

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
EMPLOYEE INSURANCE PROGRAMS

STATEMENT OF CASH FLOWS

PROPRIETARY FUND

YEAR ENDED JUNE 30, 2002

Cash Flows from Operating Activities

Insurance premiums from customers	\$ 1,044,730,854
Other receipts	9,346,818
Payments to employees	(3,276,434)
Payments to suppliers	(1,035,313,347)
Net cash provided by operating activities	<u>15,487,891</u>

Cash Flows from Capital and Related Financing Activities

Purchase of fixed assets	(39,403)
Proceeds from sale of fixed assets	21,654
Net cash used in capital and related financing activities	<u>(17,749)</u>

Cash Flows from Noncapital Financing Activities

State appropriations-adoption assistance	100,000
Transfers to other funds	(77,113)
Transfers to other state agencies	(700,000)
Net cash used in noncapital financing activities	<u>(677,113)</u>

Cash Flows from Investing Activities:

Purchases of investments	(4,069,799)
Proceeds from sales and maturity of investments	1,565,333
Interest received-deposits and investments	4,461,952
Net cash provided by investing activities	<u>1,957,486</u>

Net increase in cash and cash equivalents	16,750,515
Cash and cash equivalents, beginning of year	<u>27,697,097</u>
Cash and cash equivalents, end of year	<u><u>\$ 44,447,612</u></u>

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(CONTINUED)

(CONTINUED)

Reconciliation of loss to net cash provided by operating activities

Operating loss	\$ (510,590)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
operating activities:	
Depreciation expense	26,499
Change in assets-(increase) decrease:	
Premiums receivable	(921,531)
Due from South Carolina Division of Retirement	(233,162)
Prescription drug rebate receivable	1,091,225
Other assets	1,731
Change in liabilities-increase (decrease):	
Accounts payable, accrued payroll and compensated absences	509,814
Deferred premium revenue	1,484,007
Claims payable and incurred but not reported	14,039,898
Net cash provided by operating activities	<u><u>\$ 15,487,891</u></u>

Supplemental Information

Transfer of fixed assets	<u><u>\$ 147,245</u></u>
Unrealized gains on investments	<u><u>\$ 297,611</u></u>
Increase in investments for amortization/accretion	<u><u>\$ 68,670</u></u>

See accompanying notes.