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PUBLIC STORAGE INC /CA
Form 11-K/A
August 10, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K/A

Annual Report Pursuant to Section 15(D) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2003

OR

Transition Report Pursuant to Section 15(D) of the Securities Exchange Act of 1934

For the transition period from _____ to _____.

Commission File Number: 1-8389

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

PS 401(K)PROFIT SHARING PLAN
701 Western Avenue
Glendale, CA 91201-2349

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

PUBLIC STORAGE, INC.
701 Western Avenue
Glendale, CA 91201-2349

This Form 11-K/A amends and restates the Annual Report on Form 11-K of the PS 401(k) Profit Sharing Plan for the fiscal year ended December 31, 2003, filed on July 14, 2004, to include the report of the independent registered public accounting firm, which makes reference to their audit having been conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), and to include the consent of the independent registered public accounting firm. There were no other changes to the previously filed Form 11-K.

PS 401(k) PROFIT SHARING PLAN

FINANCIAL STATEMENTS
AND SUPPLEMENTAL SCHEDULES

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Report of Independent Registered Public Accounting Firm

To the Administrative Committee
PS 401(k) Profit Sharing Plan
Glendale, California

We have audited the accompanying statements of net assets available for plan benefits of PS 401(k) Profit Sharing Plan (the "Plan") as of December 31, 2003 and 2002, and the related statements of changes in net assets available for plan benefits for each of the years in the three year period ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits of the Plan as of December 31, 2003 and 2002, and the changes in net assets available for plan

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benefits for each of the years in the three year period ended December 31, 2003 in conformity with United States generally accepted accounting principles.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules of assets held for investment purposes, party-in-interest transactions and reportable transactions, together referred to as "supplemental information", are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Link, Murrel & Company

 Irvine, California
 August 9, 2004

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PS 401(k)/PROFIT SHARING PLAN
 STATEMENTS OF NET ASSETS AVAILABLE
 FOR PLAN BENEFITS
 December 31, 2003 and 2002

| | 2003 | |
|--------------------------------|---------------|-------|
| | ----- | ----- |
| ASSETS : | | |
| Investments at fair value..... | \$ 52,811,901 | \$ |
| Cash..... | 1,972 | |
| Receivables | | |
| Participant contributions..... | 96,547 | |
| Employer contributions..... | 109,212 | |
| Dividends..... | 279,785 | |
| Total Receivables..... | 485,544 | |
| Total Assets..... | \$ 53,299,417 | \$ |
| | ===== | ===== |
| LIABILITIES : | | |

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| | | | |
|--|----|------------|-------|
| Accrued expenses..... | \$ | 33,369 | \$ |
| | | ----- | ----- |
| Total Liabilities..... | | 33,369 | |
| | | ----- | ----- |
| NET ASSETS AVAILABLE FOR PLAN BENEFITS | \$ | 53,266,048 | \$ |
| | | ===== | ===== |

See accompanying notes.

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PS 401(k)/PROFIT SHARING PLAN

STATEMENTS OF CHANGES IN NET ASSETS
AVAILABLE FOR PLAN BENEFITS

For the Years Ended December 31, 2003, 2002 and 2001

| | 2003 | 2002 |
|---|---------------|----------------|
| | ----- | ----- |
| Additions to Net Assets Attributed to: | | |
| Investment income: | | |
| Net appreciation (depreciation) in fair value | | |
| of investments | \$ 9,869,662 | \$ (4,438,271) |
| Interest income | 25,244 | 8,395 |
| Dividend income | 1,253,965 | 1,493,190 |
| | ----- | ----- |
| | 11,148,871 | (2,936,686) |
| Contributions: | | |
| Participant | 2,822,413 | 2,935,842 |
| Employer | 2,607,288 | 2,457,646 |
| | ----- | ----- |
| | 5,429,701 | 5,393,488 |
| | ----- | ----- |
| Total Additions | 16,578,572 | 2,456,802 |
| Deductions from Net Assets Attributed to: | | |
| Benefits paid to participants | 4,787,947 | 3,328,933 |
| Administrative expenses | 116,672 | 154,071 |
| | ----- | ----- |
| Total Deductions | 4,904,619 | 3,483,004 |
| | ----- | ----- |
| Net Increase (Decrease) in Net Assets Available for Benefits | 11,673,953 | (1,026,202) |
| | ----- | ----- |
| Net Assets Available for Benefits: | | |
| Beginning of year | 41,592,095 | 42,618,297 |
| | ----- | ----- |
| End of Year | \$ 53,266,048 | \$ 41,592,095 |

=====

See accompanying notes.

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PS 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS

December 31, 2003

1. Summary of Significant Accounting Principles

Basis of Presentation

PS 401(k) Profit Sharing Plan (the "Plan") encompasses Public Storage, Inc., PS Business Parks, Inc. and their majority owned subsidiaries (the "Company").

