

STATE OF ARIZONA
COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS
 AND PROPRIETARY AND FIDUCIARY FUND TYPES COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1999
 (Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NON- EXPENDABLE TRUST	PRIMARY GOVERNMENT
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 46,357	\$ (11,217)	\$ (47,924)	\$ (12,784)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortization	7,200	14,038	281	21,519
Net decrease in fair value of investments	6,328	-	39,515	45,843
Interest income from investing activities	-	-	-	-
Interest paid on bonds	-	-	-	-
Amortization of bond issuance costs	-	-	-	-
Total Adjustments	13,528	14,038	39,796	67,362
Changes in assets and liabilities:				
(Increase) decrease in receivables, net of allowances	(3,150)	2,269	9,715	8,834
Decrease in due from U.S. Government	-	4	-	4
Decrease in due from local governments	-	94	-	94
Decrease in due from others	418	-	-	418
(Increase) decrease in due from other Funds	2	(3,014)	(2,523)	(5,535)
(Increase) decrease in inventories, at cost	449	188	-	637
(Increase) decrease in other current assets	950	(459)	-	491
Decrease in other long term assets	124	-	-	124
Increase (decrease) in accounts payable	(10,057)	2,221	(16,097)	(23,933)
Increase (decrease) in accrued liabilities	(2,149)	(182)	(4)	(2,335)
(Decrease) in due to U.S. Government	-	(1,911)	-	(1,911)
Increase in due to local governments	6,157	-	-	6,157
(Decrease) in due to others	-	(105)	-	(105)
Increase (decrease) in due to other Funds	5,266	1,102	(7,414)	(1,046)
Increase (decrease) in deferred revenue	(591)	(2)	1,477	884
Increase (decrease) in other current liabilities	1,936	(5)	1,250	3,181
Increase in accrued compensated absences	77	75	-	152
Increase (decrease) in accrued insurance losses	(5,886)	23,700	-	17,814
Increase (decrease) in other long-term liabilities	-	(11)	-	(11)
Net Changes in Assets and Liabilities	(6,454)	23,964	(13,596)	3,914
Net Cash Provided (Used) by Operating Activities	53,431	26,785	(21,724)	58,492
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interest expense	(19)	-	-	(19)
Other non-operating revenue (expenses)	1,205	808	52	2,065
Operating transfers in	12,518	2,055	4,010	18,583
Operating transfers out	(44,652)	(14,227)	(890)	(59,769)
Operating transfers out to primary government	-	-	-	-
Residual equity transfers	(4,505)	(500)	512	(4,493)
Retirement of revenue bonds principal	-	-	-	-
Interest payments under bonds	-	-	-	-
Draws under capital grant facility	-	-	-	-
Increase in cash advances for Hoover Upgrading Project	-	-	-	-
Net Cash Provided (Used) by Non-capital Financing Activities	\$ (35,453)	\$ (11,864)	\$ 3,684	\$ (43,633)

The Notes to the Financial Statements are an integral part of this statement.

COMPONENT UNITS PROPRIETARY AND FIDUCIARY FUND TYPES	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
\$ (2,154)	\$ (14,938)
17,301	38,820
-	45,843
(5,876)	(5,876)
7,688	7,688
15	15
19,128	86,490
(39,453)	(30,619)
-	4
-	94
-	418
-	(5,535)
(1,288)	(651)
(487)	4
3,013	3,137
(2,195)	(26,128)
868	(1,467)
-	(1,911)
-	6,157
-	(105)
-	(1,046)
1,921	2,805
2,815	5,996
194	346
(1,178)	16,636
793	782
(34,997)	(31,083)
(18,023)	40,469
(885)	(904)
(222)	1,843
-	18,583
-	(59,769)
(21)	(21)
-	(4,493)
(5,280)	(5,280)
(7,282)	(7,282)
35,649	35,649
(135)	(135)
\$ 21,824	\$ (21,809)

(Continued)

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COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES, NON-EXPENDABLE TRUST FUNDS

