

**PULASKI COUNTY
PUBLIC SERVICE AUTHORITY**

FINANCIAL REPORT

For the Year Ended June 30, 2003

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PULASKI COUNTY PUBLIC SERVICE AUTHORITY

Statement of Net Assets
At June 30, 2003**ASSETS****Unrestricted current assets:**

Cash	\$ 1,757,480
Restricted cash	147,625
Receivables (Net of Allowances for for Uncollectibles)	<u>1,121,163</u>
Total unrestricted current assets	<u>\$ 3,026,268</u>

Noncurrent assets:

Proprietary fixed assets (net of accumulated depreciation)	\$ 17,833,426
Organization expense (net of amortization)	<u>8,186</u>
Total noncurrent assets	<u>\$ 17,841,612</u>
Total Assets	<u>\$ 20,867,880</u>

LIABILITIES**Current liabilities:**

Accounts payable	\$ 145,941
Interest payable	2,031
Amounts held for others	97,692
Compensated absences	105,890
Proprietary debt - current portion	243,720
Due to County - current portion	<u>22,547</u>
Total current liabilities	<u>\$ 617,821</u>

Noncurrent liabilities:

Proprietary debt - long-term portion	\$ 7,513,279
Due the County - long-term portion	<u>510,700</u>
Total noncurrent liabilities	<u>\$ 8,023,979</u>
Total Liabilities	<u>\$ 8,641,800</u>

NET ASSETS

Invested in capital assets, net of related debt	\$ 10,076,427
Unreserved	<u>2,149,653</u>
Total Net Assets	<u>\$ 12,226,080</u>

The accompanying notes to financial statements are an integral part of this statement.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

Proprietary Fund Type
Statement of Revenues, Expenses and Changes In Net Assets
Years Ended June 30, 2003

<i>Garbage collection and disposal: (Continued)</i>	
Repairs and maintenance	\$ 1,608
Materials and supplies	760
Depreciation	<u>170,974</u>
Total garbage collection and disposal	<u>\$ 2,665,123</u>
<i>Administration:</i>	
Salaries and fringes	\$ 78,335
Administrative fees	63,000
Data processing	23,884
Professional services	59,750
Miscellaneous	3,801
Insurance	1,602
Materials and supplies	8,775
Postage	922
Depreciation/Amortization	5,170
Maintenance service contract	1,100
Telephone	1,316
Printing and binding	<u>250</u>
Total administration	<u>\$ 247,905</u>
<i>Street Lighting:</i>	
Lighting	<u>\$ 17,509</u>
Total street lighting	<u>\$ 17,509</u>
<i>Billing:</i>	
Salaries and fringes	\$ 46,981
Professional services	15,648
Data processing	15,429
Travel	203
Postage	31,783
Telephone	2,424
Materials and supplies	<u>8,923</u>
Total billing	<u>\$ 121,391</u>
Total operating expenses	<u>\$ 5,128,570</u>
Operating income (loss)	<u>\$ 451,192</u>

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

Proprietary Fund Type
Statement of Revenues, Expenses and Changes In Net Assets
Years Ended June 30, 2003

<i>Non-operating revenues and (expenses):</i>	
Interest earned	\$ 48,800
Interest paid on debt	(377,049)
Connection fees	<u>86,055</u>
Total non-operating revenues (expenses)	\$ <u>(242,194)</u>
Net income (loss)	\$ <u>208,998</u>
Increase (Decrease) in net assets	\$ <u>208,998</u>
<i>Net assets, beginning of year</i>	\$ <u>12,017,082</u>
<i>Net assets, end of year</i>	\$ <u><u>12,226,080</u></u>

The accompanying notes to financial statements are an integral part of this statement.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

Proprietary Fund Type
Statement of Cash Flows
Years Ended June 30, 2003

<i>Cash flows from operating activities:</i>	
Cash received from customers	\$ 5,183,747
Cash payments to suppliers and employees for goods and services	(4,290,701)
Net cash provided by operating activities	<u>\$ 893,046</u>
<i>Cash flows from capital and related financing activities:</i>	
Connection charges	\$ 86,055
Aquisition of capital assets	(142,897)
Retirement of debt	(231,879)
Retirement of advance from County	(22,547)
Interest paid on debt	(386,449)
Net cash used by capital and related financing activities	<u>\$ (697,717)</u>
<i>Cash flows from investing activities:</i>	
Interest income	\$ 48,800
Net increase in cash	<u>\$ 244,129</u>
<i>Cash at beginning of year</i>	<u>\$ 1,660,976</u>
<i>Cash at end of year</i>	<u><u>\$ 1,905,105</u></u>

