

Enterprise Funds

Enterprise Funds account for business-like State activities that provide goods and/or services to the public. These funds are financed primarily through user charges. The State's primary government maintains the following Enterprise Funds:

Housing Authority. The State Housing Finance and Development Authority facilitates medium-income and low-income housing opportunities by providing reasonable financing to the State's citizens. To provide such financing, the Authority issues bonds and notes and administers Federal grants and contracts. The Authority is supported primarily by mortgage interest.

Education Assistance Authority. The South Carolina Education Assistance Authority issues bonds for the purpose of making loans to students of the State to enable them to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, and investment earnings.

Jobs–Economic Development Authority. The Jobs–Economic Development Authority acts in conjunction with other organizations in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State. The Authority's emphasis

is on those areas of the State with the greatest economic need and to those projects providing the greatest economic benefit. The Authority is supported primarily by interest charges on project loans.

Patients' Compensation Fund. This fund provides medical malpractice insurance to any public or private health care provider within the State. This fund is reported as an insurance enterprise.

Second Injury Fund. This fund serves as a claims processor for insurance carriers, self-insurers, and the State Accident Fund. The fund processes claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment.

Patriots Point Development Authority. The Patriots Point Development Authority is responsible for developing and operating the Patriots Point area near Charleston, including a naval museum. The Authority is supported by user fees.

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development and the Public Railways Divisions of the South Carolina Department of Commerce, and the Canteens Fund.

Combining Balance Sheet

ENTERPRISE FUNDS

June 30, 2000

(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Education Assistance Authority</u>	<u>Jobs- Economic Development Authority</u>	<u>Patients' Compensation</u>
ASSETS				
Current assets:				
Cash and cash equivalents.....	\$ 6,121	\$ 138,373	\$ 8,349	\$ 17,607
Investments.....	—	—	—	—
Invested securities lending collateral.....	697	568	—	263
Receivables, net:				
Accounts.....	221	13,460	59	276
Student loans.....	—	2	—	—
Loans and notes.....	95	58,000	52	—
Due from Federal government and other grantors.....	4,085	—	—	—
Due from other funds.....	—	728	—	—
Inventories.....	—	—	—	—
Restricted assets:				
Cash and cash equivalents.....	218,703	14,060	—	—
Loans receivable.....	10,732	—	—	—
Other.....	5,787	—	—	—
Other current assets.....	—	266	139	—
Total current assets.....	<u>246,441</u>	<u>225,457</u>	<u>8,599</u>	<u>18,146</u>
Long-term assets:				
Investments.....	675	4,098	735	—
Receivables, net:				
Student loans.....	—	10	—	—
Loans and notes.....	16,492	314,201	1,979	—
Servicing rights, net.....	—	—	—	—
Restricted assets:				
Investments.....	3,936	10,139	—	—
Loans receivable.....	479,205	—	—	—
Other.....	4,639	—	—	—
Other long-term assets.....	—	—	325	—
Deferred charges.....	—	1,008	—	—
Total long-term assets.....	<u>504,947</u>	<u>329,456</u>	<u>3,039</u>	<u>—</u>
Property, plant, and equipment:				
Land and improvements.....	—	—	—	—
Buildings and improvements.....	—	—	—	—
Machinery, equipment, and other.....	1,310	255	—	32
Less: accumulated depreciation.....	(432)	(118)	—	(27)
Total property, plant, and equipment, net.....	<u>878</u>	<u>137</u>	<u>—</u>	<u>5</u>
Total assets.....	<u>\$ 752,266</u>	<u>\$ 555,050</u>	<u>\$ 11,638</u>	<u>\$ 18,151</u>

<u>Second Injury</u>	<u>Patriots Point Development Authority</u>	<u>Other Enterprise</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 175	\$ 2,854	\$ 18,940	\$ —	\$ 192,419
—	—	85	—	85
813	3	143	—	2,487
—	199	2,195	—	16,410
—	—	—	—	2
—	—	—	—	58,147
—	—	—	—	4,085
—	9	—	(258)	479
—	323	1,668	—	1,991
51,206	219	3,413	—	287,601
—	—	—	—	10,732
872	—	—	—	6,659
—	9	28	—	442
<u>53,066</u>	<u>3,616</u>	<u>26,472</u>	<u>(258)</u>	<u>581,539</u>
—	—	653	—	6,161
—	—	—	—	10
—	—	16,863	—	349,535
—	—	1,725	—	1,725
—	—	—	—	14,075
—	—	—	—	479,205
—	—	—	—	4,639
—	—	320	—	645
—	—	—	—	1,008
<u>—</u>	<u>—</u>	<u>19,561</u>	<u>—</u>	<u>857,003</u>
—	5,954	12,928	—	18,882
—	1,650	2,433	—	4,083
236	8,113	5,615	—	15,561
(164)	(7,275)	(4,107)	—	(12,123)
<u>72</u>	<u>8,442</u>	<u>16,869</u>	<u>—</u>	<u>26,403</u>
<u>\$ 53,138</u>	<u>\$ 12,058</u>	<u>\$ 62,902</u>	<u>\$ (258)</u>	<u>\$ 1,464,945</u>

