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PEAKS MILL WATER DISTRICT

AUDIT REPORT

For Year Ended December 31, 2013

Rick R. Waddle, Jr., CPA, PLLC
120 Walnut Street
Frankfort, Kentucky 40601

PEAKS MILL WATER DISTRICT
AUDIT REPORT
December 31, 2013 and 2012

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INDEPENDENT AUDITOR'S REPORT

To the Board Members of the Peaks Mill Water District
Frankfort, Kentucky 40601

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, of the Peaks Mill Water District, as of and for the year ended December 31, 2013 and the related notes to the financial statements, which collectively comprise the Peaks Mill Water District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Peaks Mill Water District, as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 7, 2014 on our consideration of the Peaks Mill 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Peaks Mill Water District's internal control over financial reporting and compliance.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 1-3, and 15, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Rick R. Waddle, Jr., CPA, PLLC

120 Walnut Street, Frankfort, Kentucky 40601

July 7, 2014

Peaks Mill Water District Management's Discussion & Analysis

As financial management of the Peaks Mill Water District (the "District"), we offer readers of these financial statements this narrative and analysis of the financial activities of the District for calendar year ended December 31, 2013. The discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole.

Financial Highlights

Change in net position produced an increase in net position of \$35,346. The term "net position" refers to the difference between assets and liabilities. At the close of calendar year 2013, the District had a net position of \$4,083,988.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's financial statements, which is comprised of the basic financial statements and the notes to the financial statements. Since the District is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information concerning the District's budget to actual revenues and expenses.

Basic Financial Statements

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

The statements of net position present information on all the District's assets and liabilities, with the difference 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. Net position increases when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities, results in an increase in net position, which indicates an improved financial position.

The statement of revenues, expenses and changes in net position present information showing how the District's net position has changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Notes of the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District's budget to actual revenues and expenses.

Peaks Mill Water District
Management's Discussion & Analysis
(continued)

Financial Analysis

Net position may serve, over time, as a useful indicator of the District's financial position. In the case of the District, assets exceeded liabilities by \$4,083,988 at the close of the most recent fiscal year. This represents an increase of \$35,346 over the previous year.

The unrestricted net position was \$768,697. The District's net position reflects its investment in capital assets (property, building and equipment). The District uses these capital assets to provide service and consequently these assets are not available to liquidate liabilities or other spending. The following is a schedule of financial analysis of net position and changes in net position:

Peaks Mill Water District		
Net Position		
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Current Assets	\$ 796,063	\$ 676,011
Non-Current Assets	247,394	257,302
Capital Assets	<u>4,360,201</u>	<u>4,483,443</u>
Total Assets	<u>\$ 5,403,658</u>	<u>\$ 5,416,756</u>
Total Liabilities	<u>\$ 1,319,670</u>	<u>\$ 1,368,114</u>
Net Position	<u>\$ 4,083,988</u>	<u>\$ 4,048,642</u>

Peaks Mill Water District		
Changes in Net Position		
	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Revenues	\$ 669,579	\$ 745,134
Expenses	<u>634,233</u>	<u>622,657</u>
Changes in Net Position	35,346	122,477
Net Position, Beginning of Year	<u>4,048,642</u>	<u>3,926,165</u>
Net Position, End of Year	<u>\$ 4,083,988</u>	<u>\$ 4,048,642</u>

Peaks Mill Water District
Management's Discussion & Analysis
(continued)

Cash Flows

Net cash provided by operating activities increased cash by \$237,927. Net cash used in investing decreased cash by \$65,821, which was mainly due to capital additions and net cash used by capital and related financing activities decreased cash by \$61,077.

Capital Assets

The District's investment in capital assets is \$3,067,897, net of accumulated depreciation. Major capital assets include pumps, lines, meters and tanks.

