654,000	75.67%
2031				\$3,660,000	\$35,500	\$690,000	\$1,670,000		\$555,000	\$1,305,000	\$43,738,500	75.41%
2032					\$36,500	\$710,000	\$1,725,000		\$580,000	\$1,340,000	\$39,347,000	77.42%
2033					\$37,500	\$730,000	\$1,765,000		\$610,000	\$1,380,000	\$34,824,500	80.04%
2034					\$38,500	\$755,000	\$1,800,000		\$635,000	\$1,420,000	\$30,176,000	83.59%
2035					\$39,500	\$775,000	\$1,835,000		\$660,000	\$1,460,000	\$25,406,500	84.55%
2036					\$41,000	\$800,000			\$685,000	\$1,505,000	\$22,375,500	87.24%
2037					\$42,000	\$825,000			\$710,000	\$1,555,000	\$19,243,500	90.95%
2038					\$43,000	\$850,000			\$740,000	\$1,610,000	\$16,000,500	96.35%
2039					\$44,000	\$875,000			\$770,000		\$14,311,500	96.32%
2040					\$45,500	\$900,000			\$800,000		\$12,566,000	96.28%
2041					\$46,500	\$930,000			\$835,000		\$10,754,500	96.22%
2042					\$48,000	\$955,000			\$865,000		\$8,886,500	96.14%
2043					\$49,500	\$985,000			\$900,000		\$6,952,000	95.99%
2044					\$50,500	\$1,015,000			\$935,000		\$4,951,500	95.72%
2045					\$52,000				\$975,000		\$3,924,500	96.34%
2046					\$53,500				\$1,015,000		\$2,856,000	97.43%
2047					\$55,000				\$1,060,000		\$1,741,000	100.00%
2048					\$56,500				\$1,100,000		\$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						\$73,500	
Totals:	\$2,640,000	\$4,500,000	\$4,210,000	\$30,830,000	\$1,679,500	\$16,855,000	\$21,055,000	\$27,730,000	\$17,615,000	\$25,800,000	---	---

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.



Exhibit 2 – 2024 Refunding Bond Resolution

SERIES 2024A BOND RESOLUTION
NO. 050-021524

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE NORTHERN KENTUCKY WATER DISTRICT AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF UP TO \$28,000,000 AGGREGATE PRINCIPAL AMOUNT OF ITS REVENUE REFUNDING BONDS, SERIES 2024A; AUTHORIZING THE REDEMPTION OF ALL OR A PORTION OF THE DISTRICT'S OUTSTANDING REVENUE BONDS, 2013 SERIES A AND REFUNDING REVENUE BONDS, 2013 SERIES B; DESIGNATING A PAYING AGENT AND REGISTRAR FOR THE SERIES 2024A BONDS; APPROVING THE PREPARATION, USE, AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND FINAL OFFICIAL STATEMENT WITH RESPECT TO THE SALE OF THE SERIES 2024A BONDS; AUTHORIZING THE EXECUTION OF A CONTINUING DISCLOSURE AGREEMENT WITH RESPECT TO THE SERIES 2024A BONDS; AUTHORIZING THE ACCEPTANCE OF THE BID OF THE SUCCESSFUL BIDDER FOR THE SERIES 2024A BONDS; AUTHORIZING AND DIRECTING THE FILING OF A NOTICE WITH THE STATE LOCAL DEBT OFFICER; AND REPEALING ANY INCONSISTENT RESOLUTIONS.

WITNESSETH

WHEREAS, all of the capitalized terms used but not defined in this preamble shall have the meanings set forth in Section 102 hereof; and

WHEREAS, the Northern Kentucky Water District (the "District") is a water district created and existing under Chapter 74 of the Kentucky Revised Statutes and a public body corporate and politic; and

WHEREAS, the District has, for many years, owned and operated its Public Water System for the public benefit, welfare, and convenience; and

WHEREAS, on November 19, 1985, the Board of Commissioners of the District adopted a General Bond Resolution, as amended and supplemented by a First Supplemental Bond Resolution adopted by the Board of Commissioners of the District on November 17, 1987 (collectively, the "General Bond Resolution"), which established the terms and conditions governing the issuance of revenue bonds and other obligations of the District to finance the costs of extensions, additions, and improvements to its Public Water System; and

WHEREAS, the District has heretofore issued its Northern Kentucky Water District Revenue Bonds, 2013 Series A dated June 27, 2013 in an original principal amount of \$26,400,000 (the "Series 2013A Bonds") and Northern Kentucky Water District Refunding Revenue Bonds, 2013 Series B dated September 25, 2013 in an original principal amount of \$24,120,000 (the "Series 2013B Bonds" and, together with the Series 2013A Bonds, the "Prior Bonds"), which Prior Bonds are secured by the revenues of the Public Water System and certain other assets more particularly described in the General Bond Resolution and in the Series Resolutions authorizing the issuance of the Prior Bonds; and

WHEREAS, in order to achieve debt service savings, the District desires to refund and retire all or a portion of the Prior Bonds currently outstanding; and

WHEREAS, the General Bond Resolution authorizes the issuance and sale by the District of its Refunding Bonds from time to time under and in accordance with one or more related 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 its Refunding Bonds, to be designated as the “Northern Kentucky Water District Revenue Refunding Bonds, Series 2024A,” in an aggregate principal amount of up to \$28,000,000, to provide moneys to carry out the purposes of the District, as more particularly set forth herein, including, without limitation, refunding and retiring all or a portion of the outstanding Prior Bonds.

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

ARTICLE I
DEFINITIONS AND AUTHORITY

101. Short Title. This resolution may hereafter be cited by the District as the “Series 2024A Bond Resolution” and is hereinafter referred to as this “Resolution.”

102. Definitions. All terms defined in the General Bond Resolution, which General Bond Resolution is incorporated herein by reference, shall have the same respective meanings when used in this Resolution as such terms are given in Section 102 of the General Bond Resolution, unless the context or use indicates otherwise. In addition, the following terms, as used herein, shall have the following meanings:

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

“Authorized Officer” means the duly appointed Chair, Vice Chair, President and Chief Executive Officer, Treasurer, or Secretary of the District.

“Award Certificate” means the Award Certificate to be executed and delivered by the District to the purchaser of the Series 2024A Bonds on or after the date of sale of the Series 2024A Bonds, and which shall establish certain terms and conditions of the Series 2024A Bonds, as set forth herein.

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

“Book-Entry Form” means, with respect to the Series 2024A Bonds, a form or system, as applicable, under which (a) the ownership of beneficial interests in the Series 2024A Bonds and Series 2024A Bond service charges may only be transferred through a book entry, and (b) physical Series 2024A Bond certificates in fully registered form are registered only in the name of a Securities Depository or a Securities Depository Nominee as the registered owner thereof, with the physical Series 2024A Bond certificates held in the custody of a Securities Depository.

“Municipal Advisor” means RSA Advisors LLC, Lexington, Kentucky.

“Prior Bonds” means the Series 2013A Bonds and the Series 2013B Bonds.

“Rule” means Securities and Exchange Commission Rule 15c2-12, as amended and interpreted from time to time, promulgated under the Securities Exchange Act of 1934.

“Securities Depository” means a securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered under the provisions of Section 17A of the Securities Exchange Act of 1934, and that operates and maintains, 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 initially means The Depository Trust Company, New York, New York.

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

“Series 2013A Bonds” means the Northern Kentucky Water District Revenue Bonds, 2013 Series A dated June 27, 2013, issued in an original principal amount of \$26,400,000.

“Series 2013B Bonds” means the Northern Kentucky Water District Refunding Revenue Bonds, 2013 Series B dated September 25, 2013, issued in an original principal amount of \$24,120,000.

“Series 2024A Bond Proceeds Account” has the meaning provided in Section 301 hereof.

“Series 2024A Bonds” means the up to \$28,000,000 aggregate principal amount of Northern Kentucky Water District Revenue Refunding Bonds, Series 2024A authorized to be issued by Article II hereof.

“Series 2024A Costs of Issuance Account” has the meaning provided in Section 302 hereof.

“Series 2024A Redemption Account” has the meaning provided in Section 303 hereof.

103. Authority. This Resolution is adopted in accordance with the authority conferred by the Act and Section 204 of the General Bond Resolution.

104. Determination in Respect of Redemption of an Outstanding Issue of Bonds Payable from the Revenues of the Public Water System of the District. The District hereby determines and declares that the District shall redeem and retire all or a portion of the outstanding Prior Bonds in accordance with the requirements of the General Bond Resolution.

105. Determination by District to Authorize and Issue Series 2024A Bonds. The District hereby determines that it is necessary and desirable to authorize and issue the Series 2024A Bonds in an aggregate principal amount of up to \$28,000,000, for the purpose of redeeming all or a portion of 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 2024A Bonds, all in accordance with the General Bond Resolution and the Act and as more particularly set forth herein.

ARTICLE II
AUTHORIZATION AND TERMS OF SERIES 2024A BONDS

201. Authorization of Series 2024A Bonds; Principal Amount; Designation and Series. In order to provide sufficient funds necessary to retire all or a portion of the outstanding Prior Bonds, fund a deposit to the Debt Service Reserve, if necessary, and pay the Costs of Issuance of the Series 2024A Bonds under and in accordance with and subject to the terms, conditions, and limitations set forth in the Act, the General Bond Resolution, and this Resolution, the District is hereby authorized to issue a Series of its Refunding Bonds in an aggregate principal amount of up to \$28,000,000. In accordance with Section 204 of the General Bond Resolution, in addition to the designation “Northern Kentucky Water District Revenue Refunding Bonds,” such Series of Bonds hereby authorized shall also bear the additional designation “Series 2024A” or such other designation as may be appropriate for the year and date that the Series 2024A Bonds are issued, and each Bond, as so designated, shall be a “Northern Kentucky Water District Revenue Refunding Bond, Series 2024A.” The Series 2024A Bonds shall consist of up to \$28,000,000 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 of Series 2024A Bonds. The Series 2024A Bonds are being issued to provide funds (a) to currently refund, redeem, and retire all or a portion of the outstanding Prior Bonds, and (b) to make a deposit in the Series 2024A Cost of Issuance Account to pay the Costs of Issuance of the Series 2024A Bonds, all to the extent, in the amounts, and subject to the determinations provided in Article III hereof.

203. Issue Date. The Series 2024A Bonds shall be dated their date of delivery, or such other date as may be determined by the Chair or the President and Chief Executive Officer of the District, without any further action of the Board of Commissioners of the District, and set forth in the Award Certificate.

204. Maturities. The Series 2024A Bonds shall mature on February 1 of the years, in the principal amounts, and shall bear interest from the date of delivery thereof, payable semiannually on each February 1 and August 1, at the rates per annum set forth in the Award Certificate.

205. Denominations, Numbers, and Letters. The Series 2024A Bonds shall be issued in denominations of \$5,000 or any integral multiple thereof; provided, however, that the denomination specified for a particular Series 2024A Bond shall not exceed the aggregate principal amount of the Series 2024A Bonds maturing in the year of maturity of such Series 2024A Bond. The Series 2024A Bonds shall be lettered and numbered separately and consecutively, from R-1 upwards.

206. Place of Payment; Designation of Paying Agent and Registrar. The principal and Redemption Price of and interest on the Series 2024A Bonds shall all be payable in lawful money of the United States of America. The principal and Redemption Price of the Series 2024A Bonds shall be payable at the designated corporate trust operations office of the Paying Agent and Registrar identified in the Award Certificate. Interest on the Series 2024A Bonds shall be payable by check or draft mailed by the Paying Agent and Registrar to the registered owners thereof, at the addresses as shall be shown on the registration records maintained by the Registrar in accordance with Article III of the General Bond Resolution.

207. Book-Entry Form. The Series 2024A Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and the ownership of the Series 2024A Bonds shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the Series 2024A Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in this Section, the Series 2024A Bonds shall be transferred, in whole but not in part, only to the Securities Depository, the Securities Depository Nominee, any successor Securities Depository approved by the Board of Commissioners of the District, or a Securities Depository Nominee of any such successor Securities Depository. With respect to each Series 2024A Bond, the person in whose name such Series 2024A Bond shall be registered shall be the absolute owner thereof for all purposes, and any payment of or on account of the principal of or premium, if any, or interest on such Series 2024A Bond shall be made only to or upon the order of the registered owner thereof or their legal representative.

For any Series 2024A Bonds issued in Book-Entry Form, neither the Board of Commissioners of the District, the Paying Agent, or the Registrar shall have any responsibility or obligation with respect to (a) the accuracy of the records of the Securities Depository or any Agent Member thereof with respect to any beneficial ownership interest in the Series 2024A Bonds; (b) the delivery to any Agent Member, any beneficial owners of the Series 2024A Bonds, or any other person, other than the Securities Depository, of any notice with respect to the Series 2024A Bonds or this Resolution; or (c) the payment to any Agent Member, any beneficial owners of the Series 2024A Bonds, or any other person, other than the Securities Depository, of any amount with respect to the principal of or premium, if any, or interest on the Series 2024A Bonds.

For any Series 2024A Bonds registered in Book-Entry Form, the Board of Commissioners of the District, the Paying Agent, and the Registrar shall each treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Series 2024A Bonds for all purposes whatsoever, including, without limitation:

- (i) the payment of the principal of and premium, if any, and interest on the Series 2024A Bonds;
- (ii) giving notices of redemption and other matters in connection with the Series 2024A Bonds;
- (iii) registering transfers of the Series 2024A Bonds;
- (iv) the selection of Series 2024A Bonds for redemption;
- (v) obtaining consents under this Resolution; and
- (vi) notwithstanding the definition of the terms “bondholder,” “holder,” or “owner” in the General Bond Resolution as referencing the registered owners of the Series 2024A Bonds, the Paying Agent and the Registrar shall be entitled to rely upon the written instructions from a majority of the beneficial owners of the Series 2024A Bonds with reference to the consent, if any, required from the owners of the Series 2024A Bonds under and in accordance with the terms of this Resolution.

If, at any time, the Securities Depository notifies the District that it is unwilling or unable to continue as Securities Depository with respect to any Series 2024A Bonds or if, at any time, the

Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act of 1934, or other applicable statute or regulation, and a successor Securities Depository is not appointed by the District within ninety days after the District receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable, and thereupon, the District shall execute, and the Paying Agent shall authenticate and deliver, certificates representing the affected Series 2024A Bonds to the owners of such Series 2024A Bonds, as otherwise provided in this Article.

The principal of and premium, if any, and interest on the Series 2024A 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.

