

TOWN OF LAKE CITY, COLORADO

FINANCIAL STATEMENTS

December 31, 2003

TOWN OF LAKE CITY, COLORADO
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Town of Lake City
Lake City, Colorado 81235

We have audited the accompanying general purpose financial statements of the Town of Lake City, Colorado as of and for the year ended December 31, 2003. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Lake City, Colorado, as of December 31, 2003 and the results of operations and cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The Local Highway Finance Report and combining and individual fund statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Lake City, Colorado. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Wall, Smith, Bateman and Associates, Inc.

WALL, SMITH, BATEMAN AND ASSOCIATES, INC.
Certified Public Accountants

May 4, 2004

TOWN OF LAKE CITY
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 December 31, 2003
 With Comparative Totals for December 31, 2002

	GOVERNMENTAL FUNDS		PROPRIETARY FUNDS	ACCOUNT GROUPS
	General	Special	Enterprise	General
	Fund	Revenue Funds		
ASSETS				
Cash and Cash Equivalents	\$ 123,347	\$ 131,248	\$ 500,464	\$ 0
Receivables:				
Customers, Less Allowance for Doubtful Accounts of \$3,084	0	0	81,368	0
Property Taxes	0	35,515	0	0
Due from Other Governments	49,655	3,889	0	0
Materials and Supplies	0	0	26,053	0
Prepaid Expense	798	0	3,798	0
Land and Water Rights	0	0	81,461	284,078
Buildings	0	0	0	300,057
Utility Plants and Systems	0	0	2,537,594	0
General and Transportation Equipment	0	0	141,590	244,393
Accumulated Depreciation	0	0	(1,071,067)	0
TOTAL ASSETS	\$ 173,800	\$ 170,652	\$ 2,301,261	\$ 828,528
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	26,619	1,233	8,338	0
Due to Other Governments	0	0	0	0
Accrued Expenses	0	0	(414)	0
Unearned Revenues	0	35,515	5,000	0
Notes Payable	0	0	53,172	0
TOTAL LIABILITIES	26,619	36,748	66,096	0
FUND EQUITY				
Contributed Capital	0	0	1,075,291	0
Investment in General Fixed Assets	0	0	0	828,528
Retained Earnings - Undesignated	0	0	1,159,874	0
Fund Balances -				
Reserved for Tabor	10,514	0	0	0
Unreserved - Undesignated	123,616	44,188	0	0
Designated for Subsequent Years Expenditures	13,051	89,716	0	0
TOTAL FUND EQUITY	147,181	133,904	2,235,165	828,528
TOTAL LIABILITIES AND FUND EQUITY	\$ 173,800	\$ 170,652	\$ 2,301,261	\$ 828,528

MEMORANDUM TOTALS

<u>Current</u>	<u>Prior</u>
<u>Year</u>	<u>Year</u>
\$ 755,059 - \$	809,842
81,368	80,079
35,515	33,791
53,544 -	68,552
26,053 -	29,627
4,596 -	1,931
<u>365,539</u>	362,063
300,057	179,575
2,537,594	2,537,594
385,983	382,800
<u>(1,071,067)</u>	<u>(989,229)</u>
<u>\$ 3,474,241</u>	<u>\$ 3,496,625</u>
+ 7481	
36,190 -	19,133
0 -	35
(414) -	2,214
<u>40,515 - 35,515</u>	38,791
<u>53,172</u>	<u>57,765</u>
<u>129,463</u>	<u>117,938</u>
1,075,291	1,055,291
828,528	704,863
1,159,874	1,278,903
10,514	10,985
167,804	191,119
<u>102,767</u>	<u>137,526</u>
<u>3,344,778</u>	<u>3,378,687</u>
<u>\$ 3,474,241</u>	<u>\$ 3,496,625</u>

TOWN OF LAKE CITY
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended December 31, 2003
 With Comparative Actual Amounts for the Year Ended December 31, 2002

	General Fund	Special Revenue Funds	Memorandum Only Current Year	Memorandum Only Prior Year
REVENUES				
Taxes	\$ 227,688	\$ 43,080	\$ 270,768	\$ 272,820
Licenses	9,977	1,000	10,977	19,487
Intergovernmental Revenues	33,662	35,839	69,501	75,585
Charges for Services	6,123	0	6,123	3,928
Fines and Forfeits	100	2,251	2,351	1,962
Interest	6,801	30	6,831	8,196
TV Special Assessments	0	1,442	1,442	639
Miscellaneous	8,476	3,654	12,130	20,400
TOTAL REVENUES	292,827	87,296	380,123	403,017
EXPENDITURES				
General Government	199,089	0	199,089	154,158
Culture and Recreation	95,275	10,281	105,556	97,633
Highways and Streets	0	74,022	74,022	54,446
Health and Welfare	0	0	0	10,000
Intergovernmental Cooperation Outlay	31,218	0	31,218	30,240
Capital Outlay - Other	123,665	0	123,665	10,852
Miscellaneous	0	5,118	5,118	4,357
TOTAL EXPENDITURES	449,247	89,421	538,668	361,686
Excess (Deficiency) of Revenues Over Expenditures	(156,420)	(2,125)	(158,545)	41,331
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	5,500	105,500	0
Transfers Out	0	(5,500)	(5,500)	0
TOTAL OTHER FINANCING SOURCES (USES)	100,000	0	100,000	0
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(56,420)	(2,125)	(58,545)	41,331
Fund Balance at Beginning of Year	203,601	136,029	339,630	298,299
Fund Balance, End of Year	\$ 147,181	\$ 133,904	\$ 281,085	\$ 339,630

TOWN OF LAKE CITY
 ALL GOVERNMENTAL FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2003

	GENERAL FUND		
	Budget	Actual	Variance
REVENUES			
Taxes	\$ 201,750	\$ 227,688	\$ 25,938
Licenses	10,950	9,977	(973)
Intergovernmental Revenues	166,020	33,662	(132,358)
Charges for Services	4,855	6,123	1,268
Fines and Forfeits	500	100	(400)
Interest	7,500	6,801	(699)
TV Special Assessments	0	0	0
Miscellaneous	5,500	8,476	2,976
TOTAL REVENUES	<u>397,075</u>	<u>292,827</u>	<u>(104,248)</u>
EXPENDITURES			
General Government	230,406	199,089	31,317
Culture and Recreation	90,753	95,275	(4,522)
Highways and Streets	0	0	0
Intergovernmental Cooperation Outlay	34,200	31,218	2,982
Capital Outlay - Other	181,420	123,665	57,755
Miscellaneous	0	0	0
TOTAL EXPENDITURES	<u>536,779</u>	<u>449,247</u>	<u>87,532</u>
Excess (Deficiency) of Revenues Over Expenditures	(139,704)	(156,420)	(16,716)
OTHER FINANCING SOURCES (USES)			
Transfers In	100,000	100,000	0
Transfers Out	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(39,704)	(56,420)	(16,716)
Fund Balance at Beginning of Year	<u>177,799</u>	<u>203,601</u>	<u>25,802</u>
Fund Balance, End of Year	<u>\$ 138,095</u>	<u>\$ 147,181</u>	<u>\$ 9,086</u>

