

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
OFFICE OF INSURANCE SERVICES

COMBINING STATEMENT OF CASH FLOWS-ALL INTERNAL SERVICE FUNDS

YEARS ENDED JUNE 30, 2001
(With comparative totals for the year ended June 30, 2000)

	<u>2001</u>			<u>2000</u>
	<u>Insurance Reserve Fund</u>	<u>Health, Life, and Disability Insurance Reserve Fund</u>	<u>Totals</u>	<u>Restated Totals</u>
Cash Flows from Operating Activities				
Operating income (loss)	\$ 14,641,850	\$ 9,597,826	\$ 24,239,676	\$ (87,046,467)
Reclassify interest and investment income to investing activity	(18,757,337)	(4,606,299)	(23,363,636)	(24,741,279)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	81,120	81,415	162,535	151,214
Change in fair value of long-term investments	(9,089,636)	(542,216)	(9,631,852)	5,584,733
Change in assets-(increase) decrease:				
Premiums receivable	9,168,009	(213,414)	8,954,595	(3,642,322)
Reinsurance recovery receivable	2,897,003	-	2,897,003	(756,203)
Due from South Carolina Division of Retirement	-	(5,031,665)	(5,031,665)	(1,499,914)
Prepaid insurance, prescription drug rebate receivable and other assets	(271,223)	70,078	(201,145)	(709,818)
Change in liabilities-increase (decrease):				
Accounts payable, accrued payroll and compensated absences	(14,998)	(51,900)	(66,898)	456,883
Deferred premium revenue	(10,819,545)	8,315	(10,811,230)	1,205,036
Claims payable and incurred but not reported	17,093,873	(16,410,091)	683,782	40,883,140
Total adjustments	9,044,603	(22,089,478)	(13,044,875)	41,672,749
Net cash provided by (used in) operating activities	4,929,116	(17,097,951)	(12,168,835)	(70,114,997)

(CONTINUED)

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(CONTINUED)

	2001			2000
	Insurance Reserve Fund	Health, Life, and Disability Insurance Reserve Fund	Totals	Restated Totals
Cash Flows from Capital and Related Financing Activities				
Purchase of fixed assets	\$ (86,105)	\$ (179,948)	\$ (266,053)	\$ (108,086)
Net cash used in capital and related financing activities	<u>(86,105)</u>	<u>(179,948)</u>	<u>(266,053)</u>	<u>(108,086)</u>
Cash Flows from Investing Activities:				
Principal payments received on notes receivable	6,649,862	-	6,649,862	2,625,551
Funds disbursed as notes receivable	(4,106,517)	-	(4,106,517)	(1,224,262)
Purchase of investments	(24,753,937)	(441,325)	(25,195,262)	(148,406,995)
Proceeds from sales and maturity of investments	38,215,491	1,069,950	39,285,441	107,055,602
Interest received-deposits and investments	17,319,152	5,058,948	22,378,100	21,305,567
Interest received-notes receivable	1,260,290	-	1,260,290	1,867,687
Net cash provided by (used in) investing activities	<u>34,584,341</u>	<u>5,687,573</u>	<u>40,271,914</u>	<u>(16,776,850)</u>
Net increase (decrease) in cash and cash equivalents	39,427,352	(11,590,326)	27,837,026	(86,999,933)
Cash and cash equivalents, beginning of year	53,011,581	39,287,423	92,299,004	179,298,937
Cash and cash equivalents, end of year	<u>\$ 92,438,933</u>	<u>\$ 27,697,097</u>	<u>\$ 120,136,030</u>	<u>\$ 92,299,004</u>
Supplemental Information				
Noncash capital and related financing activities:				
Disposal of purchased fixed assets (including depreciation \$86,317 and \$106,636 of accumulated depreciation for the years ended June 30, 2001 and 2000)	\$ (49,098)	\$ (47,522)	\$ (96,620)	\$ (118,672)
Net (appreciation) /depreciation of investments	\$ (9,089,636)	\$ (542,216)	\$ (9,631,852)	\$ 5,584,733