See Note 15 of the 2022 ACFR, which describes the correction of a multi-year error that required restatement in the 2022 ACFR of beginning fund balance of the General Fund. See also Tables 1 - 4 in the Statistical Section of the 2022 ACFR. The tables include summarized financial statements for 2022 and the previous nine fiscal years that reflect the impact of the restatement by fiscal year. The ACFRs of those previous years have not been restated. Additionally, see Note 15 of the 2024 ACFR for additional clarification of the 2022 ACFR restatement (which did not change in total) and revised Statistical Tables 1 - 4, which reflect a different methodology of allocating the restatement over the previous nine years.



Prepared by the Comptroller General's Office

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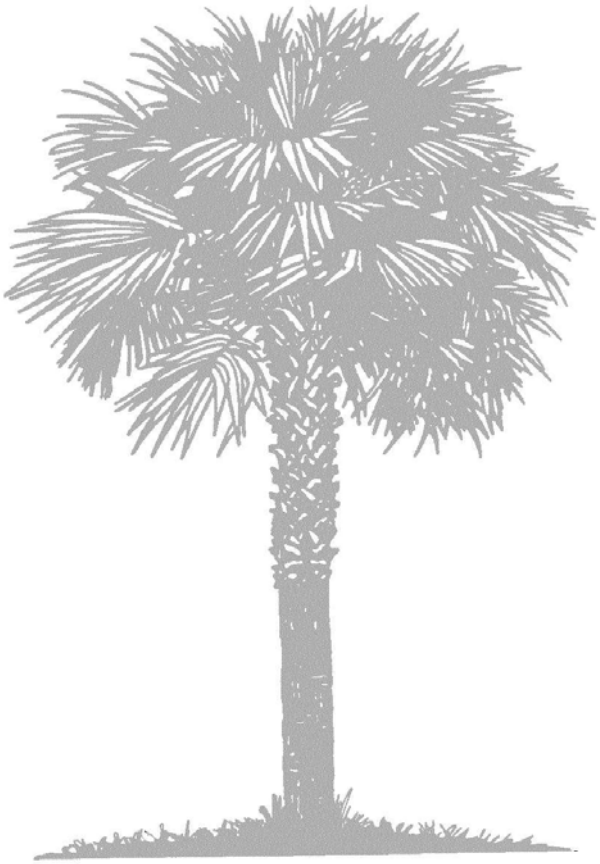
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Introductory Section



Letter of Transmittal
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State of South Carolina
Office of Comptroller General

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RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

WILLIAM E. GUNN
CHIEF OF STAFF

November 29, 2022

To the Citizens, Governor and Members of the South Carolina General Assembly

I am pleased to present to the citizens of South Carolina this Annual Comprehensive Financial Report for the State of South Carolina for the fiscal year ended June 30, 2022. The report provides financial information about the State's operations during the year and describes its financial position at the end of the year.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that was established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The State Auditor and CliftonLarsonAllen LLP, an independent certified public accounting firm, jointly performed an independent audit of the State's basic financial statements for the fiscal year ended June 30, 2022. The auditors have issued an unmodified opinion, the most favorable outcome of the audit process.

This letter of transmittal is designed to complement Management's Discussion and Analysis that begins on page 23.

PROFILE OF THE GOVERNMENT

South Carolina extends from the Atlantic Ocean westward to the Blue Ridge Mountains, containing over 30,000 square miles. Fortieth in geographic area among the fifty states, South Carolina ranks twenty-third in population with approximately 5.2 million citizens. According to the U.S. Census Bureau, the State's rate of population growth is presently the eighteenth fastest in the nation.

As shown in the organizational chart on page 15, State government is divided into three separate branches: legislative, executive, and judicial. The State's citizens elect the legislative and executive branch officials. The General Assembly elects certain members of the judicial branch, including the Supreme Court. The principal State officials currently in office are listed on page 14.

State government provides a full range of services to South Carolina's citizens including educational, health, social/human, transportation, public safety, regulatory, and conservation/natural resources services. In addition, the State provides funds, grants, and loans to assist local governments, including school districts.

The State's reporting entity includes the primary government and its component units. The primary government includes all funds, departments, and agencies. The State's component units are legally separate organizations for which the State is accountable for purposes of financial reporting. The Management's Discussion and Analysis (MD&A) and the Basic Financial Statements focus on the activities of the primary government and the State's major component units.

Additional information on the State's nonmajor component units can be found on pages 259 – 265 and in the separately issued financial statements of those component units.

South Carolina's annual Appropriations Act includes legally adopted budgets by agency for the Budgetary General Fund and for Total Funds. After the budget year begins, the Executive Budget Office (EBO) may order spending cuts if revenue collections fall short of predicted levels. A department or agency may request transfers of appropriations between programs if its transfer request does not exceed 20% of its program budget. The EBO has the authority to approve additional requested transfers of appropriations between personal services and other operating expenditure accounts. For additional information, see the notes to the Required Supplementary Information – Budgetary section on pages 188-190.

STATE ECONOMY

South Carolina has a diversified economic base including manufacturing, trade, healthcare, services, and leisure/hospitality. Businesses have relocated here from all over the world taking advantage of the State's skilled labor force, competitive wages, moderately-priced land, excellent port facilities and accessibility to markets, and, in recent years, substantial tax and other economic incentives.

Businesses continue to choose South Carolina as a place to locate or expand, and the State is committed to working with employers to meet their workforce needs through State-supported workforce development initiatives.

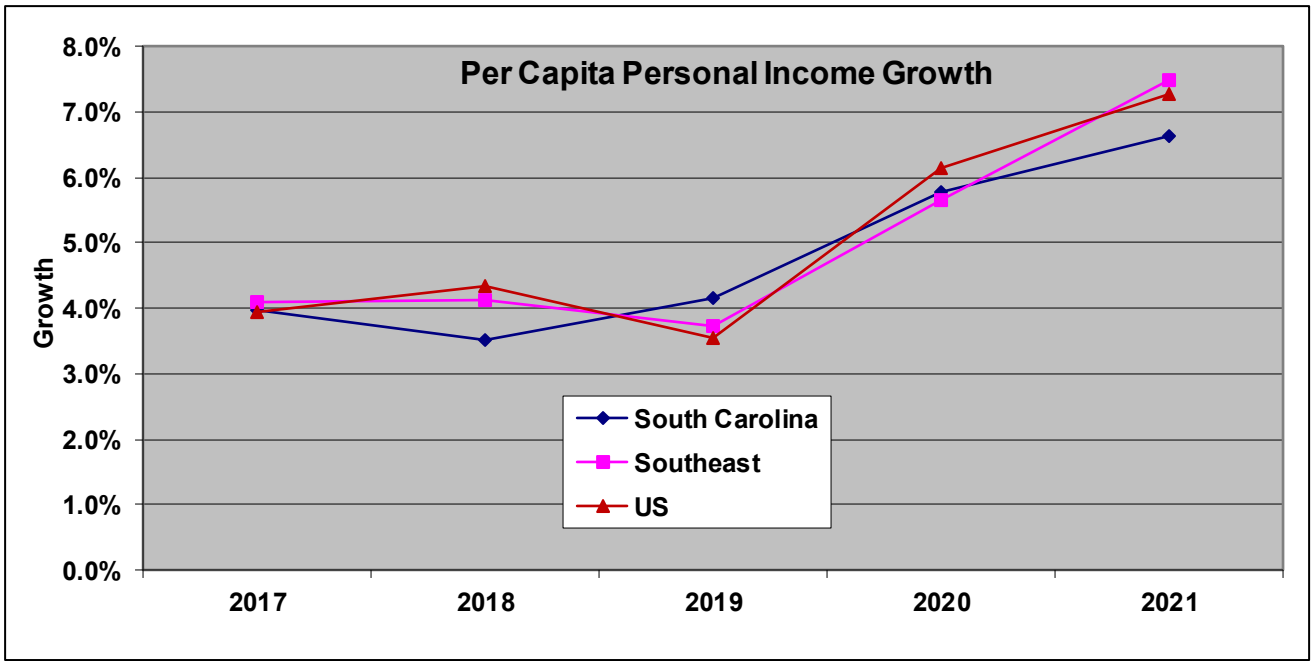
During the year ended June 30, 2022, total non-farm employment in the State increased by 95,500 (or 4.5%) to 2,214,300. Industry sectors reflecting gains were Leisure and Hospitality (26,800); Trade, Transportation, and Utilities (18,100); Professional and Business Services (15,600); Financial Activities (12,300); Manufacturing (11,600); Mining, Logging, Information, and Other Services (10,000); and Government (6,900). Declines were also experienced in Construction (-4,200) and Education and Health Services (-1,600) during that period.

South Carolina's unemployment rate was 3.2% in June 2022, which decreased from the June 2021 rate of 4.1%. The State's unemployment rate was 3.2% in September 2022, the most recent month available. In comparison, the U.S. unemployment rate was 3.6% in June 2022 and 3.5% in September 2022.

The South Carolina Leading Index (SCLI) decreased by 0.27 points from June 2021 to June 2022 to 102.99. Above the 100 mark, the SCLI forecasts generally improving economic conditions for South Carolina over the upcoming three to six months. The SCLI closed the month of September 2022 at 102.51, the most recent month available.

The number of real estate closings decreased by 13.5% between June 2021 and June 2022 due in large part to rising mortgage rates and rapidly increasing inflation. However, the supply of available homes on the market in South Carolina remains low. As inventory tightens, real estate selling prices in South Carolina have increased, with the median price of homes sold increasing 17.5% between June 2021 and June 2022. In addition, the number of residential building permits decreased by 25.4% compared to a year ago and the dollar amount of those permits increased by 1.5% between June 2021 and June 2022.

The following graph compares South Carolina, the southeastern United States, and the entire United States in per capita personal income growth over the last five years.



LONG-TERM FINANCIAL PLANNING

State law requires agencies that receive 1% or more of State government's total annual General Fund appropriations to provide an estimate of their projected General Fund expenditures for the next three fiscal years. The EBO combines these expenditure estimates with long-term revenue estimates made by the State's Board of Economic Advisors (BEA) to create a three-year financial plan. The three-year financial plan assists the State in strategically assessing its future financial commitments. The plan is updated annually and provided to the Governor, the Speaker of the House of Representatives, and the President of the Senate during the second quarter of each fiscal year.

Significant financial challenges facing State government include anticipated future spending increases for State retirement and post-retirement health benefits, Medicaid, and elementary and secondary education.

The State's long-term financial management practices include a five–year comprehensive capital improvement plan, updated annually, that requires funding to be in place before beginning construction on any capital improvement projects.

RELEVANT FINANCIAL POLICIES

The State's legislature is required to adopt a balanced budget annually based on revenue projections provided by the BEA. State law requires the BEA to meet at least quarterly to compare actual revenue collections with its earlier projections and to adjust its projections if necessary. The State legislature and EBO are responsible for taking appropriate action to keep the State's budget in balance. If, at the end of the first, second, or third quarter of any fiscal year, the BEA reduces revenue by more than 3% below the amount projected for the fiscal year, the President of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If the houses do not come into session within twenty days of the BEA determination, the Director of the EBO must reduce most agency appropriations evenly across-the-board to avoid a year-end deficit. The State is also required to maintain a General Reserve Fund amounting to 5% of total General Fund revenues for the latest completed fiscal year that can be used only for eliminating a year-end operating deficit. Additionally, the State is required to annually fund a 2% Capital Reserve to be used for capital improvements, debt retirement, or other nonrecurring purposes appropriated by the General Assembly.

Legislation also directs that in closing the books each year the Comptroller General shall suspend, to the extent necessary, any budgetary-basis surplus appropriations in a general or supplemental act or Capital Reserve Fund appropriations if the State's General Fund has a negative Unassigned fund balance when reported on a

generally accepted accounting principles-basis (GAAP basis). There were no suspensions necessary for fiscal year 2022.

The State ended fiscal year 2022 with a positive budgetary-basis General Fund fund balance after reservation of $6.866 billion, which was made up of legislatively-approved agency carryover appropriations of $1.434 billion, the Contingency Reserve of $1.024 billion, the General Reserve of $458.961 million, the Capital Reserve of $183.584 million, and an unassigned surplus of $3.765 billion.

MAJOR INITIATIVES

The State continues to fund programs related to job creation. In calendar year 2021 the State committed $20.005 million to the South Carolina Coordinating Council on Economic Development's Set-Aside Fund, which is dedicated to improving the economic well-being of the State by providing funds to local governments to develop the infrastructure necessary for new and expanding business. Programs like this helped to recently attract Hemingway Sewing Solutions to Williamsburg County, Koch & Co., Inc. to Barnwell County, and Cheney Brothers to Florence County. Hemingway Sewing Solutions is expected to create 242 jobs, Koch & Co., Inc. is expected to create 101 jobs, and Cheney Brothers is expected to create 280 jobs in the coming years. Additionally, Bosch announced in fiscal year 2023 that it will create facilities in Dorchester County, which will create 350 jobs in the coming years as well.

South Carolina's job creation and capital investment from manufacturers have experienced steady growth since the end of the 2007 - 2009 recession. In 2021 alone, the State attracted more than $5.7 billion in new capital investment from manufacturing companies, which resulted in the creation of more than 18,000 jobs.

Area Development Magazine recently ranked South Carolina third in the nation in its 2022 "Top States for Business" analysis. It also ranked South Carolina first in the nation in favorable regulatory environment. Additionally, it ranked the State second in its business incentives programs, available real estate, and speed of permitting.

South Carolina's Growing Economic Environment

Over the last several years, South Carolina has continued to demonstrate its ability to attract expanded economic opportunities for citizens. Manufacturing has grown substantially. Even in the midst of challenging national economic conditions, our State's business-friendly climate and committed workforce continue to attract investment that creates well-paying jobs.

We have seen an emerging trend of companies investing and expanding in South Carolina. Many of South Carolina's major employers have expanded and created high-quality jobs here. In 2012, the State established an Aerospace Task Force to prepare the State for future growth. The task force is focused on developing the aerospace supply chain for companies like Boeing, Lockheed Martin, and GE Turbine and supporting initiatives to assure that South Carolina has a workforce ready for the aerospace industry.