Memorandum Only

SPECIAL REVENUE FUNDS			CURRENT YEAR TOTALS		
Budget	Actual	Variance	Budget	Actual	Variance
\$ 42,114	\$ 43,080	\$ 966	\$ 243,864	\$ 270,768	\$ 26,904
1,500	1,000	(500)	12,450	10,977	(1,473)
36,500	35,839	(661)	202,520	69,501	(133,019)
0	0	0	4,855	6,123	1,268
1,000	2,251	1,251	1,500	2,351	851
100	30	(70)	7,600	6,831	(769)
1,000	1,442	442	1,000	1,442	442
350	3,654	3,304	5,850	12,130	6,280
<u>82,564</u>	<u>87,296</u>	<u>4,732</u>	<u>479,639</u>	<u>380,123</u>	<u>(99,516)</u>
0	0	0	230,406	199,089	31,317
26,328	10,281	16,047	117,081	105,556	11,525
89,258	74,022	15,236	89,258	74,022	15,236
0	0	0	34,200	31,218	2,982
50,000	0	50,000	231,420	123,665	107,755
14,155	5,118	9,037	14,155	5,118	9,037
<u>179,741</u>	<u>89,421</u>	<u>90,320</u>	<u>716,520</u>	<u>538,668</u>	<u>177,852</u>
(97,177)	(2,125)	95,052	(236,881)	(158,545)	78,336
5,500	5,500	0	105,500	105,500	0
(5,500)	(5,500)	0	(5,500)	(5,500)	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
<u>(97,177)</u>	<u>(2,125)</u>	<u>95,052</u>	<u>(136,881)</u>	<u>(58,545)</u>	<u>78,336</u>
<u>129,967</u>	<u>136,029</u>	<u>6,062</u>	<u>307,766</u>	<u>339,630</u>	<u>31,864</u>
\$ 32,790	\$ 133,904	\$ 101,114	\$ 170,885	\$ 281,085	\$ 110,200

TOWN OF LAKE CITY
 ALL PROPRIETARY FUND TYPES
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS

Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	PROPRIETARY FUND TYPES	Memorandum Only PRIOR YEAR
OPERATING REVENUES:		
Water Sales	\$ 171,874	\$ 176,031
Inspection Fees	0	175
Water Meters	11,586	10,956
Sewage Treatment Charges	154,382	150,512
Refund of Expenditures	5,735	0
TOTAL OPERATING REVENUES	343,577	337,674
OPERATING EXPENSES:		
Water Department	125,159	100,057
Sewer Department	86,870	116,325
Administrative and General	71,650	60,807
Capital Outlay	0	0
Depreciation	81,838	81,838
TOTAL OPERATING EXPENSES	365,517	359,027
OPERATING INCOME	(21,940)	(21,353)
NONOPERATING REVENUES (EXPENSES)		
Tax Assessments	0	122,708
Interest Income	5,799	6,823
Interest Expense	(2,888)	(2,050)
Amortization of Debt Issue Costs	0	(6,108)
TOTAL NONOPERATING REVENUES (EXPENSES)	2,911	121,373
INCOME BEFORE OPERATING TRANSFERS	(19,029)	100,020
OPERATING TRANSFERS		
Transfers In	444,400	0
Transfers Out	(544,400)	0
TOTAL NONOPERATING REVENUES (EXPENSES)	(100,000)	0
NET PROFIT (LOSS)	(119,029)	100,020
Retained Earnings, Beginning of Year	1,278,903	1,178,883
Retained Earnings, End of Year	\$ 1,159,874	\$ 1,278,903

TOWN OF LAKE CITY
 COMBINED STATEMENT OF CASH FLOW
 ALL PROPRIETARY FUNDS
 For the Year Ended December 31, 2003
 With Comparative Amounts for the Year Ended December 31, 2002

	TOTAL 2003	TOTAL 2002
Cash Flows From Operating Activities:		
Cash Received from Customers	\$ 336,553	\$ 326,541
Cash Received from Other Sources	7,725	-
Cash Paid to Suppliers	(146,553)	(140,962)
Cash Paid to Employees	(105,442)	(100,018)
Cash Paid for Employee Benefits	(29,281)	(25,368)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	63,002	60,193
Cash Flows from Noncapital Financing Activities:		
Cash Received from Other Funds	222,906	-
Cash Payments to Other Funds	(322,906)	-
Net Cash Received for Property Taxes	-	122,902
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	(100,000)	122,902
Cash Flows from Capital and Related Financing Activities:		
Principal Payments - Notes	(4,593)	57,765
Principal Payments - Bonds	-	(90,000)
Interest Paid	(2,888)	(2,460)
Capital Contributions	20,000	15,400
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	12,519	(19,295)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from Sales of Investments	-	0
Interest Received	5,799	6,822
Purchase of Investments	-	0
Purchase of Fixed Assets	(3,476)	(32,292)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	2,323	(25,470)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(22,156)	138,330
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	522,620	384,290
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 500,464	\$ 522,620
Operating Income	\$ (21,940)	\$ (21,353)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation Expense	81,838	81,838
(Increase) in Accounts Receivable	736	(16,133)
(Increase) in Inventory	3,574	5,498
(Increase) in Prepaid Accounts	(2,769)	3,091
(Decrease) in Accounts Payable	4,191	982
Increase in Deferred Revenue	-	5,000
Increase (Decrease) in Accrued Expenses	(2,628)	1,270
Interest paid	-	0
Total Adjustments	84,942	81,546
Net Cash Provided by Operating Activities	\$ 63,002	\$ 60,193

See Notes to Financial Statements

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles applicable to governments. A summary of the Town's more significant accounting policies applied in the preparation of these financial statements follows.

A. Financial Reporting Entity:

The Town is governed by a Board of Trustees elected by eligible voters of the Town. The Town's financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Town holds the corporate powers of the organization
- The Town appoints a voting majority of the organization's board
- The Town is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Town
- There is fiscal dependency by the organization on the City
- The organization is financially accountable to the District

Based upon the aforementioned criteria, we blended the Water and Sanitation District into the financial statements as a proprietary fund. There are no other component units included in the financial statements of the Town, since no others were discovered to fall within the oversight responsibility based on the preceding criteria.

B. Fund Accounting:

The accounts of the Town are organized on the basis of funds and account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures, or expense as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into three generic fund types and two broad fund categories as follows:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Fund Accounting: (Continued)

PROPRIETARY FUNDS

Enterprise Fund - Enterprise Funds are used to account for 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) when the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The National Council on Governmental Accounting broadened this definition to include any service for which there exists the potential for financing through user charges, even if financed by general government subsidy or property taxes.

C. Fixed Assets and Long-Term Debt

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to represent a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are recorded at historical cost or estimated costs, if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. No allowance for depreciation is made for general fixed assets. The balances presented in these financial statements for the total or components of General Fixed Assets are not intended to imply that they are "worth" a certain amount or that a certain amount may be recovered upon their sale.