The payment of the principal of and premium, if any, and interest on any Series 2024A Bonds not registered in Book-Entry Form shall be made as provided in Section 206 hereof.

Before any transfer of the Series 2024A Bonds outside the Securities Depository’s book-entry system (including, but not limited to, the initial transfer of any Series 2024A Bonds outside of such book-entry system), the transferor shall provide or cause to be provided to the Paying Agent all of the information necessary to allow the Paying Agent to comply with any applicable tax reporting obligations, including, without limitation, any cost basis reporting obligations under Section 6045 of the Internal Revenue Code of 1986, as amended. The Paying Agent shall be entitled to conclusively rely on any such information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

208. Redemption of Series 2024A Bonds; Redemption Terms. The Series 2024A Bonds shall be subject to optional redemption, at the option of the District, on the dates and in the amounts set forth in the Award Certificate. Any such redemption of the Series 2024A Bonds shall be made at a redemption price equal to 100% of the principal amount of Series 2024A Bonds to be redeemed, plus accrued interest to the date of redemption. If less than all of the Series 2024A Bonds are to be redeemed, the particular Series 2024A Bonds to be redeemed shall be selected by the Paying Agent and Registrar by lot, in any manner as the Paying Agent and Registrar may determine, in accordance with the General Bond Resolution. Notice of the redemption of any Series 2024A Bonds shall be given in accordance with the General Bond Resolution. The redemption of the Series 2024A Bonds shall be made in accordance with and subject to the terms and conditions prescribed by the General Bond Resolution and the Award Certificate.

ARTICLE III
DISPOSITION AND APPLICATION OF PROCEEDS OF SERIES 2024A BONDS

301. Series 2024A Bond Proceeds Account. In accordance with Section 503 of the General Bond Resolution, there is hereby established within the Bond Proceeds Fund a separate Account for the Series 2024A Bonds, to be designated as the “Bond Proceeds Fund – Series 2024A Bonds” (the “Series 2024A Bond Proceeds Account”). The Series 2024A Bond Proceeds Account shall be held and maintained in the custody of the entity selected by the District to serve as the Fiduciary for the Series 2024A Bonds (the “Bond Proceeds Depository”) and set forth in the Award Certificate. The moneys on deposit in the Series 2024A Bond Proceeds Account may only be used by the District for the purposes set forth in the General Bond Resolution and this Resolution.

302. Series 2024A Costs of Issuance Account. In accordance with Section 503 of the General Bond Resolution, there is hereby established in the Series 2024A Bond Proceeds Account a Costs of Issuance Account for the Series 2024A Bonds, to be designated as the “Costs of Issuance Account – Series 2024A Bonds” (the “Series 2024A Costs of Issuance Account”). The moneys on deposit in the Series 2024A Costs of Issuance Account may only be used by the District for the purposes set forth in the General Bond Resolution and this Resolution.

303. Series 2024A Redemption Account. In accordance with Section 503 of the General Bond Resolution, there is hereby established within the Series 2024A Bond Proceeds Account a redemption account for the Series 2024A Bonds designated as the “Redemption Account – Series 2024A Bonds” (the “Series 2024A Redemption Account”). The Series 2024A 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 Paying Agent and Registrar for the Prior Bonds. The moneys on deposit in the Series 2024A Redemption Account may only be used by the District for the purposes set forth in the General Bond Resolution and this Resolution.

304. Application of Series 2024A Bond Proceeds. The proceeds of the Series 2024A Bonds shall be deposited in the order and amounts as follows: (a) first, an amount necessary to redeem, pay, and discharge all or a portion of the outstanding Prior Bonds shall be deposited to the Series 2024A Redemption Account, (b) second, the amount, if any, necessary to ensure the amount on deposit in the Debt Service Reserve is equal to the Aggregate Debt Service Requirement shall be deposited to the Debt Service Reserve, (c) third, the amount necessary to pay all of the Costs of Issuance of the Series 2024A Bonds shall be deposited to the Series 2024A Costs of Issuance Account, and (d) fourth, any remainder shall be deposited to the Interest Account of the Debt Service Fund and applied towards the first interest payment with respect to the Series 2024A Bonds. The moneys on deposit in the Debt Service Fund from time to time shall be treated, invested, transferred, and applied in accordance with the provisions of Section 505 of the General Bond Resolution.

ARTICLE IV ISSUANCE AND SALE OF SERIES 2024A BONDS

401. Award of Series 2024A Bonds to the Best Bidder. The Series 2024A Bonds shall be offered publicly for sale on the basis of sealed, competitive bids at such time as an Authorized Officer of the District, upon the advice of the Municipal Advisor of the District, shall designate.

The Authorized Officers of the District are each hereby authorized and directed to cause an appropriate form of a Notice of Bond Sale to be published in accordance with Section 424.360 of the Kentucky Revised Statutes.

Upon the date and at the respective hour set for the opening and consideration of bids for the purchase of the Series 2024A Bonds, as provided in the instruments hereinafter approved, the sealed bids received by an Authorized Officer of the District shall be opened. If there shall be more than one bid which conform, in all respects, to the prescribed terms and conditions of sale for the Series 2024A Bonds, then such bids shall be compared, and such Authorized Officer, upon the advice of the Municipal Advisor to the District, 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 for the Series 2024A Bonds. Additional calculations may be performed as necessary in order to determine the exact principal amount of Series 2024A Bonds that are required

to be issued to provide sufficient funds to effect the purposes described herein, and thereupon, the final principal amount and maturities of the Series 2024A Bonds shall be established by the District, as prescribed in the Official Terms and Conditions of Bond Sale for the Series 2024A Bonds.

An Award Certificate shall (a) be executed on the date of the public sale of the Series 2024A Bonds; (b) accept the bid which the Authorized Officer determines to be the best bid for the purchase of the Series 2024A Bonds in accordance with the Official Terms and Conditions of Bond Sale for the Series 2024A Bonds; and (c) in accepting the successful bid, determine the exact principal amount and maturities of Series 2024A Bonds to be issued, the interest rates which the Series 2024A Bonds shall bear, and the optional and mandatory redemption terms for the Series 2024A Bonds.

402. Approval of Preliminary Official Statement and Final Official Statement. The District hereby approves the use and distribution of a Preliminary Official Statement, including an Official Terms and Conditions of Bond Sale and Official Bid Form, all of which shall be prepared by the District and its Municipal Advisor in the usual and customary form and approved by Dinsmore & Shohl LLP, as bond counsel for the Series 2024A Bonds. Upon the sale of the Series 2024A Bonds, the Preliminary Official Statement shall be completed to reflect the final principal amount, maturities, and interest rates to be borne by the Series 2024A Bonds and any other relevant facts, which shall serve as the District's Official Statement with respect to the Series 2024A Bonds. The President and Chief Executive Officer and any other Authorized Officer of the District are each hereby authorized to declare the Official Statement to be "final" for purposes of the Rule.

In order to comply with the Rule, the District is hereby authorized to enter into a Continuing Disclosure Agreement, to be dated as of the date of delivery of the Series 2024A Bonds, with the disclosure agent identified therein, which Continuing Disclosure Agreement is hereby approved, in the usual and customary form, with any modifications and additions as shall be approved by the Authorized Officer of the District executing the same.

403. General Authorization. The Authorized Officers of the District are hereby authorized to do and perform any act or sign any and all documents required by the General Bond Resolution, and to perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, award, issuance, and delivery of the Series 2024A Bonds. The Series 2024A Bonds shall be executed, authenticated, and sealed in accordance with the General Bond Resolution and any supplemental resolutions not inconsistent therewith; provided, however, that the attestation thereon shall be by an Authorized Officer of the District.

404. Delivery of Series 2024A Bonds. The Authorized Officers of the District (as defined herein), and all Authorized Officers of the District (as defined in the General Bond Resolution), are each hereby authorized, upon the execution of the Series 2024A Bonds, (a) to deliver the Series 2024A Bonds to or upon the order of the purchaser thereof, (b) to receive the proceeds of the Series 2024A Bonds and give a written receipt thereof on behalf of the District, (c) to apply the proceeds of the Series 2024A Bonds and any other available moneys of the District in accordance with the terms of the General Bond Resolution and this Resolution in such manner as is required to cause the conditions to the issuance of the Series 2024A Bonds, as set forth in the General Bond Resolution, to be complied with, and (d) 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 2024A 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 2024A Bonds.

ARTICLE V
MISCELLANEOUS

501. Open Meeting Compliance. The Board of Commissioners of the District hereby finds and determines that all formal actions relating to the adoption of this Resolution were taken in open meetings of the Board of Commissioners and that all deliberations of the Board of Commissioners and of its committees, if any, which resulted in such formal actions were taken in open meetings, in full compliance with all applicable legal requirements.

502. Severability. If any provisions of this Resolution should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions hereof and shall not affect the validity of such other provisions.

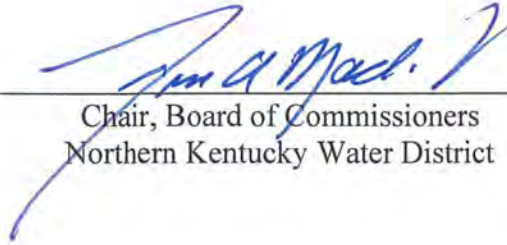
503. Inconsistent Actions. All prior resolutions and orders of the District, or parts thereof, inconsistent with this Resolution are hereby repealed.

504. Effective Date. This Resolution shall be in full force and effect from and after its adoption.

[Signature page to follow]

SIGNATURE PAGE TO SERIES 2024A BOND RESOLUTION

Adopted February 15, 2024.



Chair, Board of Commissioners
Northern Kentucky Water District

Attest:




Secretary, Board of Commissioners
Northern Kentucky Water District

CERTIFICATE

I, the undersigned, the duly appointed and qualified Secretary of Northern Kentucky Water District, do hereby certify that the foregoing Resolution is a true, accurate, and complete copy of a Resolution duly adopted by the Board of Commissioners of the District at a duly and properly convened or recessed meeting of the Board of Commissioners held on February 15, 2024, on the same occasion signed in open session by the Chair attested by me, as the Secretary, and declared to be in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand this February 15, 2024.



Secretary, Board of Commissioners
Northern Kentucky Water District



Exhibit 3 – 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

February 16, 2024

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 Revenue Refunding Bonds, Series 2024A (the "Series 2024A Bonds"). Proceeds of the Series 2024A Bonds will be used (i) to refund and retire all or a portion of the District's outstanding Revenue Bonds, 2013 Series A dated June 27, 2013 and Refunding Revenue Bonds, 2013 Series B dated September 25, 2013 (collectively, the "Prior Bonds"); and (ii) to pay costs of issuance of the Series 2024A 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 2024A 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". The signature is written in a cursive, flowing style.

Mark Franklin, Partner



Exhibit 4 – Summary of Debt Service with Detail

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

Year	Series	Principal	Interest	Total	Total Debt Service
2023 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$0	\$0	\$0	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
	2021B	\$0	\$0	\$0	
	2023	\$0	\$0	\$0	
Total Senior Debt		\$0	\$0	\$0	\$0
	KIA F-08-07	\$100,584	\$12,497	\$113,081	
	KIA F-09-02	\$599,033	\$148,389	\$747,422	
	KIA F-13-012	\$0	\$90,677	\$90,677	
	KIA F-14-015	\$81,195	\$27,717	\$108,912	
	KIA F-15-011	\$80,948	\$27,633	\$108,580	
	KIA F-16-027	\$0	\$29,535	\$29,535	
	KIA B-15-003	\$33,721	\$4,897	\$38,618	
Total Subordinate Debt		\$895,481	\$341,344	\$1,236,825	\$1,236,825
Total Debt Service Senior & Subordinate					\$1,236,825
2024 Total					
	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	
	2021B	\$4,675,000	\$643,700	\$5,318,700	
	2023	\$385,000	\$744,531	\$1,129,531	
Total Senior Debt		\$12,524,500	\$4,812,122	\$17,336,622	\$17,336,622
	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	\$29,535	\$29,535	
	KIA B-15-003	\$67,822	\$9,314	\$77,135	
Total Subordinate Debt		\$1,815,154	\$534,945	\$2,350,098	\$2,350,098
Total Debt Service Senior & Subordinate					\$19,686,721
2025 Total					
	2013A	\$970,000	\$756,276	\$1,726,276	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

	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	
	2021B	\$4,865,000	\$452,900	\$5,317,900	
	2023	\$410,000	\$724,656	\$1,134,656	
Total Senior Debt		\$13,110,500	\$4,245,697	\$17,356,197	\$17,356,197
	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	\$29,535	\$29,535	
	KIA B-15-003	\$68,331	\$8,668	\$76,999	
Total Subordinate Debt		\$1,847,912	\$497,660	\$2,345,572	\$2,345,572
Total Debt Service Senior & Subordinate					\$19,701,770
2026 Total					
	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	
	2021B	\$5,070,000	\$254,200	\$5,324,200	
	2023	\$435,000	\$703,531	\$1,138,531	
Total Senior Debt		\$13,726,000	\$3,647,101	\$17,373,101	\$17,373,101
	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	\$29,535	\$29,535	
	KIA B-15-003	\$68,845	\$8,018	\$76,862	
Total Subordinate Debt		\$1,881,290	\$459,677	\$2,340,967	\$2,340,967
Total Debt Service Senior & Subordinate					\$19,714,068
2027 Total					
	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	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

	2020	\$1,425,000	\$431,825	\$1,856,825	
	2021B	\$3,820,000	\$76,400	\$3,896,400	
	2023	\$455,000	\$681,281	\$1,136,281	
Total Senior Debt		\$12,887,000	\$3,048,985	\$15,935,985	\$15,935,985
	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	\$29,535	\$29,535	
	KIA B-15-003	\$69,362	\$7,362	\$76,724	
Total Subordinate Debt		\$1,915,296	\$420,981	\$2,336,277	\$2,336,277
Total Debt Service Senior & Subordinate					\$18,272,262
2028 Total					
	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	
	2023	\$475,000	\$658,031	\$1,133,031	
Total Senior Debt		\$9,473,000	\$2,564,916	\$12,037,916	\$12,037,916
	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	\$29,535	\$29,535	
	KIA B-15-003	\$69,883	\$6,702	\$76,585	
Total Subordinate Debt		\$1,949,942	\$381,560	\$2,331,502	\$2,331,502
Total Debt Service Senior & Subordinate					\$14,369,418
2029 Total					
	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	
	2023	\$500,000	\$633,656	\$1,133,656	
Total Senior Debt		\$7,913,500	\$2,214,733	\$10,128,233	\$10,128,233
	KIA F-08-07	\$213,045	\$10,149	\$223,194	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

