

**CITY OF KNOXVILLE, TENNESSEE**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the year ended June 30, 2004**  
**(in thousands)**

	Office Services	Fleet Maintenance	Risk Management	Employee Health Insurance	Equipment Replacement	City Buildings	Total Internal Service Funds
<b>Cash flows from operating activities:</b>							
Receipts from interfund services provided	\$ 481	\$ 9,118	\$ 5,799	\$ 11,563	\$ 2,039	\$ 1,350	\$ 30,350
Payments to suppliers	(238)	(4,222)	(1,594)	(155)	(15)	(1,205)	(7,429)
Payment of claims and insurance	-	-	(4,073)	(11,353)	-	-	(15,426)
Payments to employees	(125)	(2,003)	(419)	(150)	-	-	(2,697)
Payments for interfund services used	(82)	(165)	(103)	(58)	-	-	(408)
Net cash provided (used) by operating activities	<u>36</u>	<u>2,728</u>	<u>(390)</u>	<u>(153)</u>	<u>2,024</u>	<u>145</u>	<u>4,390</u>
<b>Cash flows from noncapital financing activities:</b>							
Transfers from other funds	-	-	1,002	1,005	129	-	2,136
Transfers to other funds	-	-	(12)	-	-	-	(12)
Advances from other funds	-	938	-	-	-	1	939
Repayment of advances from other funds	(31)	-	(137)	-	(10)	-	(178)
Net cash provided (used) by noncapital financing activities	<u>(31)</u>	<u>938</u>	<u>853</u>	<u>1,005</u>	<u>119</u>	<u>1</u>	<u>2,885</u>
<b>Cash flows from capital and related financing activities:</b>							
Proceeds from disposal of capital assets	-	523	-	-	59	-	582
Acquisition of capital assets	-	(2,450)	-	-	(732)	-	(3,182)
Net cash used by capital and related financing activities	<u>-</u>	<u>(1,927)</u>	<u>-</u>	<u>-</u>	<u>(673)</u>	<u>-</u>	<u>(2,600)</u>
<b>Investing activities:</b>							
Purchase of investments	-	(3,387)	(1,723)	(768)	(3,010)	(289)	(9,177)
Proceeds from sales and maturities of investments	-	1,523	365	-	1,543	-	3,431
Investment earnings	-	125	86	20	70	-	301
Net cash used by investing activities	<u>-</u>	<u>(1,739)</u>	<u>(1,272)</u>	<u>(748)</u>	<u>(1,397)</u>	<u>(289)</u>	<u>(5,445)</u>
Net increase (decrease) in cash	5	-	(809)	104	73	(143)	(770)
Cash at beginning of the year	-	-	1,130	657	-	143	1,930
Cash at end of the year	<u>\$ 5</u>	<u>\$ -</u>	<u>\$ 321</u>	<u>\$ 761</u>	<u>\$ 73</u>	<u>\$ -</u>	<u>\$ 1,160</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ 16	\$ 267	\$ (834)	\$ (146)	\$ (164)	\$ 143	\$ (718)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:							
Depreciation	1	3,333	7	-	1,976	-	5,317
Other income	-	3	7	-	183	-	193
(Increase) decrease in assets:							
Receivables	-	(3)	(28)	-	(47)	-	(78)
Inventory	34	(760)	-	(3)	76	-	(653)
Prepayments	-	-	(173)	-	-	-	(173)
Increase (decrease) in liabilities:							
Accounts payable	(13)	(103)	(208)	(1)	-	2	(323)
Accrued expenses	(2)	(9)	(23)	(3)	-	-	(37)
Estimated liability for litigation and claims	-	-	862	-	-	-	862
Net cash provided (used) by operating activities	<u>\$ 36</u>	<u>\$ 2,728</u>	<u>\$ (390)</u>	<u>\$ (153)</u>	<u>\$ 2,024</u>	<u>\$ 145</u>	<u>\$ 4,390</u>
<b>Noncash investing, capital and financing transactions:</b>							
Accounts payable for acquisition of capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84</u>	<u>\$ -</u>	<u>\$ 84</u>
Increase in fair value of investments	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 13</u>