The account group is not a "fund". It is concerned only with the measurement of financial position. It is not involved with the measurement of results of operations.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fixed Assets and Long-Term Debt (Continued)

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a costs of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in the total assets.

The Town's capitalization threshold is \$2,000.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	3 - 10 Years
Treatment plants	40 Years
Water and sewage lines	40 Years
Water tank	45 Years

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued; and (2) principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Prepaid Expenses

Prepaid expenses in the General Fund consist of the unexpired portion (as of December 31, 2003) of insurance premiums. Reported prepaid expenses are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

F. Water and Sewer Tap Connection Charges

The Town charges a one-time tap fee to all property owners within the District who connect to the water or sewer lines installed by the District. This fee represents ownership of the right to tap on to the water or sewer main line sold to the property owners, and is recognized as contributions from the customers when payment becomes due or is received by the Town.

G. Budgets and Budgetary Accounting

The Town adopts the budget on a fund basis; therefore, expenditures or expenses of a fund may not legally exceed their fund's appropriations for expenditures or expenses. The Town Council may amend the budget to expend unforeseen revenue by supplemental appropriations. All supplemental appropriations are included in the budget column of all budget comparison statements. Appropriations lapse at year-end and may not be carried over.

The budgets for the proprietary funds are adopted on a basis, which differs from U.S. generally accepted accounting principles (GAAP) in the following ways:

1. Tap connection charges and governmental grants are considered receipts or revenues for budgetary purposes.
2. Depreciation and amortization of debt costs are not considered expenditures for budgetary purposes.
3. Capital expenditures and bond retirement payments are considered expenditures for budgetary purposes.

The Town of Lake City follows the procedures set forth in the Colorado Local Government Budget Law when preparing annual budgets for each fund. Budget procedures include:

1. Preparation of budget documents by administrative staff which shall be submitted to the Board.
2. Publication of a notice stating that the budget is available for public inspection.
3. Discussion of the budget in a meeting open to the public.
4. Adoption of the budget in a public meeting by appropriate resolution.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Encumbrances

The Town does not record purchase orders in the accounting system until invoices are ready for payment. Unfulfilled purchase commitments outstanding at the end of the budget year are rebudgeted in the succeeding year. End of the year fund balance intended to be used in the succeeding year is reported as designated fund balance.

I. Cash and Temporary Cash Investments

For purposes of the Statement of Cash Flows for Proprietary Fund types, all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased are considered to be temporary cash investments.

J. Restricted Grant

Revenues on grants which are restricted by the grant document for specific purposes are recognized as revenue only after eligible grant costs have been incurred. Grant funds received in excess of grant expenditures are recorded as deferred revenue.

K. Materials and Supplies

Materials and supplies are valued at the lower of cost (first-in, first-out) or market. Materials and supplies consist of expendable supplies held for consumption.

L. Totals Columns on Combined Statements - Overview:

Totals columns on combined statements are captioned Memorandum Only to indicate they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

M. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statement unduly complex and difficult to read.

N. Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires 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 reporting period. Actual results may differ from those estimates.

TOWN OF LAKE CITY, COLORADO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2003

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year statements.

NOTE 2 CASH AND CASH EQUIVALENTS

The Colorado Public Deposit Protection Act (PDPA), requires that all units of local government deposit cash in eligible public depositories, eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to the aggregate uninsured deposits.

At December 31, 2003 the Town's cash deposit had a carrying balance of \$470,902 and a corresponding bank balance as follows:

	<u>Bank Balance</u>
Categorized deposit	
Cash on Hand	200
Deposits covered by federal insurance	\$ 107,937
Deposits collateralized in institution pools	<u>374,571</u>
	<u>\$ 482,708</u>

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- . Obligations of the United States and certain U.S. government agency securities
- . Certain international agency securities
- . General obligation and revenue bonds of U.S. local government entities
- . Bankers' acceptances of certain banks
- . Commercial paper
- . Local government investment pools
- . Written repurchase agreements collateralized by certain authorized securities
- . Certain money market funds
- . Guaranteed investment contracts

TOWN OF LAKE CITY, COLORADO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2003

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

Investments in local government investment pools or in money market funds are not categorized as to risk because they are not evidenced by securities that exist in physical or book entry form.

The Town had deposits of \$284,157 in uncategorized investments at Colo. Trust, an investment vehicle established for local government entities in Colorado to pool surplus funds. Colo. Trust operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of Colo. Trust consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to Colo. Trust in connection with the direct investment and withdrawal functions of Colo. Trust. Substantially all securities owned by Colo. Trust are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investment owned by Colo. Trust.

Cash in Bank	\$ 470,902
Investments	<u>284,157</u>
 Total Cash and Cash Equivalents	 \$ <u>755,059</u>

NOTE 3 PROPERTY TAX

Property taxes attach an enforceable lien on property as of January 1 each year. Taxes are levied on November 15 and are payable in full by April 30, or in two equal installments due February 28 and June 30. Property tax revenues are recognized as a receivable and deferred revenue when levied and as a revenue when due for collection in the following year.

NOTE 4 CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance December 31, <u>2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2003</u>
Land	\$ 284,078	\$ -	\$ -	\$ 284,078
Building and Improvements	179,575	120,982	-	300,557
Equipment	<u>241,210</u>	<u>2,683</u>	-	<u>243,893</u>
	<u>\$ 704,863</u>	<u>\$ 123,665</u>	<u>\$ -</u>	<u>\$ 828,528</u>

NOTE 5 LONG-TERM DEBT

At December 31, 2003, long-term debt consisted of the following:

Note Payable to the Department of Local Affairs for the Lake City Water Tank Project, due in annual installments through September 1, 2012 of \$7,480.83, which includes a 5% interest rate. This note is serviced in the Water and Sewer Fund.

TOWN OF LAKE CITY, COLORADO
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 December 31, 2003

NOTE 5 LONG-TERM DEBT (CONTINUED)

Schedule of Changes in Long-Term Debt

	PAYABLE AT JANUARY 1, 2003	ISSUES OR ADDITIONS	PAYMENTS OR EXPENDITURES	PAYABLE AT DECEMBER 31, 2003
<u>Enterprise Funds</u>				
Note Payable	57,765	-	4,593	53,172
TOTAL	\$ 57,765	\$ -	\$ 4,593	\$ 57,172

NOTE 6 COMPENSATED ABSENCES

The Town's policy for compensated absences allows employees to accumulate unused vacation up to 120 hours. Retiring employees are paid 100% of unused vacation up to 120 hours. The Town has not recorded an accrued liability for the accumulated vacation time as the amount is not considered to be material in relation to the financial statements taken as a whole.

NOTE 7 SEGMENT INFORMATION - ENTERPRISE FUNDS

The following is a summary of information on the segments of the Enterprise Funds. During 2003, the Town consolidated their enterprise funds, Water and Sewer Fund and the Water and Sanitation District, into one fund that provides complete domestic water and sewer facilities for the residents of Lake City, Colorado.

