

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
OFFICE OF INSURANCE SERVICES

NOTES TO COMBINED FINANCIAL STATEMENTS

(CONTINUED)

4. Investments and Deposits (Continued)

With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name. Information pertaining to the reported amounts, fair values, and credit risk of the State Treasurer's investments is disclosed in the Comprehensive Annual Financial Report of the State of South Carolina.

During 2001 and 2000, the following amounts (which apply to all investments) were included in interest income:

Cash and cash equivalents whose amortized cost reported amounts approximate fair value at June 30, 2001 and 2000, were composed of the following:

	<u>2001</u>	<u>2000</u>
Discount accretion	\$ 783,089	\$ 583,751
Premium amortization	(116,996)	(336,840)
Net accretion/amortization included in interest income	<u>\$ 666,093</u>	<u>\$ 246,911</u>

	<u>June 30, 2001</u>		
	<u>Cash</u>	<u>Repurchase</u>	
	<u>Deposits</u>	<u>Agreements</u>	<u>Total</u>
<u>Governmental Fund Type</u>			
South Carolina Seniors'			
Prescription Drug Program	\$ 14,705,952	\$ -	\$ 14,705,952
<u>Proprietary Fund Type</u>			
IRF	4,658,933	87,780,000	92,438,933
HLDIRF	17,657,097	10,040,000	27,697,097
	<u>\$ 37,021,982</u>	<u>\$ 97,820,000</u>	<u>\$ 134,841,982</u>

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OFFICE OF INSURANCE SERVICES

NOTES TO COMBINED FINANCIAL STATEMENTS

(CONTINUED)

4. Investments and Deposits (Continued)

	<u>June 30, 2000</u>		
	<u>Cash</u>	<u>Repurchase</u>	
	<u>Deposits</u>	<u>Agreements</u>	<u>Total</u>
<u>Governmental Fund Type</u>			
South Carolina Seniors' Prescription Drug Program	\$ -	\$ -	\$ -
<u>Proprietary Fund Type</u>			
IRF	(333,419)	53,345,000	53,011,581
HLDIRF	31,202,311	8,085,112	39,287,423
	<u>\$ 30,868,892</u>	<u>\$ 61,430,112</u>	<u>\$ 92,299,004</u>

At June 30, 2001 and 2000, the IRF bank balances totaled \$3,327,148 and \$919,439, respectively and the HLDIRF bank balances totaled \$18,325,897 and \$31,383,135, respectively, and the Seniors' Prescription Drug Program bank balance total \$14,705,952 as of June 30, 2001. All of these amounts were on deposit with the South Carolina State Treasurer's Office.

The Office held no short-term investments at June 30, 2001 and 2000. Short-term investments held during both fiscal years 2001 and 2000 consisted of U.S. Government agency and government-insured securities whose amortized cost reported amounts approximate fair value at June 30, 2001.

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NOTES TO COMBINED FINANCIAL STATEMENTS

(CONTINUED)

4. Investments and Deposits (Continued)

The investment types listed above include all investment types in which monies were held throughout the year ended June 30, 2001 and 2000. Due to higher cash flows at certain times during the year, the Office's investment in repurchase agreements and short-term investments fluctuated significantly. The maximum amounts held in these classifications during the year ended June 30, 2001 and 2000, were as follows:

	<u>2001</u>	<u>2000</u>
Short-term investments	<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>
Repurchase agreements	<u>\$ 98,000,000</u>	<u>\$ 71,000,000</u>

A summary of total investments is as follows:

	<u>2001</u>		<u>2000</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
Long-term investments	\$ 251,274,005	\$ 265,658,652	\$ 264,836,179	\$ 269,536,712
Repurchase agreements	97,820,000	97,820,000	61,430,112	61,430,112
	<u>\$ 349,094,005</u>	<u>\$ 363,478,652</u>	<u>\$ 326,266,291</u>	<u>\$ 330,966,824</u>