Combining Balance Sheet

ENTERPRISE FUNDS (Continued)

June 30, 2000

(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Education Assistance Authority</u>	<u>Jobs- Economic Development Authority</u>	<u>Patients' Compensation</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current liabilities:				
Accounts payable and accrued liabilities.....	\$ 5,133	\$ 18,384	\$ 156	\$ 11
Due to other funds.....	21	202	—	—
Interfund payables.....	—	—	—	—
Deferred revenues.....	—	—	—	7,726
Deposits.....	—	—	1,541	—
Securities lending collateral.....	697	568	—	263
Liabilities payable from restricted assets.....	17,975	—	—	—
Notes payable.....	—	—	51	—
Revenue bonds payable.....	7,005	—	—	—
Compensated absences payable.....	472	86	27	20
Other current liabilities	2	3,530	—	—
Total current liabilities.....	31,305	22,770	1,775	8,020
Long-term liabilities:				
Policy claims.....	—	—	—	111,511
Advances from other funds.....	—	—	—	—
Notes payable.....	—	—	187	—
Revenue bonds payable.....	535,435	395,599	—	—
Other long-term liabilities.....	—	9,212	—	—
Total long-term liabilities.....	535,435	404,811	187	111,511
Total liabilities.....	566,740	427,581	1,962	119,531
Fund Equity (Deficit):				
Contributed capital.....	—	—	260	—
Retained earnings (deficit):				
Reserved for debt requirements.....	157,949	106,364	—	—
Unreserved.....	27,577	21,105	9,416	(101,380)
Total fund equity (deficit).....	185,526	127,469	9,676	(101,380)
Total liabilities and fund equity.....	\$ 752,266	\$ 555,050	\$ 11,638	\$ 18,151

<u>Second Injury</u>	<u>Patriots Point Development Authority</u>	<u>Other Enterprise</u>	<u>Eliminations</u>	<u>Totals</u>
\$ 84	\$ 541	\$ 5,111	\$ —	\$ 29,420
600	17	394	(258)	976
—	—	200	—	200
—	611	33	—	8,370
—	—	—	—	1,541
813	3	143	—	2,487
51,482	—	1,093	—	70,550
—	—	1	—	52
—	—	—	—	7,005
87	223	444	—	1,359
—	—	99	—	3,631
<u>53,066</u>	<u>1,395</u>	<u>7,518</u>	<u>(258)</u>	<u>125,591</u>
—	—	—	—	111,511
—	—	17,064	—	17,064
—	—	22	—	209
—	—	—	—	931,034
—	—	—	—	9,212
<u>—</u>	<u>—</u>	<u>17,086</u>	<u>—</u>	<u>1,069,030</u>
<u>53,066</u>	<u>1,395</u>	<u>24,604</u>	<u>(258)</u>	<u>1,194,621</u>
—	11,809	9,034	—	21,103
—	—	2,370	—	266,683
72	(1,146)	26,894	—	(17,462)
<u>72</u>	<u>10,663</u>	<u>38,298</u>	<u>—</u>	<u>270,324</u>
<u>\$ 53,138</u>	<u>\$ 12,058</u>	<u>\$ 62,902</u>	<u>\$ (258)</u>	<u>\$ 1,464,945</u>