	<u>WATER</u>	<u>SEWER</u>	<u>TOTAL</u>
Operating Revenue	\$ 183,460	\$ 154,382	\$ 337,842
Depreciation Expense	41,631	40,207	81,838
Operating Income (Loss)	(21,940)	-	(21,940)
Net Income (Loss)	(66,276)	(52,753)	(119,029)
Property, Plant, and Equipment	1,427,093	1,333,552	2,760,645
Accumulated Depreciation	475,113	595,954	1,071,067

Because water and sewer services are provided for in one fund, several items cannot be allocated between each segment. Therefore, some line items have been omitted in the segment information.

NOTE 8 RISK MANAGEMENT

The town is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and subcontractors; and natural disasters. The Town purchases commercial insurance for most risks of loss. There have been no claims in any of the past three fiscal years.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 9 EMPLOYEE BENEFITS

A. Plan Description

The Town of Lake City, Colorado contributes to the Municipal Division Trust Fund (MDTF), a cost-sharing multiple-employer defined benefit pension plan and to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer post-employment healthcare plan. Both the MDTF and the HCTF are administered by the Public Employees' Retirement Association of Colorado (PERA). The MDTF provides retirement and disability, annual increases, and death benefits for members or their beneficiaries. The HCTF provides a healthcare premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. All employees of the Town of Lake City, Colorado are members of the MDTF and HCTF. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly available annual financial report that includes financial statements and required supplementary information for the MDTF and HCTF. The report may be obtained by writing to PERA of Colorado, 1300 Logan Street, Denver, Colorado 80203 or by calling PERA at 303-832-9550 or 1-800-759-PERA (7372).

B. Basis of Accounting

The financial statements of the MDTF and HCTF are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. MDTF and HCTF plan investments are presented at fair value except for short-term investments, which are recorded at cost, which approximates fair value.

C. Funding Policy

Town of Lake City, Colorado employees contribute 8.0% of their wages to an individual account in the plan. During 2003 the Town of Lake City, Colorado contributed 9.60% of the employees wages which was allocated to three separate programs by PERA according to statutory formula as follows.

- 1.69% was allocated to the Health Care Trust Fund.
- The amount needed to meet the match requirement set by the PERA board was allocated to individual member's eligible voluntary tax-deferred retirement program. For calendar year 2003, the matching amount was set at 100 percent of the first 2% of employee salary.

C. Funding Policy

- The balance remaining after allocations to the Matchmaker Program and the Healthcare Trust Fund was allocated to the defined benefit plan.

The Town of Lake City, Colorado's total contributions to PERA for the calendar years ending December 31, 2003, 2002, and 2001 were \$21,543, \$19,479 and \$20,497, respectively. These contributions met the contribution requirements for each year.

TOWN OF LAKE CITY, COLORADO
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
December 31, 2003

NOTE 9 EMPLOYEE BENEFITS (CONTINUED)

PERA Matchmaker Program

Employees are eligible to contribute to PERA's voluntary 401K plan. The plan is entirely separate from the defined benefit pension plan.

NOTE 10 TAX SPENDING AND DEBT LIMITATIONS

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment.

Fiscal year spending and revenue limits are determined based on the prior years' spending adjusted for inflation and local growth. Revenue in excess of the limit must be refunded unless the voters approve retention of such revenue.

The voters of the Town of Lake City, Colorado passed a ballot issue in 1999 authorizing the Town to collect and expend the full revenues generated during 1998 and each subsequent year, from its existing tax rates, to receive and expend state grants and funds from other sources, and to receive and expend all sales and property tax revenues without limitation or condition and without limiting the collection or spending of any other revenues or funds under Article X, Section 20 of the Colorado Constitution or any other law.

The amendment also requires that Emergency Reserves be established. These reserves must be at least 3% of fiscal year spending for the year ended December 31, 2003. This Emergency Reserve has been presented as a reservation of fund balance in the General Fund. The entity is not allowed to use the Emergency Reserve to compensate for economic conditions, revenue shortfalls, or salary or benefit increases.

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
REVENUES				
Taxes				
Sales Tax	180,000	200,346	20,346	199,939
Cigarette Tax	1,500	1,573	73	1,783
Building Use Tax	20,000	25,546	5,546	33,644
Franchise Tax	250	223	(27)	250
Total Taxes	201,750	227,688	25,938	235,616
Licenses and Permits				
Liquor Licenses	600	544	(56)	623
Liquor License Application Fee	550	875	325	576
CATV Fees	1,500	2,892	1,392	1,592
Building Permits	8,000	5,248	(2,752)	13,647
Sign Permits	100	183	83	149
Dog Licenses	100	135	35	125
Special Use Permits	100	100	0	100
Total Licenses and Permits	10,950	9,977	(973)	16,812
Intergovernmental Revenue				
Lake City Area Fire Prot. Dist.	3,600	3,900	300	3,300
Hinsdale County School District	0	0	0	3,501
State of Colorado	162,420	29,762	(132,658)	30,298
Total Intergovernmental Revenue	166,020	33,662	(132,358)	37,099
Charges for Services				
Court Fees	50	80	30	0
Zoning and Subdivision Fees	30	223	193	8
Sale of Publications	25	16	(9)	3
Copies	250	245	(5)	257
Recreation Program Fees	3,000	3,087	87	1,666
Recreation Ski Hill Fees	1,500	2,472	972	1,994
Total Charges for Services	4,855	6,123	1,268	3,928
Fines and Forfeits				
Court Fines	500	100	(400)	850
Total Fines and Forfeits	500	100	(400)	850

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
Interest				
Earnings on Deposits	7,500	6,801	(699)	8,116
Total Interest	<u>7,500</u>	<u>6,801</u>	<u>(699)</u>	<u>8,116</u>
Miscellaneous				
Rent from Buildings	1,000	630	(370)	945
Refunds	100	2,117	2,017	0
Ski Hill Donations	400	1,301	901	517
Recreation Program Donations	2,500	945	(1,555)	5,005
Miscellaneous	1,500	3,483	1,983	413
Total Miscellaneous	<u>5,500</u>	<u>8,476</u>	<u>2,976</u>	<u>6,880</u>
TOTAL REVENUES	<u>397,075</u>	<u>292,827</u>	<u>(104,248)</u>	<u>309,301</u>
EXPENDITURES				
General Government				
Board of Trustees				
Salaries	7,200	6,229	971	2,500
FICA	105	90	15	33
Retirement	720	598	122	230
Operating Supplies	0	862	(862)	404
Publicity, Dues and Subscriptions	1,000	943	57	679
Professional Services	55,475	53,769	1,706	16,394
Travel and Meetings	2,250	1,694	556	2,146
Contract Payments	10,000	10,000	0	0
Miscellaneous	3,500	2,181	1,319	5,276
Total Board of Trustees	<u>80,250</u>	<u>76,366</u>	<u>3,884</u>	<u>27,662</u>
Town Clerk				
Salaries	39,450	38,562	888	35,976
Health Insurance	4,758	4,932	(174)	5,290
Retirement	3,945	3,702	243	3,306
Office Supplies	1,100	1,377	(277)	982
Operating Supplies	300	567	(267)	1,154
Postage	1,600	1,306	294	1,252
Printing	150	45	105	63
Publicity, Dues, and Subscriptions	225	90	135	210
Telephone	1,600	1,447	153	1,527
Travel and Meetings	2,500	2,134	366	2,274
Miscellaneous	100	381	(281)	325
Total Town Clerk	<u>55,728</u>	<u>54,543</u>	<u>1,185</u>	<u>52,359</u>

