

SOUTH CAROLINA STATE BUDGET AND CONTROL BOARD
OFFICE OF INSURANCE SERVICES

COMBINED STATEMENTS OF CASH FLOWS

ALL PROPRIETARY FUND TYPES

YEARS ENDED JUNE 30, 2001 AND 2000

	Proprietary Fund Type	
	Internal Service	
	2001	Restated 2000
Cash Flows from Operating Activities		
Operating income (loss)	\$ 24,239,676	\$ (87,046,467)
Reclassify interest and investment income to investing activity	(23,363,636)	(24,741,279)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation expense	162,535	151,214
Change in fair values of long-term investments	(9,631,852)	5,584,733
Change in assets-(increase) decrease:		
Premiums receivable	8,954,595	(3,642,322)
Reinsurance recovery receivable	2,897,003	(756,203)
Due from South Carolina Division of Retirement	(5,031,665)	(1,499,914)
Prepaid insurance, prescription drug rebate receivable and other assets	(201,145)	(709,818)
Change in liabilities-increase (decrease):		
Accounts payable, accrued payroll and compensated absences	(66,898)	456,883
Deferred premium revenue	(10,811,230)	1,205,036
Claims payable and incurred but not reported	683,782	40,883,140
Total adjustments	(13,044,875)	41,672,749
Net cash used in operating activities	(12,168,835)	(70,114,997)
Cash Flows from Capital and Related Financing Activities		
Purchase of fixed assets	(266,053)	(108,086)
Net cash used in capital and related financing activities	(266,053)	(108,086)

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(CONTINUED)

	Proprietary Fund Type	
	Internal Service	
	2001	Restated 2000
Cash Flows from Investing Activities:		
Principal payments received on notes receivable	6,649,862	2,625,551
Funds disbursed as notes receivable	(4,106,517)	(1,224,262)
Purchases of investments	(25,195,262)	(148,406,995)
Proceeds from sales and maturity of investments	39,285,441	107,055,602
Interest received-deposits and investments	22,378,100	21,305,567
Interest received-notes receivable	1,260,290	1,867,687
Net cash provided by (used in) investing activities	40,271,914	(16,776,850)
Net increase (decrease) in cash and cash equivalents	27,837,026	(86,999,933)
Cash and cash equivalents, beginning of year	92,299,004	179,298,937
Cash and cash equivalents, end of year	<u>\$ 120,136,030</u>	<u>\$ 92,299,004</u>
Supplemental Information		
Noncash capital and related financing activities:		
Disposal of purchased fixed assets (including \$86,317 and \$106,636 of accumulated depreciation for the years ended June 30, 2001 and 2000)	\$ (96,620)	\$ (118,672)
Net (appreciation)/depreciation of investments	\$ (9,631,852)	\$ 5,584,733

See accompanying notes.