AND PROPRIETARY AND FIDUCIARY FUND TYPES COMPONENT UNITS

FOR THE YEAR ENDED JUNE 30, 1999

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	TOTAL (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NON- EXPENDABLE TRUST	PRIMARY GOVERNMENT
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of fixed assets	\$ (2,303)	\$ (17,862)	\$ (155)	\$ (20,320)
Retirement of revenue bonds principal	-	-	-	-
Proceeds from sale of fixed assets	-	448	6,214	6,662
Interest payments under certificates of participation or bonds	(517)	-	-	(517)
Principal payments under leases and installment purchases	(2,339)	-	-	(2,339)
Proceeds in funds received by trustee	162	-	-	162
Discount on bonds issued / defeased	-	-	-	-
Pari-mutuel racing receipts	400	-	-	400
Contributions from (to) other Funds	(500)	1,998	-	1,498
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(5,097)</u>	<u>(15,416)</u>	<u>6,059</u>	<u>(14,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	142,902	-	115,378	258,280
Purchase of investments	(154,712)	-	(168,558)	(323,270)
Interest and dividends on investments	2,304	185	-	2,489
Change in cash collateral received from securities lending transactions	(10,964)	-	-	(10,964)
Change in long-term funds held by trustee	555	-	-	555
Net Cash Provided (Used) by Investing Activities	<u>(19,915)</u>	<u>185</u>	<u>(53,180)</u>	<u>(72,910)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,034)	(310)	(65,161)	(72,505)
Cash and Cash Equivalents - Beginning, as restated	<u>111,803</u>	<u>78,910</u>	<u>151,176</u>	<u>341,889</u>
Cash and Cash Equivalents - Ending	<u>\$ 104,769</u>	<u>\$ 78,600</u>	<u>\$ 86,015</u>	<u>\$ 269,384</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINED BALANCE SHEET				
Cash and Cash Equivalents - Ending	\$ 104,769	\$ 78,600	\$ 86,015	\$ 269,384
Long-term investments	225,351	-	886,187	1,111,538
Cash held by trustee	-	-	-	-
Cash and investments - Combining Balance Sheet:				
Expendable Trust Funds	-	-	1,019,806	1,019,806
Pension Trust Funds	-	-	30,673,983	30,673,983
Investment Trust Funds	-	-	2,757,008	2,757,008
Agency Funds	-	-	3,146,493	3,146,493
Cash and Investments - Combined Balance Sheet	<u>\$ 330,120</u>	<u>\$ 78,600</u>	<u>\$ 38,569,492</u>	<u>\$ 38,978,212</u>
NON-CASH CAPITAL AND FINANCING ACTIVITIES				
Donated equipment	\$ 21	\$ -	\$ -	\$ 21
Net fixed assets transferred to Enterprise Funds	12,657	-	-	12,657
Total Non-cash Capital and Financing Activities	<u>\$ 12,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,678</u>
RESTATEMENT OF BEGINNING CASH AND CASH EQUIVALENTS				
Cash and cash equivalents, June 30, 1998	\$ 111,544	\$ 78,910	\$ 151,176	\$ 341,630
Reclassification of Veteran Services State Home for Veterans Fund	259	-	-	259
Addition of Water Infrastructure Finance Authority to reporting entity	-	-	-	-
Cash and cash equivalents, July 1, 1998, as restated	<u>\$ 111,803</u>	<u>\$ 78,910</u>	<u>\$ 151,176</u>	<u>\$ 341,889</u>

The Notes to the Financial Statements are an integral part of this statement.

COMPONENT UNITS PROPRIETARY AND FIDUCIARY FUND TYPES	TOTAL (MEMORANDUM ONLY) REPORTING ENTITY
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\$ (24,219)	\$ (44,539)
(1,985)	(1,985)
-	6,662
-	(517)
-	(2,339)
88	250
83	83
-	400
-	1,498

(26,033)	(40,487)
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28,708	286,988
-	(323,270)
7,128	9,617
-	(10,964)
11,187	11,742
47,023	(25,887)
24,791	(47,714)
69,005	410,894
\$ 93,796	\$ 363,180

\$ 93,796	\$ 363,180
89,211	1,200,749
(7,417)	(7,417)
-	1,019,806
-	30,673,983
-	2,757,008
-	3,146,493
\$ 175,590	\$ 39,153,802

\$ -	\$ 21
-	12,657
\$ -	\$ 12,678

\$ 59,697	\$ 401,327
-	259
9,308	9,308
\$ 69,005	\$ 410,894