PIMA COUNTY

COMBINING STATEMENT OF CASH FLOWS - ENTERPRISE FUNDS

(Continued)

For The Year Ended June 30, 1998
(in thousands)

Reconciliation of operating income (loss) to net cash provided (used) by operating activities	Development Services	Parking Garages	Rillito Park
Operating income (loss)	$ 1,165	$ 76	$ (84)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	129	343	51
Landfill closure and postclosure care costs			
Decrease (increase) in accounts receivable			
(Increase) in interfund receivables			
Decrease (increase) in inventory and other assets	7	(4)	1
Increase (decrease) in accounts payable	167	49	(1)
Increase (decrease) in other current liabilities	87	(32)	3
Increase (decrease) in interfund payables	(14)		
Net cash provided (used) by operating activities	$ 1,541	$ 432	$ (30)

Noncash investing, capital, and financing activities:

During the year ended June 30, 1998, Pima Health Care System retired equipment with a net book value of $2 and received a trade-in value of $7. This transaction resulted in a net gain on disposal of equipment of $5.

During the year ended June 30, 1998, Wastewater Management received developer-built conveyance system assets valued at $16,477. These assets have been included in increase in contributed capital.

During the year ended June 30, 1998, Wastewater Management established credits totaling $1,180 for developers against future sewer connection revenues. These transactions have been included in return of contributed capital.

During the year ended June 30, 1998, Wastewater Management retired equipment with a net book value of $8 and received auction proceeds totaling $7. This transaction resulted in a net loss on disposal of equipment of $1.

During the year ended June 30, 1998, Wastewater Management received land and equipment with a net book value of $6,150 from Pima County's General Fixed Asset Account Group as a result of the restatement of beginning fund equity for various fund reclassifications to Wastewater Management.

During the year ended June 30, 1998, Wastewater Management transferred an asset with a net book value of $6 to the Other Internal Service Fund, and transferred four assets with a total net book value of $2 to Pima County's General Fixed Asset Account Group. These transactions have been included in return of contributed capital.

During the year ended June 30, 1998, Wastewater Management issued $29,185 of Series 1998 Sewer Revenue Bonds. Of the total bond proceeds which included accrued interest of $161 and a net premium of $16, $8,739 was placed in an irrevocable trust account to advance refund $7,980 of 1991 Series Refunding Bonds issued August 1, 1991, and $91 was used for issuance costs. Also, as a result of the refunding, deferred interest expense and bond discount were increased by $809.

During the year ended June 30, 1998, Development Services disposed of equipment with an original cost of $90 and a net book value of zero.

Exhibit D-3.2

Pima Health Care System	Wastewater Management	Totals
$ (9,714)	$ (9,296)	$ (17,853)
1,275	11,576	13,374
	329	329
(3,041)	(534)	(3,575)
(235)	18	(217)
3,558	82	3,644
2,720	(97)	2,838
2,003	388	2,449
	(349)	(363)
$ (3,434)	$ 2,117	$ 626