South Carolina's exports were $29.673 billion in 2021, which is a decrease of 2.1% from 2020 due to the effects of COVID-19 and rapidly rising inflation on the world's economy. In 2021, South Carolina ranked 17th in the United States in exports. These export figures were bolstered by the fact that the State is the nation's top exporter of completed passenger vehicles and tires, in which the State accounted for approximately 19.4% of the entire U.S. passenger vehicles market and approximately 36.6% of the total U.S. tire export market. The State also recently established a Transportation, Distribution and Logistics (TDL) Council that includes strong private sector participation. Part of the mission of this council is to prepare South Carolina for the Panama Canal expansion, providing South Carolina with a world-class port that will have the capacity to support the expected increase in merchant shipping. The Port of Charleston is deepening its shipping channel from forty-five to fifty-two feet. Once the project is fully completed by the end of 2022, Charleston will be the deepest port on the east coast.

Due in part to the State's economic outreach initiatives, South Carolina's total economic output or gross domestic product (GDP) was $281.754 billion in 2021. Between 2020 and 2021, real GDP grew 5.9%, compared to the southeast states' average growth of 5.8% during that period.

With our cost of living 8.5% below the national average, South Carolina offers exceptionally productive employees at one of the lowest labor costs in the nation. South Carolina is a right-to-work state and in 2021 had

the lowest unionization rate in the nation, at 1.7% of the workforce. As a result of this and other factors, *Area Development Magazine* ranked South Carolina fifth in the nation's competitive labor environment for 2022.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina for its Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2021. This was the thirty-fourth consecutive year that the State of South Carolina achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish a timely, easily readable, and efficiently organized ACFR. The ACFR must comply with both generally accepted accounting principles and applicable legal requirements.

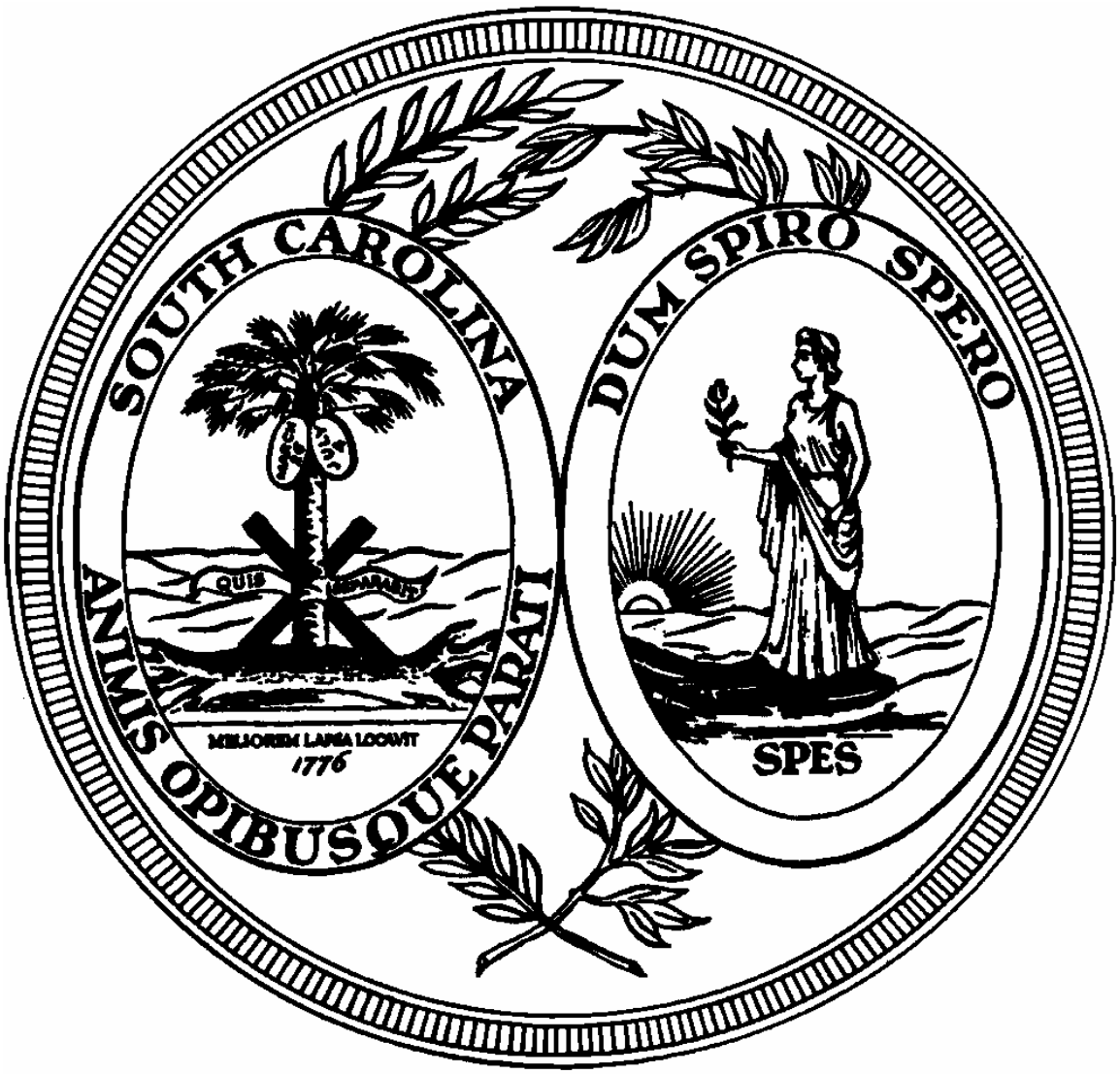
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility to be awarded a Certificate of Achievement.

Production of this ACFR was made possible only by the support of all State agencies and component units that supplied financial data to our office on a timely basis. I extend my deepest gratitude to the members of my staff who devoted many of their nights and weekends over the past few months working as a team to produce this comprehensive document. I also express special appreciation for the generous sacrifices made by their families who endured the many extra hours that were necessary to successfully complete this important project.

Sincerely,



Richard Eckstrom, CPA
Comptroller General


SOUTH CAROLINA
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DUM SPIRO SPERO
QUIS SEPARABIT
MERCATORUM LAPSA LOCAVIT
1776
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CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

Principal State Officials

LEGISLATIVE—THE GENERAL ASSEMBLY

Thomas C. Alexander, President of the Senate
Murrell Smith, Jr., Speaker, House of Representatives

EXECUTIVE

STATE FISCAL ACCOUNTABILITY AUTHORITY
Henry D. McMaster, Chairman, Governor (1)
Curtis M. Loftis, State Treasurer
Richard Eckstrom, Comptroller General
Harvey S. Peeler, Jr., Chairman, Senate Finance Committee
J. Gary Simrill, Chairman, House Ways and Means Committee

Pamela Evette, Lieutenant Governor (1)
Mark Hammond, Secretary of State
Alan Wilson, Attorney General
Molly Spearman, State Superintendent of Education
Hugh E. Weathers, Commissioner of Agriculture

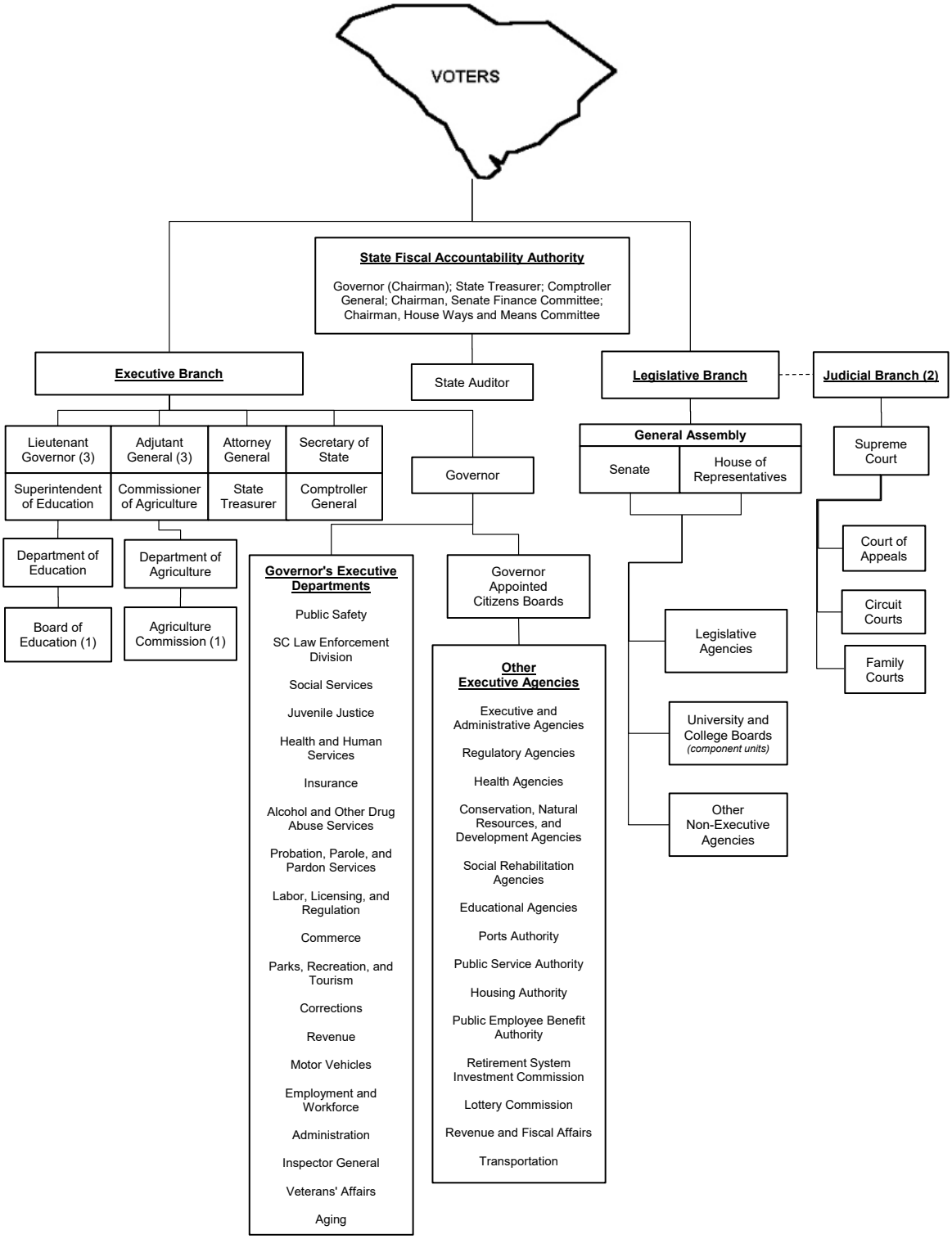
JUDICIAL

Donald W. Beatty, Chief Justice, Supreme Court

The State's citizens elect the legislative and executive branch officials named above. This list is as of June 30, 2022 and November 29, 2022.

(1) The Governor and Lieutenant Governor are elected on the same ticket.