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
Municipal Court				
Salaries	2,500	1,529	971	1,867
FICA	25	9	16	15
Retirement	250	147	103	172
Health Insurance	115	119	(4)	401
Publicity, Dues, and Subscriptions	50	30	20	0
Travel and Meetings	500	0	500	0
Total Municipal Court	3,440	1,834	1,606	2,455
Mayor				
Salaries	1,800	900	900	675
FICA	27	13	14	9
Retirement	180	86	94	62
Travel and Meetings	500	0	500	273
Total Mayor	2,507	999	1,508	1,019
Elections				
Salaries	0	0	0	180
Operating Supplies	0	30	(30)	287
Postage	0	0	0	20
Miscellaneous	0	0	0	75
Total Elections	0	30	(30)	562
Financial				
Salaries	17,943	17,878	65	18,795
FICA	260	259	1	261
Workman's Compensation	3,500	1,237	2,263	3,281
Retirement	1,794	1,716	78	1,727
Health Insurance	2,414	2,085	329	2,751
Operating Supplies	0	49	(49)	22
Repair and Maintenance Supplies	500	25	475	0
Publicity, Dues, and Subscriptions	500	150	350	462
Travel	1,250	1,857	(607)	793
Professional Services	1,250	1,196	54	1,196
Legal Notices	2,600	1,482	1,118	3,261
Auditing	4,250	4,450	(200)	3,876
Repair and Maintenance Services	500	0	500	0
Miscellaneous	100	187	(87)	(719)
Insurance and Bonds	3,000	4,051	(1,051)	2,533
Total Financial	39,861	36,622	3,239	38,239

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
Building and Plant				
Salaries	6,000	6,251	(251)	5,132
FICA	90	91	(1)	59
Retirement	600	600	0	472
Janitorial Supplies	700	2,248	(1,548)	2,359
Repair and Maintenance Supplies	1,200	2,064	(864)	2,274
Electricity	2,650	2,155	495	1,947
Propane	4,000	2,815	1,185	2,728
Repair and Maintenance Services	8,000	4,996	3,004	6,689
Teen Center	500	0	500	107
Recreation Equipment	1,500	0	1,500	1,000
Miscellaneous	3,000	2,852	148	3,761
Total Building and Plant	28,240	24,072	4,168	26,528
Law				
Legal Services	4,000	4,246	(246)	2,620
Total Law	4,000	4,246	(246)	2,620
Economic Development				
Publicity, Dues, and Subscriptions	16,380	377	16,003	375
Total Economic Development	16,380	377	16,003	375
Total General Government	230,406	199,089	31,317	151,819
Culture and Recreation				
Recreation				
Salaries	19,973	15,601	4,372	22,052
FICA	290	225	65	307
Retirement	1,997	1,486	511	2,017
Health Insurance	2,004	1,629	375	5,398
Contract Instruction	1,500	2,147	(647)	1,783
Office Supplies	200	25	175	220
Recreation Supplies	3,000	2,856	144	2,511
Repairs and Maintenance	350	229	121	341
Telephone	1,000	1,004	(4)	1,178
Printing	100	0	100	0
Publicity, Dues and Subscriptions	300	677	(377)	205
Travel and Meeting	450	147	303	343
Miscellaneous	500	534	(34)	288
Total Recreation	31,664	26,560	5,104	36,643

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
Recreation - Ski Hill				
Salaries	5,800	2,019	3,781	3,895
FICA	85	46	39	57
Retirement	580	306	274	358
Operating Supplies	750	1,586	(836)	2,445
Repair and Maintenance Supplies	2,000	2,072	(72)	2,252
Electricity	325	266	59	252
Inspections	1,150	803	347	364
Repair and Maintenance Services	500	4,941	(4,441)	459
Travel and Meetings	350	619	(269)	559
Permits	525	831	(306)	525
Professional Services	1,000	0	1,000	0
Miscellaneous	600	767	(167)	568
Total Recreation - Ski Hill	13,665	14,256	(591)	11,734
Events				
Salaries	12,473	14,688	(2,215)	0
FICA	181	211	(30)	0
Retirement	1,247	1,399	(152)	0
Health Insurance	2,004	1,228	776	0
Operating Supplies	600	2,931	(2,331)	519
Telephone	0	76	(76)	0
Publicity, Subscriptions, and Dues	5,000	3,310	1,690	475
Miscellaneous	500	195	305	329
Total Events	22,005	24,038	(2,033)	1,323
Parks				
Salaries	15,225	12,921	2,304	14,486
FICA	221	187	34	181
Retirement	1,523	1,240	283	1,331
Operating Supplies	1,450	1,756	(306)	7,234
Repair and Maintenance Supplies	800	3,629	(2,829)	1,633
Utilities	1,000	1,284	(284)	480
Professional Services	1,000	381	619	5,140
Repair and Maintenance Services	1,000	8,545	(7,545)	5,051
Trails	1,000	0	1,000	0
Miscellaneous	200	478	(278)	84
Total Parks	23,419	30,421	(7,002)	35,620
Total Culture and Recreation	90,753	95,275	(4,522)	85,320

TOWN OF LAKE CITY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
Intergovernmental Cooperation Outlay				
Contract Payments	34,200	31,218	2,982	30,240
Total Intergovernmental Cooperation Outlay	34,200	31,218	2,982	30,240
Capital Outlay				
Capital Outlay	181,420	123,665	57,755	10,852
Total Capital Outlay	181,420	123,665	57,755	10,852
TOTAL EXPENDITURES	536,779	449,247	87,532	278,231
Excess (Deficiency) of Revenues Over Expenditures	(139,704)	(156,420)	(16,716)	31,070
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)	100,000	100,000	0	0
TOTAL OTHER FINANCING SOURCES (USES)	100,000	100,000	0	0
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(39,704)	(56,420)	(16,716)	31,070
Fund Balance, Beginning of Year	177,799	203,601	25,802	172,531
Fund Balance, End of Year	\$ 138,095	\$ 147,181	\$ 9,086	\$ 203,601

TOWN OF LAKE CITY
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 December 31, 2003
 With Comparative Actual Amounts for December 31, 2002

	Streets and Alleys Fund	Conservation Trust Fund	Cable TV/ Translator Fund	Electrical Line Relocation Fund
ASSETS				
Cash and Cash Equivalents	\$ 114,718	\$ 15,671	\$ 533	\$ 326
Taxes Receivable	35,515	0	0	0
Due from Other Governments	3,889	0	0	0
TOTAL ASSETS	\$ 154,122	\$ 15,671	\$ 533	\$ 326
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,233	\$ 0	\$ 0	\$ 0
Unearned Revenues	35,515	0	0	0
TOTAL LIABILITIES	36,748	0	0	0
FUND BALANCE				
Fund Balance - Undesignated	34,658	8,671	533	326
Fund Balance - Designated	82,716	7,000	0	0
TOTAL FUND BALANCE	117,374	15,671	533	326
TOTAL LIABILITES AND FUND BALANCE	\$ 154,122	\$ 15,671	\$ 533	\$ 326