Combining Statement of Revenues, Expenses, and Changes in Fund Equity

ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Housing Authority	Education Assistance Authority	Jobs- Economic Development Authority	Patients' Compen- sation
Operating revenues:				
Charges for services.....	\$ 3,805	\$ 39,880	\$ 1,073	\$ 14,141
Interest and other investment income.....	45,228	6,799	557	1,212
Total operating revenues.....	49,033	46,679	1,630	15,353
Operating expenses:				
General operations and administration.....	6,473	8,891	4,051	264
Benefits and claims.....	—	—	—	104,567
Interest.....	31,147	19,003	—	—
Depreciation and amortization.....	299	243	—	1
Other operating expenses.....	3,205	1,964	58	—
Total operating expenses.....	41,124	30,101	4,109	104,832
Operating income (loss).....	7,909	16,578	(2,479)	(89,479)
Nonoperating revenues (expenses):				
Interest income.....	—	—	33	—
Federal revenue.....	25,062	—	—	—
Interest expense.....	—	—	(22)	—
Other nonoperating revenues (expenses).....	(24,160)	(12,250)	238	—
Total nonoperating revenues (expenses).....	902	(12,250)	249	—
Income (loss) before operating transfers and extraordinary items.....	8,811	4,328	(2,230)	(89,479)
Operating transfers in.....	—	—	125	—
Operating transfers out.....	—	—	—	—
Income (loss) before extraordinary items.....	8,811	4,328	(2,105)	(89,479)
Extraordinary loss on early extinguishment of debt.....	(470)	—	—	—
Net income (loss).....	8,341	4,328	(2,105)	(89,479)
Retained earnings (deficit) at beginning of year	177,185	123,141	11,521	(11,901)
Retained earnings (deficit) at end of year.....	185,526	127,469	9,416	(101,380)
Contributed capital at beginning of year.....	—	—	260	—
Additions to contributed capital.....	—	—	—	—
Fund equity (deficit) at end of year.....	\$ 185,526	\$ 127,469	\$ 9,676	\$ (101,380)

<u>Second Injury</u>	<u>Patriots Point Development Authority</u>	<u>Other Enterprise</u>	<u>Totals</u>
\$ 1,340	\$ 6,112	\$ 20,155	\$ 86,506
—	—	—	53,796
1,340	6,112	20,155	140,302
1,290	5,447	18,417	44,833
—	—	—	104,567
—	—	—	50,150
29	476	482	1,530
34	105	150	5,516
1,353	6,028	19,049	206,596
(13)	84	1,106	(66,294)
—	10	2,157	2,200
—	—	—	25,062
—	—	(1,349)	(1,371)
—	(250)	705	(35,717)
—	(240)	1,513	(9,826)
(13)	(156)	2,619	(76,120)
—	250	—	375
—	—	(104)	(104)
(13)	94	2,515	(75,849)
—	—	—	(470)
(13)	94	2,515	(76,319)
85	(1,240)	26,749	325,540
72	(1,146)	29,264	249,221
—	11,809	8,241	20,310
—	—	793	793
\$ 72	\$ 10,663	\$ 38,298	\$ 270,324

Combining Statement of Cash Flows

ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	<u>Housing Authority</u>	<u>Education Assistance Authority</u>	<u>Jobs- Economic Development Authority</u>
Cash flows from operating activities:			
Operating income (loss).....	\$ 7,909	\$ 16,578	\$ (2,479)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	299	243	—
Net decrease in the fair value of investments.....	—	1,160	—
Issuance of loans and notes.....	(127,432)	(66,127)	—
Collection of loans and notes	56,446	58,201	215
Interest payments.....	31,084	18,436	—
Interest on investments.....	(11,740)	(7,959)	(462)
Amounts received for payment of claims.....	—	—	—
Payment of claims.....	—	—	—
Other nonoperating revenues.....	—	—	238
Other nonoperating expenses.....	—	—	—
Other.....	(35)	2	13
Change in assets—decreases (increases):			
Accounts receivable, net.....	(203)	(548)	12
Due from Federal government and other grantors.....	—	(2,423)	—
Due from other funds.....	—	—	—
Inventories.....	—	—	—
Other current assets	—	(11)	—
Change in liabilities—increases (decreases):			
Accounts payable and accrued liabilities.....	235	637	(11)
Policy claims.....	—	—	—
Due to other funds.....	—	—	—
Deferred revenues	—	—	—
Deposits.....	—	—	(23)
Liabilities payable from restricted assets.....	704	—	—
Compensated absences payable	—	11	5
Other current liabilities.....	(26)	—	—
Net cash provided by (used in) operating activities.....	(42,759)	18,200	(2,492)
Cash flows from noncapital financing activities:			
Proceeds from loans made by other funds.....	—	—	—
Principal payments made to other funds.....	—	—	—
Proceeds from sale of notes payable.....	—	—	75
Principal payments on notes payable.....	—	—	(42)
Proceeds from sale of revenue bonds.....	259,276	59,050	—
Principal payments on revenue bonds.....	(184,885)	(48,820)	—
Interest payments.....	(31,397)	(17,900)	(22)
Payment of bond issuance costs.....	(2,629)	(687)	—
Federal revenue.....	25,515	—	—
Payments from Federal grants.....	(24,160)	—	—
Operating transfers in	—	—	125
Operating transfers out	—	—	—
Net cash provided by (used in) noncapital financing activities.....	41,720	(8,357)	136