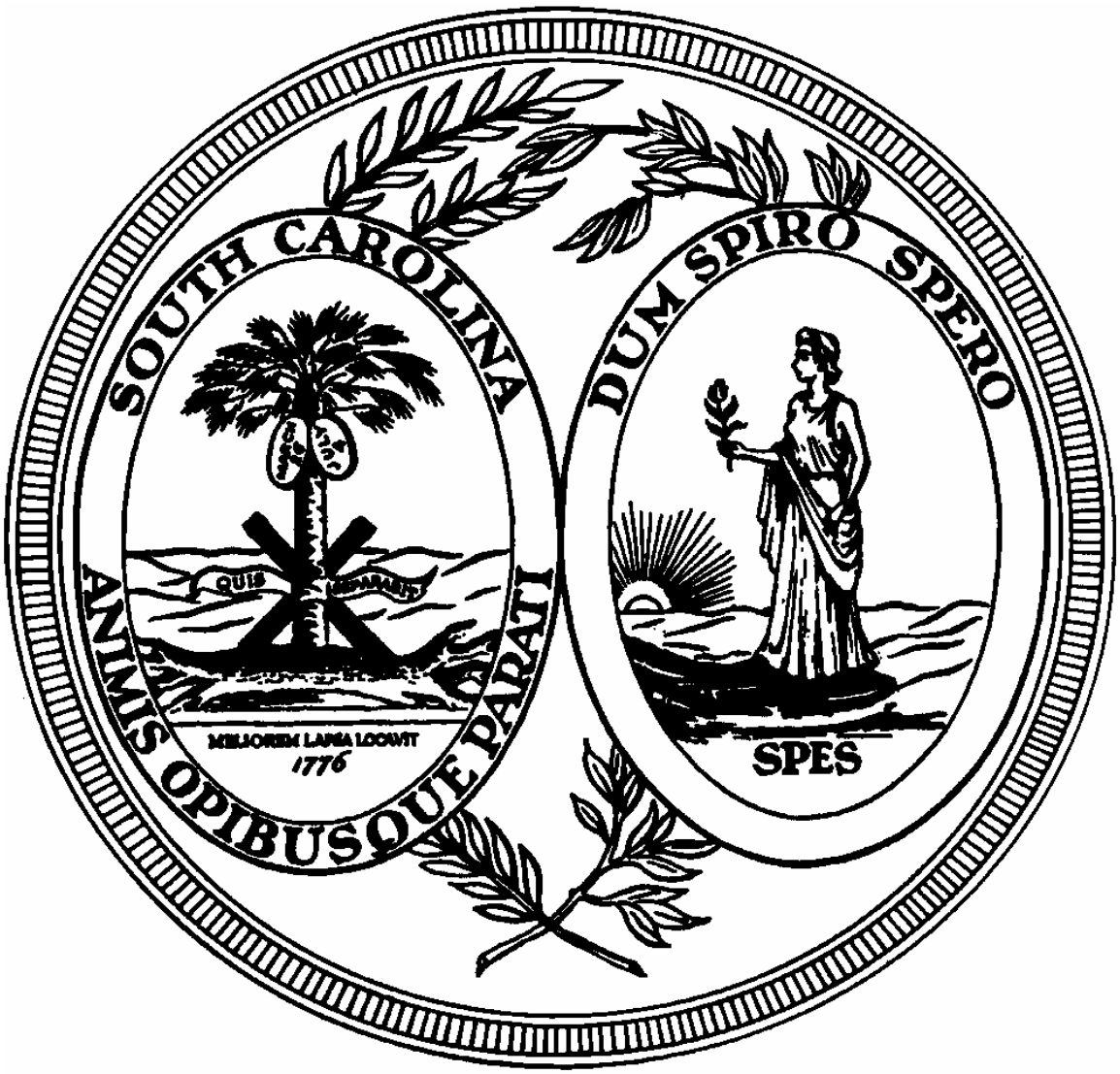
Organizational Chart



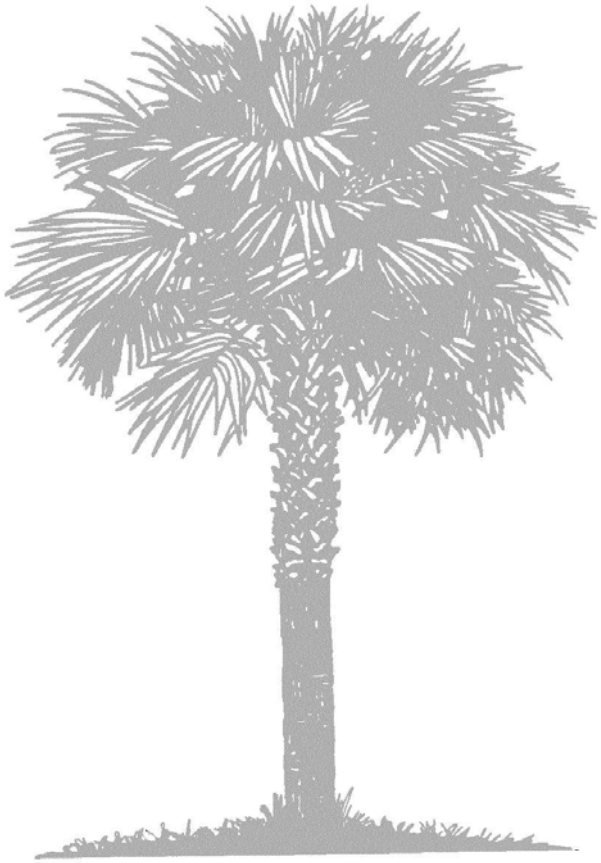
(1) Both the Board of Education and Agriculture Commission consist of 16 members elected by the legislative delegations of each judicial district plus an at-large member appointed by the Governor and either the Superintendent of Education or Commissioner of Agriculture.

(2) The General Assembly elects certain members of the judicial branch, including the Supreme Court.

(3) The Adjutant General, as head of the Military Department, and the Lieutenant Governor report directly to the Governor.


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
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Financial Section



Independent Auditors' Report
Management's Discussion and Analysis (Unaudited)
Basic Financial Statements
Required Supplementary Information (Unaudited)
Supplementary Information

SOUTH CAROLINA OFFICE OF THE STATE AUDITOR

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
State of South Carolina
Columbia, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have jointly audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina (the State), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not jointly audit the financial statements of certain agencies and component units of the State, which represent the indicated percent of total assets and deferred outflows of resources and total revenues or additions as presented in the table below. Those financial statements were audited by other auditors, including CliftonLarsonAllen, LLP acting separately, whose reports thereon have been furnished to us, and our opinion, insofar as it related to the amounts included for those agencies and component units, is based solely on the reports of the other auditors.

	Percentage Audited by CliftonLarsonAllen LLP Separately		Percentage Audited by Other Auditors	
	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue
Government-wide				
Governmental activities	-	-	45%	7%
Business-type activities	-	-	88%	86%
Component units	16%	14%	86%	89%
Fund Statements				
Governmental Funds	-	-	14%	7%
Enterprise Funds	-	-	88%	86%
Internal Service Funds	-	-	55%	6%
Fiduciary Funds	-	-	99%	98%
Discretely Presented Component Units	16%	14%	86%	89%

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Connector 2000 Association, Inc., South Carolina Research Authority, InvestSC, Inc. and South Carolina Medical Malpractice Association, were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

Emphasis of Matter

As discussed in Note 15, the 2021 financial statements have been restated (1) for the implementation of GASB Statement No. 87, *Leases*, and (2) to correct an error. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the State's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the State's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, net pension and OPEB liability schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The combining financial statements for the non-major governmental fund, proprietary fund, fiduciary fund, discretely presented component units and the general reserve fund budgetary schedule (collectively, the supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
State of South Carolina

Other Reporting Required by *Government Auditing Standards*

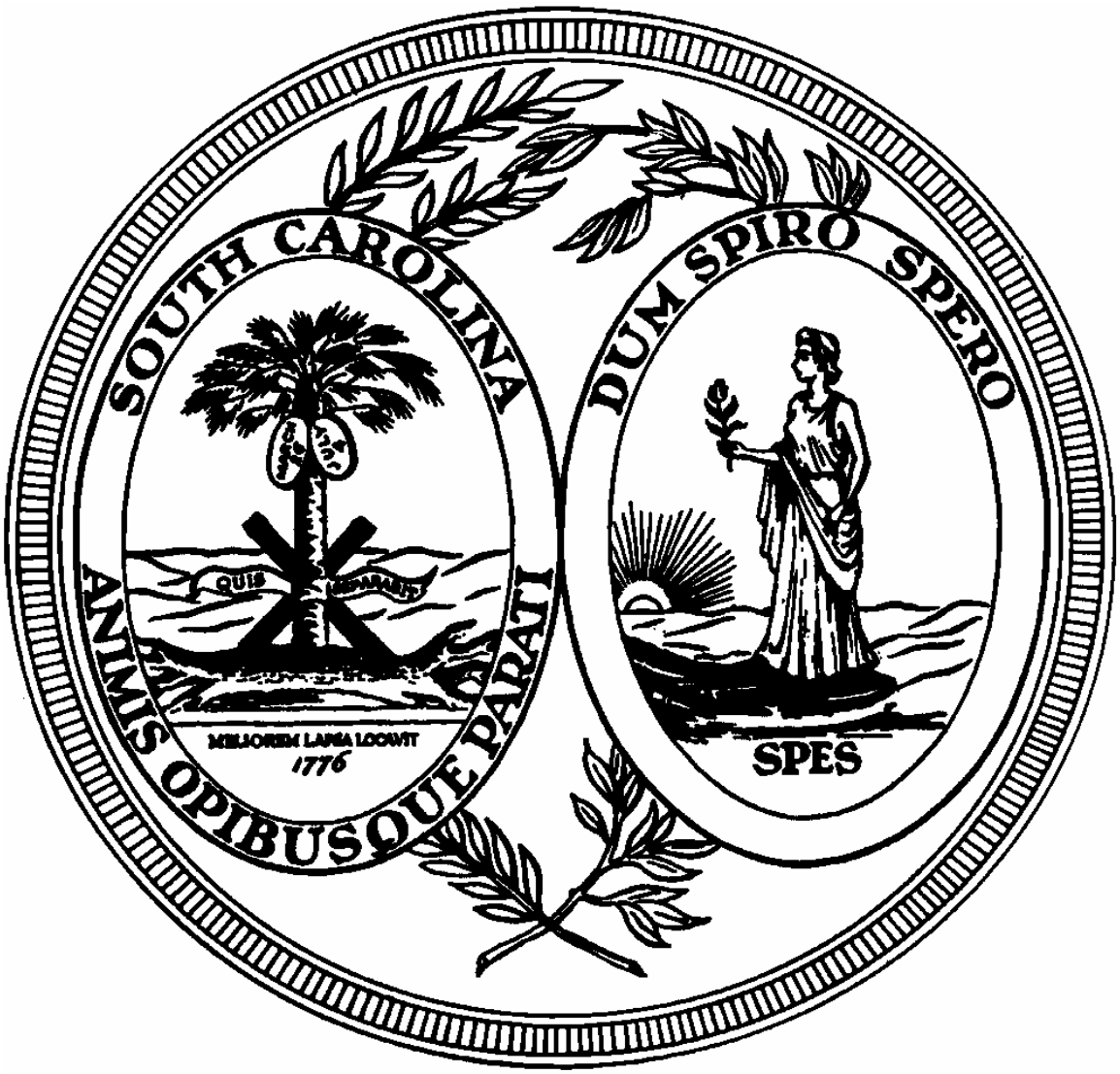
In accordance with *Government Auditing Standards,* we have also issued our report dated November 29, 2022, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

George L. Kennedy, III

Columbia, South Carolina
November 29, 2022

Clifton Larson Allen LLP

Baltimore, Maryland
November 29, 2022


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MANAGEMENT'S DISCUSSION AND ANALYSIS—

Required Supplementary Information
(Unaudited)

Management's Discussion and Analysis

In this section of the State of South Carolina's annual report, we provide a narrative overview and analysis of the State's financial performance for its accounting year (*fiscal year*) that ended June 30, 2022. Please read it in conjunction with the Comptroller's *Letter of Transmittal* at the front of this report and the financial statements that follow this section.

Overview of the Financial Statements

This discussion and analysis provides an introduction to the State of South Carolina's basic financial statements, which include the following parts: (1) *government-wide financial statements,* (2) *fund financial statements,* (3) *major discretely presented component unit financial statements,* and (4) *notes to the financial statements*. This annual report also contains certain *required supplementary information* and other *supplementary information* to aid in understanding the operations of the State.

Government-wide Financial Statements

The government-wide statements present a long-term view of the State's finances *as a whole,* using *accrual-basis accounting*—the same accounting basis that most businesses use. The basic government-wide financial statements are presented on pages 38 through 41 of this report.

There are two government-wide financial statements:

Statement of net position: This statement presents information on *all* of the State's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in the State's net position may serve as a useful indicator of whether its financial position is improving or deteriorating. However, the statement of net position does not tell the whole story. To assess the State's overall financial health, other factors need to be considered, including the State's economy and the condition of its *capital assets* such as its buildings and infrastructure (roads and bridges).

Statement of activities: This statement presents information showing how the State's overall net position changed during the year. The State reports a change in its net position as soon as an underlying event occurs that causes a change. The statement of activities accounts for all current-year revenues and expenses, regardless of when the State received or paid cash. Although governments compile the statement of activities using accounting methods similar to businesses, the format of this statement is quite different from the format of a business's profit and loss statement. The statement of activities helps to show how much it costs for the State to provide various services. It also indicates the extent to which each government function covers its own costs through user fees, charges, or grants. The *net revenues (expenses)* column on the far right of this statement on page 40 shows how much a particular function relies on taxes and other general revenues as opposed to program revenues to support its programs.

The government-wide statements present three different kinds of *activities*:

Governmental activities: Most of the State's basic services are included here, such as general government, education, health and environment, social services, administration of justice, and transportation. Taxes (primarily income and sales taxes) and federal grants provide resources to support most of these services.

Business-type activities: These activities usually recover all, or a significant portion, of the costs of their services or goods by charging fees to customers. The Unemployment Compensation Benefits Fund and Second Injury Fund have been the most significant of South Carolina's business-type activities.

Component units: Although component units are legally separate from the State, the State's elected officials are financially accountable for them. The Public Service Authority (Santee-Cooper, an electric utility company), the State Ports Authority, the State Housing Authority, the State Lottery Commission, Clemson University, the Medical University of South Carolina, and the University of South Carolina are the State's major component units. Some financial information for these component units is included in this report. Complete financial statements for these component units can also be obtained from their respective administrative offices (included in Note 1a of the notes to the financial statements on page 70).

Fund Financial Statements

The fund financial statements on pages 42 through 59 of this report provide detailed information about the State's most significant funds—not the State as a whole. Funds are accounting designations that the State uses to track specific funding sources and spending for particular purposes. South Carolina, like other governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements.

The State reports three types of *funds*:

Governmental funds: The State reports most of its basic services in governmental funds. Governmental funds account for activities that the State reports as *governmental activities* in its government-wide statements. These funds focus on *short-term* inflows and outflows of expendable resources. The balances remaining at the end of the year help determine whether a fund has more or less financial resources available to spend in the near future. Because the governmental fund statements lack the additional long-term focus of the government-wide statements, a reconciliation that explains the relationship (or differences) between the two kinds of statements is provided. By comparing the two kinds of statements and examining the reconciliation, a better understanding of the long-term impact of the State's near-term funding decisions is available.

The basic governmental fund statements are on pages 42 through 49 of this report.

Proprietary funds: Proprietary funds charge customers for the services they provide—whether they are provided to outside customers (*enterprise funds)* or other State agencies and other governments (*internal service funds)*. Proprietary funds use the *accrual basis of accounting* like businesses use. The State reports all of its enterprise funds as *business-type activities* in the government-wide statements. However, because the internal service fund operations primarily benefit other State agencies or other governments, these proprietary funds are included as *governmental activities* in the government-wide financial statements.

The basic proprietary fund statements are on pages 50 through 56 of this report.

Fiduciary funds: The State is the trustee, or *fiduciary*, for its employees' retirement and other post-employment benefit plans. The State also is responsible for other assets that, because of a trust-like arrangement, it is to use only for trust beneficiaries such as an investment pool operated on behalf of local governments. These activities are *excluded* from the State's government-wide financial statements because the State is not to use these assets to benefit its operations. The State has an obligation to ensure that the net position it reports in fiduciary funds are used for the intended purposes.

The basic fiduciary fund statements are on pages 58 and 59 of this report.

Component Unit Financial Statements

The *Government-wide Financial Statements* section on the preceding page identifies the State's major component units under the *Component units* subheading. More detailed financial statements which include these component units are on pages 60 through 63 of this report.

Notes to the Financial Statements

Immediately following the financial statements are *notes* that provide additional and pertinent information to the financial statement amounts. The notes on pages 64 through 182 are necessary to fully understand the financial statements.