TOTALS		TOTALS	
<u>Current Year</u>		<u>Prior Year</u>	
\$	131,248	\$	130,551
	35,515		33,791
	<u>3,889</u>		<u>6,072</u>
<u>\$</u>	<u>170,652</u>	<u>\$</u>	<u>170,414</u>

\$	1,233	\$	594
	<u>35,515</u>		<u>33,791</u>
	<u>36,748</u>		<u>34,385</u>

	44,188		40,857
	<u>89,716</u>		<u>95,172</u>
	<u>133,904</u>		<u>136,029</u>
<u>\$</u>	<u>170,652</u>	<u>\$</u>	<u>170,414</u>

TOWN OF LAKE CITY
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 ALL SPECIAL REVENUE FUNDS
 Year Ended December 31, 2003
 With Comparative Actual Amounts for December 31, 2002

	Streets and Alleys Fund	Conservation Trust Fund	Cable TV/ Translator Fund
REVENUES			
Taxes	\$ 40,616	\$ 0	\$ 2,218
Licenses and Permits	1,000	0	0
Intergovernmental Revenues	32,235	3,604	0
Fines and Forefeits	2,251	0	0
Interest	0	0	30
TV Special Assessments	0	0	1,442
Miscellaneous	3,223	431	0
TOTAL REVENUES	79,325	4,035	3,690
EXPENDITURES			
Highways and Streets	74,022	0	0
Culture and Recreation	0	0	10,281
Health and Welfare	0	0	0
Miscellaneous	5,118	0	0
TOTAL EXPENDITURES	79,140	0	10,281
Excess (Deficiency) of Revenues Over Expenditures	185	4,035	(6,591)
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	0	0	5,500
Operating Transfers Out	(5,500)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(5,500)	0	5,500
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(5,315)	4,035	(1,091)
Fund Balance, Beginning of Year	122,689	11,636	1,624
Fund Balance, End of Year	\$ 117,374	\$ 15,671	\$ 533

Electric Line

Relocation	TOTALS	TOTALS
Fund	Current Year	Prior Year
\$ 246	\$ 43,080	\$ 37,204
0	1,000	2,675
0	35,839	38,486
0	2,251	1,112
0	30	80
0	1,442	639
0	3,654	13,520
<u>246</u>	<u>87,296</u>	<u>93,716</u>
0	74,022	54,446
0	10,281	14,652
0	0	10,000
0	5,118	4,357
<u>0</u>	<u>89,421</u>	<u>83,455</u>
<u>246</u>	<u>(2,125)</u>	<u>10,261</u>
0	5,500	11,985
0	(5,500)	(11,985)
<u>0</u>	<u>0</u>	<u>0</u>
<u>246</u>	<u>(2,125)</u>	<u>10,261</u>
<u>80</u>	<u>136,029</u>	<u>125,768</u>
<u>\$ 326</u>	<u>\$ 133,904</u>	<u>\$ 136,029</u>

TOWN OF LAKE CITY
STREETS AND ALLEYS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
REVENUES				
Taxes				
General Property Taxes	\$ 33,791	\$ 33,877	\$ 86	\$ 31,061
Specific Ownership Tax	2,500	3,592	1,092	2,991
Sales Tax	1,500	2,921	1,421	2,496
Penalties and Interest	100	226	126	234
Total Taxes	37,891	40,616	2,725	36,782
Licenses and Permits				
Street Permits	1,500	1,000	(500)	2,675
Total Licenses and Permits	1,500	1,000	(500)	2,675
Intergovernmental Revenue				
Highway Users Tax	30,300	28,378	(1,922)	31,153
Motor Vehicle Registration Fees	3,200	3,857	657	3,578
Total Intergovernmental Revenue	33,500	32,235	(1,265)	34,731
Fines and Forfeits				
Traffic Fines	1,000	2,251	1,251	1,112
Total Fines and Forfeits	1,000	2,251	1,251	1,112
Miscellaneous				
Rent From Land	100	100	0	3,020
Miscellaneous	250	3,123	2,873	1,167
Total Miscellaneous	350	3,223	2,873	4,187
TOTAL REVENUES	74,241	79,325	5,084	79,487
EXPENDITURES				
Highways and Streets				
Maintenance and Condition	49,400	42,946	6,454	17,778
Snow and Ice Removal	500	3,838	(3,338)	7,033
Administration	21,913	7,069	14,844	12,717
Drainage	6,000	18,118	(12,118)	13,461
Landscaping	24,100	6,759	17,341	6,532
Traffic Services	1,500	410	1,090	1,282
Capital Outlay	50,000	0	50,000	0
Total Highways and Streets	153,413	79,140	74,273	58,803

TOWN OF LAKE CITY
STREETS AND ALLEYS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
TOTAL EXPENDITURES	153,413	79,140	74,273	58,803
Excess (Deficiency) of Revenues Over Expenditures	(79,172)	185	79,357	20,684
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,500)	(5,500)	0	0
TOTAL OTHER FINANCING SOURCES (USES)	(5,500)	(5,500)	0	0
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	(84,672)	(5,315)	79,357	20,684
Fund Balance, Beginning of Year	115,922	122,689	6,767	102,005
Fund Balance, End of Year	\$ 31,250	\$ 117,374	86,124	\$ 122,689

TOWN OF LAKE CITY
 CONSERVATION TRUST
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2003
 With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
REVENUES				
Intergovernmental Grant	\$ 3,000	\$ 3,604	\$ 604	\$ 3,755
Donations	0	431	431	5,453
TOTAL REVENUES	<u>3,000</u>	<u>4,035</u>	<u>1,035</u>	<u>9,208</u>
EXPENDITURES				
Culture and Recreation				
Parks	13,500	0	13,500	1,208
TOTAL EXPENDITURES	<u>13,500</u>	<u>0</u>	<u>13,500</u>	<u>1,208</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,500)	4,035	14,535	8,000
Fund Balance, Beginning of Year	11,228	11,636	408	3,636
Fund Balance, End of Year	<u>\$ 728</u>	<u>\$ 15,671</u>	<u>\$ 14,943</u>	<u>\$ 11,636</u>

TOWN OF LAKE CITY
CABLE TV/TRANSLATOR FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE --BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 2003
With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
REVENUES				
Interest Income	\$ 100	\$ 30	\$ (70)	\$ 80
TV Special Assessments	1,000	1,442	442	639
Franchise Taxes	3,800	2,218	(1,582)	3,835
TOTAL REVENUES	4,900	3,690	(1,210)	4,554
EXPENDITURES				
Culture and Recreation				
Public Works	12,828	10,281	2,547	13,444
Total Culture and Recreation	12,828	10,281	2,547	13,444
TOTAL EXPENDITURES	12,828	10,281	2,547	13,444
Excess (Deficiency) of Revenues Over Expenditures	(7,928)	(6,591)	1,337	(8,890)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,500	5,500	0	11,985
TOTAL OTHER FINANCING SOURCES (USES)	5,500	5,500	0	11,985
Excess (Deficiency) of Revenues Over Expenditures and Other Sources (Uses)	(2,428)	(1,091)	1,337	3,095
Fund Balance, Beginning of Year	2,781	1,624	(1,157)	(1,471)
Fund Balance, End of Year	\$ 353	\$ 533	\$ 180	\$ 1,624

