

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
OFFICE OF INSURANCE SERVICES

COMBINED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2000 AND 1999

	<u>Proprietary Fund Type</u>	
	<u>Internal Service</u>	
	<u>2000</u>	<u>1999</u>
Cash Flows from Operating Activities		
Operating loss	\$ (87,186,043)	\$ (46,341,893)
Reclassify interest and investment income to investing activity	(24,741,279)	(25,943,412)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	290,790	344,385
Change in fair values of long-term investments	5,584,733	5,324,890
Change in assets-(increase) decrease:		
Premiums receivable	(3,642,322)	(1,567,923)
Reinsurance recovery receivable	(756,203)	(1,217,113)
Due from South Carolina Division of Retirement	(1,499,914)	(598,000)
Prepaid insurance, prescription drug rebate receivable and other assets	(709,818)	30,463
Change in liabilities-increase (decrease):		
Accounts payable, accrued payroll and compensated absences	456,883	(76,826)
Deferred premium revenue	1,205,036	(899,331)
Claims payable and incurred but not reported	40,883,140	19,283,223
Total adjustments	41,812,325	20,623,768
Net cash used in operating activities	(70,114,997)	(51,661,537)
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(108,086)	(259,733)
Net cash used in capital and related financing activities	(108,086)	(259,733)
Cash Flows from Investing Activities:		
Principal payments received on notes receivable	2,625,551	10,727,438
Funds disbursed as notes receivable	(1,224,262)	(2,423,517)
Purchases of investments	(148,406,995)	(107,855,855)
Proceeds from sales and maturity of investments	107,055,602	67,764,234
Interest received-deposits and investments	21,305,567	23,694,704
Interest received-notes receivable	1,867,687	2,451,755
Net cash used in investing activities	(16,776,850)	(5,641,241)
Net decrease in cash and cash equivalents	(86,999,933)	(57,562,511)
Cash and cash equivalents, beginning of year	179,298,937	236,861,448
Cash and cash equivalents, end of year	<u>\$ 92,299,004</u>	<u>\$ 179,298,937</u>
Supplemental Information		
Noncash capital and related financing activities:		
Disposal of contributed fixed assets	\$	\$ (5,532)
Disposal of purchased fixed assets (including \$106,636 and \$57,910 of accumulated depreciation for the years ended June 30, 2000 and 1999)	(118,672)	(71,411)

See accompanying notes.