

KENAI PENINSULA BOROUGH
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

	Business-type Activities Enterprise Funds			Governmental Activities Internal Service Funds
	Central Peninsula Hospital	South Peninsula Hospital	Total	
Cash Flows from Operating Activities:				
Receipts from patients and users	\$ 39,323,292	\$22,512,149	\$ 61,835,441	\$ 2,373,488
Payments to suppliers	(11,081,605)	(7,065,139)	(18,146,744)	(2,332,622)
Payments to employees	(25,814,013)	(14,320,080)	(40,134,093)	(308,568)
Other receipts (payments)	449,209	331,810	781,019	-
Net cash provided by operating activities	<u>2,876,883</u>	<u>1,458,740</u>	<u>4,335,623</u>	<u>(267,702)</u>
Cash flows from noncapital financing activities:				
Receipts from property taxes	1,535,570	1,527,892	3,063,462	-
State grants	25,575	-	25,575	-
Net cash provided by (used in) noncapital financing activities	<u>1,561,145</u>	<u>1,527,892</u>	<u>3,089,037</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(3,564,699)	(1,907,816)	(5,472,515)	(450,876)
Bond proceeds	49,900,000	10,510,803	60,410,803	-
Principal paid on capital debt	(478,160)	-	(478,160)	-
Interest paid on capital debt	(40,763)	-	(40,763)	-
Proceeds from sale of capital assets	-	76,518	76,518	38,776
Net cash from capital and related financing activities	<u>45,816,378</u>	<u>8,679,505</u>	<u>54,495,883</u>	<u>(412,100)</u>
Cash flows from investing activities:				
Increase in assets whose use is limited	(49,424,073)	(14,053,222)	(63,477,295)	-
Interest on investments	106,413	29,325	135,738	10,014
Net cash provided by investing activities	<u>(49,317,660)</u>	<u>(14,023,897)</u>	<u>(63,341,557)</u>	<u>10,014</u>
Net increase (decrease) in cash and cash equivalents	936,746	(2,357,760)	(1,421,014)	(669,788)
Cash and equity in central treasury, beginning of year	<u>11,952,632</u>	<u>7,271,567</u>	<u>19,224,199</u>	<u>10,526,846</u>
Cash and equity in central treasury, end of year	<u>\$ 12,889,378</u>	<u>\$ 4,913,807</u>	<u>\$ 17,803,185</u>	<u>\$ 9,857,058</u>

(Continued)

The accompanying notes are an integral part of the financial statements

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Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	<u>\$ 1,228,993</u>	<u>\$ (1,471,339)</u>	<u>\$ (242,346)</u>	<u>\$ (918,682)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	3,415,001	1,871,274	5,286,275	374,051
Other non-operating income (expense)	5,733	6,734	12,467	-
Change in assets and liabilities:				
(Increase) decrease in patient receivables	(2,029,407)	1,030,808	(998,599)	-
(Increase) decrease in other receivables	68,085	(19,327)	48,758	-
(Increase) decrease in inventory	(33,763)	43,993	10,230	-
(Increase) decrease in prepaid items	(126,707)	(114,598)	(241,305)	(11,603)
Increase (decrease) in accounts and contracts payable	(295,124)	(355,686)	(650,810)	(84,216)
Increase (decrease) in accrued liabilities	644,072	466,881	1,110,953	-
Increase in accrued payroll and payroll taxes	-	-	-	195,100
(Decrease) in claims payable	-	-	-	177,648
Total adjustments	<u>1,647,890</u>	<u>2,930,079</u>	<u>4,577,969</u>	<u>650,980</u>
Net cash provided (used) by operating activities	<u>\$ 2,876,883</u>	<u>\$ 1,458,740</u>	<u>\$ 4,335,623</u>	<u>\$ (267,702)</u>
Noncash investing, capital and financing activities:				
Increase in Fair Value of Investments	<u>\$ 43,494</u>	<u>\$ -</u>	<u>\$ 43,494</u>	<u>\$ -</u>

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