TOWN OF LAKE CITY
 ELECTRICAL LINE RELOCATION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
REVENUES				
Franchise Tax	\$ 423	\$ 246	\$ (177)	\$ 422
Miscellaneous	0	0	0	45
TOTAL REVENUES	<u>423</u>	<u>246</u>	<u>(177)</u>	<u>467</u>
EXPENDITURES				
Contributions to Lake City Area Medical Center	0	0	0	10,000
TOTAL EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>423</u>	<u>246</u>	<u>(177)</u>	<u>(9,533)</u>
Other Financing Sources (Uses) Transfer to Other Funds	0	0	0	(11,985)
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources (Uses)	<u>423</u>	<u>246</u>	<u>(177)</u>	<u>(21,518)</u>
Fund Balance, Beginning of Year	<u>36</u>	<u>80</u>	<u>44</u>	<u>21,598</u>
Fund Balance, End of Year	<u>\$ 459</u>	<u>\$ 326</u>	<u>\$ (133)</u>	<u>\$ 80</u>

TOWN OF LAKE CITY
 ALL PROPRIETARY FUND TYPES
 COMBINING BALANCE SHEET
 December 31, 2003
 With Comparative Totals for December 31, 2002

	LAKE CITY		TOTALS	
	WATER AND SEWER FUND	WATER AND SANITATION DISTRICT	Current Year	Prior Year
ASSETS				
Cash and Cash Equivalents .	\$ 500,464	\$ 0	\$ 500,464	\$ 522,620
Receivables:				
Customers, Less Allowance for Doubtful Accounts of \$3,084	81,368	0	81,368	80,079
Due From Other Governments	0	0	0	2,025
Materials and Supplies	26,053	0	26,053	29,627
Prepaid Expense	3,798	0	3,798	1,029
Land and Water Rights	81,461	0	81,461	77,985
Water Treatment Plant	47,350	0	47,350	47,350
Water System	1,227,486	0	1,227,486	1,227,486
Sewage Treatment Plant	494,113	0	494,113	494,113
Sewer System	768,645	0	768,645	768,645
General and Transportation Equipment	141,590	0	141,590	141,590
Accumulated Depreciation	(1,071,067)	0	(1,071,067)	(989,229)
TOTAL ASSETS	\$ 2,301,261	\$ 0	\$ 2,301,261	\$ 2,403,320
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ ^{+1,481} 8,338	\$ 0	\$ 8,338	\$ 4,112
Due to Other Governments	0	0	0	35
Accrued Expenses	(414)	0	(414)	2,214
Unearned Revenue	5,000	0	5,000	5,000
Notes Payable	53,172	0	53,172	57,765
TOTAL LIABILITIES	66,096	0	66,096	69,126
FUND EQUITY				
Contributed Capital	1,075,291	0	1,075,291	1,055,291
Retained Earnings - Undesignated	1,159,874	0	1,159,874	1,278,903
TOTAL FUND EQUITY	2,235,165	0	2,235,165	2,334,194
TOTAL LIABILITIES AND FUND EQUITY	\$ 2,301,261	\$ 0	\$ 2,301,261	\$ 2,403,320

TOWN OF LAKE CITY
 ALL PROPRIETARY FUND TYPES
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	WATER		TOTALS Current Year	TOTALS Prior Year
	WATER AND SEWER FUND	& SANITATION DISTRICT		
OPERATING REVENUES:				
Water Sales	\$ 171,874	\$ 0	\$ 171,874	\$ 176,031
Inspection Fees	0	0	0	175
Water Meters	11,586	0	11,586	10,956
Sewage Treatment Charges	154,382	0	154,382	150,512
Refund of Expenditures	5,735	0	5,735	0
TOTAL OPERATING REVENUES	<u>343,577</u>	<u>0</u>	<u>343,577</u>	<u>337,674</u>
OPERATING EXPENSES:				
Water Department	125,159	0	125,159	100,057
Sewer Department	86,870	0	86,870	116,325
Administration and General	71,650	0	71,650	60,807
Depreciation Expense	81,838	0	81,838	81,838
TOTAL OPERATING EXPENSES	<u>365,517</u>	<u>0</u>	<u>365,517</u>	<u>359,027</u>
OPERATING INCOME	<u>(21,940)</u>	<u>0</u>	<u>(21,940)</u>	<u>(21,353)</u>
NONOPERATING REVENUES (EXPENSES)				
Tax Assessments	0	0	0	122,708
Interest Income	5,301	498	5,799	6,823
Interest Expense	(2,888)	0	(2,888)	(2,050)
Amortization of Debt Issue Costs	0	0	0	(6,108)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>2,413</u>	<u>498</u>	<u>2,911</u>	<u>121,373</u>
INCOME BEFORE OPERATING TRANSFERS	<u>(19,527)</u>	<u>498</u>	<u>(19,029)</u>	<u>100,020</u>
OPERATING TRANSFERS				
Transfers In	444,400	0	444,400	0
Transfers Out	(100,000)	(444,400)	(544,400)	0
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>344,400</u>	<u>(444,400)</u>	<u>(100,000)</u>	<u>0</u>
NET PROFIT (LOSS)	<u>324,873</u>	<u>(443,902)</u>	<u>(119,029)</u>	<u>100,020</u>
Retained Earnings, Beginning of Year	835,001	443,902	1,278,903	1,178,883
Retained Earnings, End of Year	<u>\$ 1,159,874</u>	<u>\$ 0</u>	<u>\$ 1,159,874</u>	<u>\$ 1,278,903</u>

TOWN OF LAKE CITY
 ALL PROPRIETARY FUND TYPES
 COMBINING STATEMENT OF CASH FLOWS
 For the Year Ended December 31, 2003