Required Supplementary Information

This section addresses budgetary matters and provides certain *required* reporting information that supplements the basic financial statements. Included in this section is a schedule that compares the State's legally adopted General Fund budget with actual revenues collected and expenditures paid for the year. On page 190, Note 5 to the required supplementary information is a reconciliation that provides and explains differences between the changes in fund balance of certain funds when presented on the budgetary-basis and the changes in fund balance of these funds when presented on the GAAP-basis as reported in the governmental fund statements. Additionally, the required supplementary information section includes information on the State's five pension programs: The South Carolina Retirement System, the Police Officers' Retirement System, the General Assembly Retirement System, the Judges' and Solicitors' Retirement System, and the National Guard Retirement System, as well as on the Retiree Health Insurance Trust Fund and the Long-Term Disability Insurance Trust Fund. This required supplementary information is on pages 183 through 215 of this report.

Supplementary Information

Nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor discretely presented component units are presented immediately following the required supplementary information. Combining and individual fund statements and a schedule of General Reserve Activity are found on pages 217 through 265 of this report.

Government-wide Financial Analysis

Exhibits 1 and *2* summarize the overall financial position and results of operations of the primary government for the past two years based on information included in the government-wide financial statements.

Exhibit 1
Government-wide Net Position
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals— Primary Government		Total Percent Change
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)	2022-2021
Assets							
Current and other assets	$26,074,811	$ 22,038,469	$1,937,866	$ 1,658,645	$ 28,012,677	$ 23,697,114	18.2%
Capital and leased assets	19,870,243	19,433,450	319,113	324,093	20,189,356	19,757,543	2.2%
Total assets	**45,945,054**	**41,471,919**	**2,256,979**	**1,982,738**	**48,202,033**	**43,454,657**	**10.9%**
Deferred Outflows of Resources	**1,882,840**	**1,695,060**	**15,574**	**14,776**	**1,898,414**	**1,709,836**	**11.0%**
Liabilities							
Long-term liabilities	10,758,631	11,022,494	248,271	268,096	11,006,902	11,290,590	(2.5%)
Other liabilities	7,597,584	4,596,892	156,269	164,109	7,753,853	4,761,001	62.9%
Total liabilities	**18,356,215**	**15,619,386**	**404,540**	**432,205**	**18,760,755**	**16,051,591**	**16.9%**
Deferred Inflows of Resources	**1,157,681**	**565,569**	**10,892**	**5,454**	**1,168,573**	**571,023**	**104.6%**
Net Position							
Net investment in capital assets	18,048,684	17,534,618	307,828	312,603	18,356,512	17,847,221	2.9%
Restricted	11,054,061	9,497,442	1,588,210	1,366,066	12,642,271	10,863,508	16.4%
Unrestricted	(788,747)	(3,579,868)	(38,917)	(118,814)	(827,664)	(3,698,682)	77.6%
Total net position	**$28,313,998**	**$ 23,452,192**	**$1,857,121**	**$ 1,559,855**	**$30,171,119**	**$ 25,012,047**	**20.6%**

Net Position

The largest portion of the State's net position reflects its *net investment in capital assets* (for example, buildings, roads, and bridges) less any related debt used to acquire those assets that is still outstanding. The State uses capital assets to provide services to citizens; consequently, they are *not* available for future spending. Further, the State cannot sell the capital assets to repay the related debt because it needs the assets for its operations, so it must find other resources to repay the debt.

Restricted net position generally is available for future spending but is subject to external restrictions, such as bond covenants, federal government grant restrictions, or restrictions imposed by enabling State legislation or through State constitutional provisions. The State's largest restricted balances include Transportation, General Government, and Education.

Unrestricted net position—resources normally available for future spending without restrictions—reported a deficit balance of ($827.664) million at June 30, 2022. This represents an increase of net position of $2.871 billion over the prior year. Most of this increase resulted from a $1.539 billion increase in federal grants and a $2.933 billion increase in tax revenues. The increases in federal grant monies and tax revenues were the result of large federal grants to fight the COVID pandemic and federal stimulus monies to help keep the United States economy from declining.

The State's *business-type activities* reported a ($38,917)thousand unrestricted net position. This represents an increase of $79.897 million over the previous fiscal year. This resulted mostly from the 2022 fiscal year realizing net revenues of $329.538 million as opposed to realizing net expenses of $337.043 million in the 2021 fiscal year. The reasons for this were mostly due to the Unemployment Compensation Fund benefits and claims expenses dropping by $3.527 billion as a result of the COVID pandemic relenting during the 2022 fiscal year, while its operating revenues fell by $2.898 billion during the same period. Additionally, the Tuition Prepayment Program received $31.900 million from the State to eliminate its previous years' negative net deficits. It ended the year with a net position of $2.773 million.

Exhibit 2

Government-wide Changes in Net Position
For the Fiscal Years Ended June 30
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals— Primary Government		Total Percentage Change
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)	2022-2021
Revenues							
Program revenues:							
Charges for services	$ 4,443,641	$ 4,421,231	$ 376,738	$ 325,665	$ 4,820,379	$ 4,746,896	1.5%
Operating grants and contributions	14,105,152	13,306,491	39,439	2,969,920	14,144,591	16,276,411	(13.1%)
Capital grants and contributions	941,283	707,650	36,159	20,966	977,442	728,616	34.2%
General revenues:							
Individual income tax	6,932,111	5,584,914	—	—	6,932,111	5,584,914	24.1%
Retail sales and use tax	7,092,123	6,106,578	—	—	7,092,123	6,106,578	16.1%
Other taxes	3,902,267	3,302,243	—	—	3,902,267	3,302,243	18.2%
Unrestricted investment income	(573,226)	71,582	10,944	48,517	(562,282)	120,099	(568.2%)
Loss on termination of hedge accounting	—	—	—	—	—	—	(100.0%)
Tobacco legal settlement	88,544	88,349	—	—	88,544	88,349	0.2%
Other	751,363	927,258	775	1,213	752,138	928,471	(19.0%)
Total revenues	**37,683,258**	**34,516,296**	**464,055**	**3,366,281**	**38,147,313**	**37,882,577**	**0.7%**
Expenses							
Governmental activities:							
General government	8,029,072	9,116,325	—	—	8,029,072	9,116,325	(11.9%)
Education	8,413,741	6,526,062	—	—	8,413,741	6,526,062	28.9%
Health and environment	9,775,171	9,182,050	—	—	9,775,171	9,182,050	6.5%
Social services	3,416,209	2,454,063	—	—	3,416,209	2,454,063	39.2%
Administration of justice	1,124,187	1,105,209	—	—	1,124,187	1,105,209	1.7%
Resources and economic development	618,983	497,983	—	—	618,983	497,983	24.3%
Transportation	1,467,938	1,723,643	—	—	1,467,938	1,723,643	(14.8%)
Other	8,423	8,135	—	—	8,423	8,135	3.5%
Business-type activities:							
Unemployment compensation benefits	—	—	69,049	3,595,804	69,049	3,595,804	(98.1%)
Second Injury Fund	—	—	13,915	1,205	13,915	1,205	1,054.8%
Other	—	—	51,553	106,315	51,553	106,315	(51.5%)
Total expenses	**32,853,724**	**30,613,470**	**134,517**	**3,703,324**	**32,988,241**	**34,316,794**	**(3.9%)**
Excess (deficiency) before transfers	**4,829,534**	**3,902,826**	**329,538**	**(337,043)**	**5,159,072**	**3,565,783**	**44.7%**
Net transfers	32,272	(310,364)	(32,272)	310,364	—	—	—
Change in net position	**4,861,806**	**3,592,462**	**297,266**	**(26,679)**	**5,159,072**	**3,565,783**	**44.7%**
Net position at beginning of year, as restated	23,452,192	22,658,037	1,559,855	1,586,534	25,012,047	24,244,571	3.2%
Restatements [a]	—	(2,798,307)	—	—	—	(2,798,307)	
Net position at beginning of year, as restated [a]	**23,452,192**	**19,859,730**	**1,559,855**	**1,586,534**	**25,012,047**	**21,446,264**	**16.6%**
Net position, end of year	**$28,313,998**	**$23,452,192**	**$1,857,121**	**$1,559,855**	**$30,171,119**	**$25,012,047**	**20.6%**

a - See Note 15, Fund Equity Reclassifications and Restatements, on page 146 of the financial statements.

Changes in Net Position

The State's total net position of its governmental activities and its business-type activities increased by $5.159 billion, or 20.6%, over the prior year. This overall improvement in the financial position of the State was experienced primarily through increased tax revenues and federal grant revenues within the State's governmental activities.

Governmental Activities

The net position of the State's governmental activities increased by $4.862 billion, or 20.7%. Revenue increased from last year by $3.167 billion, or 9.2%, which was mostly comprised of an increase of $2.112 billion, or 13.1%, in general revenue. Revenues that support governmental activities are derived mostly from taxes; grants and contributions, including federal aid; and charges for goods and services. *Exhibit 3* illustrates the sources of revenues that support governmental activities.

Expenses associated with governmental activities increased by $2.240 billion, or 7.3%, for the fiscal year ended June 30, 2022. These expenses were mostly associated with services provided for health and environment, education, general government, social services, and transportation. *Exhibit 4* compares the cost of these services with their *program revenues*—revenues derived directly from the program itself or from parties outside the State's taxpayers or citizenry. The difference between the two represents the *net cost* of these services that taxes and other general revenues financed. For the fiscal year ended June 30, 2022, the State used $13.364 billion in tax and other general revenues to offset the net cost of all services that the State's governmental activities provided. Business-type activities transferred $32.272 million to the State's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2022 fiscal year:

- Individual income tax revenues increased by $1.347 billion, or 24.1%, retail sales and use tax revenues increased by $985.545 million, or 16.1%, and other taxes revenues increased by $600.024 million, or 18.2%. Overall tax collections increased during fiscal year 2022 due to increased enforcement and improvements in consumer spending for the majority of the fiscal year 2022.
- Operating grants and contributions increased by $798.661 million, or 6.0%, over the prior year. This was primarily due to increased federal funding to fight the COVID-19 pandemic and to federal economic stimulus funding.
- Unrestricted investment income decreased by $644.808 million, or 900.8%, from the previous fiscal year. This decrease was attributed to unrealized losses on investments. With climbing interest rates in the overall nation's economy, the State's investments (at lower interest rates) have unrealized losses compared to higher interest low-risk investments in the market. However, when these investments mature, a loss of actual cash will not be realized.
- General government expenses decreased by $1.087 billion, or 11.9% over the prior year. The decrease in general government expenses was attributable to a reduction in COVID-related expenses as the pandemic subsided in severity during the 2022 fiscal year.
- Education expenses increased by $1.888 billion, or 28.9% over the prior fiscal year. The increase in education expenses was primarily due to additional State appropriations to school districts for teacher salaries and per student funding. Additionally, the State's schools and higher education institutions were granted $531.210 million more in supplemental appropriations at the end of fiscal year 2021 than at the end of fiscal year 2020. Those additional appropriations were mostly spent in fiscal year 2022.
- Social services expenses increased by $962.146 million, or 39.2%, due to the increase in demand for services largely caused by the COVID-19 pandemic and sharply rising inflation within the nation's overall economy.
- Transportation expenses decreased by $255.705 million, or 14.8%. The decrease was attributed to delayed execution of program expenses for permanent improvements and maintenance and weather-related delays.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2022

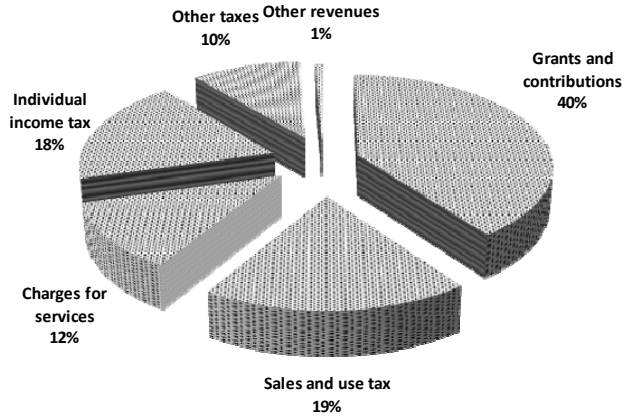
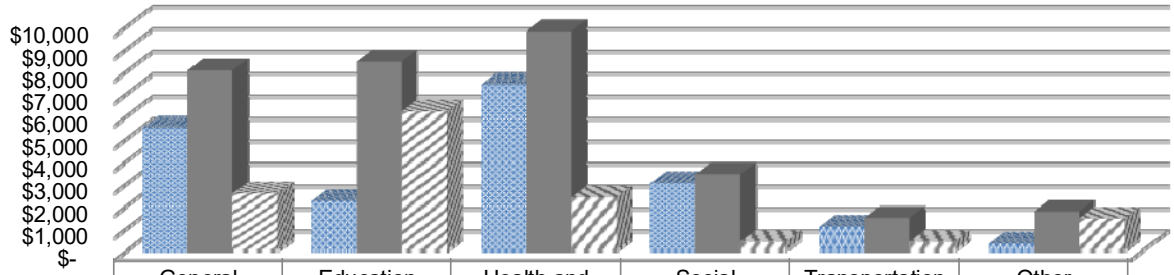


Exhibit 4
Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2022
(In Millions)



	General Government	Education	Health and Environment	Social Services	Transportation	Other
Revenues	$5,479	$2,214	$7,407	$3,013	$1,070	$307
Expenses	$8,029	$8,414	$9,775	$3,416	$1,468	$1,752
Net Cost	$2,550	$6,200	$2,368	$403	$398	$1,445

Business-type Activities

The net position of the State's business-type activities increased by $297.266 million, or 19.1%.

Most business-type activities are intended to be self-supporting. The Unemployment Compensation Fund accounts for the State's unemployment compensation benefits in which federal grants and assessments on employers are obtained to pay for the services that the Unemployment Compensation Fund provides. The Unemployment Compensation Fund's net position as of June 30, 2022 was $1.541 billion, which was an increase of $254.628 million, or 19.8%, from last year. The Second Injury Fund serves as a claims processor for insurance carriers, self-insurers, and the State Accident Fund. The Second Injury Fund's net position as of June 30, 2022 was $46.917 million, which was a decrease of $18.467 million, or 28.2%, from last year.