	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	\$29,535	\$29,535	
	KIA B-15-003	\$70,408	\$6,037	\$76,445	
Total Subordinate Debt		\$1,985,242	\$341,397	\$2,326,639	\$2,326,639
Total Debt Service Senior & Subordinate					\$12,454,872
2030 Total					
	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	
	2023	\$525,000	\$608,031	\$1,133,031	
Total Senior Debt		\$7,599,500	\$1,931,529	\$9,531,029	\$9,531,029
	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	\$29,535	\$29,535	
	KIA B-15-003	\$70,937	\$5,367	\$76,304	
Total Subordinate Debt		\$2,021,209	\$300,481	\$2,321,690	\$2,321,690
Total Debt Service Senior & Subordinate					\$11,852,719
2031 Total					
	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	
	2023	\$555,000	\$581,031	\$1,136,031	
Total Senior Debt		\$7,865,500	\$1,675,756	\$9,541,256	\$9,541,256
	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	\$29,535	\$29,535	
	KIA B-15-003	\$71,470	\$4,692	\$76,162	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

Total Subordinate Debt		\$2,057,854	\$258,796	\$2,316,650	\$2,316,650
Total Debt Service Senior & Subordinate					\$11,857,906
2032 Total					
	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	
	2023	\$580,000	\$552,656	\$1,132,656	
Total Senior Debt		\$4,361,500	\$1,464,206	\$5,825,706	\$5,825,706
	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	\$29,535	\$29,535	
	KIA B-15-003	\$72,007	\$4,012	\$76,019	
Total Subordinate Debt		\$2,095,190	\$216,327	\$2,311,518	\$2,311,518
Total Debt Service Senior & Subordinate					\$8,137,224
2033 Total					
	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	
	2023	\$610,000	\$525,956	\$1,135,956	
Total Senior Debt		\$4,512,500	\$1,311,064	\$5,823,564	\$5,823,564
	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	\$29,535	\$29,535	
	KIA B-15-003	\$72,548	\$3,326	\$75,875	
Total Subordinate Debt		\$1,180,579	\$173,749	\$1,354,328	\$1,354,328
Total Debt Service Senior & Subordinate					\$7,177,892
2034 Total					
	2013A	\$1,430,000	\$296,669	\$1,726,669	
	2013B	\$0	\$0	\$0	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

	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	
	2023	\$635,000	\$501,056	\$1,136,056	
Total Senior Debt		\$4,658,500	\$1,165,982	\$5,824,482	\$5,824,482
	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	\$29,535	\$29,535	
	KIA B-15-003	\$73,094	\$2,636	\$75,729	
Total Subordinate Debt		\$464,184	\$157,197	\$621,382	\$621,382
Total Debt Service Senior & Subordinate					\$6,445,864
2035 Total					
	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	
	2023	\$660,000	\$475,156	\$1,135,156	
Total Senior Debt		\$4,799,500	\$1,018,590	\$5,818,090	\$5,818,090
	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	\$29,535	\$29,535	
	KIA B-15-003	\$73,643	\$1,940	\$75,583	
Total Subordinate Debt		\$471,608	\$148,645	\$620,253	\$620,253
Total Debt Service Senior & Subordinate					\$6,438,343
2036 Total					
	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	
	2023	\$685,000	\$448,256	\$1,133,256	

Northern Kentucky Water District

Summary of Debt Service

Effective November 30, 2023

Total Senior Debt		\$3,081,000	\$885,805	\$3,966,805		\$3,966,805
	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	\$29,535	\$29,535		
	KIA B-15-003	\$74,196	\$1,239	\$75,435		
Total Subordinate Debt		\$479,156	\$139,950	\$619,106		\$619,106
Total Debt Service Senior & Subordinate						\$4,585,912
2037 Total						
	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		
	2023	\$710,000	\$420,356	\$1,130,356		
Total Senior Debt		\$3,197,000	\$765,893	\$3,962,893		\$3,962,893
	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	\$29,535	\$29,535		
	KIA B-15-003	\$74,753	\$533	\$75,287		
Total Subordinate Debt		\$486,831	\$131,110	\$617,941		\$617,941
Total Debt Service Senior & Subordinate						\$4,580,834
2038 Total						
	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		
	2023	\$740,000	\$391,356	\$1,131,356		
Total Senior Debt		\$3,323,000	\$640,262	\$3,963,262		\$3,963,262
	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		

Northern Kentucky Water District

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	KIA F-15-011	\$104,214	\$1,042	\$105,256	
	KIA F-16-027	\$0	\$29,535	\$29,535	
	KIA B-15-003	\$0	\$0	\$0	
Total Subordinate Debt		\$208,747	\$122,299	\$331,046	\$331,046
Total Debt Service Senior & Subordinate					\$4,294,308
2039 Total					
	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	
	2023	\$770,000	\$361,156	\$1,131,156	
Total Senior Debt		\$1,689,000	\$547,078	\$2,236,078	\$2,236,078
	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	\$0	\$0	\$0	
	KIA F-15-011	\$0	\$0	\$0	
	KIA F-16-027	\$0	\$29,535	\$29,535	
	KIA B-15-003	\$0	\$0	\$0	
Total Subordinate Debt		\$0	\$120,212	\$120,212	\$120,212
Total Debt Service Senior & Subordinate					\$2,356,290
2040 Total					
	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	
	2023	\$800,000	\$329,756	\$1,129,756	
Total Senior Debt		\$1,745,500	\$487,822	\$2,233,322	\$2,233,322
	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	\$0	\$0	\$0	
	KIA F-15-011	\$0	\$0	\$0	
	KIA F-16-027	\$0	\$29,535	\$29,535	
	KIA B-15-003	\$0	\$0	\$0	
Total Subordinate Debt		\$0	\$120,212	\$120,212	\$120,212
Total Debt Service Senior & Subordinate					\$2,353,534

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2041 Total						
	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		
	2023	\$835,000	\$297,056	\$1,132,056		
Total Senior Debt		\$1,811,500	\$426,407	\$2,237,907		\$2,237,907
	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	\$0	\$0	\$0		
	KIA F-15-011	\$0	\$0	\$0		
	KIA F-16-027	\$0	\$29,535	\$29,535		
	KIA B-15-003	\$0	\$0	\$0		
Total Subordinate Debt		\$0	\$120,212	\$120,212		\$120,212
Total Debt Service Senior & Subordinate						\$2,358,119
2042 Total						
	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		
	2023	\$865,000	\$263,056	\$1,128,056		
Total Senior Debt		\$1,868,000	\$362,833	\$2,230,833		\$2,230,833
	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	\$0	\$0	\$0		
	KIA F-15-011	\$0	\$0	\$0		
	KIA F-16-027	\$0	\$29,535	\$29,535		
	KIA B-15-003	\$0	\$0	\$0		
Total Subordinate Debt		\$0	\$120,212	\$120,212		\$120,212
Total Debt Service Senior & Subordinate						\$2,351,045
2043 Total						
	2013A	\$0	\$0	\$0		
	2013B	\$0	\$0	\$0		
	2014A	\$49,500	\$24,111	\$73,611		
	2014B	\$0	\$0	\$0		
	2016A	\$0	\$0	\$0		

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	2019	\$985,000	\$45,225	\$1,030,225	
	2020	\$0	\$0	\$0	
	2023	\$900,000	\$227,756	\$1,127,756	
Total Senior Debt		\$1,934,500	\$297,092	\$2,231,592	\$2,231,592
	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					\$2,231,592
2044 Total					
	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	
	2023	\$935,000	\$190,472	\$1,125,472	
Total Senior Debt		\$2,000,500	\$228,433	\$2,228,933	\$2,228,933
	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					\$2,228,933
2045 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$52,000	\$21,327	\$73,327	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
	2023	\$975,000	\$151,078	\$1,126,078	
Total Senior Debt		\$1,027,000	\$172,405	\$1,199,405	\$1,199,405
	KIA F-08-07	\$0	\$0	\$0	

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	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					\$1,199,405
2046 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$53,500	\$19,876	\$73,376	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
	2023	\$1,015,000	\$110,034	\$1,125,034	
Total Senior Debt		\$1,068,500	\$129,910	\$1,198,410	\$1,198,410
	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					\$1,198,410
2047 Total					
	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	
	2023	\$1,060,000	\$67,238	\$1,127,238	
Total Senior Debt		\$1,115,000	\$85,622	\$1,200,622	\$1,200,622
	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	

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Total Subordinate Debt		\$0	\$0	\$0	\$0
Total Debt Service Senior & Subordinate					\$1,200,622
2048 Total					
	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	
	2023	\$1,100,000	\$22,688	\$1,122,688	
Total Senior Debt		\$1,156,500	\$39,539	\$1,196,039	\$1,196,039
	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					\$1,196,039
2049 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$58,000	\$15,276	\$73,276	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
	2023	\$0	\$0	\$0	
Total Senior Debt		\$58,000	\$15,276	\$73,276	\$73,276
	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					\$73,276
2050 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	

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	2014A	\$59,500	\$13,660	\$73,160	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$59,500	\$13,660	\$73,160	\$73,160
	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					\$73,160
2051 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$61,000	\$12,004	\$73,004	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$61,000	\$12,004	\$73,004	\$73,004
	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					\$73,004
2052 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$63,000	\$10,299	\$73,299	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$63,000	\$10,299	\$73,299	\$73,299
	KIA F-08-07	\$0	\$0	\$0	

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	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					\$73,299
2053 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$64,500	\$8,545	\$73,045	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$64,500	\$8,545	\$73,045	\$73,045
	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					\$73,045
2054 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$66,500	\$6,744	\$73,244	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$66,500	\$6,744	\$73,244	\$73,244
	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

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Total Debt Service Senior & Subordinate					\$73,244
2055 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$68,500	\$4,888	\$73,388	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$68,500	\$4,888	\$73,388	\$73,388
	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					\$73,388
2056 Total					
	2013A	\$0	\$0	\$0	
	2013B	\$0	\$0	\$0	
	2014A	\$70,000	\$2,984	\$72,984	
	2014B	\$0	\$0	\$0	
	2016A	\$0	\$0	\$0	
	2019	\$0	\$0	\$0	
	2020	\$0	\$0	\$0	
Total Senior Debt		\$70,000	\$2,984	\$72,984	\$72,984
	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					\$72,984
2057 Total					
	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	

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	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		\$19,714,068
			Maximum Senior Debt		\$17,373,101
Grand Totals:					
Grand Total Senior Debt - Principal				129,033,000	
Grand Total Senior Debt - Interest				34,245,198	
Grand Total Senior Debt - Principal + Interest				163,278,198	
Grand Total Subordinate Debt - Principal				21,755,674	
Grand Total Subordinate Debt - Interest				5,106,966	
Grand Total Subordinate Debt - Principal + Interest				26,862,640	
Grand Total All Debt				190,140,838	
Totals by Series					
Senior Debt Series					
TIC	Series	Principal	Interest	Total	
	2013A	19,175,000	6,733,090	25,908,090	
3.48%	2013B	8,555,000	1,031,750	9,586,750	
2.75%	2014A	1,623,000	874,214	2,497,214	
2.26%	2014B	3,260,000	328,434	3,588,434	
2.35%	2016A	25,695,000	3,928,150	29,623,150	
2.65%	2019	15,900,000	5,756,700	21,656,700	
1.71%	2020	18,780,000	3,495,825	22,275,825	
0.58%	2021B	18,430,000	1,427,200	19,857,200	
3.98%	2023	17,615,000	10,669,835	28,284,835	
	Total Senior Debt	129,033,000	34,245,198	163,278,198	
Interest Rate	Subordinate Debt Series				
	KIA F-06-03	-	-	-	
	KIA C-08-01	-	-	-	
1.00%	KIA F-08-07	1,999,586	126,844	2,126,430	
2.25%	KIA F-09-02	13,190,114	1,607,145	14,797,259	
2.00%	KIA F-13-012	-	1,813,537	1,813,537	

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Summary of Debt Service

Effective November 30, 2023

2.00%	KIA F-14-015	2,771,704	447,684	3,219,388		
2.00%	KIA F-15-011	2,763,250	446,318	3,209,568		
1.75%	KIA F-16-027	-	590,694	590,694		
0.75%	KIA B-15-003	1,031,021	74,743	1,105,764		
	Total Subord. Debt	21,755,674	5,106,966	26,862,640		
	Grand Total All Debt	150,788,674	39,352,164	190,140,838		



Exhibit 5 – List of Bonds, Notes, and Other Indebtedness

**Northern Kentucky Water District
Bonds & Notes
November 30, 2023**

Existing bonds are secured through the pledge of future revenues of the water system

Bonds

Bond Identification	Amount	Par Amount Issued	Amount	Date of Issue	Rate of	Date of Maturity	Interest Paid
	Authorized		Outstanding 11/30/2023		Interest		Year 2022
2013A	28,165,000	26,400,000	19,175,000	6/27/2013	4.250 - 5.000%	2/1/2038	891,650
2013B	26,570,000	24,120,000	8,555,000	9/25/2013	5.000 - 4.000%	2/1/2028	489,450
2014A	1,733,000	1,733,000	1,623,000	12/11/2017	2.750%	2/1/2057	45,801
2014B	16,965,000	15,805,000	3,260,000	12/23/2014	3.125 - 4.000%	2/1/2029	135,253
2016A	47,335,000	41,905,000	25,695,000	11/22/2016	5.000 - 3.000%	2/1/2031	1,235,900
2019	19,600,000	17,845,000	15,900,000	9/26/2019	3.000 - 5.000%	2/1/2044	560,750
2020	25,195,000	22,325,000	18,780,000	11/5/2020	5.000 - 2.000%	2/1/2035	746,950
2021B	32,395,000	27,730,000	18,430,000	12/14/2021	4.000%	2/1/2027	603,112
2023A	27,335,000	17,615,000	17,615,000	1/26/2023	5.000 - 4.125%	2/1/2048	
			<u>129,033,000</u>				

Notes

Note Identification	Date of Issue	Par Amount Issued	Amount	Date of Maturity	Rate of Interest	In Whose Favor	Interest Paid
			Outstanding 11/30/2023				Year 2022
KIA Loan F08-07	11/1/2008	4,000,000	1,999,586	12/1/2032	1.2000%	KIA	28,110
KIA Loan F09-02	6/1/2010	24,000,000	13,190,114	6/1/2033	2.2500%	KIA	329,876
KIA Loan F14-015	6/1/2015	3,545,910	2,771,704	6/1/2038	2.0000%	KIA	59,431
KIA Loan F15-011	3/1/2016	3,535,094	2,763,250	6/1/2038	2.0000%	KIA	59,249
KIA Loan B15-003	7/1/2016	1,392,195	1,031,021	12/1/2037	0.9500%	KIA	10,590
KIA Loan F13-012*	8/1/2014	8,000,000	4,523,000	N/A	2.0000%	KIA	90,460
KIA Loan F16-027*	1/1/2019	4,000,000	1,558,034	N/A	2.0000%	KIA	27,785
KIA Loan F20-044*	N/A	8,000,000	-	N/A	1.7500%	KIA	-