Requests for Information

This financial information is designed to provide a general overview of the District's finances for all those with an interest in the finances. Questions concerning any of the information provided in this report or request for additional financial information should be directed to Peaks Mill Water District, 7175 US 127 North, Frankfort, Kentucky 40601.

Peaks Mill Water District
Comparative Statement of Net Assets
December 31, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Current Assets		
Cash in Bank and on Hand	\$ 665,582	\$ 544,645
Investments at Cost	80,303	79,587
Accrued Interest Receivable	169	161
Accounts Receivable	<u>50,009</u>	<u>51,618</u>
Total Current Assets	<u>\$ 796,063</u>	<u>676,011</u>
Non-Current Assets		
Restricted Assets - Cash	<u>247,394</u>	<u>257,302</u>
Property, Plant, & Equipment		
Property, Plant, & Equipment	6,483,936	6,417,710
Accumulated Depreciation	<u>(2,123,735)</u>	<u>(1,934,267)</u>
Total Property, Plant & Equipment	<u>4,360,201</u>	<u>4,483,443</u>
Total Non-Current Assets	<u>4,607,595</u>	<u>4,740,745</u>
Total Assets	<u>\$ 5,403,658</u>	<u>\$ 5,416,756</u>
Liabilities & Net Assets		
Current Liabilities		
Accounts Payable	\$ 23,843	\$ 20,217
Sales Tax Payable	160	2,084
Sewer Billing Payable	3,363	3,217
Current Portion of Bonds Payable	<u>51,659</u>	<u>50,291</u>
Total Current Liabilities	<u>79,025</u>	<u>75,809</u>
Long Term Liabilities		
KIA Loan Payable	760,445	800,004
Bonds Payable	<u>480,200</u>	<u>492,300</u>
Total Long Term Liabilities	<u>1,240,645</u>	<u>1,292,304</u>
Total Liabilities	<u>1,319,670</u>	<u>1,368,113</u>
Net Assets		
Investment in Capital Assets, Net of Related Debt	3,067,897	3,140,848
Restricted for Debt Retirement	128,890	116,593
Restricted for Construction	118,504	140,709
Unrestricted	<u>768,697</u>	<u>650,492</u>
Total Net Assets	<u>4,083,988</u>	<u>4,048,642</u>
Total Liabilities and Net Assets	<u>\$ 5,403,658</u>	<u>\$ 5,416,755</u>

The Accompanying Notes are an integral part of these financial statements.

Peaks Mill Water District
 Comparative Statement of Revenues, Expenses, And
 Changes In Net Assets
 For The Years Ended December 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Operating Income		
Water Revenue	\$ 624,104	\$ 596,247
Miscellaneous Income	5,294	7,718
Total Operating Income	<u>629,398</u>	<u>603,965</u>
Operating Expenses		
Purchased Water	191,715	179,336
Purchased Power	16,007	18,493
Contractual Services	50,280	50,280
Advertising	344	862
Salaries	23,036	23,593
Payroll taxes	2,937	3,194
Postage	3,333	4,822
Maintenance	49,144	56,396
Office Supplies	2,874	4,346
Office Expenses	372	372
Insurance	10,253	8,934
Legal & Professional	9,718	10,610
Commissioner's Fees	10,801	10,800
Utilities & Telephone	2,325	2,221
Rent	7,200	7,725
Administrative Fee (KIA)	-	-
Chemical & Lab Analysis	3,208	1,364
Miscellaneous	7,364	1,145
Bad Debt Expense	4,017	-
Depreciation	189,468	186,609
Total Operating Expenses	<u>584,396</u>	<u>571,102</u>
Operating Income	<u>45,002</u>	<u>32,863</u>
Net Operating Revenue (Expenses)		
Interest Revenue	1,131	1,322
Interest Expense	(49,837)	(51,555)
Total Non-Operating Revenue (Expenses)	<u>(48,706)</u>	<u>(50,233)</u>
Net Income Before Contributions & Government Grants	<u>(3,704)</u>	<u>(17,370)</u>
Government Grants	35,380	131,684
Contributions From Customers	<u>3,670</u>	<u>8,163</u>
Change In Net Assets	35,346	122,477
Net Assets - Beginning of Year	<u>4,048,642</u>	<u>3,926,165</u>
Net Assets - End of Year	<u>4,083,988</u>	<u>\$ 4,048,642</u>