Operating revenues of the Unemployment Compensation Fund decreased by $2.918 billion, or 89.8%, and operating expenses for the payment of unemployment compensation benefits decreased by $3.527 billion, or 98.1%, during the 2022 fiscal year. The decreases in operating revenues and expenses resulted directly from the waning and greatly reduced effects of the COVID-19 pandemic on unemployment rates within the State and throughout the country. Additionally, operating revenues for the Second Injury Fund have increased by $2.467 million, or 21.6%, and operating expenses for the payment of Second Injury Fund claims remained at a low level during the 2022 fiscal year due to the Second Injury Fund's closure plan that took effect in fiscal year 2019.

Financial Analysis of the State's Funds

The State of South Carolina uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. Within the fund financial statements, the focus is on reporting major funds.

Governmental Funds

Exhibit 5 shows the components of fund balance for the State's various governmental funds as of June 30, 2022.

Exhibit 5

Governmental Fund Balances
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 146,639	$ 48,419	$ —	$ 10,130	$ 11,832	$ 217,020
Restricted	1,619,684	1,101,606	2,312,522	1,918,221	1,663,449	8,615,482
Committed	826,611	34,475	—	—	55,583	916,669
Assigned	540,030	139,275	—	—	253,426	932,731
Unassigned	7,501,115	(477,783)	—	—	(689,306)	6,334,026
Totals	**$10,634,079**	**$ 845,992**	**$ 2,312,522**	**$ 1,928,351**	**$ 1,294,984**	**$17,015,928**
Change from prior year	**$ 3,533,519**	**$ 415,689**	**$ 93,766**	**$ 459,526**	**$ 194,958**	**$ 4,697,458**
Percentage change	**49.8%**	**96.6%**	**4.2%**	**31.3%**	**17.7%**	**38.1%**

At June 30, 2022, total ending fund balance for the State's governmental funds was $17.016 billion, which represents an increase of $4.697 billion, or 38.1%, from the prior year. This total contains an *unassigned* fund balance of $6.334 billion. The total also includes $7.501 billion reported by the General Fund as unassigned and available with no constraints for spending in the coming year. In addition, governmental funds that are *restricted* by external parties or enabling legislation which includes creation through state law or constitutional provision constitute 50.6% of the total fund balance. The remaining fund balance is *nonspendable, committed, or assigned* and is *not* available for future appropriation because it is not in a spendable form or is accessible only for specific purposes.

The *General Fund* is the State's operating fund. This fund includes resources, such as taxes, that pay for the services that the State traditionally has provided to its citizens. Activity is accounted for in the General Fund unless constraints established by State law or external parties require them to be accounted for in another fund. Increases in the current fiscal year were experienced in individual income tax of $1.349 billion, or 24.3%; retail sales and use tax of $787.071 million, or 16.4%; and other taxes of $115.684 million, or 16.3%, from the prior year. These revenues grew due to improving consumer sentiment that existed for most of the 2022 fiscal year along with the effects of federal stimulus programs. General Fund expenditures, which increased (including prior year restatements) by $1.257 billion, or 11.3%, were also below the total General Fund revenues, indicating a continued controlling of costs and spending reductions previously mandated by State officials. Additionally, General Fund expenditures were lower than budgeted because of labor shortages that slowed the hiring of employees within most areas of the State's government. This was especially felt in the State's correctional system, which lapsed a significant portion of its 2022 fiscal year budget back into the General Fund because it was unable to hire the amount of employees it was intending to hire within the fiscal year.

The *Departmental Program Services* is a major special revenue fund in which agencies account for primarily restricted resources used to fund program services. These resources provide a supplement for the payment of the services that the State traditionally has provided to its citizens, thus expanding services when possible. During the 2022 fiscal year, the total fund balance increased by $415.689 million, or 96.6%, from the prior year. The increase in fund balance was primarily the result of an increase in federal grant funding of $881.989 million, or 7.3% over the previous fiscal year. The increase in federal funding was related to the national efforts to fight the COVID-19 pandemic and to various federal economic stimulus programs. The federal funding is mostly grants that are primarily reimbursement-based.

The *Local Government Infrastructure Fund* accounts for grants, loans and other financial assistance to local governments for infrastructure projects. Certain motor fuel taxes, federal funds, and bond proceeds are the fund's primary resources. The fund balance increased by $93.766 million, or 4.2%, during the 2022 fiscal year, leaving a balance of $2.313 billion at the end of the fiscal year. The increase in fund balance was mostly the result of net other financing sources related to a bond refunding of $66.606 million.

The *Department of Transportation (DOT) Special Revenue Fund* accounts for various gasoline taxes, fees, fines, and federal grant resources. DOT uses these resources to pay for its general operations, which include maintenance, regulation, and construction of public highways and bridges. The fund balance increased by $459.526 million, or 31.3%, during the 2022 fiscal year, leaving a balance of $1.928 billion at the end of the fiscal year. The increase in fund balance was primarily a result of the 2-cent per year gas tax increase for road projects and maintenance. DOT is in the process of undertaking these road projects.

Nonmajor Governmental Funds are used to account for funds that are restricted for specific purposes, including education, healthcare, and local governments. The $194.958 million, or 17.7%, increase in fund balance during the 2022 fiscal year was primarily the result of a $194.843 million, or 14.9%, increase in accommodations and local option sales tax revenues. The increase can be attributed to South Carolina's rapidly growing tourism industry.

Proprietary Funds

Exhibit 6 shows the components of the net position for the State's various proprietary funds at June 30, 2022.

Exhibit 6
Proprietary Fund Net Position
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Enterprise Funds				Internal
Fund Net Position	**Unemployment Compensation**	**Second Injury**	**Nonmajor Enterprise**	**Total Enterprise**	**Service Funds**
Net investment in capital assets	$ —	$ —	$ 307,828	$ 307,828	$ 76,146
Restricted, expendable	1,541,293	46,917	—	1,588,210	372,159
Unrestricted	—	—	(38,917)	(38,917)	238,225
Totals	**$ 1,541,293**	**$ 46,917**	**$ 268,911**	**$ 1,857,121**	**$ 686,530**
Change from prior year	**$ 254,628**	**$ (18,467)**	**$ 61,105**	**$ 297,266**	**$(203,782)**
Percentage change	**19.8%**	**(28.2%)**	**29.4%**	**19.1%**	**(22.9%)**

The State has two kinds of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are reported as business-type activities in the government-wide financial statements. Enterprise funds sell goods or services primarily to parties outside of State government.

The net position of the *Unemployment Compensation Benefits Fund*, a major enterprise fund, increased by $254.628 million, or 19.8%, over the prior year. As stated on page 26, the reasons for this were mostly due to the Unemployment Compensation Fund benefits and claims expenses dropping by $3.527 billion as a result of the COVID pandemic relenting during the 2022 fiscal year, while its operating revenues fell by $2.898 billion during the same period.

The net position of the *Second Injury Fund*, a major enterprise fund, decreased by $18.467 million, or 28.2%, over the prior year. As stated on page 29, the Second Injury Fund's closure plan started to take effect in fiscal year 2019. The last assessment for this plan was made in fiscal year 2018.

The net position of the State's *nonmajor enterprise funds* increased by $61.105 million, or 29.4%, over the prior year. As stated on page 26, the increase in the State's *nonmajor enterprise funds'* net position was primarily due the Tuition Prepayment Program receiving $31.900 million from the State to eliminate its previous years' negative net deficits. Additionally, the combined pension and OPEB liabilities of the State's *nonmajor enterprise funds'* fell by $5.661 million, or 7.6%, from $74.456 million at June 30, 2021 to $68.795 million at June 30, 2022.

South Carolina's *internal service funds* provide certain services (including maintenance, insurance, printing, information technology, and motor pool services) to other State funds but sometimes to local governments as well. Internal Service Funds experienced a decrease to their net position of $203.782 million, or 22.9%, in the 2022 fiscal year. The objective of an internal service fund is to charge its customers for the costs of the services or goods that it provides. Because internal service funds benefit primarily State government, South Carolina reports them as governmental activities in the government-wide financial statements. $136.299 million, or 66.9%, of the decrease in the State's *internal service funds'* net position can be attributed to the increase in the State's Employee Insurance Fund's benefits and claims paid from the previous fiscal year.

Budgetary General Fund Highlights

Estimated revenues for the 2022 fiscal year were $12.124 billion. Actual revenues at June 30, 2022, were $880.126 million, or 7.3%, over the estimated revenue used in the fiscal year 2022 budget appropriations act. This also represented an increase in collections over the prior year of $2.545 billion, or 24.3%. Individual income and sales tax collections are the fund's major revenue sources. Individual income tax collections ended the year over the adjusted estimate by $439.411 million and sales tax collections ended the year over the adjusted estimate by $246.661 million.

Actual expenditures were $3.432 billion less than actual revenues. Also, expenditures were kept $1.454 billion under fiscal year 2022 adjusted appropriations. In addition, $1.434 billion of unbudgeted spending occurred through "open-ended" appropriations. Actual expenditures were kept under actual revenues and budgeted expenditures due to conservative budgeting practices by the State, as the economy throughout fiscal year 2022 was highly unpredictable with rapidly rising inflation and a stock market correction in the second half of the fiscal year.

Based on the above results of operations, fiscal year 2022 ended with a budgetary surplus, which resulted in a budgetary General Fund balance after reservation of $6.866 billion.

See the *Required Supplementary Information* section on pages 183 through 190 of this report for a detailed budgetary comparison schedule.

Capital Assets, Leased Assets, and Debt Administration

Capital Assets

At the end of the 2022 fiscal year, the State had $20.067 billion invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of $425.649 million, or 2.2%, over the previous fiscal year (see *Exhibit 7-1*).

Exhibit 7-1
Capital Assets, Net of Depreciation
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percentage Change
	2022	2021 (as restated)	2022	2021	2022	2021 (as restated)	2022-2021
Land and improvements	$ 2,444,811	$ 2,336,605	$ 187,060	$ 191,184	$ 2,631,871	$ 2,527,789	4.1%
Infrastructure	11,646,488	11,490,949	—	—	11,646,488	11,490,949	1.4%
Buildings and improvements	914,574	962,974	10,524	14,227	925,098	977,201	(5.3%)
Vehicles	281,323	269,767	497	633	281,820	270,400	4.2%
Machinery and equipment	219,499	227,223	3,670	3,967	223,169	231,190	(3.5%)
Works of art and historical treasures	3,236	3,296	—	—	3,236	3,296	(1.8%)
Construction in progress	4,162,152	3,883,574	117,362	114,082	4,279,514	3,997,656	7.1%
Intangible assets	75,741	142,807	—	—	75,741	142,807	(47.0%)
Total	**$19,747,824**	**$19,317,195**	**$ 319,113**	**$ 324,093**	**$20,066,937**	**$ 19,641,288**	**2.2%**

Growth in capital asset investment occurred mostly in infrastructure and construction in progress. The Department of Transportation converted $389.451 million of previous and current year construction in progress into infrastructure and added a net of $267.347 million to construction in progress. These additions are part of new and on-going infrastructure projects within the Department of Transportation Special Revenue Fund and are funded by federal grants and the 2-cent per year gas tax increase for road projects and maintenance.

Leased Assets

At the end of the 2022 fiscal year, the State had $122.419 million in leased assets, net of amortization. This represented a net decrease (including additions and deductions) of $2.424 million, or 2.0%, over the previous fiscal year (see *Exhibit 7-2*).

Exhibit 7-2
Leased Assets, Net of Amortization
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Total Percentage Change
	2022	2021 (as restated)	2022-2021
Land and improvements	$ 2,603	$ 2,561	1.6%
Buildings and improvements	109,810	106,605	3.0%
Machinery and equipment	10,006	10,829	(7.6%)
Total	**$ 122,419**	**$ 119,995**	**2.0%**

See Note 6 in the notes to the financial statements on page 102 of this report for additional information on the State's capital and leased assets.

Debt Outstanding

At June 30, 2022, the State had $1.747 billion in bonds and notes outstanding—a decrease of $103.765 million, or a 5.6%, from the previous year (see *Exhibit 8*).

Exhibit 8

Outstanding Bonds and Notes
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2022-2021
Backed by the State:							
General obligation bonds.....	$ 193,969	$ 265,229	$ —	$ —	$ 193,969	$ 265,229	(26.9%)
Backed by Specific Revenues:							
Revenue bonds and notes.....	100,206	102,026	11,285	11,490	111,491	113,516	(1.8%)
Infrastructure Bank bonds.....	1,441,839	1,472,319	—	—	1,441,839	1,472,319	(2.1%)
Total.....	**$1,736,014**	**$1,839,574**	**$ 11,285**	**$ 11,490**	**$1,747,299**	**$1,851,064**	**(5.6%)**

The repayment of principal on outstanding debt exceeded issuances of debt, resulting in a decrease in debt outstanding for governmental activities of $103.560 million, or 5.6%. Contributing to this decline was a major refunding of general obligation bonds.

Three bond rating services assign ratings to bonds backed by the State with its own taxing authority (*general obligation bonds*). Fitch Ratings rated these bonds as "AAA" and Moody's Investors Service rated them as "Aaa" during the fiscal year ended June 30, 2022, the highest rating that these services assign. The State's bond rating from Standard & Poor's was "AA+" during the same period, its second highest rating.

The State limits the amount of annual payments for principal and interest (or annual debt service) on general obligation bonds and notes rather than directly limiting the amount of those bonds and notes that the State may have outstanding. At June 30, 2022, the State had the legal capacity to issue additional bonds as long as the new debt would not increase annual principal and interest payments by more than the following amounts: $111.650 million for highway bonds, $597.058 million for general obligation bonds (excluding institution and highway bonds), $48.009 million for economic development bonds, and $47.437 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements on page 138 of this report for additional information about the State's long-term debt.

Economic Factors and Next Year's Budget

The "Rainy Day Account"

The State's General Reserve Fund, also called the rainy day account, had a $458.961 million balance at June 30, 2022, which was $18.723 million greater than the balance a year earlier. Funding for this reserve is mandated by State law and by the State Constitution. If the State withdraws funds from the General Reserve Fund to cover a year-end deficit, it must replace the funds within five years. The State Constitution also requires that at least one percent of the Budgetary General Fund revenue of the latest completed fiscal year, if so much is necessary, be restored each year following the deficit until full funding is achieved. In any year withdrawals are made that reduce the account below its pre-determined full-funding level, the State Constitution requires that full-funding of the General Reserve Fund be restored within three fiscal years. State law defines full funding as 5.0% of the Budgetary General Fund's revenues of the prior fiscal year.

