

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
OFFICE OF INSURANCE SERVICES

NOTES TO COMBINED FINANCIAL STATEMENTS

(CONTINUED)

4. Investments and Deposits (Continued)

A summary of long-term investments (at fair value) by internal service fund is as follows:

	<u>2001</u>	<u>2000</u>
Governmental Fund Type		
South Carolina Seniors'		
Prescription Drug Program	\$ -	\$ -
Proprietary Fund Type		
IRF	247,349,450	251,098,185
HLDIRF	18,309,202	18,438,527
	<u>\$ 265,658,652</u>	<u>\$ 269,536,712</u>

5. Premiums Receivable

Premiums receivable at June 30, 2001 and 2000, consist of the following:

<u>June 30, 2001:</u>	<u>Due to:</u>		
	Insurance Reserve Fund	Health, Life and Disability Insurance Reserve Fund	Total
<u>Due From:</u>			
Local government	\$ 7,487,456	\$ 119,021	\$ 7,606,477
State government	2,491,073	253,436	2,744,509
Other	229,111	236,093	465,204
	<u>\$ 10,207,640</u>	<u>\$ 608,550</u>	<u>\$ 10,816,190</u>

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5. Premiums Receivable (Continued)

<u>June 30, 2000:</u>	<u>Due to:</u>		
<u>Due From:</u>	<u>Insurance Reserve Fund</u>	<u>Health, Life and Disability Insurance Reserve Fund</u>	<u>Total</u>
Local government	\$ 9,792,628	\$ 8,418	\$ 9,801,046
State government	9,215,404	298,187	9,513,591
Other	367,617	88,531	456,148
	<u>\$ 19,375,649</u>	<u>\$ 395,136</u>	<u>\$ 19,770,785</u>

Premiums receivable and deferred premium revenue include approximately \$7,000,000 and \$16,000,000 attributable to premiums billed in advance of coverage as of June 30, 2001 and 2000, respectively.

6. Due from South Carolina Division of Retirement

\$20,944,763 and \$15,913,098 (\$20,206,994 and \$15,322,911 from South Carolina Retirement System and \$737,769 and \$590,187 from Police Officers Retirement System) were due from the South Carolina Retirement Systems at June 30, 2001 and 2000, respectively. The above amounts represent revenues recognized on behalf of Health, Life, and Disability Insurance Reserve Fund of a percentage of covered compensation from all State agencies and public school systems to be used for health and dental insurance benefits of State retirees. The percentages in effect were 2.52% from July 1, 2000 to June 30, 2001 and 1.95% from July 1, 1999 to December 31, 1999 and 2.16% for January 1, 2000 to June 30, 2000. In accordance with provisions of the Appropriations Act for each year, an additional employer contribution surcharge on covered payroll was added to the contribution rate applicable to entities covered by the State Health Insurance Plan.

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7. Notes Receivable

Amounts due from notes receivable in the Insurance Reserve Fund at June 30, 2001 and 2000, consist of the following:

	<u>2001</u>	<u>2000</u>
Due from State Agencies		
One and six notes respectively, due under the I.P.P. program in monthly/annual installments, including interest at 6.5%; collateralized by the assignment of notes issued by the Office of General Services for the Installment Purchase Program; maturity date is August 1, 2001.	\$ 9,561	\$ 6,160,099
Due from Engineering Services Section of the Office of General Services		
Three notes, due in annual installments, including interest from 5.5% to 8%; range of maturity 2004 to 2009.	1,488,067	1,787,393
Due from South Carolina Grain Dealers Guaranty Fund administered by the South Carolina Department of Agriculture		
One note in the principal amount of \$3,500,000 with interest at 8.75%; maturity date is October 24, 2005.	3,500,000	-
Due from Savannah Valley Development Division of the Department of Commerce		
One note in the principal amount of \$3,306,893 with interest at 8%; maturity date is January 31, 2021.	776,892	976,892
One note in the principal amount of \$2,500,000 with interest at 8%; maturity date is January 31, 2022.	2,500,000	2,500,000
One note in the principal amount of \$121,239 with interest at 8%; maturity date is January 31, 2022.	121,239	121,239
One note in the principal amount of \$1,227,733 with interest at 8%; maturity date is January 31, 2023.	1,227,733	1,227,733

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(CONTINUED)

7. Notes Receivable (Continued)

	<u>2001</u>	<u>2000</u>
One note in the principal amount of \$2,690,812 with interest at 8%; maturity date is January 31, 2024.	2,690,812	2,690,812
One note in the principal amount of \$1,260,186 with interest at 8%; maturity date is January 31, 2024.	1,260,186	1,260,186
One note in the principal amount of \$1,569,410 with interest at 8%; maturity date is January 31, 2024.	1,569,410	1,569,410
One note in the principal amount of \$1,730,361 with interest at 8%; maturity date is January 31, 2027.	1,730,361	1,730,361
One note in the principal amount of \$1,139,070 with interest at 8%; maturity date is January 31, 2028.	1,139,070	1,139,070
One note in the principal amount of \$2,423,517 with interest at 8%; maturity date is January 31, 2029.	2,423,517	2,423,517
One note in the principal amount of \$1,224,262 with interest at 8%; maturity date is January 31, 2030.	1,224,262	1,224,262
One note in the principal amount of \$606,519 with interest at 8%; maturity date is January 31, 2031.	606,519	-
Total	<u>22,267,629</u>	<u>24,810,974</u>
Less current portion	<u>(326,894)</u>	<u>(1,556,018)</u>
Total	<u><u>\$ 21,940,735</u></u>	<u><u>\$ 23,254,956</u></u>

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8. Fixed Assets and Contributed Capital

The following are summaries of changes in fixed assets of the Internal Service Funds for each year.

	Balance June 30, 2000	Additions	Deletions	Balance June 30, 2001
Furniture and equipment	<u>\$ 2,175,544</u>	<u>\$ 266,053</u>	<u>\$ 96,620</u>	<u>\$ 2,344,977</u>

	Balance June 30, 1999	Additions	Deletions	Balance June 30, 2000
Furniture and equipment	<u>\$ 2,186,130</u>	<u>\$ 108,086</u>	<u>\$ 118,672</u>	<u>\$ 2,175,544</u>

A summary of fixed assets by fund at June 30, 2001 and 2000, is as follows:

June 30, 2001	Furniture and Equipment	Accumulated Depreciation	Net Book Value
Insurance Reserve Fund	\$ 992,992	\$ 739,769	\$ 253,223
Health, Life and Disability Insurance Reserve Fund	1,351,985	653,170	698,815
Total	<u>\$ 2,344,977</u>	<u>\$ 1,392,939</u>	<u>\$ 952,038</u>