The accompanying notes are an integral part of these financial statements

Peaks Mill Water District
Comparative Statement of Cash Flows
For The Years Ended December 31, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities:		
Cash Received From Customers	\$ 625,211	\$ 583,046
Cash Payments for Employee Services and Benefits	(36,774)	(37,587)
Cash Payments to Suppliers for Goods and Services	(350,511)	(347,823)
Net Cash Provided (Used) by Operating Activities	237,926	197,636
Cash Flows from Capital and Related Financing Activities:		
Capital Contributions Received	3,670	8,163
Bond and Bond Interest Payments	(100,127)	(100,513)
Government Grants	35,380	131,684
Net Cash Provided (Used) by Capital and Related Financing Activities	(61,077)	39,334
Cash Flows From Investing Activities:		
Interest Income Received	1,123	1,319
Acquisition of Capital Assets	(66,227)	(140,747)
Cash Purchases of Investments	(716)	(951)
Net Cash Provided (Used) by Investing Activities	(65,820)	(140,379)
Net Increase (Decrease) in Cash & Cash Equivalents	111,029	96,591
Cash and Cash Equivalents, Beginning of Year	801,947	705,356
Cash and Cash Equivalents, End of Year	\$ 912,976	\$ 801,947
Reconciliation of Operating Income (Loss) to Net Cash Used by Operating Activities		
Operating Income (Loss)	\$ 45,002	\$ 32,863
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided (Used) in Operating Activities:		
Depreciation	189,468	186,609
(Increase)/Decrease in Accounts Receivable	1,610	(22,695)
Increase/(Decrease) in Accounts Payable	3,626	(917)
Increase/(Decrease) in Accrued Liabilities	(1,780)	1,776
Net Cash Provided (Used) by Operating Activities	\$ 237,926	\$ 197,636

Disclosure of Accounting Policy:

For purposes of cash flows, Peaks Mill Water District considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The accompanying notes are an integral part of these financial statements

Note A - Summary of Significant Accounting Policies

The Peaks Mill Water District was organized in November, 1968 to provide water service to residents of Peaks Mill. It is a political subdivision of Franklin County, Kentucky and purchases water from the Frankfort Plant Board for resale to the residents. The District is subject to the regulatory authority of Kentucky Public Service Commission ("PSC") pursuant to KRS 278.040.

The District's financial statements are presented in conformity with the provisions of Governmental Accounting Standards Board Statement No. 34, "*Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*".

The net assets of the District are classified into three categories; invested in capital assets net of related debt, restricted, and unrestricted. The restricted net assets consists of reserves for bond retirement and depreciation costs relating to the construction, replacement, extension, additions and/or improvements to the system. These reserves are discussed in Note E.

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

The District applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict Governmental Accounting Standards Board (GASB) pronouncements, in which case, GASB prevails.

Accounts Receivable are stated net of Allowance for Uncollectible Accounts. The Allowance for Uncollectible Accounts were \$3,800 at December 31, 2013, and \$3,800 at December 31, 2012. Net Accounts Receivable were \$50,009 at December 31, 2013, and \$51,618 at December 31, 2012.

Fixed Assets are recorded at cost and depreciated using the straight-line method at the following rates:

Pumps, lines, and meters	2.50%
Tanks	3.00%
Office Equipment	10.00%
Meter testing equipment	10.00%

The District capitalizes interest cost incurred during construction of fixed assets.

Investments are stated at cost, which approximates fair value, unless the market value is less than cost and there is evidence the decline in market value is due to other than temporary conditions.

Note B - Cash and Investments

Statutory Requirements

Kentucky Revised Statute 66.480 authorizes the District to invest in obligations of the U.S. treasury, in bonds or certificates of indebtedness of this state and of its agencies, savings and loan associations insured by an agency of the government of the United States up to the amount so insured, interest-bearing deposits in state or national banks chartered in Kentucky and insured by an agency of the United States up to the amount so insured, and in larger amounts providing such bank pledges as security obligations equal to uninsured amounts.

Statutes require that financial institutions pledge approved securities to secure those funds on deposit in an amount equal to the amount of those funds. At the end of the calendar year, the carrying amount of the District's deposits and investments were \$881,534.

Statement of Cash Flows

The Statement of Cash Flows includes as cash and cash equivalents the following:

	<u>2013</u>	<u>2012</u>
Cash	\$ 665,582	\$ 544,645
Restricted Cash	247,394	257,302
Total Cash & Cash Equivalents	\$ 914,989	\$ 803,959

The following is a chart summarizing investments held in federally insured financial institutions:

Farmers Bank Certificate of Deposit	\$ 80,303
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Note C - Property, Plant, And Equipment

A summary of capital asset activity during the year follows:

	<u>Balance</u> <u>12/31/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>12/31/2013</u>
Land	\$ 8,096			\$ 8,096
Property, Plant, and Equipment	6,409,614	66,226	-	6,475,840
Less: Accumulated Depreciation	(1,934,267)	(189,468)		(2,123,735)
Capital Assets, Net	\$ 4,483,443	\$ (123,242)	\$ -	\$ 4,360,201

Note D - Accounts Payable

Accounts payable were \$23,843 at December 31, 2013, and \$20,217 at December 31, 2012. Most accounts were paid in January or February of the following fiscal year.

Note E - Bonds and KIA Notes Payable

In September 1997 the District issued and sold \$627,000 of Waterworks Revenue Bonds for the purpose of extending water service to other customers. The bonds pay interest at 5% and mature ratably through the year 2035. The District's annual principle payments are due January 1st of each year. The District paid it's principle and interest requirement for January 1, 2013 at December 31, 2012.

The outstanding amount of the bonds were \$480,200 at December 31, 2012 and \$492,300 at December 31, 2011.

The annual debt service requirements to retire the bonds and KIA notes outstanding at December 31, 2013 for each of the next five years and in remaining five year increments are as follows:

Year Ending	Bond/Note Principle	Bond/Note Interest
2014	51,659	48,074
2015	54,062	46,266
2016	55,602	44,361
2017	58,079	42,404
2018	59,696	40,347
Thereafter	1,013,206	211,114
Total	<u>\$ 1,292,304</u>	<u>\$ 432,566</u>

The supplementary information provides a breakdown for bond and long-term debt payments. The Fund C Loan from the Kentucky Infrastructure Authority was completely drawn, and repayment had began in 2009. The interest rate on Bonds Payable is variable according to the debt terms, while the KIA loan is fixed at 3%.

Note F - Reserves

Debt Service Reserve - There is to be a monthly deposit of an amount equal to 1/12 of the next ensuing principle payment due and 1/6 of the next ensuing interest payment due for the remaining outstanding bonds. The Debt Service Reserve had a balance of \$128,890 at December 31, 2013, and a balance of \$116,593 at December 31, 2012.

Depreciation Reserve - This fund may be used to purchase new or replacement equipment and emergency repairs to the water line system. The Depreciation Reserve had a balance of \$106,903 at December 31, 2013, and a balance of \$89,146 at December 31, 2012.

These Reserves are included in the Restrictions of Net Assets for December 31, 2013, and December 31, 2012.

Note G - Concentrations of Credit Risk

The District had cash, and cash equivalents in excess of FDIC insurance at Farmers Bank & Capital Trust Co. as of December 31, 2013. The Institution possessed securities pledged against this excess as well as coverage under the Temporary Liquidity Guaranty Program.

Note H - Sewer Billing

The District began billing and collecting for a sewer treatment plant during 2009. The amount collected is not included in sales revenue, and remitted payments offset those collections less a collection fee.

Note I - Related Party Transactions

The District utilized the services of Gatewood Water Service as an independent contractor in 2013, and 2012. Monthly fees totalled \$50,280 for 2013, and \$50,280 for 2012. Gatewood Water Service also performed various repairs to the water system in 2013, and 2012.

Note J - Subsequent Events

Management did not indicate financially impacting information regarding subsequent events. An evaluation of subsequent events through July 7, 2013 found no events that appeared to have a material effect regarding the accompanying financial statements of Peaks Mill Water District as of and for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S 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

**To the Board Members of the Peaks Mill Water District
Frankfort, Kentucky 40601**

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 governmental activities, of the Peaks Mill Water District, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Peaks Mill Water District's basic financial statements, and have issued our report thereon dated July 7, 2014.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Peaks Mill Water District's internal control over financial reporting (internal control) to determine the 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 Peaks Mill Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Peaks Mill Water 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 that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Peaks Mill Water District's financial statements are free from 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 determination of financial statement amounts. 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 or other matters 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rick R. Waddle, Jr., CPA, PLLC

Frankfort, Kentucky 40601
July 7, 2014

**OTHER SUPPLEMENTARY
INFORMATION**

Peaks Mill Water District
 Schedule of Bond and Interest Payments
 Issue: 1997 Issue (91-03)
 December 31, 2013

Year End	Bond		July 1	Total Interest	Total Requirements
	Prin. Due January 1	Interest January 1			
2014	\$ 8,000	\$ 8,200	\$ 8,200	\$ 16,400	\$ 24,400
2015	9,000	8,000	8,000	16,000	25,000
2016	9,000	7,775	7,775	15,550	24,550
2017	10,000	7,550	7,550	15,100	25,100
2018	10,000	7,300	7,300	14,600	24,600
2019	11,000	7,050	7,050	14,100	25,100
2020	11,000	6,775	6,775	13,550	24,550
2021	12,000	6,500	6,500	13,000	25,000
2022	13,000	6,200	6,200	12,400	25,400
2023	13,000	5,875	5,875	11,750	24,750
2024	14,000	5,550	5,550	11,100	25,100
2025	15,000	5,200	5,200	10,400	25,400
2026	15,000	4,825	4,825	9,650	24,650
2027	17,000	4,450	4,450	8,900	25,900
2028	17,000	4,025	4,025	8,050	25,050
2029	18,000	3,600	3,600	7,200	25,200
2030	19,000	3,150	3,150	6,300	25,300
2031	20,000	2,675	2,675	5,350	25,350
2032	20,000	2,175	2,175	4,350	24,350
2033	21,000	1,675	1,675	3,350	24,350
2034	22,000	1,150	1,150	2,300	24,300
2035	24,000	600	600	1,200	25,200
	<u>\$ 328,000</u>	<u>\$ 110,300</u>	<u>\$ 110,300</u>	<u>\$ 220,600</u>	<u>\$ 548,600</u>

Peaks Mill Water District
 Schedule of Bond and Interest Payments
 Issue: 1997 Issue (91-05)
 December 31, 2013