*not yet closed

27,836,709

Other Notes

	Amount Outstanding 11/30/2023
Deferred Note Kenton County	100,000



Exhibit 6 – Current Balance Sheet & Income Statement

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF NET POSITION
November 30, 2023**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Current Assets

Cash and Cash Equivalents	\$	40,483,550
Investments		4,562,766
Accounts Receivable		
Customers, Net		5,278,608
Unbilled Customers		9,100,000
Others		243,187
Assessments Receivable		185,400
Lease Receivable - Current		117,382
Inventory Supplies for New Installation and Maintenance, at Cost		2,782,707
Prepaid Items		1,468,930
Restricted Assets - Cash and Cash Equivalents		
Bond Proceeds Fund		517,430
Debt Service Account		1,977,490
Improvement, Repair & Replacement		364,624
		67,082,074
Total Current Assets		67,082,074

Noncurrent Assets

Restricted Assets - Cash and Cash Equivalents		
Bond Proceeds Fund		7,357,447
Debt Service Account		18,676,909
Improvement, Repair and Replacement		3,730,079
Restricted Assets - Investments		
Debt Service Reserve Account		19,519,886
Miscellaneous Deferred Charges		9,882,529
Lease Receivable - Non Current		5,074,517
		542,523,858
Capital Assets		
Land, System, Buildings and Equipment		542,523,858
Construction in Progress		26,145,426
		568,669,284
Total Capital Assets		568,669,284
Less Accumulated Depreciation		219,766,664
		348,902,620
Total Capital Assets, Net of Accumulated Depreciation		348,902,620
		413,143,987
Total Noncurrent Assets		413,143,987
		480,226,061
Total Assets		480,226,061

Deferred Outflows of Resources

Deferred Outflows Related to Pension		2,207,924
Deferred Outflows Related to OPEB		2,469,945
Deferred Loss on Refundings		2,082,464
		6,760,333
Total Deferred Outflows of Resources		6,760,333
		\$ 486,986,394
Total Assets and Deferred Outflows of Resources	\$	486,986,394

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF NET POSITION
November 30, 2023**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities and Deferred Inflows of Resources

Current Liabilities

Bonded Indebtedness	\$	13,807,773
Notes Payable		1,799,000
Accounts Payable		494,100
Accrued Payroll and Taxes		493,157
Compensated Absences		199,476
Other Accrued Liabilities		477,493
Liabilities Payable-Restricted Assets		
Accrued Interest Payable		1,977,490
Accounts Payable		882,054
		20,130,543
Total Current Liabilities		20,130,543

Long-Term Liabilities (Net of Current Portion)

Liabilities Payable-Restricted Assets		
Accounts Payable		768,496
Compensated Absences		1,686,455
Arbitrage Liability		77,706
Bond Indebtedness		124,757,222
Notes Payable		26,137,707
Net Pension Liability		24,663,515
Net Unfunded OPEB Liability		6,732,760
		184,823,861
Total Long-Term Liabilities		184,823,861
Total Liabilities		204,954,404

Deferred Inflows of Resources

Deferred Inflows Related to Pension		656,657
Deferred Inflows Related to OPEB		2,640,933
Deferred Inflows Related to Leases		5,074,275
Deferred Inflows Related to Refundings		1,757,112
		10,128,977
Total Deferred Inflows of Resources		10,128,977
Total Liabilities and Deferred Inflows of Resources		215,083,381

Net Position

Net Investment in Capital Assets		178,791,269
Restricted For		
Debt Service Funds		38,196,796
Capital Improvement Projects		14,254,030
Unrestricted		40,660,918
		271,903,013
Total Net Position		271,903,013

Total Liabilities, Deferred Inflows of Resources, and Net Position	\$	486,986,394
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**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
12 MONTH PERIOD ENDED NOVEMBER 30, 2023**

Operating Revenues	
Water Sales	\$ 63,991,912
Forfeited Discounts	1,012,844
Rents From Property	383,882
Other Water Revenues	<u>322,196</u>
 Total Operating Revenues	 <u>65,710,834</u>
 Operating Expenses	
Operating and Maintenance Expense	36,655,311
Depreciation Expense	<u>12,602,979</u>
 Total Operating Expenses	 <u>49,258,290</u>
 Net Operating Income	 <u>16,452,544</u>
 Non-Operating Income (Expense)	
Investment Income	4,436,041
Miscellaneous Non-Operating Income/(Expense)	285,336
Loss on Abandonment of Mains	(157,566)
Gain/(Loss) on Disposal of Fixed Assets	(25,583)
Interest on Long Term Debt	(5,078,390)
Pension Expense	(40,243)
Other Post Employment Benefit Expense	(560,705)
Arbitrage Expense	(261,842)
Amortization of Debt Premiums and Defeasance Costs	1,547,727
Bond Issuance Costs	<u>(308,753)</u>
 Total Non-Operating Income (Expenses)	 <u>(163,978)</u>
 Change in Net Position Before Capital Contributions	 16,288,566
 Capital Contributions	 <u>2,135,452</u>
 Change in Net Position	 18,424,018
 Net Position - Beginning of Year	 <u>253,478,995</u>
 Net Position - End of Year	 <u>\$ 271,903,013</u>



Exhibit 7 – 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 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 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.

5. The amount for which the outstanding obligations sold.

The sale amount for the 2013 Series A bond issuance was \$26,400,000 and the 2013 Series B bond issuance was \$24,120,000.

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 2013 Series A bonds was William Blair & Company, L.L.C. and the purchaser of the 2013 Series B bonds was Fifth Third Securities, Inc.

12. The amount of bonds authorized.

The authorized amount of bonds for the 2013 Series A issuance was \$28,165,000 and the 2013 Series B issuance was \$26,570,000.

13. The amount of bonds issued.

The amount of bonds issued for the 2013 Series A was \$26,400,000 and 2013 Series B was \$24,120,000.

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 2013 Series A is June 27, 2013 and 2013 Series B is September 25, 2013.

17. The date of maturity of each bond issuance.

The maturity date of the 2013 Series A is February 1, 2038 and 2013 Series B is February 1, 2028.

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 8 and 2022 Annual Report for the issuance date.

20. The amount of each series of outstanding notes.

See Exhibit 8 and 2022 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 8.

22. Identify in whose favor the notes were issued.

The note holders are identified in Exhibit 8.

23. Other necessary information:

The 2022 Annual Report is incorporated by reference for any additional information related to the outstanding indebtedness related to this refinancing.



Exhibit 8 – Long Term Debt

Long Term Debt (Acct. 224)

Description of Obligation And Amount of Original Issue 2022 (a)	Date of Issue (b)	Date of Maturity (c)	Interest Expense For Year		Principal per balance Sheet Date (f)
			Rate (d)	Amount (e)	
				\$	\$
Notes Payable City of Taylor Mill	Mar-2004	7/1/2018	0%	-	\$ 0
Kentucky Infrastructure Authority Loans					
-KIA F06-03 MPTP Project	June 2008	2028	3.0%	0	\$ 0
- KIA F08-07 Various Capital Projects	June 2009	2029	1.0%	28,110	\$ 2,099,668
- KIA C08-01 AMR Project	June 2009	2019	3.0%	0	\$ 0
- KIA F09-02 GAC MPTP	June 2010	2030	2.0%	329,876	\$ 13,783,217
- KIA F13-012 Various Capital Projects	N/A	N/A	2.0%	90,460	4,523,000
- KIA F14-015 Various Capital Projects	Dec 2018	2038	2.0%	59,431	2,852,195
- KIA F15-011 Various Capital Projects	Dec 2018	2038	2.0%	59,249	2,843,495
- KIA B15-003 Various Capital Projects	June 2018	2037	2.0%	10,590	1,064,616
- KIA F16-027 Various Capital Projects	N/A	N/A	2.0%	27,785	1,558,033
Total				\$ 605,501	\$ 28,724,224

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			-	-
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		-	-	-
14	54,840,000	64,562,144		-	-	-
15	26,400,000	25,807,113		20,055,000	874,255	891,651
16	24,120,000	25,856,745		10,055,000	459,658	489,450
17	1,733,000	1,733,000		1,651,500	45,480	45,801
18	15,805,000	17,014,821		3,745,000	125,575	135,263
19	41,905,000	46,952,177		28,380,000	1,184,858	1,235,900
20	17,845,000	18,858,627		16,385,000	554,875	560,750
21	22,325,000	24,574,698		19,945,000	723,825	746,950
22	27,730,000	30,042,750		22,915,000	931,833	603,112
Total	485,205,000	500,852,303	-	123,131,500	4,900,359	4,708,877

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 23.08					
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						

Northern Kentucky Water Service District			Series 2013A	Attachment 23.01	
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	0.00
Registered	2/1/2022	5.000%	835,000.00	835,000.00	0.00
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%	1,430,000.00		1,430,000.00
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
Registered			60,000.00		60,000.00
TOTALS			26,400,000.00	6,345,000.00	20,055,000.00

Northern Kentucky Water Service District			2013B		Attachment 23.02
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	0.00
Registered	2/1/2022	5.000%	1,430,000.00	1,430,000.00	0.00
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	14,065,000.00	10,055,000.00

Northern Kentucky Water Service District			2014A		Attachment 23.03
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	0.00
Registered	2/1/2022	2.750%	28,000.00	28,000.00	0.00
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	81,500.00	1,651,500.00

Northern Kentucky Water Service District			2014B		Attachment 23.04
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	0.00
Registered	2/1/2022	5.000%	465,000.00	465,000.00	0.00
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	12,060,000.00	3,745,000.00

Northern Kentucky Water Service District			2016A		Attachment 23.05
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	0.00
Registered	2/1/2022	5.000%	2,450,000.00	2,450,000.00	0.00
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	13,525,000.00	28,380,000.00

Northern Kentucky Water Service District			2019		Attachment 23.06
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	0.00
Registered	2/1/2022	3.000%	470,000.00	470,000.00	0.00
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	1,460,000.00	16,385,000.00

Northern Kentucky Water Service District			2020		Attachment 23.07
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	0.00
Registered	2/1/2022	5.000%	1,110,000.00	1,110,000.00	0.00
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	2,380,000.00	19,945,000.00

Northern Kentucky Water Service District			2021B		Attachment 23.08
Bond Issue	12/14/21				
Bond	Maturity	Interest	Principal	Amounts	Outstanding
Number	Date	Rate	Amount	Paid	
Registered	2/1/2022	4.000%	4,815,000.00	4,815,000.00	0.00
Registered	2/1/2023	4.000%	4,485,000.00		4,485,000.00
Registered	2/1/2024	4.000%	4,675,000.00		4,675,000.00
Registered	2/1/2025	4.000%	4,865,000.00		4,865,000.00
Registered	2/1/2026	4.000%	5,070,000.00		5,070,000.00
Registered	2/1/2027	4.000%	3,820,000.00		3,820,000.00
TOTALS			27,730,000.00	4,815,000.00	22,915,000.00



Exhibit 9 – 2022 Audited Financial Statements



Northern Kentucky Water District

December 31, 2022

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 Audit of the Financial Statements

Opinions

We have audited the financial statements of the business-type activities of the Northern Kentucky Water District, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Northern Kentucky Water District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Northern Kentucky Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District implemented Governmental Accounting Standard Board's Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northern Kentucky Water District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Northern Kentucky Water District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Northern Kentucky Water District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 statement of revenues, expenses and changes in net position – budget to actual, statement of water operating revenue, statement of combined operation and maintenance expenses, schedule of insurance coverages, schedule of rates, rules and regulations, and the members of the commission and administrative staff are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 20, 2023 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 Northern Kentucky Water District's internal control over financial reporting and compliance.

VonLehman & Company Inc.

Fort Wright, Kentucky
April 20, 2023

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, 2022. 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 \$255,788,988 (net position). This was an increase of \$15,303,901 in comparison to the prior year.

- Operating revenues increased \$1,066,333 or 1.8% from 2021.
- The debt coverage ratio decreased from 1.93 in 2021 to 1.84 in 2022.

Overview of the Financial Statements

The discussion and analysis portion 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 questions such as where cash came from, what cash was used for, and what the change in cash balance was 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 2022 compared to 2021.

**Table 1
Net Position**

	December 31,	
	2022	2021
Assets		
Current Assets	\$ 68,729,645	\$ 68,844,595
Lease Receivable	5,074,517	-
Restricted Assets Noncurrent	60,762,266	63,364,426
Miscellaneous Deferred Charges	8,650,814	4,031,730
Capital Assets, Net	<u>341,849,100</u>	<u>342,107,768</u>
Total Assets	<u>485,066,342</u>	<u>478,348,519</u>
Deferred Outflows of Resources	<u>7,026,556</u>	<u>8,712,038</u>
Liabilities		
Current Liabilities	44,657,384	20,109,293
Restricted Liabilities Noncurrent	757,658	294,537
Other Noncurrent Liabilities	<u>180,251,253</u>	<u>217,012,978</u>
Total Liabilities	<u>225,666,295</u>	<u>237,416,808</u>
Deferred Inflows of Resources	<u>10,637,615</u>	<u>9,158,662</u>
Net Position		
Net Investment in Capital Assets	168,676,399	158,184,530
Restricted	46,487,679	45,654,439
Unrestricted	<u>40,624,910</u>	<u>36,646,118</u>
Total Net Position	<u>\$ 255,788,988</u>	<u>\$ 240,485,087</u>

The District implemented GASB Statement No. 87, *Leases*, during 2022. Amounts included as of December 31, 2021 have not been restated.

The District's net position for 2022 increased 6.4% to \$255,788,988 compared to \$240,485,087 for 2021.