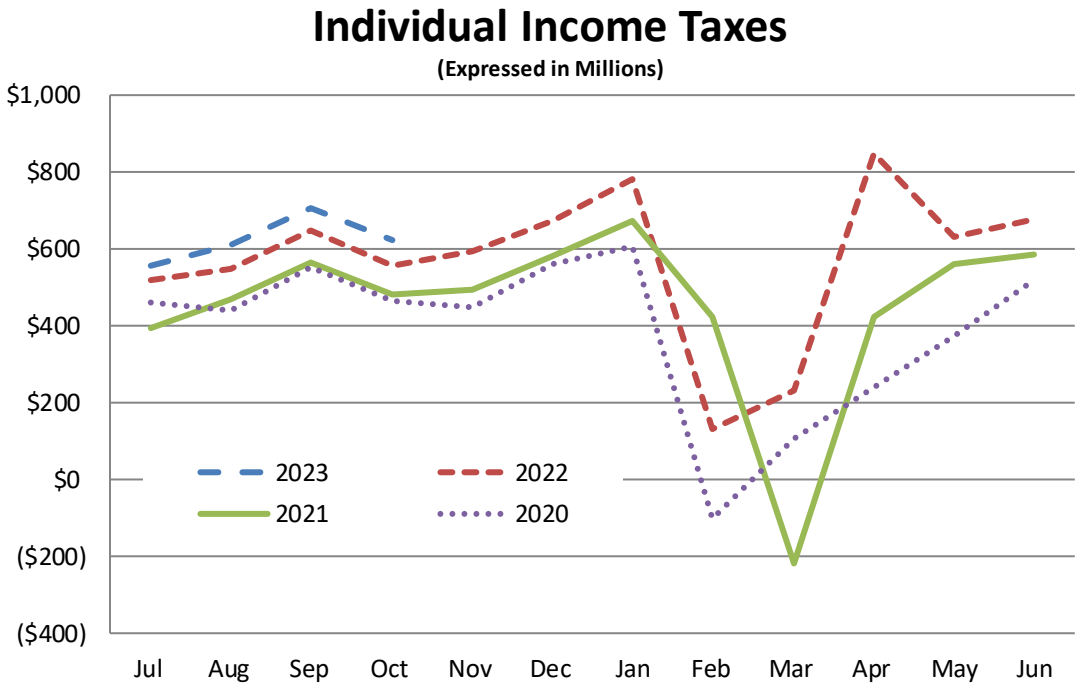
Forecasted Budgetary General Fund Revenues for Fiscal Year 2023

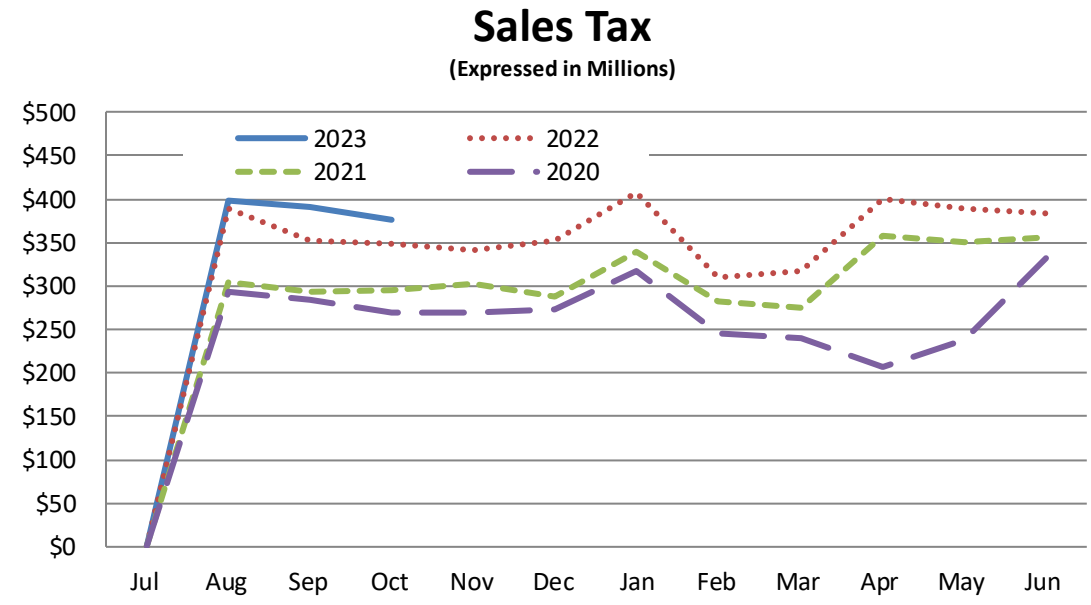
In May 2022, the State Board of Economic Advisors (BEA) forecast that there would be $11.215 billion of budgetary General Fund revenues for fiscal year 2023, which was $1.789 billion, or 13.8%, less than actual corresponding revenues collected in fiscal year 2022. In November 2022, the BEA increased its 2023 fiscal year forecast another $1.285 billion. As a

result, forecasted Budgetary General Fund revenues for fiscal year 2023 are currently $1.313 billion, or 10.1%, below actual revenue collections in fiscal year 2022.

Economic Conditions

Budgetary General Fund revenues for the first four months of fiscal year 2023 were $2.572 billion (net of $661.953 million to the tax relief trust fund), which was an increase of $346.340 million, or 15.6%, compared to the same period for fiscal year 2022. Total individual income taxes collected have increased by $224.734 million, or 9.9%, compared to the same period in the prior year. Sales taxes have increased by $77.828 million, or 7.2%, over the first four months of fiscal year 2022.

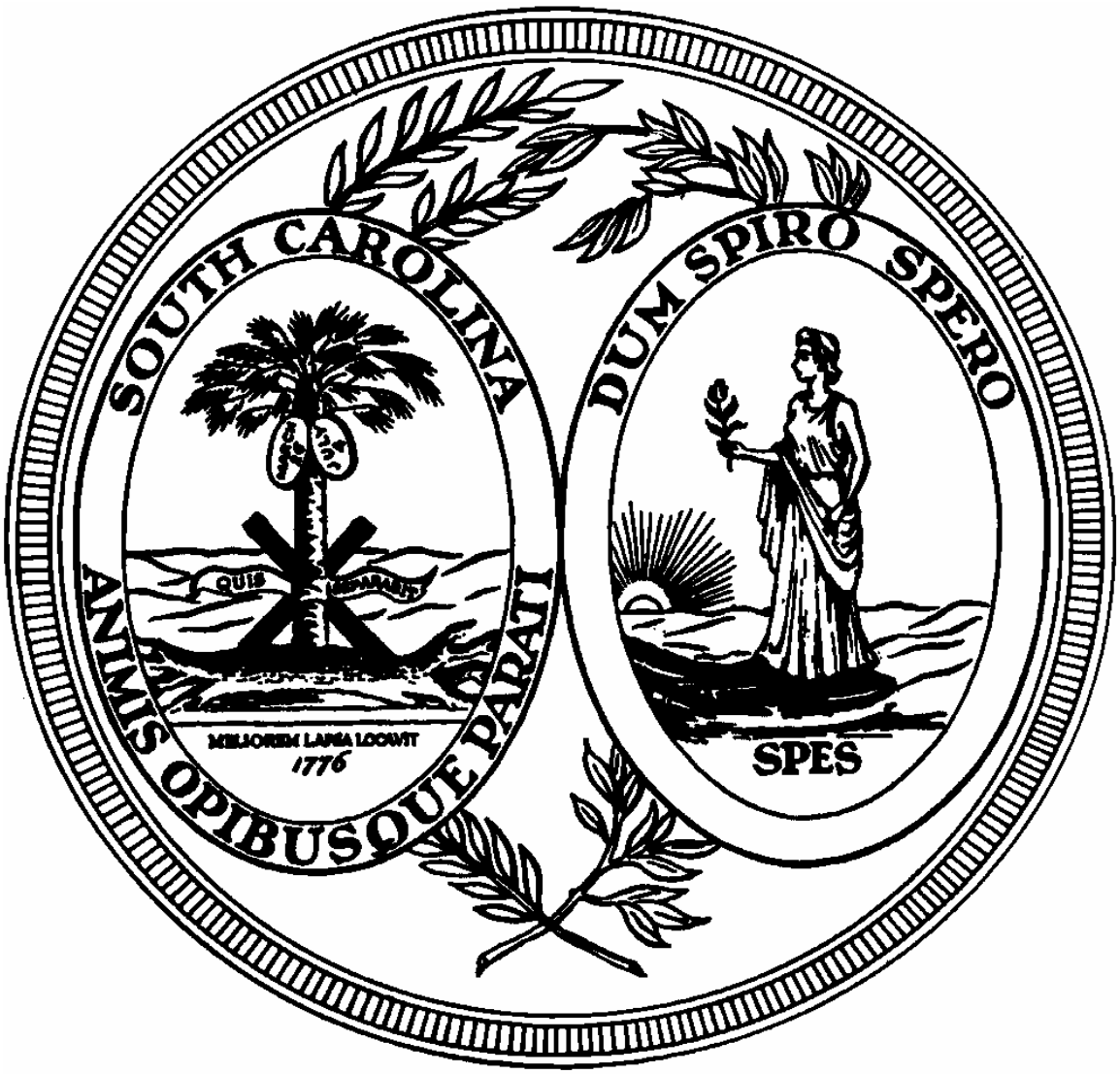




Requests for Information

The primary purpose of this financial report is to provide South Carolina's citizens, taxpayers, customers, investors, and creditors with a general overview of the State's finances and to demonstrate the State's accountability for the money it receives. Please address any questions concerning information in this report to:

Office of the Comptroller General
ATTN: Chief of Staff
1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
1776
SPES

BASIC
FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2022
(Expressed in Thousands)

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 9,064,439	$ 1,540,437	$ 10,604,876	$ 4,162,034
Investments	9,818,061	246,113	10,064,174	2,529,574
Invested securities lending collateral	459,354	9,034	468,388	86,797
Receivables, net:				
Accounts	692,885	43,998	736,883	619,986
Contributions	1,555	—	1,555	159,790
Participants	—	51	51	—
Accrued interest	72,921	5,268	78,189	14,166
Income taxes	1,086,493	—	1,086,493	—
Sales and other taxes	1,046,463	—	1,046,463	—
Student accounts	152	—	152	74,084
Patient accounts	17,625	—	17,625	448,354
Loans and notes	783,350	—	783,350	45,271
Assessments	—	143,796	143,796	—
Leases	9,891	841	10,732	140,990
Due from Federal government and other grantors	1,755,528	312	1,755,840	167,670
Internal balances	54,627	(54,627)	—	—
Due from component units	100,958	—	100,958	—
Due from primary government	—	—	—	72,601
Due from fiduciary funds	91,258	—	91,258	—
Inventories	87,106	2,149	89,255	342,634
Restricted assets:				
Cash and cash equivalents	809,318	12	809,330	2,095,334
Investments	—	—	—	2,271,861
Accounts receivable	13,000	—	13,000	106
Loans receivable	—	—	—	1,013,470
Other	44,519	—	44,519	251,489
Prepaid items	64,951	482	65,433	51,203
Other assets	357	—	357	336,625
Regulatory assets	—	—	—	3,734,186
Other regulatory assets	—	—	—	375,483
Investment in joint venture	—	—	—	21,956
Leased assets-nonamortizable	2,602	—	2,602	—
Leased assets-amortizable, net	119,817	—	119,817	313,266
Capital assets-nondepreciable	6,562,707	298,982	6,861,689	2,295,140
Capital assets-depreciable, net	13,185,117	20,131	13,205,248	11,437,930
Total assets	$ 45,945,054	$ 2,256,979	$ 48,202,033	$ 33,062,000
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	$ —	$ —	$ —	$ 11,264
Deferred amount on refunding	28,445	—	28,445	140,465
Asset retirement obligation	—	—	—	672,804
Pension related	705,072	5,260	710,332	925,152
Other post-employment benefits related	1,149,323	10,314	1,159,637	1,754,419
Total deferred outflows	$ 1,882,840	$ 15,574	$ 1,898,414	$ 3,504,104
LIABILITIES				
Accounts payable	$ 1,085,905	$ 5,223	$ 1,091,128	$ 545,081
Accrued salaries and related expenses	175,200	2,484	177,684	351,304
Accrued interest payable	8	42	50	76,892
Retainages payable	2,510	151	2,661	11,841
Tax refunds payable	1,074,702	59,885	1,134,587	—
Payables-aid to individuals/families	15,637	—	15,637	—
Prizes payable	—	—	—	48,832
Unemployment benefits payable	—	556	556	—
Intergovernmental payables	896,106	42,550	938,656	658
Tuition benefits payable	—	36,032	36,032	—
Due to component units	72,601	—	72,601	—
Due to primary government	—	—	—	100,958
Due to fiduciary funds	32,667	—	32,667	—
Asset retirement obligation	—	—	—	669,419
Unearned revenues	3,101,117	—	3,101,117	585,771
Deposits	4,064	300	4,364	17,945
Amounts held in custody for others	—	—	—	30,634
Securities lending collateral	459,354	9,034	468,388	86,797
Liabilities payable from restricted assets:				
Accrued interest payable	12,662	—	12,662	—
Other	—	—	—	22,682
Other liabilities	665,051	12	665,063	821,508
Long-term liabilities:				
Due within one year	937,261	19,145	956,406	490,379
Due in more than one year	9,821,370	229,126	10,050,496	23,706,202
Total liabilities	$ 18,356,215	$ 404,540	$ 18,760,755	$ 27,566,903

Exhibit A-1

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ 118,208
Deferred gain on refunding	—	—	—	2,403
Deferred nuclear decommissioning costs	—	—	—	245,933
Deferred service concession arrangement receipts	—	—	—	120
Deferred nonexchange revenues	11,390	—	11,390	32
Toshiba settlement	—	—	—	251,089
Pension related	730,366	6,314	736,680	796,111
Other post-employment benefits related	406,750	3,664	410,414	456,882
Lease related	9,175	914	10,089	133,330
Total deferred inflows	$ 1,157,681	$ 10,892	$ 1,168,573	$ 2,004,108
NET POSITION				
Net investment in capital assets	$ 18,048,684	$ 307,828	$ 18,356,512	$ 6,377,828
Restricted:				
Expendable:				
General government	5,454,472	—	5,454,472	—
Education	439,584	—	439,584	1,411,648
Health	1,532,210	—	1,532,210	—
Transportation	2,061,515	—	2,061,515	2,781
Capital projects	—	—	—	1,252,725
Debt service	808,768	—	808,768	203,615
Loan programs	—	—	—	469,652
Insurance programs	372,159	46,917	419,076	—
Administration of justice	95,928	—	95,928	—
Economic development	69,218	—	69,218	—
Social programs	3,187	—	3,187	—
Unemployment compensation benefits	—	1,541,293	1,541,293	—
Other	—	—	—	20,715
Nonexpendable:				
Education	11,642	—	11,642	1,349,338
Other	205,378	—	205,378	—
Unrestricted	(788,747)	(38,917)	(827,664)	(4,093,209)
Total net position	**$ 28,313,998**	**$ 1,857,121**	**$ 30,171,119**	**$ 6,995,093**

The Notes to the Financial Statements are an integral part of this statement.