Basis of Accounting

The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Income Tax Status

On November 30, 2000, the Company did an amendment and complete restatement of the Amendment and Restatement of the Public Storage Profit Sharing Plan adopted December 29, 1994. Effective January 1, 2001, the plan is amended and restated as the PS 401(k) Profit Sharing Plan (the "Plan").

The Plan is intended to qualify under Section 401 of the Code, and was amended and restated principally to introduce a qualified cash or deferred arrangement under Section 401(k) of the Code, and to comply with the requirements of GUST. GUST amendments include the qualification requirements under (1) the Uruguay Round Agreements Act, (2) the Uniformed Services Employment and Reemployment Rights Act of 1994, (3) the Taxpayer Relief Act of 1997, (4) the Small Business Job Protection Act of 1996, and (5) the Internal Revenue Service Restructuring and Reform Act of 1998. A determination letter was received on March 14, 2003.

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The Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

Investment Valuation

On August 1, 2003, the Plan's administrative committee (the Committee) transferred the Plan's assets from Salomon Smith Barney to Union Bank.

Investments in cash equivalents (liquid funds, money market funds and time deposits) are valued at cost, which approximates fair value. Investments in mutual funds are stated at fair value. All other securities are valued at the last reported sale price on the last business day of the Plan year or at quoted market price. Interest and dividend income is recognized when earned.

Unrealized gains and losses result from the change in the fair value of investments held at both the beginning and end of the year, the difference between cost and year-end fair value for investments acquired during the year, and adjustments for unrealized gains and losses previously recognized on investments sold during the year.

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PS 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2003

2. Description of the Plan

The following description of the plan provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions. The PS 401(k) Profit Sharing Plan is a defined contribution plan for the benefit of all permanent employees of the Company who have completed at least one year of service and attained 21 years of age. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). Although it has not expressed the intention to do so, the Company has the right to terminate the Plan subject to ERISA provisions. The Plan allows interim allocations of Company contributions and earnings or losses of trust fund assets among participants. Major provisions of the Plan, are as follows:

Contributions

Employee contributions to the Plan (voluntary contributions) are deferrals of the employee's compensation made through a direct reduction of compensation in each payroll period. The maximum annual tax deferred contribution amount is limited to \$12,000 for 2003 and \$11,000 for 2002. The Company contributes 3% of the employee's compensation for all participants in the Plan.

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Participant Accounts

Each participant's account is credited with the participant's and the Company's contribution.

Vesting

Employee deferrals and the 3% Company contribution are 100% vested and non-forfeitable. Pre-January 2001 profit sharing Company contribution balances vested over a seven year period. Generally, each participant's account becomes 10 percent vested (non-forfeitable) after two years of service (as defined), 20 percent after three years of service and an additional 20 percent for each additional year of service thereafter.

Upon death, severance by reason of disability, or the attainment of the participant's sixty-fifth birthday, a participant automatically becomes fully vested to the extent of the balance in their account. In the event the Plan is terminated or contributions are completely discontinued, each participant becomes fully vested.

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PS 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2003

2. Description of the Plan (continued)

Investment Options

For the year ended December 31, 2003, upon enrollment in the Plan, a participant may direct contributions in any of the following nineteen investment options.

Highmark Div. Money Market
Strong Government Securities
BGI Lifepath Income Fund R
BGI Lifepath 2010 Class R
BGI Lifepath 2020 Class R
BGI Lifepath 2030 Class R
BGI Lifepath 2040 Class R
MFS Value A
Federated Capital Appreciation
Dreyfus S&P 500 Index
Janus Adv CAP Appreciation
American Funds Growth Fund R3
AIM Opportunities A
AIM Small CAP Growth A
Oakmark International II
Ivy Science & Technology Y

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Public Storage Common Stock
Public Storage Preferred Stock
P.S. Business Parks Stock

Participants may change their investment options at any time.

Distributions from the Trust Fund

Distributions of each participant's vested account balance upon severance or death are made in a single lump sum payment; or if the participant's vested account balance exceeds \$5,000, payment may be deferred up until April 1st of the calendar year in which the participant reaches 70 1/2 years of age.

Additionally, the Plan provides for hardship distributions (as defined) at the discretion of the Committee.

Generally, distributions are made no later than 60 days after the close of the Plan year in which the participant becomes eligible for such distributions. Under certain circumstances, participants of the Plan as of December 31, 1983 may elect alternative distribution methods.

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PS 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2003

2. Description of the Plan (continued)

Forfeitures

For profit sharing contributions made by the Company prior to January 1, 2001, if a participant terminates his/her employment before he/she is 100% vested, he/she forfeits any non-vested amounts. The non-vested portion of a participant's account is forfeited as of the date of distribution of his/her vested interest. Employees resuming participation in the Plan prior to incurring the greater of five consecutive one-year breaks in service, or their prior service if greater than five years, may have the non-vested portion of their account balance restored upon repayment to the Plan of the full amount of such previously distributed vested interest. Restoration of the non-vested portion of a participant's account is to be made first from available forfeitures and then from Company contributions.