A portion of the District's net position (18.2%) 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 (65.9%) 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 (15.9%) 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 decreased \$3,428,770 from the previous year due to timing of receipts and payments, as well as continued payment on debt balances and capital asset purchases.
- Investments decreased \$110,755 and remained comparable to the prior year.
- Accounts receivable, net increased \$348,741 due to timing of payments received.
- Capital assets, net of accumulated depreciation decreased \$258,668 from the previous year due to additions of capital assets totaling \$12,471,053, depreciation expense incurred on capital assets of \$12,487,979, and net disposals totaling \$241,742.
- Miscellaneous deferred charges increased \$4,619,084 due to the addition of the reservoir residual removal project as a regulatory asset that is required to be amortized.
- Bond indebtedness decreased \$12,886,273 and notes payable decreased \$1,498,330 from the previous year due to continued payments on outstanding bonds and notes.
- Net pension liability increased \$2,243,898 and net OPEB liability increased \$2,435 as a result of an overall increase in the net pension and net OPEB liability of the Kentucky Public Pension Authority's CERS non-hazardous plan.
- The District implemented GASB 87, *Leases*, during 2022. The impact to the statement of net position as of December 31, 2022 was recording a lease receivable for \$5,191,899 and deferred inflows related to leases for \$5,074,275.

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

Table 2 shows the changes in net assets for 2022, as well as revenue and expense comparisons to 2021.

**Table 2
Changes in Net Position**

	<u>Years Ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating Revenues		
Water Sales	\$ 59,541,043	\$ 58,983,695
Forfeited Discounts	983,494	442,082
Rents From Property	357,499	383,269
Other Water Revenues	259,619	266,276
	<hr/>	<hr/>
Total Operating Revenues	61,141,655	60,075,322
Operating Expenses		
Operating and Maintenance Expense	33,683,678	29,965,655
Depreciation Expense	12,487,979	12,436,919
	<hr/>	<hr/>
Total Operating Expenses	46,171,657	42,402,574
	<hr/>	<hr/>
Net Operating Income	14,969,998	17,672,748
Non-Operating Income (Expense)		
Investment Income	2,007,323	481,326
Miscellaneous Non-Operating Income	240,514	347,304
Loss on Abandonment of Mains	(139,273)	(289,089)
Interest on Long-Term Debt and Customer Deposits	(4,940,084)	(5,826,155)
Amortization of Debt Premiums and Defeasance Costs	1,547,728	989,953
Bond Issuance Costs	-	(181,821)
Pension Expense	(40,243)	(1,029,997)
Other Post Employment Benefit Expense	(560,705)	(267,744)
Arbitrage (Expense) Rebate	(222,923)	53,883
Gain on Sale of Capital Assets	20,899	25,977
	<hr/>	<hr/>
Total Non-Operating Expenses	(2,086,764)	(5,696,363)
	<hr/>	<hr/>
Change in Net Position Before Capital Contributions	12,883,234	11,976,385
	<hr/>	<hr/>
Capital Contributions	2,420,667	2,911,181
	<hr/>	<hr/>
Change in Net Position	\$ 15,303,901	\$ 14,887,566

In reviewing income before capital contributions, the financial statements showed net income for the year of \$12,883,234. Operating revenues increased 1.8% mainly as a result of an increase in water consumption in 2022 compared to 2021. Operating expenses (including depreciation) increased 8.9% from the previous year due to an increase in salary and related expenses. Non-Operating Income (Expense) decreased \$3,609,599 due to decreased pension expense, as well as a reduction in interest expense on long-term debts while investment income increased by \$1,525,997 from the previous year. Capital contributions decreased by \$490,514 (16.9%) primarily due to the decrease 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 \$58,434,976 in operating revenues. Actual revenues were \$61,141,655, a difference of \$2,706,679. The largest difference was due to water sales being overbudget by \$2,701,831. The water sales were overbudget primarily due to conservative budgeting practices. Operation, maintenance, and administration expenses were budgeted at \$34,389,766. Actual expenses were \$33,683,678, a difference of \$706,088. This difference is due to conservative budgeting practices.

Capital Assets

At December 31, 2022, the capital assets reported were \$341,849,100 including land, buildings, water systems, equipment, and vehicles. This represents a net decrease of \$258,668, or (0.0%), 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,	
	2022	2021
Not Being Depreciated		
Land	\$ 3,358,565	\$ 3,348,169
Construction in Progress	11,452,296	12,495,400
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	529,902,606	517,618,547
Subtotal	550,229,603	538,978,252
Less Accumulated Depreciation	208,380,503	196,870,484
Totals	\$ 341,849,100	\$ 342,107,768

Major capital additions during the year included adding mains for approximately \$4,900,000 and services for approximately \$1,400,000.

**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 2022 as compared to 2021.

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

	December 31,	
	2022	2021
Compensated Absences	\$ 1,663,890	\$ 1,652,359
Arbitrage Liability	244,370	241,201
Bond Anticipation Notes	24,685,000	24,685,000
Bond Indebtedness	133,263,341	146,149,614
Notes Payable	28,824,226	30,322,556
	\$ 188,680,827	\$ 203,050,730

At year-end, the District had \$186,772,567 in outstanding bond anticipation notes, bond indebtedness, and notes payable compared to \$201,157,170 last year. That is a decrease of 7.2% as shown in Table 4.

Economic Factors and Next Year's Budget

The District's budget for 2023 is allowing for an increase in water revenue due to the rate recovery of the first phase of approved rate adjustments in 2023. Projections for interest income are also higher for 2023 because of anticipated higher interest rates. A modest increase is anticipated for operating expenses as a result of an increase in employee related expenses along with unprecedented inflation rates impacting the increase in purchased power, increase in cost for competitively bid chemicals, and contractual services. Other factors contributing to the increase in operating expenses are materials & supplies, transportation, and insurance.

The District's operations are presented, in a proprietary, as a single enterprise fund, and as such, the District is not required by GASB to adopt and adhere to a budget or to present budgetary comparison information as required supplementary information (RSI). However, the District's 1985 general bond resolution does require the adoption of an annual budget of current expenses and revenues. The annual budget is further used 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
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

Assets and Deferred Outflows of Resources

Current Assets

Cash and Cash Equivalents	\$ 42,075,630
Investments	3,956,834
Accounts Receivable	
Customers, Net	6,753,383
Unbilled Customers	9,100,000
Others	174,297
Assessments Receivable	185,400
Lease Receivable	117,382
Inventory Supplies for New Installation and Maintenance, at Cost	2,404,912
Prepaid Items	1,107,944
Restricted Assets - Cash and Cash Equivalents	
Bond Proceeds Fund	1,275
Debt Service Account	2,111,105
Improvement, Repair & Replacement	<u>741,483</u>
Total Current Assets	<u>68,729,645</u>

Non-current Assets

Lease Receivable	5,074,517
Restricted Assets - Cash and Cash Equivalents	
Bond Proceeds Fund	13,515,654
Debt Service Account	18,715,044
Improvement, Repair and Replacement	10,874,881
Restricted Assets - Investments	
Debt Service Reserve Account	17,656,687
Miscellaneous Deferred Charges	<u>8,650,814</u>
Capital Assets	
Land, System, Buildings and Equipment	538,777,307
Construction in Progress	<u>11,452,296</u>
Total Capital Assets	550,229,603
Less Accumulated Depreciation	<u>208,380,503</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>341,849,100</u>
Total Noncurrent Assets	<u>416,336,697</u>
Total Assets	<u>485,066,342</u>

Deferred Outflows of Resources

Deferred Outflows Related to Pension	2,207,924
Deferred Outflows Related to Other Postemployment Benefits	2,469,945
Deferred Loss on Refundings	<u>2,348,687</u>
Total Deferred Outflows of Resources	<u>7,026,556</u>

Total Assets and Deferred Outflows of Resources \$ 492,092,898

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022
(Continued)**

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

Liabilities and Deferred Inflows of Resources

Current Liabilities

Bonded Indebtedness	\$	12,996,773
Notes Payable		1,782,999
Bond Anticipation Notes		24,685,000
Accounts Payable		1,077,352
Accrued Payroll and Taxes		604,627
Compensated Absences		199,475
Arbitrage Liability		161,602
Other Accrued Liabilities		295,693
Liabilities Payable - Restricted Assets		
Accrued Interest Payable		2,111,105
Accounts Payable		<u>742,758</u>
 Total Current Liabilities		 <u>44,657,384</u>

Non-current Liabilities

Liabilities Payable - Restricted Assets		
Accounts Payable		757,658
Compensated Absences		1,464,415
Arbitrage Liability		82,768
Bond Indebtedness		120,266,568
Notes Payable		27,041,227
Net Pension Liability		24,663,515
Net Other Postemployment Benefits Liability		<u>6,732,760</u>
 Total Long-Term Liabilities		 <u>181,008,911</u>
 Total Liabilities		 <u>225,666,295</u>

Deferred Inflows of Resources

Deferred Inflows Related to Pension		656,657
Deferred Inflows Related to Other Postemployment Benefits		2,640,933
Deferred Inflows Related to Leases		5,074,275
Deferred Gain on Refundings		<u>2,265,750</u>
 Total Deferred Inflows of Resources		 <u>10,637,615</u>
 Total Liabilities and Deferred Inflows of Resources		 <u>236,303,910</u>

Net Position

Net Investment in Capital Assets		168,676,399
Restricted For Debt Service Funds		36,371,731
Restricted For Capital Improvement Projects		10,115,948
Unrestricted		<u>40,624,910</u>
 Total Net Position		 <u>255,788,988</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position		 \$ <u>492,092,898</u>

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED DECEMBER 31, 2022**

Operating Revenues	
Water Sales	\$ 59,541,043
Forfeited Discounts	983,494
Rents From Property	357,499
Other Water Revenues	<u>259,619</u>
 Total Operating Revenues	 <u>61,141,655</u>
Operating Expenses	
Operating and Maintenance Expense	33,683,678
Depreciation Expense	<u>12,487,979</u>
 Total Operating Expenses	 <u>46,171,657</u>
 Net Operating Income	 <u>14,969,998</u>
Non-Operating Income (Expense)	
Investment Income	2,007,323
Miscellaneous Non-Operating Income	240,514
Loss on Abandonment of Mains	(139,273)
Interest on Long-Term Debt and Customer Deposits	(4,940,084)
Amortization of Debt Premiums and Defeasance Costs	1,547,728
Pension Expense	(40,243)
Other Post Employment Benefit Expense	(560,705)
Arbitrage Expense	(222,923)
Gain on Sale of Capital Assets	<u>20,899</u>
 Total Non-Operating Expenses	 <u>(2,086,764)</u>
 Change in Net Position Before Capital Contributions	 12,883,234
Capital Contributions	<u>2,420,667</u>
 Change in Net Position	 15,303,901
Net Position - Beginning of Year	<u>240,485,087</u>
 Net Position - End of Year	 <u>\$ 255,788,988</u>

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022**

Cash Flows From Operating Activities	
Received From Customers	\$ 60,782,456
Received for Miscellaneous Non-Operating Income	240,514
Paid to Suppliers for Goods and Services	(17,611,704)
Paid to or on Behalf of Employees for Services	<u>(15,968,839)</u>
Net Cash Provided by Operating Activities	<u>27,442,427</u>
Cash Flows From Investing Activities	
Purchase of Investments	(38,360,958)
Proceeds From Sale of Investments	38,370,503
Investment Income	<u>1,990,910</u>
Net Cash Provided by Investing Activities	<u>2,000,455</u>
Cash Flows From Capital and Related Financing Activities	
Principal Paid on Debt	(13,354,436)
Debt Proceeds	253,106
Interest Paid on Bonds and Notes	(4,751,159)
Acquisition and Construction of Capital Assets and Regulatory Assets	(14,884,910)
Proceeds on Sale of Capital Assets	85,502
Payment on Arbitrage Liability	<u>(219,755)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(32,871,652)</u>
Net Change in Cash	(3,428,770)
Cash and Cash Equivalents Beginning of Year	<u>91,463,842</u>
Cash and Cash Equivalents End of Year	<u>\$ 88,035,072</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Net Operating Income	\$ 14,969,998
Adjustments to Reconcile Net Operating Income to Net Cash Provided by Operating Activities	
Depreciation	12,487,979
Miscellaneous Non-Operating Income	240,514
Change in Assets and Liabilities	
Accounts Receivable, Net	(348,741)
Assessments Receivable	(10,458)
Inventory Supplies	(356,360)
Prepaid Items	10,526
Miscellaneous Deferred Charges	253,306
Accounts Payable	215,051
Accrued Payroll and Taxes	128,885
Accrued Compensated Absences	11,531
Other Accrued Liabilities	<u>(159,804)</u>
Net Cash Provided by Operating Activities	<u>\$ 27,442,427</u>

See accompanying notes.

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022
(Continued)**

**Supplemental Schedule of Noncash Capital
and Related Financing Activities**

Change in Fair Value of Investments	\$ <u><u>(360,733)</u></u>
Contributions of Capital Assets	\$ <u><u>2,420,667</u></u>
Pension Expense	\$ <u><u>(40,243)</u></u>
Other Post Employment Benefit Expense	\$ <u><u>(560,705)</u></u>
Amortization Expense	\$ <u><u>(1,547,727)</u></u>

**Reconciliations of Cash and Cash Equivalents to the
Statement of Net Position**

Cash and Cash Equivalents - Current	\$ 42,075,630
Cash and Cash Equivalents - Restricted	<u>45,959,442</u>
Total Cash and Cash Equivalents	\$ <u><u>88,035,072</u></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 charges; 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 include 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 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 \$50,000 at December 31, 2022.

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 net realizable value. 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.

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 as of December 31, 2022 was \$1,663,890.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 premiums, 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

Leases

During 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, which requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows or resources based on the payment provisions of the contract. The Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The impact of this standard had the following effect as of January 1, 2022:

Lease Receivable	\$ <u>4,186,882</u>
Deferred Inflows Related to Leases	\$ <u>4,186,882</u>

Conduit Debt Obligations

During 2022, the District implemented GASB Statement No. 91, *Conduit Debt Obligations*. The objective of this statement was 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 adoption of this pronouncement did not have a material impact to the District's financial statements.

Omnibus 2020

During 2022, the District implemented GASB Statement No. 92, *Omnibus 2020*. The objectives of this statement are 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 adoption of this pronouncement did not have a material impact to the District's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*Replacement of Interbank Offered Rates*

During 2022, the District implemented GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this statement were to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The adoption of this pronouncement did not have a material impact to the District's financial statements.

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

During 2022, the District implemented GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The objectives of this statement were 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. The adoption of this pronouncement did not have a material impact to the District's financial statements.

Recently Issued Significant Accounting Standards*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.

Omnibus 2022

GASB Statement No. 99, *Omnibus 2022*, was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of GASB Statement No. 99 related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. Other aspects of GASB 99 were effective immediately and implemented during 2021. The District is currently evaluating the impact the remaining aspects of GASB Statement No. 99 may have on its financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes and Error Corrections

GASB Statement No. 100, *Accounting Changes and Error Corrections*, was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of GASB Statement No. 100 are effective for fiscal years beginning after June 15, 2023. The District is currently evaluating the impact GASB Statement No. 100 may have on its financial statements.

