

**UNIVERSITY MEDICAL ASSOCIATES OF THE MEDICAL
UNIVERSITY OF SOUTH CAROLINA - A Component Unit
STATEMENT OF CASH FLOWS**

For The Year Ended June 30, 2000

(with comparative figures for the year ended June 30, 1999)

	2000	1999
Cash flows from operating activities:		
Cash received from services	\$160,171,385	\$155,956,946
Cash paid to employees	(96,577,973)	(96,397,965)
Cash paid to suppliers and others	(69,036,311)	(54,266,020)
Other receipts	8,219,341	4,980,995
Contributions to Health Sciences Foundation	(36,001)	(259,832)
Nonmandatory transfers to The Medical University of South Carolina and its component units	(3,310,360)	(2,754,690)
Net cash provided (used) by operating activities	<u>(569,919)</u>	<u>7,259,434</u>
Cash flows from noncapital financing activities:		
Borrowings under revolving line of credit note payable	5,544,405	10,100,689
Repayments of revolving line of credit note payable	(6,544,405)	(2,150,650)
Payment under structured legal settlement	(1,000,000)	-
Proceeds from interest rate swap	1,850,000	-
Interest paid on direct note obligations and notes payable	(2,949,632)	(4,844,639)
Payment of agent fees	(23,595)	(5,743)
Net cash provided (used) by noncapital financing activities	<u>(3,123,227)</u>	<u>3,099,657</u>
Cash flows from capital and related financing activities:		
Acquisition of property, plant, and equipment	(254,897)	(8,092,315)
Proceeds from direct note obligations	8,719,830	-
Proceeds from sale of fixed assets	132,598	45,463
Proceeds from notes payable	-	201,620
Acquisition of primary care operations	(220,000)	-
Proceeds from sale of primary care operations	10,000	-
Repayments of notes payable	(35,580)	(3,900)
Repayment of direct note obligations	(7,255,830)	-
Repayments of capital lease obligations	(796,296)	(602,997)
Payment of bond issue costs	(55,935)	-
Payment of agent and broker fees	(182,905)	(130,083)
Interest paid	(5,796,527)	(4,729,730)
Net cash provided (used) by capital and related financing activities	<u>(5,735,542)</u>	<u>(13,311,942)</u>
Cash flows from investing activities:		
Acquisition of investments	(3,663,771)	(6,971,351)
Investment in partnerships and joint ventures	(25,000)	-
Proceeds from sale and maturities of investments	9,600,180	11,891,317
Distributions from partnerships	25,900	47,226
Proceeds from sale of partnership	9,250,000	-
Interest and investment income received	840,606	1,687,348
Net cash provided (used) by investing activities	<u>16,027,915</u>	<u>6,654,540</u>
Net increase (decrease) in cash and cash equivalents	6,599,227	3,701,689
Cash and cash equivalents at beginning of year	<u>20,581,897</u>	<u>16,880,208</u>
Cash and cash equivalents at end of year	<u>\$ 27,181,124</u>	<u>\$ 20,581,897</u>

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**UNIVERSITY MEDICAL ASSOCIATES OF THE MEDICAL
UNIVERSITY OF SOUTH CAROLINA - A Component Unit
STATEMENT OF CASH FLOWS (Continued)**

For The Year Ended June 30, 2000

(with comparative figures for the year ended June 30, 1999)

	2000	1999
Reconciliation of operating income (loss) to net cash provided by operating activities:		
Operating income (loss)	<u>\$ (3,100,164)</u>	<u>\$ (9,608,885)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation and amortization	3,296,361	3,043,242
Provision for bad debts	17,449,385	17,501,938
Equipment contributed to the Medical University of South Carolina acquired through capital leases	623,582	-
Contributions to Health Sciences Foundation	(36,001)	(259,832)
Nonmandatory transfers to The Medical University of South Carolina and its component units	(3,310,360)	(2,754,690)
Rental and other income received	6,476,426	4,980,995
Extraordinary loss paid during the current year	(4,534,217)	-
Interest expense - reclassified to noncapital and capital financing	6,417,146	6,451,671
Agent and broker fees paid - reclassified to noncapital and capital financing activities	206,500	135,826
Change in assets and liabilities:		
(Increase) decrease in accounts receivable - patients	(17,227,002)	(18,032,289)
(Increase) decrease in other receivables	186,896	(291,164)
(Increase) decrease in due from The Medical University of South Carolina	(615,696)	4,208,423
(Increase) decrease in due from Charleston Memorial Hospital	(270,767)	808,655
(Increase) decrease in due from Pharmaceutical Education and Development Foundation	(382,263)	(595,272)
(Increase) decrease in due from MUSC Foundation for Research Development	(8,750)	-
(Increase) decrease in prepaid items	538,359	802,900
(Increase) decrease in other assets	(422,385)	61,227
Increase (decrease) in accounts payable	(1,367,426)	3,049,388
Increase (decrease) in accrued payroll and related liabilities	(996,369)	896,029
Increase (decrease) in accrued leave and related liabilities	(196,994)	320,425
Increase (decrease) in due to The Medical University of South Carolina	(5,748,847)	(4,367,181)
Increase (decrease) in due to Medical University Hospital Auth	2,916,667	-
Increase (decrease) in due to Charleston Memorial Hospital	(220,407)	(540,280)
Increase (decrease) in pension plan payable	60,921	1,116,329
Increase (decrease) in other liabilities	(304,514)	331,979
Total adjustments	<u>2,530,245</u>	<u>16,868,319</u>
Net cash provided (used) by operating activities	<u>\$ (569,919)</u>	<u>\$ 7,259,434</u>

Supplemental disclosures:

Noncash capital and related financing activities:

UMA issued direct note obligations, series 1999A and 1999B. The \$85,000,000 of proceeds were used as follows: \$70,994,170 was used towards the partial refunding of the 1994 and 1997 select auction variable rate securities; \$8,719,830 were cash proceeds that were used to establish a debt service fund and to pay down the lines of credit.

UMA acquired \$819,549 of new equipment through capital leases of which \$623,582 was contributed to the University of South Carolina.

UMA acquired \$714,062 of new equipment through long-term debt.

UMA transferred to the State of South Carolina assets with capital lease obligations of \$486,307.

Noncash noncapital financing activities:

UMA entered into a structured settlement agreement with the federal government for \$5,200,000 and received a note for \$4,852,083 for a portion of the settlement due from the University.

Noncash investing activities:

A distribution from Lowcountry Medical Group, LLC of \$888,719 was contributed to Lowcountry Real Property, LLC.

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