

BOARD OF WATER WORKS OF PUEBLO, COLORADO
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	<u>2003</u>	<u>2002</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 20,375,947	\$ 20,863,534
Payments to employees	(6,972,625)	(6,681,530)
Payments to suppliers	(6,129,440)	(6,074,175)
Other receipts (payments)	<u>(748,898)</u>	<u>(691,064)</u>
Net cash provided by operating activities	<u>6,524,984</u>	<u>7,416,765</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Interest paid on meter deposits	(28,072)	(10,459)
Contributions from other governments	<u>-</u>	<u>1,057,316</u>
Net cash provided by (used for) noncapital financing activities	<u>(28,072)</u>	<u>1,046,857</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(3,929,805)	(13,290,497)
Proceeds from sale of assets	1,065	-
Principal payments on general obligation bonds and notes	(1,500,099)	(4,119,736)
Interest payments on general obligation bonds and notes	<u>(1,016,191)</u>	<u>(2,648,321)</u>
Net cash provided by (used for) capital and related financing activities	<u>(6,445,030)</u>	<u>(20,058,554)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on investments	<u>252,324</u>	<u>715,844</u>
 NET INCREASE (DECREASE) IN CASH	304,206	(10,879,088)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>15,475,992</u>	<u>26,355,080</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 15,780,198</u>	<u>\$ 15,475,992</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR REPRESENTED BY		
Cash on hand and in banks	\$ 17,476	\$ 65,142
Money market funds	13,078,966	10,069,429
Certificates of deposit	1,556,439	3,175,000
Restricted assets		
Cash in banks	135	16,884
Money market funds	<u>1,127,182</u>	<u>2,149,537</u>
 Total	<u>\$ 15,780,198</u>	<u>\$ 15,475,992</u>

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	2003	2002
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net operating revenue	\$ 3,561,188	\$ 4,353,603
Adjustments to reconcile net operating revenue to net cash provided by operating activities		
Depreciation	3,414,376	2,815,188
Loss on abandonment of assets	3,202	14,636
Amortization of bond issue expense	10,574	20,212
Amortization of deferred revenue	(23,475)	(23,475)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(98,395)	8,955
(Increase) decrease in inventories	15,971	(7,300)
(Increase) decrease in prepaid items	(64,959)	(61,512)
(Increase) decrease in advances for employees	3,525	625
Increase (decrease) in accrued sick leave and vacation payroll	85,554	24,339
Increase (decrease) in accrued payroll taxes on accrued sick leave and vacation payroll	6,545	1,862
Increase (decrease) in deferred revenue	(341,879)	241,580
Increase (decrease) in accounts payable	(101,999)	(11,048)
Increase (decrease) in customer meter deposits	30,853	33,350
Increase (decrease) in developer deposits	3,834	4,992
Increase (decrease) in accrued liabilities	20,069	758
Net cash provided by operating activities	\$ 6,524,984	\$ 7,416,765

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES
Contributions to utility plant from various developer installed facilities and other governments for 2003 and 2002 were \$ 235,769 and \$ 23,466, respectively.

The accompanying notes are an integral part of the financial statements