Compensated Absences

GASB Statement No. 101, *Compensated Absences*, was issued to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition under a unified model and by amending certain previously required disclosures. The requirements of GASB Statement No. 101 are effective for fiscal years beginning after December 15, 2023. The District is currently evaluating the impact GASB Statement No. 101 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.

NOTE 2 – DEPOSITS AND INVESTMENTS (Continued)

- 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.

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, 2022, 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, 2022.

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. The balance of the bond proceeds fund consisted of the following at December 31, 2022:

Cash and Cash Equivalents	\$ <u>13,516,929</u>
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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 balance of the debt service reserve account consisted of the following at December 31, 2022:

Cash and Cash Equivalents	\$ 10,779,063
Purchase and Resale Agreements	732,136
Forward Delivery Agreements	2,977,371
FHLB Bonds	3,100,000
Accrued Interest Receivable and CD Market Change	<u>68,117</u>
	<u>\$ 17,656,687</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 balance of the debt service account consisted of the following at December 31, 2022:

Cash and Cash Equivalents	\$ <u>20,826,149</u>
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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 balance of the improvement, repair, and replacement account consisted of the following at December 31, 2022:

Cash and Cash Equivalents	\$ <u>11,616,364</u>
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NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at December 31, 2022:

Accounts Receivable Arising From Billings of	
Metered Water Sales, Net of Allowance	\$ 6,753,383
Accrual for Estimated Unbilled Water Revenue	9,100,000
Other	<u>174,297</u>
Total	<u>\$ 16,027,680</u>

NOTE 5 – LEASE RECEIVABLE AND DEFERRED INFLOWS OF RESOURCES

During 2022, the District implemented GASB Statement No. 87, *Leases*. This statement formally establishes a single model for lease accounting (lessee and lessor) based on the foundational principle that leases are financings of the right to use an underlying asset. Under GASB Statement No. 87, a lessor is required to recognize a lease receivable and a deferred inflow of resources. The statement defines a lease as a contract that conveys control for a right to use another entity’s nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

The District, as lessor, has various leases with communication companies for use of the District’s towers. Each lease agreement has an initial term of five years, with four, five year renewal options at the end of the lease that are reasonably certain to be exercised. The terms of the renewals expire at various dates through April 2047. The District calculated the present value of future lease revenue based on an incremental borrowing rate of 4.0%.

The present value of the expected minimum lease payments to be received for these leases are as follows:

Years Ending December 31,	Principal	Interest
2023	\$ 117,382	\$ 205,539
2024	123,006	200,756
2025	132,310	195,652
2026	141,791	190,200
2027	157,102	184,307
2028 - 2032	974,422	813,259
2033 - 2037	1,361,473	581,762
2038 - 2042	1,733,227	265,161
2043 - 2047	451,186	29,785
	<u>\$ 5,191,899</u>	<u>\$ 2,666,421</u>

The District reported a lease receivable at December 31, 2022 of \$5,191,899 and a related deferred inflows of \$5,074,275. During the year ended December 31, 2022, the District recognized \$221,296 of lease revenue and \$188,878 of interest revenue related to these leases.

NOTE 6 – 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.

NOTE 6 – FAIR VALUE MEASUREMENT (Continued)

LEVEL 2 – Other observable inputs (included but not limited to, quoted prices 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.

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.

The following table sets forth by level, within the fair value hierarchy, the District’s assets at fair value at December 31, 2022:

	Level 1	Level 2	Level 3	Total
Investments				
Commercial Paper	\$ -	\$ 3,956,834	\$ -	\$ 3,956,834
Restricted Investments				
Cash and Cash Equivalents	10,847,180	-	-	10,847,180
Purchase and Resale Agreements	-	732,136	-	732,136
Forward Delivery Agreements	-	2,977,371	-	2,977,371
FHLB Bonds	-	3,100,000	-	3,100,000
Total Restricted Investments	10,847,180	6,809,507	-	17,656,687
Total Assets at Fair Value	\$ 10,847,180	\$ 10,766,341	\$ -	\$ 21,613,521

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the District for the year ended December 31, 2022, was as follows:

	Balance December 31, 2021	Additions	Deductions	Balance December 31, 2022
Land, System, Buildings and Equipment				
Land and Land Rights	\$ 3,348,169	\$ 10,396	\$ -	\$ 3,358,565
Structures and Improvements	129,293,466	4,803,804	-	134,097,270
Lake River and Other Intakes	1,463,171	-	-	1,463,171
Supply Mains	2,865,693	-	-	2,865,693
Power Generation Plant	4,036,027	-	-	4,036,027
Pumping Equipment	12,532,987	319,843	(13,189)	12,839,641
Water Treatment Equipment	30,991,258	39,414	(865)	31,029,807
Distribution Reservoirs and Standpipes	11,354,093	-	-	11,354,093
Transmissions and Distribution Mains	233,732,893	4,945,369	(149,511)	238,528,751
Services	36,034,027	1,357,843	(44,740)	37,347,130
Meters and Meter Installations	20,883,062	632,590	(289,373)	21,226,279
Hydrants	10,962,804	226,870	(10,799)	11,178,875
Other Plant and Miscellaneous Equipment	3,427,428	-	(4,650)	3,422,778
Office Furniture and Equipment	4,232,347	93,148	(300,935)	4,024,560
Transportation Equipment	5,720,602	981,228	(223,343)	6,478,487
Tools, Shop, and Garage Equipment	1,015,434	26,030	(14,474)	1,026,990
Laboratory Equipment	832,978	65,729	-	898,707
Power Operated Equipment	1,282,989	11,893	(167,823)	1,127,059
Communication Equipment	6,364,782	-	-	6,364,782
Miscellaneous Equipment	592,506	-	-	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	526,482,852	13,514,157	(1,219,702)	538,777,307
Construction in Progress	12,495,400	12,170,833	(13,213,937)	11,452,296
Total Capital Assets	538,978,252	25,684,990	(14,433,639)	550,229,603
Less Accumulated Depreciation	196,870,484	12,487,979	(977,960)	208,380,503
Capital Assets - Net	\$ 342,107,768	\$ 13,197,011	\$ (13,455,679)	\$ 341,849,100

NOTE 8 – 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, 2022, the arbitrage rebate liability was \$244,370.

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, 2022, the District paid \$219,755.

NOTE 9 – LONG-TERM DEBT

Revenue Bonds

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>
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	5.00%	1,020,000	706,526	1,726,526
2027	4.00%	1,070,000	659,626	1,729,626
2028-2032	4.00-4.13%	6,035,000	2,602,000	8,637,000
2033-2037	4.25-4.50%	7,465,000	1,169,098	8,634,098
2038	4.25%	1,690,000	35,913	1,725,913
Total		<u>\$ 20,055,000</u>	<u>\$ 7,581,866</u>	<u>\$ 27,636,866</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.

NOTE 9 – LONG-TERM DEBT (Continued)

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

Years	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
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	4.00%	1,700,000	216,500	1,916,500
2027	5.00%	1,780,000	138,000	1,918,000
2028	5.00%	1,870,000	46,750	1,916,750
Total		<u>\$ 10,055,000</u>	<u>\$ 1,447,950</u>	<u>\$ 11,502,950</u>

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:

Years	Interest Rates	Principal Amount	Interest Amount	Total Debt Service
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	4.00%	540,000	62,838	602,838
2027	3.00%	550,000	43,788	593,788
2028-2029	3.00-3.13%	1,160,000	36,207	1,196,207
Total		<u>\$ 3,745,000</u>	<u>\$ 444,797</u>	<u>\$ 4,189,797</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.

NOTE 9 – LONG-TERM DEBT (Continued)

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>
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	5.00%	3,015,000	686,025	3,701,025
2027	5.00%	3,170,000	531,400	3,701,400
2028-2031	3.00-4.00%	13,930,000	905,175	14,835,175
Total		\$ 28,380,000	\$ 5,035,675	\$ 33,415,675

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>
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	5.00%	560,000	473,600	1,033,600
2027	5.00%	585,000	444,975	1,029,975
2028-2032	3.00-5.00%	3,325,000	1,831,500	5,156,500
2033-2037	3.00%	3,885,000	1,274,925	5,159,925
2038-2042	3.00%	4,510,000	646,200	5,156,200
2043-2044	3.00%	2,000,000	60,450	2,060,450
Total		\$ 16,385,000	\$ 6,300,700	\$ 22,685,700

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.

NOTE 9 – LONG-TERM DEBT (Continued)

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>
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	5.00%	1,355,000	501,325	1,856,325
2027	5.00%	1,425,000	431,825	1,856,825
2028-2032	3.00-5.00%	8,085,000	1,201,500	9,286,500
2033-2035	2.00%	5,400,000	163,400	5,563,400
Total		\$ 19,945,000	\$ 4,185,900	\$ 24,130,900

Water District Refunding Revenue Bonds, Series 2021B

In December 2021, the District issued \$27,730,000 of Refunding Revenue Bonds, Series 2021B for the purpose of current refunding of the District's outstanding Revenue Bonds Series 2012 in the principal amount of \$29,310,00. The bonds were sold at a premium of \$3,703,731, for a total source of funds of \$33,013,731.

The net carrying amount of the refunded debt exceeded the reacquisition price \$2,848,371. 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 \$3,149,288 and obtains an economic gain (difference between the present values of the old and new debt service) of \$3,093,721.

The Water District Refunding Revenue Bonds, Series 2021B 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>
2023	4.00%	\$ 4,485,000	\$ 826,900	\$ 5,311,900
2024	4.00%	4,675,000	643,700	5,318,700
2025	4.00%	4,865,000	452,900	5,317,900
2026	4.00%	5,070,000	254,200	5,324,200
2027	4.00%	3,820,000	76,400	3,896,400
Total		\$ 22,915,000	\$ 2,254,100	\$ 25,169,100

NOTE 9 – LONG-TERM DEBT (Continued)

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:

Years		Principal Amount	Interest Amount	Total Debt Service
2023	2.75%	\$ 28,500	\$ 45,024	\$ 73,524
2024	2.75%	29,500	44,227	73,727
2025	2.75%	30,500	43,402	73,902
2026	2.75%	31,000	42,556	73,556
2027	2.75%	32,000	41,690	73,690
2028-2032	2.75%	173,000	194,603	367,603
2033-2037	2.75%	198,500	169,131	367,631
2038-2042	2.75%	227,000	139,909	366,909
2043-2047	2.75%	260,500	106,434	366,934
2048-2052	2.75%	298,000	68,090	366,090
2053-2057	2.75%	343,000	24,172	367,172
Total		\$ 1,651,500	\$ 919,238	\$ 2,570,738

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 9 – 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.

Revenue Bond Anticipation Note

In March, 2021, the District issued \$24,685,000 of Revenue Bond Anticipation Notes, Series 2021A in order to fund various construction projects. The Series 2021A notes mature in February 2023 and are subject to optional redemption, in whole or in part, on any date beginning August 1, 2022. The Series 2021A notes are secured by a pledge of the proceeds of the Series 2023A Bonds to be issued by the District before the maturity date of the Series 2021A notes and any investment obligations purchased with the proceeds of the Series 2021A notes.

Notes from Direct BorrowingsFiscal 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 9 – 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>
2023	\$ 200,668	\$ 25,620	\$ 226,288
2024	202,680	23,106	225,786
2025	204,711	20,566	225,277
2026	206,764	18,001	224,765
2027	208,837	15,409	224,246
2028-2032	1,076,009	37,265	1,113,274
Total	<u>\$ 2,099,669</u>	<u>\$ 139,967</u>	<u>\$ 2,239,636</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>
2023	\$ 1,192,136	\$ 303,450	\$ 1,495,586
2024	1,216,098	276,493	1,492,591
2025	1,240,541	248,994	1,489,535
2026	1,265,476	220,942	1,486,418
2027	1,290,912	192,327	1,483,239
2028-2032	6,854,359	511,859	7,366,218
2033	723,696	8,141	731,837
Total	<u>\$ 13,783,218</u>	<u>\$ 1,762,206</u>	<u>\$ 15,545,424</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, 2022, \$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.

NOTE 9 – LONG-TERM DEBT (Continued)

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.

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>
2023	\$ 161,686	\$ 56,239	\$ 217,925
2024	164,529	52,991	217,520
2025	167,420	49,686	217,106
2026	170,362	46,323	216,685
2027	173,357	42,901	216,258
2028-2032	913,575	161,030	1,074,605
2033-2037	996,734	65,990	1,062,724
2038	104,532	1,045	105,577
Total	<u>\$ 2,852,195</u>	<u>\$ 476,205</u>	<u>\$ 3,328,400</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>
2023	\$ 161,193	\$ 56,067	\$ 217,260
2024	164,026	52,829	216,855
2025	166,909	49,535	216,444
2026	169,843	46,182	216,025
2027	172,828	42,770	215,598
2028-2032	910,788	160,539	1,071,327
2033-2037	993,694	65,789	1,059,483
2038	104,214	1,042	105,256
Total	<u>\$ 2,843,495</u>	<u>\$ 474,753</u>	<u>\$ 3,318,248</u>

NOTE 9 – 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>
2023	\$ 67,316	\$ 9,954	\$ 77,270
2024	67,822	9,314	77,136
2025	68,331	8,668	76,999
2026	68,845	8,018	76,863
2027	69,362	7,362	76,724
2028-2032	354,706	26,810	381,516
2033-2037	368,234	9,674	377,908
Total	<u>\$ 1,064,616</u>	<u>\$ 79,800</u>	<u>\$ 1,144,416</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, 2022, \$1,558,034 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.

NOTE 9 – LONG-TERM DEBT (Continued)

Changes in long-term debt are as follows:

	Debt Outstanding December 31, 2021	Additions of New Debt	Retirements and Repayments	Debt Outstanding December 31, 2022	Amounts Due Within 1 Year
Bond Indebtedness					
Rural Development Loan 91-03	\$ 1,679,500	\$ -	\$ 28,000	\$ 1,651,500	\$ 28,500
Series 2013 A	20,890,000	-	835,000	20,055,000	880,000
Series 2013 A Bond Premium	828,884	-	50,236	778,648	50,235
Series 2013 B	11,485,000	-	1,430,000	10,055,000	1,500,000
Series 2013 B Bond Premium	805,331	-	119,308	686,023	119,308
Series 2014 B	4,210,000	-	465,000	3,745,000	485,000
Series 2014 B Bond Premium	673,799	-	84,224	589,575	84,225
Series 2016	30,830,000	-	2,450,000	28,380,000	2,685,000
Series 2016 Bond Premium	3,411,997	-	344,067	3,067,930	344,067
Series 2019	16,855,000	-	470,000	16,385,000	485,000
Series 2019 Bond Premium	983,656	-	43,396	940,260	43,397
Series 2020	21,055,000	-	1,110,000	19,945,000	1,165,000
Series 2020 Bond Premium	2,288,802	-	165,455	2,123,347	165,456
Series 2021	27,730,000	-	4,815,000	22,915,000	4,485,000
Series 2021 Bond Premium	2,422,645	-	476,587	1,946,058	476,585
Total Bond Indebtedness	<u>146,149,614</u>	<u>-</u>	<u>12,886,273</u>	<u>133,263,341</u>	<u>12,996,773</u>
Bond Anticipation Notes					
Series 2021 A	<u>24,685,000</u>	<u>-</u>	<u>-</u>	<u>24,685,000</u>	<u>24,685,000</u>
Notes Payable - Direct Borrowings					
KIA Loan F08-07	2,298,345	-	198,676	2,099,669	200,668
KIA Loan F09-02	14,951,862	-	1,168,645	13,783,217	1,192,136
KIA Loan F13-012	4,523,000	-	-	4,523,000	-
KIA Loan F14-015	3,011,088	-	158,893	2,852,195	161,686
KIA Loan F15-011	3,001,904	-	158,409	2,843,495	161,193
KIA Loan B15-003	1,131,429	-	66,813	1,064,616	67,316
KIA Loan F16-027	1,304,928	253,106	-	1,558,034	-
Kenton County Fiscal Court	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Total Notes Payable - Direct Borrowings	<u>30,322,556</u>	<u>253,106</u>	<u>1,751,436</u>	<u>28,824,226</u>	<u>1,782,999</u>
Arbitrage Liability	241,201	222,924	219,755	244,370	161,602
Compensated Absences	<u>1,652,359</u>	<u>11,531</u>	<u>-</u>	<u>1,663,890</u>	<u>199,475</u>
Total Long-Term Debt	<u>\$ 203,050,730</u>	<u>\$ 487,561</u>	<u>\$ 14,857,464</u>	<u>\$ 188,680,827</u>	<u>\$ 39,825,849</u>

NOTE 10 – 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 Public Pensions Authority (KPPA) under the provisions of Kentucky Revised Statute Section 78.782 and 61.645. The plan was formerly administered by the Kentucky Retirement System (KRS). However, during the 2020 Legislative Session, House Bill 484 was passed establishing a new governance structure for the agency that operates the system. Effective April 1, 2021, KRS as an agency of the Commonwealth became known as the KPPA. 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**

<u>Age</u>	<u>Years of Service</u>	<u>Allowance Reduction</u>
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**

<u>Age</u>	<u>Years of Service</u>	<u>Allowance Reduction</u>
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**

<u>Age</u>	<u>Years of Service</u>	<u>Allowance Reduction</u>
65	5	None
57	Rule of 87	None

NOTE 10 – PENSION PLAN (Continued)

Benefit Formula for Tiers 1 & 2			
Final Compensation	X	Benefit Factor	X Years of Service
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.
		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 2022)	Actuarial Factor
5.00%	4.00%	4.00%	5.68%	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 hypothetical 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 10 – 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 (HB) 297 passed during the 2022 legislative session and included language allowing the Systems to provide health insurance coverage through the Kentucky Employees Health Plan (KEHP) for retired reemployed retirees who are Medicare-eligible and affected by the Medicare Secondary Payer Act (MSPA). HB 1 exempts pay raises for public defenders and their staff from pension spiking provisions, while HB 49 adds two pension spiking exemptions on a broader scope: 1. The first one hundred (100) hours of mandated overtime required by an employer during a fiscal year, and 2. Any overtime performed by a local government which the Governor authorizes mobilization of the Kentucky National Guard. HB 76 creates an exception for members "bound by an educational contract prior to December 31, 2003" with the Department of Transportation, to use the start date of the contract to establish the membership date and to purchase service credit after August 1, 2004, allowing the service purchase(s) to apply toward retirement eligibility and health insurance vesting. SB 27 allows part-time adjunct instructors for the Kentucky Fire Commission, meeting specific conditions, to retire from CERS without terminating employment as part-time instructors. Lastly, SB 209 increases the non-Medicare eligible subsidy by \$5 for each year worked beyond the defined career threshold for members eligible for the fixed-dollar retiree health subsidy. The annual increase will only occur if the most recent actuarial valuation determines the funding level of the retiree health benefits is at least 90% and will remain at that level for the year. Additionally, the bill allows members eligible for the fixed-dollar health subsidy to be reimbursed for health insurance premiums other than those administered by KPPA.

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.

NOTE 10 – PENSION PLAN (Continued)

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions, per the Kentucky Revised Statute Section 78.545(33). The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.454(33) each year following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky. House Bill 362 passed during the 2018 legislative session, which caps CERS employer contribution rate increases up to 12% per year over the prior fiscal year for the period of July 1, 2018 to June 30, 2028.

For the fiscal years ended June 30, 2023 and 2022, participating employers contributed 26.79% (23.40% pension fund and 3.39% insurance fund) and 26.95% (22.78% pension fund and 4.17% 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 was \$2,231,101 for the year ended December 31, 2022.

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

At December 31, 2022, the District reported a liability of \$24,663,515 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2022, 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, 2022, the District's proportion for the non-hazardous system was 0.341174% which was a decrease of 0.010463% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the District recognized pension expense of \$40,243. At December 31, 2022, 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	\$ 632,283	\$ -
Difference between expected and actual experience	26,368	219,639
Changes in proportion and difference between employer contributions and proportionate share of contributions	343,586	437,018
District contributions after measurement date	<u>1,205,687</u>	<u>-</u>
Total	<u>\$ 2,207,924</u>	<u>\$ 656,657</u>

NOTE 10 – PENSION PLAN (Continued)

The \$1,205,687 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending December 31,	
2023	\$ 42,298
2024	(190,096)
2025	(207,258)
2026	<u>700,636</u>
Total	<u>\$ 345,580</u>

Actuarial assumptions: The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Valuation Date	June 30, 2021
Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, Varies by Service
Investment Rate of Return	6.25%

There have been no actuarial assumption or method changes since June 30, 2021.

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.

NOTE 10 – PENSION PLAN (Continued)

The long-term (10-year) expected rates of return were determined by using a building block method in which best estimated ranges of expected future real rates of return were developed for each asset class. The ranges were 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 rate 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>
Equity		
Public Equity	50.00 %	4.45 %
Private Equity	10.00 %	10.15 %
Fixed Income		
Core Fixed Income	10.00 %	0.28 %
Specialty Credit	10.00 %	2.28 %
Cash	- %	(0.91) %
Inflation Protected		
Real Estate	7.00 %	3.67 %
Real Return	13.00 %	4.07 %
Total	100.00 %	

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 must include an assumption regarding actual employer contributions made each future year. Future contributions are projected assuming that each participating employer in CERS contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 Legislative Session. The assumed future employer contributions for CERS reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30, 2028.

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>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Non-Hazardous	\$ 30,826,333	\$ 24,663,515	\$ 19,566,352

NOTE 10 – PENSION PLAN (Continued)**Other Information about the Pension Plan**

Payable to the pension plan: At December 31, 2022, the District reported a payable of \$226,124 for the outstanding amount of contributions to the pension plan required for the years ended December 31, 2022.

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority Annual Comprehensive Financial Report on the KPPA 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 11 – 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 Public Pensions Authority (KPPA) under the provisions of Kentucky Revised Statute Section 78.782 and 61.645. The plan was formerly administered by the Kentucky Retirement System (KRS). However, during the 2020 Legislative Session, House Bill 484 was passed establishing a new governance structure for the agency that operates the system. Effective April 1, 2021, KRS as an agency of the Commonwealth became known as the KPPA. 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: The Kentucky Retirement System Insurance Trust 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.

NOTE 11 – OPEB PLAN (Continued)

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.

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.

Local government participating employers are required to contribute an actuarially determined rate for CERS pension contributions, per the Kentucky Revised Statute Section 78.545(33). The CERS Board of Trustees establishes the employer contribution rate based on Kentucky Revised Statute section 78.454(33) each year following the annual actuarial valuation as of July 1 and prior to July 1 of the succeeding fiscal year for local governments in Kentucky. House Bill 362 passed during the 2018 legislative session, which caps CERS employer contribution rate increases up to 12% per year over the prior fiscal year for the period of July 1, 2018 to June 30, 2028.

NOTE 11 – OPEB PLAN (Continued)

For the fiscal years ended June 30, 2023 and 2022, participating employers contributed 26.79% (23.40% pension fund and 3.39% insurance fund) and 26.95% (22.78% pension fund and 4.17% 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 insurance fund (excluding the pension portion) from the District was \$363,290 for the years ended December 31, 2022.

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

At December 31, 2022, the District reported a liability of \$6,732,760 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end, June 30, 2022, 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, 2022, the District's proportion for the non-hazardous system was 0.341156%, which was a decrease of 0.010398% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2022, the District recognized OPEB expense of \$560,705. At December 31, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Net difference between projected and actual earnings on pension plan investments	\$ 273,266	\$ -
Difference between expected and actual experience	677,708	1,543,978
Changes of assumptions	1,064,833	877,416
Changes in proportion and difference between employer contributions and proportionate share of contributions	279,468	219,539
District contributions after measurement date	<u>174,670</u>	<u>-</u>
Total	<u>\$ 2,469,945</u>	<u>\$ 2,640,933</u>

NOTE 11 – OPEB PLAN (Continued)

The \$174,670 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31,	
2023	\$ 30,785
2024	30,268
2025	(399,273)
2026	<u>(7,438)</u>
Total	<u>\$ (345,658)</u>

Actuarial assumptions: The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

Inflation	2.30%
Payroll Growth Rate	2.00%
Salary Increase	3.30% to 10.30%, Varies by Services
Investment Rate of Return	6.25%
Healthcare Cost Trend Rates (Pre-65)	Initial Trend Starting at 6.20% at January 1, 2024 and Gradually Decreasing to an Ultimate Trend Rate of 4.05% Over a Period of 13 Years.
Healthcare Cost Trend Rates (Post-65)	Initial Trend Starting at 9.00% in 2024, then Gradually Decreasing to an Ultimate Trend Rate of 4.05% Over a period of 13 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 single discount rates used to calculate the total OPEB liability within each plan changed since the prior year. The assumed increase in future health care costs, or trend assumption, was reviewed during the June 30, 2021, valuation process and was updated to better reflect the plan's anticipated long-term healthcare costs. There were no other material assumption changes.

NOTE 11 – OPEB PLAN (Continued)

Senate Bill 209 passed during the 2022 legislative session and increased the insurance dollar contribution for members hired on or after July 1, 2003, by \$5 for each year of service a member attains over certain thresholds, depending on a member’s retirement eligibility requirement. This increase in the insurance dollar contribution does not increase by 1.5% annually and is only payable for non-Medicare retirees. Additionally, it is only payable when the member’s applicable insurance fund is at least 90% funded. The increase is first payable January 1, 2023. Senate Bill 209 also allows members receiving the insurance dollar contribution to participate in a medical insurance reimbursement plan that would provide the reimbursement of premiums for health plans other than those administered by KPPA.

The total OPEB Liability as of June 30, 2022, was determined using these updated provisions. There were no other material plan provision 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.

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>
Equity		
Public Equity	50.00 %	4.45 %
Private Equity	10.00 %	10.15 %
Fixed Income		
Core Fixed Income	10.00 %	0.28 %
Specialty Credit	10.00 %	2.28 %
Cash	- %	(0.91) %
Inflation Protected		
Real Estate	7.00 %	3.67 %
Real Return	<u>13.00 %</u>	4.07 %
 Total	 <u><u>100.00 %</u></u>	

Discount rate: The single discount rate used to measure the total OPEB liability was 5.70% 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 3.69%, as reported in Fidelity Index’s “20-Year Municipal GO AA Index” as of June 30, 2022. Based on the stated assumptions and the projection of cash flows as of each fiscal year ended, the plan’s insurance fiduciary net position and 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.

NOTE 11 – OPEB PLAN (Continued)

The projection of cash flows used to determine the single discount rate must include an assumption regarding future employer contributions made each year. Future contributions are projected assuming that each participating employer in each insurance plan contributes the actuarially determined employer contribution each future year calculated in accordance with the current funding policy, as most recently revised by House Bill 8, passed during the 2021 legislative session. The assumed future employer contributions reflect the provisions of House Bill 362 (passed during the 2018 legislative session) which limit the increases to the employer contribution rates to 12% over the prior fiscal year through June 30 2028, for the CERS plans.

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 (4.70% for non-hazardous) or 1-percentage-point higher (6.70% for non-hazardous) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Non-Hazardous \$	9,000,626	\$ 6,732,760	\$ 4,857,990

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 \$	5,005,658	\$ 6,732,760	\$ 8,806,685

Other Information about the OPEB Plan

Payable to the OPEB Plan: At December 31, 2022, the District reported a payable of \$32,759 for the outstanding amount of contributions to the OPEB plan required for the years ended December 31, 2022.

OPEB plan fiduciary net position: Detailed information about the OPEB plan's fiduciary net position is available in the separately issued Kentucky Public Pensions Authority Annual Comprehensive Financial Report on the KPPA website at www.kyret.ky.gov.

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

In 2020, 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 have 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 20, 2023, which is the date the financial statements were available to be issued.

In January 2023, the District issued Revenue Bonds, Series 2023A for \$17,615,000. The bonds, in addition to an \$8,000,000 contribution by the District, were used to pay off the Revenue Bond Anticipation Notes, Series 2021A. The bonds were sold at a premium of \$576,489, and the final principal payment for the bond will be due in February 2048.

In February 2023, the Kentucky Public Service Commission approved the District's application for a rate adjustment. The rate adjustment is to be implemented in two phases, with the first phase adjustment being implemented in February 2023 for an approximate 7.2% rate increase. The second adjustment will become effect in February 2024 for an approximate 6.6% rate increase.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2022**

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

	<u>2022</u>	<u>2021</u>	<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	0.341174%	0.351637%	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>24,663,515</u>	\$ <u>22,419,617</u>	\$ <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>9,357,873</u>	\$ <u>8,930,918</u>	\$ <u>8,757,359</u>	\$ <u>8,040,890</u>	\$ <u>7,732,260</u>	\$ <u>7,925,067</u>	\$ <u>7,972,340</u>	\$ <u>7,931,952</u>	\$ <u>7,931,952</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	263.56%	251.03%	297.53%	289.38%	245.96%	236.78%	207.02%	186.84%	138.71%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability - Non-Hazardous	52.42%	57.33%	47.81%	50.45%	53.54%	53.32%	55.50%	59.97%	66.80%

** Only nine 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, 2022**

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

<u>Non-Hazardous</u>	<u>2022</u>	<u>2021</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	\$ 2,231,101	\$ 1,875,015	\$ 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>(2,231,101)</u>	<u>(1,875,015)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 9,811,881	\$ 9,357,873	\$ 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	22.74%	20.04%	19.30%	17.78%	15.30%	14.21%	13.19%	17.93%	18.70%

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

**NORTHERN KENTUCKY WATER DISTRICT
NOTES TO SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
DECEMBER 31, 2022**

NOTE 1 - ACTUARIAL ASSUMPTIONS

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2022:

Valuation Date:	June 30, 2020
Experience Study	July 1, 2013 to June 30, 2018
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percent of pay
Remaining Amortization Period:	30 years closed period at June 30, 2019 <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth Rate:	2.00%
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%
Salary Increase:	3.30% to 10.30%, varies by service
Investment Rate of Return:	6.25%
Phase-in Provision:	Board certified rate is phased into the actuarially determined rate in accordance with HB 362 enacted in 2018

The retiree mortality is 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.

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
DECEMBER 31, 2022**

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

	<u>2022</u>	<u>2021</u>	<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	0.341156%	0.351554%	0.339610%	0.330768%	0.312275%	0.320590%	0.335200%
Total District's Proportionate Share of the Net OPEB Liability	\$ <u>6,732,760</u>	\$ <u>6,730,325</u>	\$ <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>9,357,873</u>	\$ <u>8,930,918</u>	\$ <u>8,757,359</u>	\$ <u>8,040,890</u>	\$ <u>7,732,260</u>	\$ <u>7,925,067</u>	\$ <u>7,972,340</u>
District's Proportionate Share of the Net OPEB Liability as a Percentage of Its Covered Payroll	71.95%	75.36%	93.64%	69.19%	71.70%	81.32%	63.41%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability - Non-Hazardous	60.95%	62.91%	51.67%	60.44%	57.62%	52.39%	55.24%

* 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 OPEB CONTRIBUTIONS
DECEMBER 31, 2022**

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

<u>Non-Hazardous</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually Required Contribution	\$ 363,290	\$ 489,371	\$ 425,112	\$ 438,448	\$ 399,058	\$ 364,575	\$ 371,330
Contributions in Relation to the Contractually Required Contribution	<u>(363,290)</u>	<u>(489,371)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 9,811,881	\$ 9,357,873	\$ 8,930,918	\$ 8,757,359	\$ 8,040,890	\$ 7,732,260	\$ 7,925,067
Contributions as a Percentage of Covered Payroll	3.70%	5.23%	4.76%	5.01%	4.96%	4.71%	4.69%

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

**NORTHERN KENTUCKY WATER DISTRICT
NOTES TO SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS
DECEMBER 31, 2022**

NOTE 1 – ACTUARIAL ASSUMPTIONS

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2022:

Valuation Date:	June 30, 2020
Experience Study	July 1, 2013 – June 30, 2018
Actuarial Cost Method:	Entry Age Normal
Amortization Method:	Level percent of pay
Remaining Amortization Period:	30-year, closed period at June 30, 2019, <i>Gains/losses incurring after 2019 will be amortized over separate closed 20-year amortization bases</i>
Payroll Growth:	2.00%
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%
Salary Increase:	3.30% to 10.30%, varies by service
Investment Return:	6.25%
Healthcare 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. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement.
Post-65:	Initial trend starting at 6.30% at January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years. The 2021 premiums were known at the time of the valuation and were incorporated into the liability measurement. Additionally, Humana provided “Not to Exceed” 2022 Medicare premiums, which were incorporated and resulted in an assumed 2.90% increase in Medicare premiums at January 1, 2022.

OTHER SUPPLEMENTARY INFORMATION

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET TO ACTUAL
YEAR ENDED DECEMBER 31, 2022**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Operating Revenues			
Water Sales	\$ 56,839,212	\$ 59,541,043	\$ 2,701,831
Forfeited Discounts	825,000	983,494	158,494
Rents From Property	372,700	357,499	(15,201)
Other Water Revenues	398,064	259,619	(138,445)
	<u>58,434,976</u>	<u>61,141,655</u>	<u>2,706,679</u>
Operating Expenses			
Operation and Maintenance Expense	34,389,766	33,683,678	706,088
Depreciation Expense	12,120,000	12,487,979	(367,979)
	<u>46,509,766</u>	<u>46,171,657</u>	<u>338,109</u>
Net Operating Income	<u>11,925,210</u>	<u>14,969,998</u>	<u>3,044,788</u>
Non-Operating Income (Expense)			
Investment Income	384,000	2,007,323	1,623,323
Miscellaneous Non-Operating Income	89,100	240,514	151,414
Loss on Abandonment of Mains	-	(139,273)	(139,273)
Interest on Long-Term Debt and Customer Deposits	(5,142,092)	(4,940,084)	202,008
Amortization of Debt Premiums and Defeasance Costs	-	1,547,728	1,547,728
Pension Expense	-	(40,243)	(40,243)
Other Post Employment Benefit Expense	-	(560,705)	(560,705)
Arbitrage Expense	-	(222,923)	(222,923)
Gain on Sale of Capital Assets	-	20,899	20,899
	<u>(4,668,992)</u>	<u>(2,086,764)</u>	<u>2,582,228</u>
Change in Net Position Before Capital Contributions	<u>7,256,218</u>	<u>12,883,234</u>	<u>5,627,016</u>
Capital Contributions	-	2,420,667	2,420,667
Change in Net Position	<u>\$ 7,256,218</u>	<u>\$ 15,303,901</u>	<u>\$ 8,047,683</u>

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF WATER OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2022**

Operating Revenues

Metered Sales

Sales to Residential Customers	\$ 36,609,493
Sales to Commercial Customers	8,299,997
Sales to Industrial Customers	4,229,063
Sales to Public Authorities	2,164,236
Sales to Multiple Family Dwellings	6,010,733
Sales Through Bulk Loading Stations	<u>78,102</u>

Total Metered Sales 57,391,624

Fire Protection Revenue 89,355

Sales For Resale 2,060,064

Total Sales of Water 59,541,043

Other Revenue 1,600,612

Total Operating Revenues **\$ 61,141,655**

**NORTHERN KENTUCKY WATER DISTRICT
STATEMENT OF COMBINED OPERATION AND MAINTENANCE EXPENSES
YEAR ENDED DECEMBER 31, 2022**

Operating and Maintenance Expenses	
Salaries and Wages	\$ 10,090,506
Employee Pensions and Benefits	6,018,749
Taxes Other Than Income Taxes	748,779
Purchased Power	3,616,740
Chemicals	3,596,207
Materials and Supplies	2,556,622
Contractual Services	4,658,882
Transportation Expenses	860,755
Insurance	719,784
Bad Debt Expense	437,577
Miscellaneous Expense	265,396
Regulatory Commission Assessment	<u>113,681</u>
Total Operating and Maintenance Expenses	 <u><u>\$ 33,683,678</u></u>

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF INSURANCE COVERAGES
December 31, 2022**

<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	ZLP-14T80653	General Liability	\$ 1,000,000	1/1/2022	1/1/2023
Travelers Insurance	ZUP14T80665	Umbrella	\$ 19,000,000	1/1/2022	1/1/2023
Travelers Insurance	ZLP14T80653	Public Officials	\$ 1,000,000	1/1/2022	1/1/2023
Travelers Insurance	H-810-6R989070	Business Auto	\$ 1,000,000	1/1/2022	1/1/2023
Travelers Insurance	H-630-6R989070	Property-Including Equipment	\$ 323,718,639	1/1/2022	1/1/2023
Travelers Insurance	H-630-6R989070	Employee Dishonesty	\$ 500,000	1/1/2022	1/1/2023
Coalition Insurance	C-4LRU-169579-CYBER-2022	Cyber Liability	\$ 2,000,000	1/1/2022	1/1/2023
Kentucky Employers Mutual Insurance	WC 338786	Worker's Compensation	\$ 1,000,000	7/1/2021	7/1/2022
Kentucky Employers Mutual Insurance	WC 338786	Worker's Compensation	\$ 1,000,000	7/1/2022	7/1/2023
Cincinnati Insurance	8877070	Fidelity Bond	Per Application	1/1/2022	12/31/2022
Great American Insurance	PEL1093742-02	Pollution Liability	\$ 15,000,000	1/1/2022	1/1/2023

**NORTHERN KENTUCKY WATER DISTRICT
SCHEDULE OF RATES, RULES AND REGULATIONS
DECEMBER 31, 2022**

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	\$	11.96
Sub District C shall be assessed a monthly surcharge in the amount of	\$	11.06
Sub District D shall be assessed a monthly surcharge in the amount of	\$	28.96
Sub District E shall be assessed a monthly surcharge in the amount of	\$	29.41
Sub District F shall be assessed a monthly surcharge in the amount of	\$	13.70
Sub District G shall be assessed a monthly surcharge in the amount of	\$	19.19
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	\$	28.92
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	\$	4.59
Sub District RF shall be assessed a monthly surcharge in the amount of	\$	20.97

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, 2022
(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, 2022**

<u>COMMISSIONERS</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Joseph J. Koester	Chair	July 31, 2024
Fred A. Macke, Jr.	Vice-Chair	August 26, 2024
Douglas C Wagner, CDT	Treasurer	August 26, 2025
Jody R. Lange, CPA, CGMA	Secretary	August 28, 2023
Clyde Cunningham		August 28, 2023
Nicholas E. Winnike		August 28, 2025

<u>ADMINISTRATIVE STAFF</u>	<u>TITLE</u>
Lindsey Rehtin, CPA	President/CEO
Stacey Kampsen, CPA	Vice President of Finance and Support Services
Amy Stoffer, PE	Vice President of Engineering, Production, and Distribution

REQUIRED REGULATORY INFORMATION

**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, 2022 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 20, 2023.

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 or significant deficiencies 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 20, 2023



Exhibit 10 – Summary of Savings and Revised Payments

Northern Kentucky Water District
Refunding Revenue Bonds, Series 2024 (EST)
(Savings Summary)

Calendar Year	(A) Refunded Bond Payments			(B) Estimated New Bond Payments			(C) Savings
	Series 2013 Debt Service	Series 2013B Debt Service	Totals	-----Series 2024 Bonds -----			
				Principal Portion	Interest Portion	Payment Totals	Annual Savings
2024	\$390,263	\$157,950	\$548,213	\$0	\$223,741	\$223,741	\$324,472
2025	\$1,726,275	\$1,918,200	\$3,644,475	\$2,800,000	\$730,388	\$3,530,388	\$114,087
2026	\$1,726,525	\$1,916,500	\$3,643,025	\$2,890,000	\$642,938	\$3,532,938	\$110,087
2027	\$1,729,625	\$1,918,000	\$3,647,625	\$2,980,000	\$556,378	\$3,536,378	\$111,247
2028	\$1,726,025	\$1,916,750	\$3,642,775	\$3,060,000	\$470,328	\$3,530,328	\$112,447
2029	\$1,725,725		\$1,725,725	\$1,230,000	\$410,268	\$1,640,268	\$85,457
2030	\$1,728,525		\$1,728,525	\$1,265,000	\$375,338	\$1,640,338	\$88,187
2031	\$1,728,541		\$1,728,541	\$1,305,000	\$339,358	\$1,644,358	\$84,183
2032	\$1,728,181		\$1,728,181	\$1,340,000	\$302,194	\$1,642,194	\$85,987
2033	\$1,727,881		\$1,727,881	\$1,380,000	\$263,635	\$1,643,635	\$84,246
2034	\$1,726,669		\$1,726,669	\$1,420,000	\$223,380	\$1,643,380	\$83,289
2035	\$1,725,550		\$1,725,550	\$1,460,000	\$180,890	\$1,640,890	\$84,660
2036	\$1,727,747		\$1,727,747	\$1,505,000	\$134,910	\$1,639,910	\$87,837
2037	\$1,726,250		\$1,726,250	\$1,555,000	\$84,395	\$1,639,395	\$86,855
2038	\$1,725,913		\$1,725,913	\$1,610,000	\$28,980	\$1,638,980	\$86,933
Totals:	\$24,569,694	\$7,827,400	\$32,397,094	\$25,800,000	\$4,967,121	\$30,767,121	\$1,629,973

Total Net Savings Summary

Gross Savings Amount:	\$1,629,973
Present Value Savings Amount:	\$1,363,508
NPV Savings % of Prior:	5.403%



Interest Rate Reduction Summary

Series 2013 & 13B Avg Interest Rate:	4.282%
Series 2024 EST True Interest Cost:	3.251%
Interest Rate Reduction:	1.031%



Exhibit 11 – Notice of Intent to Issue Securities



February 28, 2024

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

Re: Northern Kentucky Water District, PSC Case No. 2024-00026
Notice of Intent to Issue Securities

Dear Mr. Keene:

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 2013 Series A and 2013 Series B revenue bonds in order to achieve substantial interest cost savings for the District.

We will file the appropriate documents 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 "Stacey Kampsen".

By: Stacey Kampsen
VP of Finance and Support Services



Exhibit 12 – Affidavit

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF NORTHERN) CASE NO. 2024-00026
KENTUCKY WATER DISTRICT FOR APPROVAL)
TO REFINANCE BONDS)

AFFIDAVIT

Comes now the affiant, STACEY KAMPSEN, after first being duly sworn and cautioned,
states as follows:

1. That she is the Vice President of Finance and Support Services for the Northern Kentucky Water District;
2. That she is authorized to submit this Petition on behalf of the Northern Kentucky Water District;
3. That the information contained in the Petition and its Exhibits are 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.

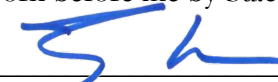
Further Affiant sayeth naught.

2/28/2024
Date


Stacey Kampsen

COMMONWEALTH OF KENTUCKY :
 : SS
COUNTY OF KENTON :

The foregoing instrument was subscribed and sworn before me by Stacey Kampsen this 28th day of February 2024.



Notary Public, Kentucky at Large
Notary ID Number: KYPN17828
My Commission Expires: 12/21/24