	WATER & SEWER FUND	WATER & SANITATION DISTRICT	TOTAL 2003
Cash Flows From Operating Activities:			
Cash Received from Customers	\$ 336,553	\$ -	\$ 336,553
Cash Received from Other Sources	5,735	1,990	7,725
Cash Paid to Suppliers	(146,553)	-	(146,553)
Cash Paid to Employees	(105,442)	-	(105,442)
Cash Paid for Employee Benefits	(29,281)	-	(29,281)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	61,012	1,990	63,002
Cash Flows from Noncapital Financing Activities:			
Cash Received from Other Funds	222,906	-	222,906
Cash Payments to Other Funds	(100,000)	(222,906)	(322,906)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	122,906	(222,906)	(100,000)
Cash Flows from Capital and Related Financing Activities:			
Principal Payments	(4,593)	-	(4,593)
Interest Payments	(2,888)	-	(2,888)
Capital Contributions	20,000	-	20,000
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	12,519	-	12,519
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest Received	5,301	498	5,799
Purchase of Fixed Assets	(3,476)	-	(3,476)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	1,825	498	2,323
NET INCREASE IN CASH AND CASH EQUIVALENTS	198,262	(220,418)	(22,156)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	302,202	220,418	522,620
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 500,464	\$ -	\$ 500,464
Operating Income	\$ (21,940)	\$ -	\$ (21,940)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:			
Depreciation Expense	81,838	-	81,838
(Increase) in Accounts Receivable	(1,289)	2,025	736
(Increase) in Inventory	3,574	-	3,574
(Increase) in Prepaid Accounts	(2,769)	-	(2,769)
(Decrease) in Accounts Payable	4,226	(35)	4,191
Increase (Decrease) in Accrued Expenses	(2,628)	-	(2,628)
Total Adjustments	82,952	1,990	84,942
Net Cash Provided by Operating Activities	\$ 61,012	\$ 1,990	\$ 63,002

TOWN OF LAKE CITY
WATER AND SEWER FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
BUDGET (NON-GAAP) BASIS AND ACTUAL

Year Ended December 31, 2003

With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
OPERATING REVENUES:				
Water Sales	\$ 165,000	\$ 171,874	\$ 6,874	\$ 176,031
Inspection Fees	100	0	(100)	175
Sewage Treatment Charges	148,150	154,382	6,232	150,512
Water Meter Fees	0	11,586	11,586	10,956
Refund of Expenditures	8,000	5,735	(2,265)	0
Tap Fees	16,025	20,000	3,975	15,400
TOTAL OPERATING REVENUES	337,275	363,577	26,302	353,074
OPERATING EXPENSES:				
Water Department	203,836	125,159	78,677	100,057
Sewer Department	98,386	86,870	11,516	116,325
Capital Outlay	310,000	3,476	306,524	15,100
Administrative and General	104,219	71,650	32,569	60,657
TOTAL OPERATING EXPENSES	716,441	287,155	429,286	292,139
OPERATING INCOME	(379,166)	76,422	455,588	60,935
NONOPERATING REVENUES (EXPENSES)				
EIAF Grant	52,765	0	(52,765)	0
Interest Expense	0	(2,888)	(2,888)	0
Interest Income	2,500	5,301	2,801	3,093
TOTAL NONOPERATING REVENUES (EXPENSES)	55,265	2,413	(52,852)	3,093
INCOME BEFORE OPERATING TRANSFERS	(323,901)	78,835	402,736	64,028
OPERATING TRANSFERS				
Transfers In	220,000	444,400	224,400	0
Transfers Out	(100,000)	(100,000)	0	0
TOTAL OPERATING TRANSFERS	120,000	344,400	224,400	0
NET INCOME (LOSS) - BUDGET BASIS	(203,901)	423,235	\$ 627,136	64,028
Less: Depreciation		(81,838)		(49,450)
Less: Tap Fees		(20,000)		(15,400)
Add: Equipment Capitalized		3,476		15,100
NET INCOME		324,873		14,278
RETAINED EARNINGS, BEGINNING OF YEAR	298,694	835,001		820,723
RETAINED EARNINGS, END OF YEAR	\$ 94,793	\$ 1,159,874		\$ 835,001

TOWN OF LAKE CITY
 WATER AND SANITATION DISTRICT
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
 BUDGET (NON-GAAP) BASIS AND ACTUAL
 Year Ended December 31, 2003
 With Comparative Actual Amounts for the Year Ended December 31, 2002

	Budget	Actual	Variance	2002 Actual
OPERATING EXPENSES:				
General Administration	0	0	0	150
TOTAL OPERATING EXPENSES	0	0	0	150
OPERATING INCOME (LOSS)	0	0	0	(150)
NONOPERATING REVENUES (EXPENSES)				
Tax Assessments	0	0	0	122,708
Interest Income	0	498	498	3,730
Interest Expense	0	0	0	(2,050)
Bond Principal	0	0	0	(90,000)
TOTAL NONOPERATING REVENUES (EXPENSES)	0	498	498	34,388
OPERATING TRANSFERS				
Transfers Out	0	444,400	444,400	0
NET INCOME (LOSS) - BUDGET BASIS	0	(443,902)	\$ (443,902)	34,238
Less: Depreciation		0		(32,388)
Amortization of Debt Issue Costs		0		(6,108)
Add: Bond Principal		0		90,000
NET INCOME		(443,902)		85,742
RETAINED EARNINGS, BEGINNING OF YEAR	0	443,902		358,160
RETAINED EARNINGS, END OF YEAR	\$ 0	\$ 0		\$ 443,902

LOCAL HIGHWAY FINANCE REPORT

City or County:
Town
YEAR ENDING :
December 2003

This Information From The Records Of:
Town of Lake City, Colorado

Prepared By: Mary Ann McCord
Phone: (970)944-2333

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

II. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	18,118
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	42,946
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	410
2. General fund appropriations	0	b. Snow and ice removal	3,838
3. Other local imposts (from page 2)	46,498	c. Other	6,759
4. Miscellaneous local receipts (from page 2)	4,264	d. Total (a. through c.)	11,007
5. Transfers from toll facilities	0	4. General administration & miscellaneous	7,069
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	0
a. Bonds - Original Issues	0	6. Total (1 through 5)	79,140
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	0
7. Total (1 through 6)	50,762	b. Redemption	0
B. Private Contributions	0	c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	28,378	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	0
E. Total receipts (A.7 + B + C + D)	79,140	b. Redemption	0
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	0
		D. Payments to toll facilities.	0
		E. Total disbursements (A.6 + B.3 + C + D)	79,140

IV. LOCAL HIGHWAY DEBT STATUS
(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	0	0	0	0
1. Bonds (Refunding Portion)				
B. Notes (Total)	0	0	0	0

Notes and Comments:

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	79,140	79,140	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2003

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assesments	33,877	a. Interest on investments	0
b. Other local imposts:		b. Other	3,264
1. Sales Taxes	2,921	c. Transfers	0
2. Traffic Fines	2,251	d. Capital Credits	0
3. Specific Ownership Tax	3,592	e. Sale of Assets	0
4. Motor Vehicle Registration	3,857	f. Fees/Licenses/Permits	1,000
5. From Cities/Counties	0	g. Service Performed	0
6. Total (1. through 5.)	12,621	h. Refunds of Expenditures	0
c. Total (a. + b.)	46,498	i. Total (a. through h.)	4,264
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Governmen	
1. Highway-user taxes	28,378	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. (Specify)		d. Mineral Leasing	0
d. (Specify)		e. Pay Lieu of Tax	0
e. (Specify)		f. Other Federal	0
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	28,378	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	0	0	0
b. Engineering Costs	0	0	0
c. Construction:			
(1). Capacity Improvements	0	0	0
(2). System Preservation	0	18,118	18,118
(3). Safety And Other	0	0	0
(4). Total Construction (1)+(2)+(3)	0	18,118	18,118
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.4)	0	18,118	18,118
			(Carry forward to page 1)

Notes and Comments: