

COMPONENT UNITS

The Component Units include proprietary and fiduciary type organizations which are legally separate from the State but are considered part of the reporting entity because they are financially accountable to the State, and/or the State is able to impose its will on the organization.

The University Medical Center is a 365-bed, general acute-care teaching facility in Tucson, Arizona. It is the primary teaching hospital for the College of Medicine of the University of Arizona.

The Arizona Power Authority purchases the State's allocation of Hoover power and resells it to Arizona entities that are eligible purchasers under federal and state law. Hoover power is produced by the Bureau of Reclamation at the federally-owned Boulder Canyon Project hydropower plant, located near Las Vegas, Nevada.

Wastewater Infrastructure Finance Authority is authorized to administer the Clean Water Revolving Fund and the Drinking Water Revolving Fund. The Clean Water Revolving Fund was created pursuant to the Federal Water Pollution Control Act of 1972, as amended by the Water Quality Act of 1987 (Clean Water Act) which required the State to establish the Fund to accept federal capitalization grants for publicly owned wastewater treatment projects. WIFA has entered into an agreement this year with the Environmental Protection Agency to administer the Drinking Water Revolving Fund pursuant to the Safe Drinking Water Act.

STATE OF ARIZONA
COMBINING BALANCE SHEET
 PROPRIETARY AND FIDUCIARY FUND TYPES COMPONENT UNITS
 JUNE 30, 1999
 (Expressed in Thousands)

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	
	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY	WATER INFRASTRUCTURE FINANCE AUTHORITY	TOTAL
ASSETS				
Current Assets:				
Cash and investments	\$ 44,371	\$ 11,443	\$ 30,565	\$ 86,379
Receivables, net of allowances:				
Interest	-	236	2,931	3,167
Other	39,266	2,327	85	41,678
Inventories, at cost	7,551	-	-	7,551
Other	3,824	1,987	-	5,811
Total Current Assets	95,012	15,993	33,581	144,586
Long-term Assets:				
Investments	-	-	89,211	89,211
Investments held by trustee	15,781	8,135	7,417	31,333
Receivables, net of allowances	-	-	146,881	146,881
Other	5,504	52,544	285	58,333
Fixed assets:				
Property and equipment	251,737	1,178	-	252,915
Less: accumulated depreciation	(132,619)	(935)	-	(133,554)
Total Long-term Assets	140,403	60,922	243,794	445,119
Total Assets	\$ 235,415	\$ 76,915	\$ 277,375	\$ 589,705
LIABILITIES AND FUND EQUITY				
Current Liabilities:				
Accounts payable	\$ 12,122	\$ 518	\$ -	\$ 12,640
Accrued liabilities	9,487	912	3,853	14,252
Deferred revenue	-	-	1,921	1,921
Current portion of long-term debt	2,280	-	-	2,280
Other	17,749	3,882	-	21,631
Total Current Liabilities	41,638	5,312	5,774	52,724
Long-term Liabilities:				
Accrued compensated absences	3,420	-	-	3,420
Accrued insurance losses	6,713	-	-	6,713
Long-term debt:				
Revenue bonds	74,798	67,433	144,656	286,887
Other	12,017	-	44	12,061
Total Long-term Liabilities	96,948	67,433	144,700	309,081
Total Liabilities	138,586	72,745	150,474	361,805
Fund Equity:				
Contributed capital	-	9	115,408	115,417
Retained earnings/Fund balances				
Reserved	948	5,178	-	6,126
Unreserved	95,881	(1,017)	11,493	106,357
Total Fund Equity	96,829	4,170	126,901	227,900
Total Liabilities and Fund Equity	\$ 235,415	\$ 76,915	\$ 277,375	\$ 589,705

STATE OF ARIZONA
**COMBINING STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES**
PROPRIETARY AND FIDUCIARY FUND TYPES COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 1999
(Expressed in Thousands)

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	
	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY	WATER INFRASTRUCTURE FINANCE AUTHORITY	TOTAL
OPERATING REVENUES				
Sales and charges for services	\$ 223,614	\$ 21,549	\$ -	\$ 245,163
Intergovernmental	-	-	1,400	1,400
Earnings on investments	4,083	-	10,018	14,101
Other	17,160	-	748	17,908
Total Operating Revenues	244,857	21,549	12,166	278,572
OPERATING EXPENSES				
Cost of sales and benefits	46,286	21,206	-	67,492
Personal services	111,375	946	500	112,821
Contractual services	36,858	-	539	37,397
Depreciation and amortization	17,257	44	-	17,301
Insurance	1,781	-	-	1,781
Other	35,830	-	8,104	43,934
Total Operating Expenses	249,387	22,196	9,143	280,726
Operating Income (Loss)	(4,530)	(647)	3,023	(2,154)
NON-OPERATING REVENUES (EXPENSES)				
Interest income	-	1,194	-	1,194
Interest expense	-	(885)	-	(885)
Other	(159)	(63)	-	(222)
Net Non-operating Income (Loss)	(159)	246	-	87
Income (Loss) Before Operating Transfers	(4,689)	(401)	3,023	(2,067)
OPERATING TRANSFERS				
Operating transfers out to primary government	-	(21)	-	(21)
Total Operating Transfers	-	(21)	-	(21)
Net Income (Loss)	(4,689)	(422)	3,023	(2,088)
Beginning Retained Earnings/Fund Balances, as restated	101,518	4,583	8,470	114,571
Ending Retained Earnings/Fund Balances	\$ 96,829	\$ 4,161	\$ 11,493	\$ 112,483

STATE OF ARIZONA
COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY AND FIDUCIARY FUND TYPES COMPONENT UNITS
 FOR THE YEAR ENDED JUNE 30, 1999
 (Expressed in Thousands)

	PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE	
	UNIVERSITY MEDICAL CENTER	ARIZONA POWER AUTHORITY	WATER INFRASTRUCTURE FINANCE AUTHORITY	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (4,530)	\$ (647)	\$ 3,023	\$ (2,154)
Adjustments to reconcile to net cash provided by operating activities:				
Depreciation and amortization	17,257	44	-	17,301
Interest income from investing activities	-	-	(5,876)	(5,876)
Interest paid on bonds	-	-	7,688	7,688
Amortization of bond issuance costs	-	-	15	15
Total Adjustments	17,257	44	1,827	19,128
Changes in assets and liabilities:				
(Increase) in receivables, net of allowances	(3,632)	(110)	(35,711)	(39,453)
(Increase) in inventories, at cost	(1,288)	-	-	(1,288)
(Increase) in other current assets	-	(487)	-	(487)
Increase (decrease) in other long-term assets	3,172	-	(159)	3,013
Increase (decrease) in accounts payable	(2,199)	4	-	(2,195)
Increase in accrued liabilities	867	1	-	868
Increase in deferred revenue	-	-	1,921	1,921
Increase in other current liabilities	1,137	1,678	-	2,815
Increase in accrued compensated absences	194	-	-	194
(Decrease) in accrued insurance losses	(1,178)	-	-	(1,178)
Increase in other long-term liabilities	749	-	44	793
Net Changes in Assets and Liabilities	(2,178)	1,086	(33,905)	(34,997)
Net Cash Provided (Used) by Operating Activities	10,549	483	(29,055)	(18,023)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Interest expense	-	(885)	-	(885)
Other non-operating expenses	(159)	(63)	-	(222)
Operating transfers out to primary government	-	(21)	-	(21)
Retirement of revenue bonds principal	-	-	(5,280)	(5,280)
Interest payments under bonds	-	-	(7,282)	(7,282)
Draws under capital grant facility	-	-	35,649	35,649
Increase in cash advances for Hoover Upgrading Project	-	(135)	-	(135)
Net Cash (Used) by Non-capital Financing Activities	(159)	(1,104)	23,087	21,824
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of fixed assets	(24,213)	(6)	-	(24,219)
Retirement of revenue bonds principal	(1,985)	-	-	(1,985)
Proceeds in funds received by trustee	-	88	-	88
Discount on bonds issued / defeased	-	83	-	83
Net Cash Provided (Used) by Capital and Related Financing Activities	(26,198)	165	0	(26,033)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	28,708	28,708
Interest and dividends on investments	-	1,194	5,934	7,128
Change in long-term funds held by trustee	11,187	-	-	11,187
Net Cash Provided by Investing Activities	11,187	1,194	34,642	47,023
Net Increase (Decrease) in Cash and Cash Equivalents	(4,621)	738	28,674	24,791
Cash and Cash Equivalents - Beginning, as restated	48,992	10,705	9,308	69,005
Cash and Cash Equivalents - Ending	\$ 44,371	\$ 11,443	\$ 37,982	\$ 93,796