Year End	Bond		July 1	Total Interest	Total Requirements
	Prin. Due January 1	Interest January 1			
2014	\$ 4,100	\$ 4,108	\$ 4,108	\$ 8,215	\$ 12,315
2015	4,300	4,005	4,005	8,010	12,310
2016	4,600	3,898	3,898	7,795	12,395
2017	4,800	3,783	3,783	7,565	12,365
2018	5,100	3,663	3,663	7,325	12,425
2019	5,300	3,535	3,535	7,070	12,370
2020	5,600	3,403	3,403	6,805	12,405
2021	5,900	3,263	3,263	6,525	12,425
2022	6,200	3,115	3,115	6,230	12,430
2023	6,500	2,960	2,960	5,920	12,420
2024	6,900	2,798	2,798	5,595	12,495
2025	7,200	2,625	2,625	5,250	12,450
2026	7,600	2,445	2,445	4,890	12,490
2027	8,000	2,255	2,255	4,510	12,510
2028	8,400	2,055	2,055	4,110	12,510
2029	8,900	1,845	1,845	3,690	12,590
2030	9,500	1,663	1,663	3,325	12,825
2031	10,000	1,385	1,385	2,770	12,770
2032	10,600	1,135	1,135	2,270	12,870
2033	11,100	870	870	1,740	12,840
2034	11,600	593	593	1,186	12,786
2035	12,100	303	303	606	12,706
	<u>\$ 164,300</u>	<u>\$ 55,701</u>	<u>\$ 55,701</u>	<u>\$ 111,402</u>	<u>\$ 275,702</u>

Peaks Mill Water District
 Schedule of KIA Fund C Loan Payments
 December 31, 2013

<u>Year Ending</u>	<u>Note Principal</u>	<u>Note Interest</u>
2014	39,559	23,459
2015	40,762	22,256
2016	42,002	21,016
2017	43,279	19,739
2018	44,596	18,422
2019	45,952	17,066
2020	47,350	15,668
2021	48,790	14,228
2022	50,274	12,744
2023	51,803	11,215
2024	53,379	9,639
2025	55,002	8,016
2026	56,675	6,343
2027	58,399	4,619
2028	60,175	2,843
2029	62,007	1,012
	<u>\$ 800,004</u>	<u>\$ 208,285</u>

Peaks Mill Water District
Statement of Revenues, Expenses & Changes in Net Asset-
Budget v Actual
For The Year Ended December 31, 2013

	Budget	Actual	Variance
Operating Income			
Water Revenue	\$ 600,000	\$ 624,104	\$ 24,104
Miscellaneous Income	25,000	5,294	(19,706)
Total Operating Income	<u>625,000</u>	<u>629,398</u>	<u>4,398</u>
Operating Expenses			
Purchased Water & Power	224,000	207,722	16,278
Contractual Services	52,000	50,280	1,720
Advertising	500	344	156
Salaries	25,000	23,036	1,964
Payroll taxes	4,000	2,937	1,063
Postage	5,500	3,333	2,167
Maintenance	30,000	49,144	(19,144)
Office Supplies	4,000	2,874	1,126
Office Expenses	-	372	(372)
Insurance	12,000	10,253	1,747
Legal & Professional	8,500	9,718	(1,218)
Commissioner's Fees	10,800	10,801	(1)
Utilities & Telephone	2,500	2,325	175
Rent	7,200	7,200	-
Administrative Fee (KIA)	-	-	-
Chemical & Lab Analysis	1,000	3,208	(2,208)
Miscellaneous	4,160	7,364	(3,204)
Bad Debt Expense	-	-	-
Depreciation	185,000	189,468	(4,468)
Total Operating Expenses	<u>576,160</u>	<u>580,379</u>	<u>4,219</u>
Operating Income	<u>48,840</u>	<u>49,019</u>	<u>179</u>
Non-Operating Revenue (Expenses)			
Interest Revenue	250	1,131	881
Interest Expense	(49,837)	(49,837)	-
Total Non-Operating Revenue (Expenses)	<u>(49,587)</u>	<u>(48,706)</u>	<u>881</u>
Net Income Before Contributions	<u>(747)</u>	<u>313</u>	<u>1,060</u>
Government Grants	-	35,380	35,380
Contributions From Customers	<u>5,000</u>	<u>3,670</u>	<u>(1,330)</u>
Change In Net Assets	<u><u>4,253</u></u>	<u><u>39,363</u></u>	<u><u>35,110</u></u>