

STATE OF TENNESSEE
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES, NONEXPENDABLE TRUST FUNDS AND DISCRETELY PRESENTED COMPONENT UNITS
 FOR THE FISCAL YEAR ENDED JUNE 30, 1997
 (With comparative totals for the fiscal year ended June 30, 1996)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
CASH FLOWS FROM OPERATING ACTIVITIES:			
OPERATING INCOME	\$ (417)	\$ 24,421	\$ 7,825
ADJUSTMENTS TO RECONCILE OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES:			
DEPRECIATION AND AMORTIZATION	14	37,155	153
LOSS ON DISPOSAL OF FIXED ASSETS		5,572	
PROVISION OF UNCOLLECTIBLE ACCOUNTS			
INVESTMENT INCOME	(3,961)		(13,734)
CHARGES FOR SERVICES	(8,100)		
INTEREST INCOME			(265)
INTEREST EXPENSE	1,547		265
CHANGES IN ASSETS AND LIABILITIES:			
(INCREASE)DECREASE IN ACCOUNTS RECEIVABLE	(283)	8,597	
(INCREASE)DECREASE IN DUE FROM OTHER FUNDS		72	62
(INCREASE)DECREASE IN DUE FROM PRIMARY GOVERNMENT			
(INCREASE)DECREASE IN DUE FROM COMPONENT UNITS	1	(143)	(8)
(INCREASE)DECREASE IN INVENTORIES		(73)	
(INCREASE)DECREASE IN PREPAID EXPENSES		(465)	
(INCREASE)DECREASE IN DEFERRED CHARGES			
INCREASE(DECREASE) IN WARRANTS PAYABLE	1,499	1,993	1
INCREASE(DECREASE) IN ACCOUNTS PAYABLE	(807)	(10,797)	(1)
INCREASE(DECREASE) IN DUE TO OTHER FUNDS		18	(57)
INCREASE(DECREASE) IN DUE TO PRIMARY GOVERNMENT			
INCREASE(DECREASE) IN DUE TO COMPONENT UNITS	(1)		122
INCREASE(DECREASE) IN DEFERRED REVENUE	(12)	1,305	
INCREASE(DECREASE) IN OTHER			
TOTAL ADJUSTMENTS	(10,103)	43,234	(13,462)
NET CASH FROM (USED FOR) OPERATING ACTIVITIES	(10,520)	67,655	(5,637)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
OPERATING GRANTS RECEIVED	2,098		
OPERATING GRANTS PAID	(836)		
NEGATIVE CASH BALANCE IMPLICITLY FINANCED		72	
NEGATIVE CASH BALANCE IMPLICITLY REPAID		(81)	
PROCEEDS FROM SALE OF NOTES AND BONDS			
BOND ISSUANCE COST			
CALL PREMIUMS PAID			
OPERATING TRANSFERS FROM OTHER FUNDS	1	621	252
OPERATING TRANSFERS FROM PRIMARY GOVERNMENT			
OPERATING TRANSFERS TO COMPONENT UNITS	(25)		
EQUITY TRANSFERS IN	3,435	765	
EQUITY TRANSFERS OUT			
OPERATING TRANSFERS TO PRIMARY GOVERNMENT			
TAX REVENUES RECEIVED		3	
EQUITY TRANSFERS TO PRIMARY GOVERNMENT			
PRINCIPAL PAYMENTS	(2,825)		
INTEREST PAID	(1,695)		
CAPITAL CONTRIBUTIONS	31,417		
NET CASH FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES	31,570	1,380	252
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
PURCHASE OF FIXED ASSETS	(1)	(31,950)	
PAYMENT TO REFUNDED BOND ESCROW AGENT			
BOND PROCEEDS		6,217	
PROCEEDS FROM SALE OF FIXED ASSETS		6,479	
PROCEEDS FROM SALE OF NOTES			
PRINCIPAL PAYMENTS		(20,025)	
INTEREST PAID		(9,541)	
NET CASH (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	(1)	(48,820)	