<u>Patients' Compensation</u>	<u>Second Injury</u>	<u>Patriots Point Development Authority</u>	<u>Other Enterprise</u>	<u>Eliminations</u>	<u>Totals</u>
\$ (89,479)	\$ (13)	\$ 84	\$ 1,106	\$ —	\$ (66,294)
1	29	476	482	—	1,530
—	—	—	—	—	1,160
—	—	—	—	—	(193,559)
—	—	—	—	—	114,862
—	—	—	—	—	49,520
(1,212)	—	—	—	—	(21,373)
—	65,379	—	—	—	65,379
—	(69,942)	—	—	—	(69,942)
—	—	—	686	—	924
—	—	(250)	—	—	(250)
—	(18)	(1)	(103)	—	(142)
479	1,342	15	465	—	1,562
—	—	—	—	—	(2,423)
—	—	(9)	21	233	245
—	—	57	166	—	223
—	—	—	(3)	—	(14)
(664)	(1,840)	155	(2,123)	—	(3,611)
86,072	—	—	—	—	86,072
—	—	(216)	90	(233)	(359)
1,750	—	(40)	(4)	—	1,706
—	—	—	—	—	(23)
—	—	—	—	—	704
(8)	5	32	42	—	87
—	—	—	—	—	(26)
(3,061)	(5,058)	303	825	—	(34,042)
—	—	—	1,224	—	1,224
—	—	—	(202)	—	(202)
—	—	—	—	—	75
—	—	—	(600)	—	(642)
—	—	—	—	—	318,326
—	—	—	—	—	(233,705)
—	—	—	(1,366)	—	(50,685)
—	—	—	—	—	(3,316)
—	—	—	—	—	25,515
—	—	—	—	—	(24,160)
—	—	250	—	—	375
—	—	—	(104)	—	(104)
—	—	250	(1,048)	—	32,701

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Combining Statement of Cash Flows

ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2000

(Expressed in Thousands)

	Housing Authority	Education Assistance Authority	Jobs- Economic Development Authority
Cash flows from capital and related financing activities:			
Acquisition of property, plant, and equipment.....	\$ (343)	\$ (56)	\$ —
Proceeds from the sale of capital assets.....	—	—	—
Contributions of capital.....	—	—	—
Net cash provided by (used in) capital and related financing activities.....	(343)	(56)	—
Cash flows from investing activities:			
Proceeds from sale of investments.....	8,619	8,822	—
Purchase of investments	—	(3,674)	—
Interest on investments.....	11,541	8,180	385
Net decrease in the fair value of investments.....	—	(1,160)	—
Issuance of loans	—	—	(75)
Collection of loans	—	—	63
Net cash provided by investing activities.....	20,160	12,168	373
Net increase (decrease) in cash and cash equivalents.....	18,778	21,955	(1,983)
Cash and cash equivalents at beginning of year	206,046	130,478	10,332
Cash and cash equivalents at end of year.....	\$ 224,824	\$ 152,433	\$ 8,349
Noncash capital, investing, and financing activities:			
Increase in fair value of investments.....	\$ 1,640	\$ —	\$ —
Amortization and write-off of bond issue discount.....	704	—	—
Total noncash capital, investing, and financing activities.....	\$ 2,344	\$ —	\$ —

<u>Patients' Compensation</u>	<u>Second Injury</u>	<u>Patriots Point Development Authority</u>	<u>Other Enterprise</u>	<u>Elimina- tions</u>	<u>Totals</u>
\$ —	\$ (16)	\$ (64)	\$ (662)	\$ —	\$ (1,141)
—	—	—	50	—	50
—	—	—	767	—	767
<u>—</u>	<u>(16)</u>	<u>(64)</u>	<u>155</u>	<u>—</u>	<u>(324)</u>
—	—	—	—	—	17,441
—	—	—	—	—	(3,674)
1,088	3,408	11	2,198	—	26,811
—	—	—	—	—	(1,160)
—	—	—	(1,293)	—	(1,368)
—	—	—	600	—	663
<u>1,088</u>	<u>3,408</u>	<u>11</u>	<u>1,505</u>	<u>—</u>	<u>38,713</u>
<u>(1,973)</u>	<u>(1,666)</u>	<u>500</u>	<u>1,437</u>	<u>—</u>	<u>37,048</u>
<u>19,580</u>	<u>53,047</u>	<u>2,573</u>	<u>20,916</u>	<u>—</u>	<u>442,972</u>
<u>\$ 17,607</u>	<u>\$ 51,381</u>	<u>\$ 3,073</u>	<u>\$ 22,353</u>	<u>\$ —</u>	<u>\$ 480,020</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,640
—	—	—	—	—	704
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,344</u>