

The Metropolitan Government of Nashville and Davidson County, Tennessee

# **Comprehensive Annual Financial Report**

For the Year Ended June 30, 2003

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THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended June 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 146,749,093	\$ -	\$ 10,152,610	\$ 156,901,703	\$ 119,271,882
Payments to suppliers	(29,813,096)	-	(4,792,423)	(34,605,519)	(102,504,693)
Payments to employees	(30,129,901)	-	(5,349,800)	(35,479,701)	(15,153,983)
Other payments	(5,715,560)	-	-	(5,715,560)	-
Net cash provided by (used in) operating activities	81,090,536	-	10,387	81,100,923	1,613,206
Cash flows from noncapital financing activities:					
Transfers in	50,000	-	1,828,718	1,878,718	15,328,655
Transfers out	(12,201,237)	-	(439,638)	(12,640,875)	(8,957,008)
Net cash provided by (used in) non-capital financing activities	(12,151,237)	-	1,389,080	(10,762,157)	6,371,647
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(50,807,928)	(27,340,835)	(2,133,297)	(80,282,060)	(3,525,491)
Proceeds from the sale of capital assets	144,833	-	-	144,833	516,832
Proceeds from borrowings	32,370,675	69,086,748	-	101,457,423	-
Payments on borrowings	(57,776,462)	-	(130,000)	(57,906,462)	-
Interest paid	(31,526,421)	(1,387,267)	(128,458)	(33,042,146)	(22,197)
Capital contributions received	13,522,945	-	-	13,522,945	-
Other receipts (payments)	5,668,923	(1,643,676)	-	4,025,247	-
Net cash provided by (used in) capital and related financing activities	(88,403,435)	38,714,970	(2,391,755)	(52,080,220)	(3,030,856)
Cash flows from investing activities:					
Purchases of investments	(514,632,154)	(71,527,845)	(16,453,753)	(602,613,752)	(186,871,411)
Proceeds from the sale and maturities of investment securities	477,610,417	32,107,407	15,034,568	524,752,392	176,213,211
Interest on investments	11,443,034	705,468	221,515	12,370,017	914,986
Changes in due to other funds of the primary government	(16,326,143)	-	-	(16,326,143)	-
Net cash provided by (used in) investing activities	(41,904,846)	(38,714,970)	(1,197,670)	(81,817,486)	(9,743,214)
Net changes in cash and cash equivalents	(61,368,982)	-	(2,189,958)	(63,558,940)	(4,789,217)
Cash and cash equivalents at beginning of year	147,019,176	-	6,493,941	153,513,117	26,130,213
Cash and cash equivalents at end of year	\$ 85,650,194	\$ -	\$ 4,303,983	\$ 89,954,177	\$ 21,340,996

The accompanying notes are an integral part of this financial statement.

THE METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)

For the Year Ended June 30, 2003

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Department of Water and Sewerage Services	District Energy System	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 36,140,634	\$ (39,766)	\$ (3,127,841)	\$ 32,973,027	\$ 1,925,292
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization	44,787,276	39,766	1,802,489	46,629,531	8,364,699
Allowance for doubtful accounts	1,651,728	-	222,872	1,874,600	-
Other nonoperating revenue (expense)	-	-	-	-	818,961
Changes in assets and liabilities:					
Accounts receivable	(1,199,387)	-	(93,757)	(1,293,144)	(51,048)
Due from funds of the primary government	(258,731)	-	(242,504)	(501,235)	(2,277,257)
Due from component units	-	-	-	-	39,919
Inventories of supplies	253,423	-	-	253,423	(829,142)
Other current assets	(2,032)	-	(13,979)	(16,011)	992,286
Accounts payable	485,730	-	464,674	950,404	797,852
Accrued payroll	(111,857)	-	73,908	(37,949)	631,395
Claims payable	-	-	-	-	(9,102,670)
Due to other funds of the primary government	-	-	996,392	996,392	322,095
Due to component units	(531)	-	(34,973)	(35,504)	76,525
Customer deposits	(28,764)	-	10,077	(18,687)	-
Other current liabilities	(626,953)	-	(46,971)	(673,924)	(95,701)
Total adjustments	44,949,902	39,766	3,138,228	48,127,896	(312,086)
Net cash provided by (used in) operating activities	\$ 81,090,536	\$ -	\$ 10,387	\$ 81,100,923	\$ 1,613,206

Non-Cash Capital and Related Financing Activities:

The Department of Water and Sewerage Services acquired capital assets of \$5,730,137, which are reported as capital grants and contributions for deeds conveyed to the Department by developers.

The District Energy System capitalized interest of \$1,284,817 and amortization of bond premium of \$57,744.

The general government transferred capital assets with a net book value of \$15,795 to Farmers Market. The transaction was recorded as a transfer in.

Motor Pool ceased operations effective July 1, 2002 and transferred capital assets with a net book value of \$9,757,648 and inventory with a value of \$230,395 to the Office of Fleet Management. The transactions were recorded as transfers out.

Office of Fleet Management began operations on July 1, 2002 and received capital assets with a net book value of \$32,478,000 and inventory with a value of \$778,924 from various funds of the Government. The transactions were recorded as transfers in and other nonoperating revenue.

Radio Shop transferred capital assets with a net book value of \$100 to the Office of Fleet Management. The transaction was recorded as a transfer out.

The accompanying notes are an integral part of this financial statement.