*Reconciliation of Operating Income to
Net Cash Provided by Operating Activities*

<i>Operating income (loss)</i>	<u>\$ 349,955</u>
<i>Adjustments to reconcile operating income to net cash provided by operating activities:</i>	
Depreciation	\$ 910,860
Decrease (increase) in receivables	(309,306)
Increase (decrease) in accounts payable	(70,368)
Increase (decrease) in compensated absences	(2,086)
Increase (decrease) in customer deposits	13,991
<i>Net cash provided by operating activities</i>	<u><u>\$ 893,046</u></u>

The accompanying notes to financial statements are an integral part of this statement.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2003

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

D. Capital Assets: (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not to be capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. There was no interest capitalized during the current or previous fiscal year.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Water & Sewer System	5-50
Equipment	3-10
Buildings	30-50

E. Allowance for Uncollectible Accounts:

The Authority calculates its allowance for uncollectible accounts using historical collection data. At June 30, 2003, the allowance amounted to approximately \$598,238.

F. Cash, Cash Equivalents and Investments:

For the purposes of the Statement of Cash Flows, cash and cash equivalents are defined as short-term highly liquid investments that are both readily convertible to known amounts of cash and investments with maturities of 90 days or less. Certificates of deposits are reported in the accompanying financial statements as cash and cash equivalents.

G. Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

H. Restricted Assets:

Included in restricted cash and cash equivalents are amounts held in debt service reserve accounts in the amounts of \$147,625.

I. Net Assets:

Net assets are the difference between assets and liabilities. Net assets invested in capital assets represent capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction or improvement of those assets.

J. Restatement:

Certain amounts in previously issued financial statements have been restated to conform to current year classifications.

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2003**

NOTE 3 – CAPITAL ASSETS AND DEPRECIATION:

A summary of changes in capital assets for the year follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Land, land improvements and land rights	\$ 127,700	\$ -	\$ -	\$ 127,700
Vehicles and other equipment	2,063,624	130,916	-	2,194,540
Water and sewer plant	28,849,987	12,120	-	28,862,107
Construction progress	12,736	119,220	-	131,956
Less: accumulated depreciation	<u>(12,567,382)</u>	<u>(915,495)</u>	<u>-</u>	<u>(13,482,877)</u>
Capital assets, net	\$ <u>18,486,665</u>	\$ <u>(653,239)</u>	\$ <u>-</u>	\$ <u>17,833,426</u>

NOTE 4 – PROPRIETARY DEBT:

Annual requirements to amortize long-term debt and related interest are as follows:

<u>Year Ending June 30,</u>	<u>Water and Sewer Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2004	\$ 243,720	\$ 361,120
2005	254,515	350,327
2006	267,064	337,777
2007	280,246	324,595
2008	294,092	310,750
2009-2013	1,703,816	1,320,390
2014-2018	2,039,238	858,258
2019-2023	926,001	486,336
2024-2028	761,218	313,277
2029-2033	840,827	130,401
2034-2038	<u>146,262</u>	<u>3,380</u>
Totals	\$ <u>7,756,999</u>	\$ <u>4,796,611</u>

PULASKI COUNTY PUBLIC SERVICE AUTHORITY

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2003

NOTE 4 – PROPRIETARY DEBT: (Continued)

Changes in Long-Term Debt:

The following is a summary of changes in long-term obligations of the Authority for the fiscal year ended June 30, 2003:

	Balance <u>July 1, 2002</u>	<u>Issuances</u>	<u>Retirements</u>	Balance <u>June 30, 2003</u>
Revenue bonds	\$ 7,988,878	\$	\$ (231,879)	\$ 7,756,999
Compensated absences	<u>107,976</u>	<u>-</u>	<u>(2,086)</u>	<u>105,890</u>
Total	\$ <u>8,096,854</u>	\$ <u>-</u>	\$ <u>(233,965)</u>	\$ <u>7,862,889</u>

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