3. Investments

All of the investments are under the custody of Union Bank under a non-discretionary trust agreement with the Plan. The following table presents the fair value of investments. Investments that represent 5 percent or more of the Plan's net assets are separately identified. The fair value of investments is determined by quoted market price.

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The fair value of investments held by the Plan at December 31, 2003 and 2002 are summarized below:

| | 2003 ----- |
|--------------------------------|-----------------------|
| Money Market Funds | \$6,235,936 |
| Mutual Funds | 22,968,239 |
| Equity Securities: | |
| Public Storage, Inc. Common | 19,655,222 |
| Public Storage, Inc. Preferred | 3,451,686 |
| PS Business Parks, Inc. Common | 500,818 |
| | ----- |
| Total Equity Securities | 23,607,726 |
| | ----- |
| Total Investments | \$52,811,901 ===== |

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PS 401(k) PROFIT SHARING PLAN

NOTES TO FINANCIAL STATEMENTS
(Continued)

December 31, 2003

3. Investments (continued)

The following presents the fair value of investments at December 31, 2003 and 2002 that represent 5% or more of the Plan's net assets:

| | 2003 ----- |
|---|---------------|
| Money Market Funds | \$6,235,936 |
| Mutual Funds: | |
| Dreyfus S&P 500 Index | \$10,230,371 |
| Strong Government Securities | \$4,191,198 |
| Smith Barney S&P 500 Index | - |
| Smith Barney US Government Securities Fund | - |
| Public Storage, Inc. Common | \$19,655,222 |
| Public Storage, Inc. Preferred | \$3,451,686 |

4. Plan Administration

The Committee appointed by the Company's Board of Directors administers the Plan. The Committee is now comprised of six officers and managers of the Company.

For the plan years ended December 31, 2003, 2002 and 2001, the Plan paid certain trustee and administrative expenses incurred for the administration of the Plan, and the Company directly paid for all other expenses related to the Plan.

5. Benefits Owed to Terminated Participants

For financial reporting purposes disbursements to terminated participants are reported when the check is written. Approximately \$16,200,000 and \$6,300,000 were owed to terminated participants at December 31, 2003 and 2002, respectively.

At December 31, 2003 and 2002, forfeited non-vested amounts were approximately \$729,000 and \$980,000, respectively. These amounts are allocated to individual participant's accounts in the ratio that each such eligible participant's compensation for the plan year bears to the total compensation of all such eligible participants for the plan year.

SCHEDULE I

PS 401(k) PROFIT SHARING PLAN

Schedule H, Line 4i -

Assets held for investment purposes

December 31, 2003

Employer Identification Number: 95-2782164

Plan Number: 001

| | Cost ----- |
|--|---------------|
| Money Market Account | |
| Highmark Div. Money Market | \$6,235,936 |
| Mutual Funds | |
| Aim Investment - Opportunities | * |
| Aim Investment - Small Cap Growth A | * |
| American Funds Group - Growth Fund of America R3 | * |
| Barclays Global Investors - LifePath Income | * |

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| | |
|---|---|
| Barclays Global Investors - LifePath 2010 Class R | * |
| Barclays Global Investors - LifePath 2020 Class R | * |
| Barclays Global Investors - LifePath 2030 Class R | * |
| Barclays Global Investors - LifePath 2040 Class R | * |
| Dreyfus Investment - S&P 500 Index | * |
| Federated Investment - Capital Appreciation A | * |
| Ivy - Science & Technology Y | * |
| Janus Advisor Funds - Capital Appreciation A | * |
| MFS Investment - Value A | * |
| Oakmark Funds - International II | * |
| Strong Funds - Government Securities Inv. | * |

Total Mutual Funds

| | | |
|--------------------------------------|-------------------|---|
| | Equity Securities | |
| Public Storage, Inc. Common Stock | | * |
| Public Storage, Inc. Preferred Stock | | * |
| PS Business Parks, Inc. Common Stock | | * |

Total Equity Securities

Total Investments

* Pursuant to paragraph 2520.103-11, specifically, the special rule for certain participant directed transactions, cost information is omitted as the Plan's investments are participant directed.

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SCHEDULE II

PS 401(k) PROFIT SHARING PLAN

PARTY-IN-INTEREST TRANSACTIONS

December 31, 2003

Employer Identification Number: 95-2782164

Plan Number: 001

A schedule of party-in-interest transactions has not been presented because there were no party-in-interest transactions that are prohibited by ERISA Section 406 and for which there is no statutory or administrative exemption.

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SCHEDULE III

PS 401(k) PROFIT SHARING PLAN

REPORTABLE TRANSACTIONS

December 31, 2003

Employer Identification Number: 95-2782164

Plan Number: 001

A schedule of reportable transactions has not been presented because there were no such transactions noted for the year ended December 31, 2003.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

PS 401 (K) / PROFIT SHARING PLAN

Date: August 10, 2004

By: /s/ Harvey Lenkin

Harvey Lenkin
Chairman, Administrative Committee