Statement of Activities

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses)
Primary government:					
Governmental activities:					
General government	$ 8,029,072	$ 3,874,192	$ 1,565,077	$ 40,175	$ (2,549,628)
Education	8,413,741	41,174	2,172,907	—	(6,199,660)
Health and environment	9,775,171	143,586	7,260,392	2,954	(2,368,239)
Social services	3,416,209	5,268	2,970,529	37,212	(403,200)
Administration of justice	1,124,187	60,363	30,133	142	(1,033,549)
Resources and economic development	618,983	103,740	105,855	6,275	(403,113)
Transportation	1,467,938	215,318	259	854,525	(397,836)
Unallocated interest expense	8,423	—	—	—	(8,423)
Total governmental activities	**32,853,724**	**4,443,641**	**14,105,152**	**941,283**	**(13,363,648)**
Business-type activities:					
Unemployment compensation benefits	69,049	307,371	25,425	—	263,747
Second Injury	13,915	—	13,913	—	(2)
Other enterprise activities	51,553	69,367	101	36,159	54,074
Total business-type activities	**134,517**	**376,738**	**39,439**	**36,159**	**317,819**
Total primary government	**$ 32,988,241**	**$ 4,820,379**	**$ 14,144,591**	**$ 977,442**	**$ (13,045,829)**
Component units:					
Public Service Authority	1,727,173	1,765,785	(1,373)	—	37,239
Medical University of South Carolina	4,460,156	3,943,487	283,053	30,760	(202,856)
University of South Carolina	1,607,254	1,162,879	98,639	153,785	(191,951)
Clemson University	1,231,283	972,291	112,156	66,149	(80,687)
State Ports Authority	414,055	443,102	6,210	3,855	39,112
Housing Authority	480,841	95,427	410,909	—	25,495
Lottery Commission	2,257,447	2,257,202	(8)	—	(253)
Nonmajor component units	2,182,636	1,292,358	609,528	152,896	(127,854)
Total component units	**$ 14,360,845**	**$ 11,932,531**	**$ 1,519,114**	**$ 407,445**	**$ (501,755)**

Exhibit A-2

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position:				
Net revenues (expenses)	$ (13,363,648)	$ 317,819	$ (13,045,829)	$ (501,755)
General revenues:				
Taxes:				
Individual income	6,932,111	—	6,932,111	—
Retail sales and use	7,092,123	—	7,092,123	—
Corporate income	1,048,315	—	1,048,315	—
Gas and motor vehicle	1,427,195	—	1,427,195	—
Insurance	236,704	—	236,704	—
Hospital	266,581	—	266,581	—
Other	923,472	—	923,472	—
Total taxes	17,926,501	—	17,926,501	—
Unrestricted investment income	(573,226)	10,944	(562,282)	—
State Appropriations	—	—	—	939,918
Tobacco legal settlement	88,544	—	88,544	—
Other revenues	751,363	775	752,138	—
Additions to endowments	—	—	—	32,784
Transfers–internal activities	32,272	(32,272)	—	—
Total general revenues, additions to endowments, and transfers	**18,225,454**	**(20,553)**	**18,204,901**	**972,702**
Change in net position	**4,861,806**	**297,266**	**5,159,072**	**470,947**
Net position at beginning of year, as restated	**23,452,192**	**1,559,855**	**25,012,047**	**6,524,146**
Net position at end of year	**$ 28,313,998**	**$ 1,857,121**	**$ 30,171,119**	**$ 6,995,093**

The Notes to the Financial Statements are an integral part of this statement.

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2022
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue
ASSETS				
Cash and cash equivalents	$ 3,037,311	$ 2,407,998	$ 138,168	$ 2,004,589
Investments	7,643,876	271,368	538,638	—
Invested securities lending collateral	263,818	11,480	57,275	72,008
Receivables, net:				
Accounts	109,741	239,855	2,807	7,754
Contributions	485	1,070	—	—
Accrued interest	43,507	1,779	7,482	10,307
Income taxes	1,086,493	—	—	—
Sales and other taxes	896,529	1,968	—	5,312
Student accounts	152	—	—	—
Patient accounts	14,589	3,036	—	—
Loans and notes	38,898	489	737,488	6,475
Leases	8,370	1,484	—	—
Due from Federal government and other grantors	19,048	1,612,129	5,800	117,127
Due from other funds	198,522	210,855	31,583	165,809
Due from component units	53,625	—	—	173
Interfund receivables	51,157	2,050	98,119	—
Inventories	34,667	45,125	—	4,347
Restricted assets:				
Cash and cash equivalents	5,762	—	803,416	140
Accounts receivable, net	—	—	13,000	—
Other	—	—	4,519	—
Prepaid items	24,822	3,294	—	5,580
Other assets	31	—	—	203
Total assets	**$ 13,531,403**	**$ 4,813,980**	**$ 2,438,295**	**$ 2,399,824**
LIABILITIES				
Accounts payable	387,616	490,568	4,699	150,141
Accrued salaries and related expenditures	115,267	33,765	136	21,977
Retainages payable	249	454	—	—
Tax refunds payable	1,074,699	1	—	—
Payable–aid to individuals/families	2,271	13,366	—	—
Intergovernmental payables	91,776	497,405	11,145	—
Due to other funds	470,803	104,233	65	3,827
Due to component units	12,781	28,561	—	1,024
Interfund payables	2,050	249	—	98,119
Unearned revenues	20,953	2,726,452	29,142	121,662
Deposits	1,343	—	—	2,712
Securities lending collateral	263,818	11,480	57,275	72,008
Other liabilities	430,315	12,105	5,311	—
Total liabilities	**2,873,941**	**3,918,639**	**107,773**	**471,470**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	3,837	48,367	18,000	3
Deferred nonexchange revenues	11,390	—	—	—
Lease related	8,156	982	—	—
Total deferred inflows of resources	**23,383**	**49,349**	**18,000**	**3**
FUND BALANCES				
Nonspendable	146,639	48,419	—	10,130
Restricted	1,619,684	1,101,606	2,312,522	1,918,221
Committed	826,611	34,475	—	—
Assigned	540,030	139,275	—	—
Unassigned	7,501,115	(477,783)	—	—
Total fund balances	**10,634,079**	**845,992**	**2,312,522**	**1,928,351**
Total liabilities, deferred inflows and fund balances	**$ 13,531,403**	**$ 4,813,980**	**$ 2,438,295**	**$ 2,399,824**

The Notes to the Financial Statements are an integral part of this statement.

Exhibit B-1

Nonmajor Governmental Funds	Totals
$ 588,083	$ 8,176,149
806,246	9,260,128
34,714	439,295
42,024	402,181
—	1,555
5,180	68,255
—	1,086,493
142,654	1,046,463
—	152
—	17,625
—	783,350
—	9,854
1,424	1,755,528
48,605	655,374
29,247	83,045
—	151,326
—	84,139
—	809,318
—	13,000
40,000	44,519
190	33,886
—	234
$ 1,738,367	**$ 24,921,869**
44,113	1,077,137
349	171,494
1,807	2,510
2	1,074,702
—	15,637
295,765	896,091
35,592	614,520
30,235	72,601
—	100,418
—	2,898,209
—	4,055
34,714	439,295
309	448,040
442,886	**7,814,709**
497	70,704
—	11,390
—	9,138
497	**91,232**
11,832	217,020
1,663,449	8,615,482
55,583	916,669
253,426	932,731
(689,306)	6,334,026
1,294,984	**17,015,928**
$ 1,738,367	**$ 24,921,869**

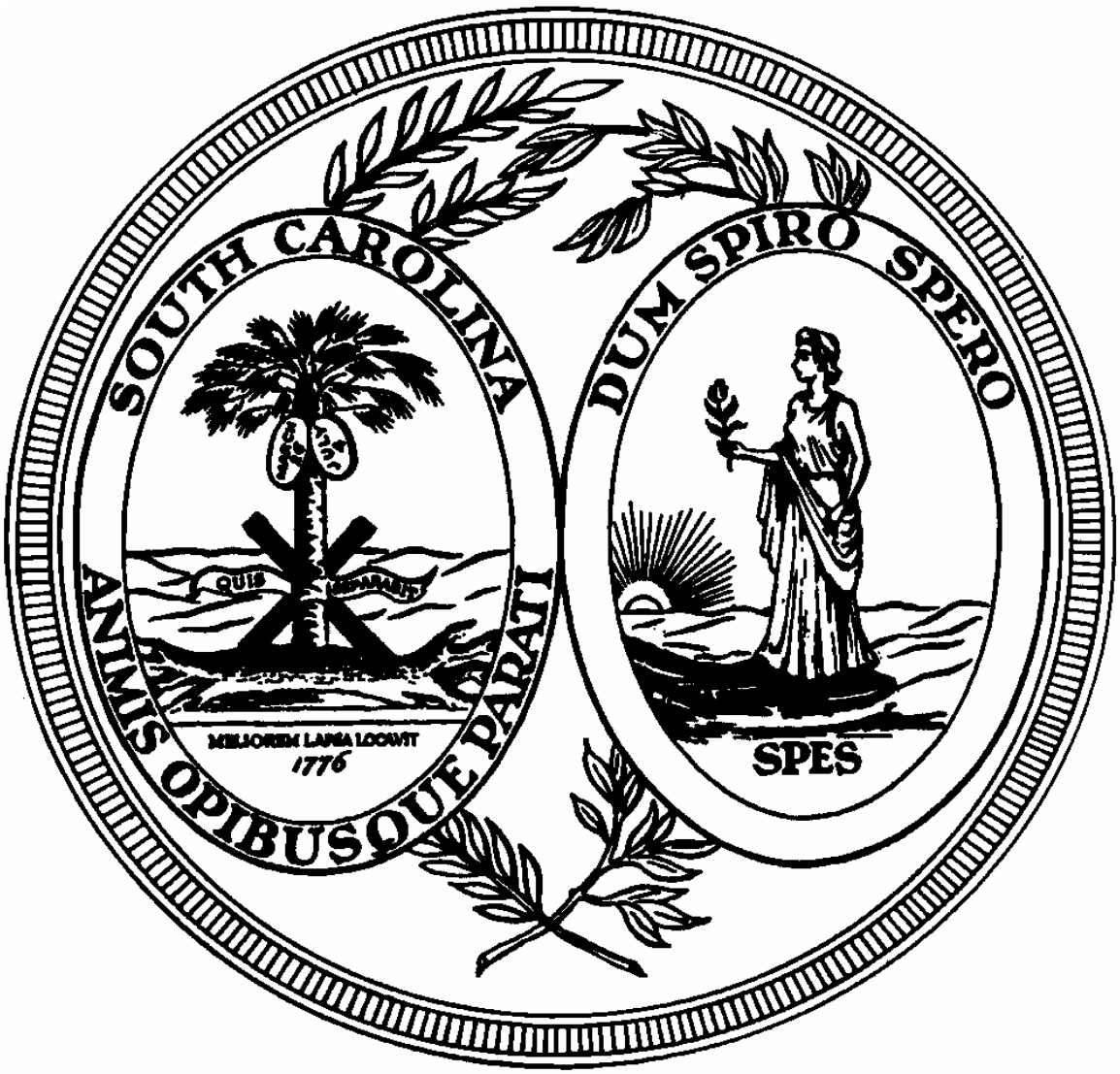
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit B-1a

June 30, 2022
(Expressed in Thousands)

Total fund balances–governmental funds		**$ 17,015,928**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and leased assets used in governmental activities are not considered current financial resources and therefore are not reported in the funds:		
Non-depreciable capital assets	$ 6,556,368	
Depreciable capital assets	20,815,627	
Accumulated depreciation	(7,701,992)	
Total capital assets		19,670,003
Non-amortizable leased assets	2,602	
Amortizable leased assets	142,438	
Accumulated amortization	(28,078)	
Total Leased assets		116,962
Deferred outflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred loss on refunding bonds		28,445
Pension and OPEB contributions made after the measurement date		442,210
Difference between expected and actual retirement plan experience		174,911
Changes in proportion and differences between contributions and proportionate share of plan contributions		171,547
Changes in assumptions		1,037,500
Deferred inflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Difference between expected and actual retirement plan experience		(114,554)
Difference between projected and actual investment earnings		(559,635)
Changes in proportion and differences between contributions and proportionate share of plan contributions		(349,819)
Changes in assumptions		(98,236)
Certain State revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures, and therefore are considered deferred inflows of resources		70,704
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position		686,530
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(1,671,695)	
Notes payable	(62,700)	
Accrued interest on bonds	(12,662)	
Leases	(108,477)	
Net pension liability	(3,590,593)	
Net OPEB liability	(4,079,539)	
Compensated absences	(210,068)	
Policy claims	(25,847)	
Other	(216,917)	
Total long-term liabilities		(9,978,498)
Net position of governmental activities		**$ 28,313,998**

The Notes to the Financial Statements are an integral part of this statement.


