

CITY OF VERSAILLES
Versailles, Kentucky

FINANCIAL STATEMENTS
June 30, 2014

**CITY OF VERSAILLES, KENTUCKY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014**

	<u>Business-type Activities</u> Water, Sewer & Sanitation
ASSETS	
Current assets	
Cash and cash equivalents	\$ 1,624,062
Accounts receivable, net	791,227
Due from other funds	1,278,594
Inventory	<u>145,767</u>
Total current assets	<u>3,839,650</u>
Noncurrent assets	
Restricted assets	
Cash and cash equivalents	6,802,222
Investments	2,059,105
Construction in progress	351,156
Land	493,287
Property and equipment	58,212,440
Less: accumulated depreciation	<u>(15,402,868)</u>
Total noncurrent assets	<u>52,515,342</u>
Total assets	<u>56,354,992</u>
DEFERRED OUTFLOWS OF RESOURCES	
Defeasance on refunding	<u>1,723,042</u>
Total assets and deferred outflows of resources	<u>\$ 58,078,034</u>
LIABILITIES	
Current liabilities	
Accounts payable	\$ 391,216
Accrued payroll	26,227
Taxes payable	30,780
Accrued interest	54,364
Deposits payable	258,053
Other accrued liabilities	51,962
Current portion, long-term debt	<u>1,622,108</u>
Total current liabilities	<u>2,434,710</u>
Noncurrent liabilities	
Compensated absences	45,038
Long-term debt	<u>25,022,649</u>
Total noncurrent liabilities	<u>25,067,687</u>
Total liabilities	<u>27,502,397</u>
NET POSITION	
Net investment in capital assets	24,011,201
Restricted for debt service and construction	3,597,746
Unrestricted	<u>2,966,690</u>
Total net position	<u>30,575,637</u>
Total liabilities and net position	<u>\$ 58,078,034</u>

The accompanying notes are an integral
part of the financial statements.

CITY OF VERSAILLES, KENTUCKY
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
for the year ended June 30, 2014

	Business-type Activities
	Water, Sewer & Sanitation
OPERATING REVENUES	
Charges for services	\$ 6,084,529
Franchise fees	154,523
Other revenues	94,774
	<u>6,333,826</u>
OPERATING EXPENSES	
Salaries	1,068,835
Payroll taxes	75,936
Employee benefits	346,836
Advertising and printing	17,020
Professional and technical	37,305
Repairs and maintenance	211,039
Utilities	646,017
Telephone and postage	47,037
Insurance	108,342
Chemicals	189,973
Technical supplies	1,941
Uniforms	7,307
Motor fuel	60,130
Office supplies	3,271
Other materials	41,259
Other expenses	245,533
Purchase of water	13,054
Sludge removal	76,152
Depreciation	1,479,710
Training/travel	13,169
Lab analysis	25,698
Purchase of water meters	31,139
Dumpster collection	2,460
	<u>4,749,163</u>
Total operating expenses	<u>4,749,163</u>
Operating income	<u>1,584,663</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	56,325
Interest expense	(718,648)
Amortization expense and bond issue costs	(99,349)
State reimbursements	16,217
Loss on sale of assets	(62,645)
	<u>(808,100)</u>
(Deficiency) of nonoperating revenues over expenses	<u>(808,100)</u>
Net income (loss)	776,563
Net position, beginning, as restated	<u>29,799,074</u>
NET POSITION, ENDING	<u>\$ 30,575,637</u>

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part of the financial statements.

CITY OF VERSAILLES, KENTUCKY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
for the year ended June 30, 2014

	<u>Business-type Activities</u> <u>Water, Sewer & Sanitation</u>
Cash flows from operating activities:	
Receipts from customers	\$ 6,294,135
Cash payments to employees	(1,484,235)
Cash payments to others for services	(1,741,473)
	<u>3,068,427</u>
Cash flows from capital and related financing activities:	
Purchase of construction in progress	(238,220)
Purchase of property, plant and equipment	(457,024)
Proceeds from sale of assets	260,000
Grant revenue	16,217
Proceeds from issuance of revenue bonds	5,710,000
Payment of bond issue costs	(128,248)
Payment of bond and note payable principal	(1,863,639)
Interest expense	(537,307)
	<u>2,761,779</u>
Cash flows from investing activities:	
Sale of investments	252,325
Purchase of investments	(745,625)
Investment income	41,826
	<u>(451,474)</u>
Net increase in cash and cash equivalents	5,378,732
Cash and cash equivalents, July 1, 2013	<u>3,047,552</u>
Cash and cash equivalents, June 30, 2014	\$ 8,426,284
Reconciliation of operating income (loss) to net cash provided (used) by operating activities	
Operating income	\$ 1,584,663
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,479,710
Changes in assets and liabilities:	
Receivables, net	(39,691)
Inventory	(48,599)
Accounts payable	77,396
Payroll liabilities	7,372
Other liabilities	7,576
	<u>3,068,427</u>
Reconciliation of total cash and cash equivalents	
Current assets - cash and cash equivalents	\$ 1,624,062
Restricted assets - cash and cash equivalents	6,802,222
	<u>\$ 8,426,284</u>
Amortization expense	<u>\$ 12,869</u>
Capital assets payable	<u>\$ 109,936</u>

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