See accompanying Notes to the Financial Statements

TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS	TOTALS (MEMORANDUM ONLY) REPORTING ENTITY	
		FOR THE YEAR ENDED	
		JUNE 30, 1997	JUNE 30, 1996
\$ 31,829	\$ 31,428	\$ 63,257	\$ 67,316
37,322	745	38,067	37,937
5,572		5,572	3,346
			(4)
(17,695)	(49,995)	(67,690)	(52,778)
(8,100)	(5,410)	(13,510)	(28,506)
(265)	(18,396)	(18,661)	(3,063)
1,812	134,467	136,279	128,962
8,314	(754)	7,560	3,425
134		134	(209)
	14,364	14,364	(5,878)
(150)	(80)	(230)	(254)
(73)	3	(70)	(452)
(465)	60	(405)	2,399
	(7)	(7)	(114)
3,493	811	4,304	(976)
(11,605)	5,161	(6,444)	6,518
(39)		(39)	146
	133	133	255
121		121	271
1,293	38	1,331	(2,346)
	(4)	(4)	89
19,669	81,136	100,805	88,768
51,498	112,564	164,062	156,084
2,098	39,115	41,213	43,557
(836)	(48,630)	(49,466)	(46,276)
72		72	224
(81)	(2,069)	(2,150)	(1,852)
	435,201	435,201	418,935
	(791)	(791)	(455)
	(843)	(843)	(280)
874		874	808
	25	25	809
(25)		(25)	(25)
4,200		4,200	4,629
			(560)
			(15,000)
3	14,182	14,185	12,810
	(149)	(149)	
(2,825)	(337,347)	(340,172)	(235,624)
(1,695)	(131,634)	(133,329)	(124,539)
31,417		31,417	26,586
33,202	(32,940)	262	83,747
(31,951)	(158)	(32,109)	(45,695)
			(16,046)
6,217		6,217	16,046
6,479		6,479	4,426
			443
(20,025)	(115)	(20,140)	(32,629)
(9,541)	(377)	(9,918)	(9,986)
(48,821)	(650)	(49,471)	(83,441)

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 (With comparative totals for the fiscal year ended June 30, 1996)

(Expressed in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST
CASH FLOWS FROM INVESTING ACTIVITIES:			
LOANS ISSUED	(40,438)		
COLLECTION OF LOAN PRINCIPAL	11,666		
PURCHASE OF INVESTMENTS			(132,599)
PROCEEDS FROM INVESTMENTS			129,058
INVESTMENT INCOME RECEIVED			8,926
INTEREST RECEIVED	14,042	9,521	265
INTEREST PAID			(265)
	<u>(14,730)</u>	<u>9,521</u>	<u>5,385</u>
NET CASH FROM(USED FOR) INVESTING ACTIVITIES			
NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS	6,319	29,736	
CASH AND CASH EQUIVALENTS, JULY 1	105,349	190,280	7
	<u>111,668</u>	<u>220,016</u>	<u>7</u>
CASH AND CASH EQUIVALENTS, JUNE 30			
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:			
BOND ISSUANCE COST			
DISPOSAL OF FIXED ASSETS		\$ (116)	
CONTRIBUTED FIXED ASSETS	\$ 12	\$ 543	
DEEP DISCOUNT ACCRETION			
DUE TO OTHER FUNDS		153	
	<u>12</u>	<u>580</u>	
TOTAL NONCASH CAPITAL AND FINANCING ACTIVITIES			
	<u>\$ 12</u>	<u>\$ 580</u>	
RECONCILIATION OF CASH AND CASH EQUIVALENTS, JUNE 30, 1997:			
CASH AND CASH EQUIVALENTS PER COMBINED BALANCE SHEET	\$ 1,782,669	\$ 478,790	
CASH ON DEPOSIT WITH FISCAL AGENT	856,526	1,417	
LESS : EXPENDABLE TRUST FUND	(2,243,918)		
AGENCY FUND	(367,896)		
PENSION TRUST FUND	(27,374)		
GOVERNMENTAL TYPE COMPONENT UNITS		(711)	
COLLEGE AND UNIVERSITY COMPONENT UNITS		(329,218)	
	<u>7</u>	<u>150,278</u>	
CASH AND CASH EQUIVALENTS PER CASH FLOW STATEMENT			
	<u>\$ 7</u>	<u>\$ 150,278</u>	

See accompanying Notes to the Financial Statements

TOTALS (MEMORANDUM ONLY)		TOTALS (MEMORANDUM ONLY)	
PRIMARY GOVERNMENT	COMPONENT UNITS	REPORTING ENTITY	
		FOR THE YEAR ENDED	
		JUNE 30, 1997	JUNE 30, 1996
(40,438)	(44,794)	(85,232)	(88,577)
11,666	36,713	48,379	38,927
(132,599)	(819,590)	(952,189)	(851,292)
129,058	687,975	817,033	719,877
8,926		8,926	9,399
23,828	71,727	95,555	81,987
(265)		(265)	(321)
<u>176</u>	<u>(67,969)</u>	<u>(67,793)</u>	<u>(90,000)</u>
36,055	11,005	47,060	66,390
295,636	139,273	434,909	368,519
<u>\$ 331,691</u>	<u>\$ 150,278</u>	<u>\$ 481,969</u>	<u>\$ 434,909</u>
	\$ 654	\$ 654	\$ 74
\$ (116)	100	(16)	(3,343)
555		555	22,496
	3,933	3,933	2,174
<u>153</u>		<u>153</u>	
<u>\$ 592</u>	<u>\$ 4,687</u>	<u>\$ 5,279</u>	<u>\$ 21,401</u>