SOUTH CAROLINA
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Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	General Fund	Departmental Program Services
Revenues:		
Taxes:		
Individual income	$ 6,908,580	$ —
Retail sales and use	5,579,590	6,467
Corporate income	1,048,315	—
Gas and motor vehicle	—	—
Insurance	236,187	517
Hospital	266,581	—
Other	826,124	92,790
Licenses, fees, and permits	305,833	68,649
Interest and other investment income	(319,349)	(13,979)
Federal	80,711	13,306,730
Local and private grants	19,014	62,180
Departmental services	701,884	123,185
Contributions	11,394	23,361
Fines and penalties	67,722	7,326
Tobacco legal settlement	—	—
Other	237,608	417,068
Total revenues	**15,970,194**	**14,094,294**
Expenditures:		
Current:		
General government	1,149,501	518,831
Education	1,727,179	280,996
Health and environment	2,997,937	7,535,274
Social services	301,796	2,952,684
Administration of justice	953,864	26,296
Resources and economic development	237,163	76,193
Transportation	53,828	1,912
Capital outlay	45,472	23,652
Debt service:		
Principal retirement	90,793	7,891
Interest and fiscal charges	28,651	187
Intergovernmental	4,759,073	2,268,153
Total expenditures	**12,345,257**	**13,692,069**
Excess of revenues over (under) expenditures	**3,624,937**	**402,225**
Other financing sources (uses):		
Bonds and notes issued	13,337	—
Refunding bonds issued	—	—
Premiums on bonds issued	—	—
Leases issued	14,362	5,666
Payment to refunded bond escrow agent	—	—
Transfers in	293,056	84,892
Transfers out	(412,173)	(77,094)
Total other financing sources (uses)	**(91,418)**	**13,464**
Net change in fund balances	**3,533,519**	**415,689**
Fund balances at beginning of year, as restated	**7,100,560**	**430,303**
Fund balances at end of year	**$ 10,634,079**	**$ 845,992**

The Notes to the Financial Statements are an integral part of this statement.

Exhibit B-2

Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Totals
$ 22,881	$ —	$ 650	$ 6,932,111
—	—	1,506,066	7,092,123
—	—	—	1,048,315
—	1,427,195	—	1,427,195
—	—	—	236,704
—	—	—	266,581
—	—	4,558	923,472
147,597	—	73,673	595,752
(57,936)	(84,748)	(41,724)	(517,736)
35,925	885,167	98,320	14,406,853
—	—	—	81,194
282	92,952	42,604	960,907
55,160	—	564,112	654,027
—	—	8,153	83,201
—	—	88,544	88,544
3,122	8,157	2,627	668,582
207,031	**2,328,723**	**2,347,583**	**34,947,825**
14	—	84,823	1,753,169
—	—	474,882	2,483,057
—	—	43,883	10,577,094
—	—	243	3,254,723
—	—	—	980,160
—	—	261	313,617
4,151	1,172,376	—	1,232,267
12	734,876	120,319	924,331
84,602	13,351	173	196,810
53,298	3,356	84	85,576
49,972	—	1,536,007	8,613,205
192,049	**1,923,959**	**2,260,675**	**30,414,009**
14,982	**404,764**	**86,908**	**4,533,816**
—	—	12,523	25,860
370,445	—	—	370,445
103,641	—	—	103,641
12	—	483	20,523
(407,480)	—	—	(407,480)
12,166	58,326	378,768	827,208
—	(3,564)	(283,724)	(776,555)
78,784	**54,762**	**108,050**	**163,642**
93,766	**459,526**	**194,958**	**4,697,458**
2,218,756	**1,468,825**	**1,100,026**	**12,318,470**
$ 2,312,522	**$ 1,928,351**	**$ 1,294,984**	**$ 17,015,928**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

Net change in fund balances–total governmental funds		**$ 4,697,458**
Amounts reported for governmental activities in the Statement of Activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of capital assets and leases are allocated over their estimated useful lives and reported as depreciation and amortization expense. In the current period these amounts are:		
Capital outlay	$ 924,331	
Depreciation expense	(483,173)	
Excess of capital outlay over depreciation expense		441,158
Donations of capital assets increase net position in the Statement of Activities, but do not appear in the governmental funds because they are not financial resources		25,543
Loss on disposals of capital assets are reported as an expense in the Statement of Activities		(28,113)
Bond, note, and lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:		
Bonds, notes, and leases issued	(390,968)	
Bond premiums net of discounts	(103,641)	
Leases issued	(25,860)	
Bonds, notes, and leases issued		(520,469)
Losses on bond refundings and hedging portion of derivatives are considered deferred outflows of resources in the Statement of Net Position		(8,877)
Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. In the current year, these amounts consist of:		
Bond, note, and lease retirement	196,810	
Payment to refunded bond escrow agent	407,480	
Total long-term debt repayment		604,290
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is included in governmental activities in the Statement of Activities, net of restatements		(203,782)
Because certain receivables will not be collected soon enough after the State's fiscal year ends, the related revenues are not considered "available" and are deferred in the governmental funds.		
Increase in unearned revenues		(26,262)

Exhibit B-2a

Decrease in general operating expense due to the increase in pension expense for the amortization of deferred outflows and inflows of resources related to the net pension liability		(382,717)
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These consist of changes in the following assets and liabilities:		
Accrued interest payable	$ 1,624	
Unamortized bond premiums and discounts	24,577	
Net pension liability	739,252	
Net OPEB liability	(504,332)	
Compensated absences payable	(6,373)	
Policy claims payable	2,860	
Other long-term liabilities	5,969	
Total additional expenses		263,577
Change in net position of governmental activities		**$ 4,861,806**

The Notes to the Financial Statements are an integral part of this statement.

Statement of Net Position

PROPRIETARY FUNDS

June 30, 2022
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,456,088	$ 10,933	$ 73,416	$ 1,540,437	$ 888,290
Investments	11,499	196,913	37,701	246,113	2,474
Invested securities lending collateral	496	8,498	40	9,034	20,059
Receivables, net:					
Accounts	36,632	219	7,147	43,998	290,644
Participants	—	—	49	49	—
Accrued interest	162	5,100	6	5,268	4,666
Assessments	143,796	—	—	143,796	—
Leases	—	—	408	408	9
Due from Federal government and other grantors	312	—	—	312	—
Due from other funds	—	—	401	401	24,240
Due from component units	—	—	—	—	17,913
Inventories	—	—	2,149	2,149	2,967
Restricted assets:					
Prepaid items	—	—	482	482	30,678
Total current assets	1,648,985	221,663	121,799	1,992,447	1,281,940
Long-term assets:					
Investments	—	—	—	—	555,459
Receivables, net:					
Accounts	—	—	—	—	60
Participants	—	—	2	2	—
Leases	—	—	433	433	28
Restricted assets:					
Cash and cash equivalents	—	—	12	12	—
Prepaid items	—	—	—	—	387
Other long-term assets	—	—	—	—	122
Leased assets-amortizable, net	—	—	—	—	5,457
Non-depreciable capital assets	—	—	298,982	298,982	6,339
Depreciable capital assets, net	—	—	20,131	20,131	71,482
Total long-term assets	—	—	319,560	319,560	639,334
Total assets	**1,648,985**	**221,663**	**441,359**	**2,312,007**	**1,921,274**
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	—	—	5,260	5,260	10,653
Other post-employment benefits related	—	—	10,314	10,314	17,574
Total deferred outflows of resources	**$ —**	**$ —**	**$ 15,574**	**$ 15,574**	**$ 28,227**

Exhibit B-3

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
LIABILITIES					
Current liabilities:					
Accounts payable	$ 806	$ 5	$ 4,412	$ 5,223	$ 8,768
Accrued salaries and related expenses	—	—	2,484	2,484	3,706
Accrued interest payable	—	—	42	42	8
Tax refunds payable	59,885	—	—	59,885	—
Unemployment benefits payable	556	—	—	556	—
Intergovernmental payables	42,549	—	1	42,550	15
Interfund payables	—	—	51,000	51,000	—
Tuition benefits payable	—	—	9,819	9,819	—
Policy claims	—	17,752	—	17,752	653,711
Due to other funds	3,400	—	628	4,028	2,642
Unearned revenues	—	—	—	—	202,908
Deposits	—	—	300	300	9
Securities lending collateral	496	8,498	40	9,034	20,059
Liabilities payable from restricted assets:					
Notes payable	—	—	—	—	1,477
Revenue bonds payable	—	—	215	215	—
Leases payable	—	—	—	—	1,188
Compensated absences payable	—	—	1,178	1,178	2,300
Other current liabilities	—	—	12	12	2,873
Total current liabilities	107,692	26,255	70,131	204,078	899,664
Long-term liabilities:					
Retainages payable	—	—	151	151	—
Tuition benefits payable	—	—	26,213	26,213	—
Policy claims	—	148,491	—	148,491	230,497
Interfund payables	—	—	—	—	142
Notes payable	—	—	6,500	6,500	142
Revenue bonds payable	—	—	4,570	4,570	—
Leases payable	—	—	—	—	4,325
Compensated absences payable	—	—	770	770	1,328
Other long-term liabilities	—	—	—	—	146
Net pension liability	—	—	30,892	30,892	50,314
Net OPEB liability	—	—	37,903	37,903	61,504
Total long-term liabilities	—	148,491	106,999	255,490	348,398
Total liabilities	**107,692**	**174,746**	**177,130**	**459,568**	**1,248,062**
DEFERRED INFLOWS OF RESOURCES					
Pension related	—	—	6,314	6,314	9,237
Other post-employment benefits related	—	—	3,664	3,664	5,635
Lease related	—	—	914	914	37
Total deferred inflows of resources	**$ —**	**$ —**	**$ 10,892**	**$ 10,892**	**$ 14,909**

The Notes to the Financial Statements are an integral part of this statement

Continued on Next Page

Statement of Net Position

Exhibit B-3

PROPRIETARY FUNDS (Continued)

June 30, 2022
(Expressed in Thousands)

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
NET POSITION					
Net investment in capital assets	$ —	$ —	$ 307,828	$ 307,828	$ 76,146
Restricted:					
Expendable:					
Unemployment compensation benefits	1,541,293	—	—	1,541,293	—
Insurance programs	—	46,917	—	46,917	372,159
Unrestricted	—	—	(38,917)	(38,917)	238,225
Total net position	**$ 1,541,293**	**$ 46,917**	**$ 268,911**	**$ 1,857,121**	**$ 686,530**

Statement of Revenues, Expenses, and Changes in Fund Net Position

Exhibit B-4

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Operating revenues:					
Assessments	$ 303,978	$ —	$ —	$ 303,978	$ —
Charges for services	—	—	50,948	50,948	3,205,354
Contributions	—	13,913	101	14,014	—
Licenses, fees, and permits	—	—	18,358	18,358	88
Federal operating grants and contracts	25,425	—	—	25,425	—
Other operating revenues	3,393	—	61	3,454	606,361
Total operating revenues	**332,796**	**13,913**	**69,468**	**416,177**	**3,811,803**
Operating expenses:					
General operations and administration	—	—	52,221	52,221	456,613
Benefits and claims	69,049	13,915	—	82,964	3,485,474
Tuition plan disbursements	—	—	9,529	9,529	—
Depreciation and amortization	—	—	1,841	1,841	19,738
Other operating expenses	—	—	84	84	309
Total operating expenses	**69,049**	**13,915**	**63,675**	**146,639**	**3,962,134**
Operating income (loss)	**263,747**	**(2)**	**5,793**	**269,538**	**(150,331)**
Nonoperating revenues (expenses):					
Interest income	19,516	(18,190)	9,660	10,986	(55,490)
Interest expense	—	—	(42)	(42)	(130)
Net other nonoperating revenues	—	—	775	775	9,450
Gains (Losses) on sale of capital assets	—	—	12,122	12,122	(1,591)
Total nonoperating revenues, net	**19,516**	**(18,190)**	**22,515**	**23,841**	**(47,761)**
Income (losses) before transfers	**283,263**	**(18,192)**	**28,308**	**293,379**	**(198,092)**
Transfers and contributions:					
Federal capital grants and contracts	—	—	4,259	4,259	2
State capital grants and contracts	—	—	31,900	31,900	—
Transfers in	—	—	167	167	7,332
Transfers out	(28,635)	(275)	(3,529)	(32,439)	(13,024)
Change in net position	**254,628**	**(18,467)**	**61,105**	**297,266**	**(203,782)**
Net position at beginning of year	1,286,665	65,384	207,806	1,559,855	890,312
Net position at end of year	**$ 1,541,293**	**$ 46,917**	**$ 268,911**	**$ 1,857,121**	**$ 686,530**

The Notes to the Financial Statements are an integral part of this statement.

Statement of Cash Flows

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Receipts from customers, patients, and third-party payers	$ 81,680	$ —	$ 66,703	$ 148,383	$ 3,642,011
Assessments received	168,382	226	—	168,608	—
Grants received	50,410	—	—	50,410	—
Tuition plan contributions received	—	—	55	55	—
Internal activity–payments from other funds	—	—	—	—	251,620
Other operating cash receipts	—	13,916	1,008	14,924	11,883
Claims and benefits paid	(68,254)	(27,829)	(22,416)	(118,499)	(162,860)
Payments to suppliers for goods and services	—	—	(27,908)	(27,908)	(3,648,231)
Payments to employees	—	—	(23,727)	(23,727)	(53,859)
Capital grants and gifts received	—	—	4,259	4,259	—
Other operating cash payments	—	(574)	(722)	(1,296)	(6,753)
Net cash provided by (used in) operating activities	**232,218**	**(14,261)**	**(2,748)**	**215,209**	**33,811**
Cash flows from noncapital financing activities:					
State grants for other than capital purposes	—	—	31,900	31,900	—
Rental income cash receipts	—	—	4,760	4,760	—
Local and private grants and contracts	—	—	—	—	(314)
Industrial development costs	—	—	(801)	(801)	—
Transfers in	—	—	167	167	7,332
Transfers out	(28,635)	(275)	(3,529)	(32,439)	(13,024)
Net cash provided by (used in) noncapital financing activities	**(28,635)**	**(275)**	**32,497**	**3,587**	**(6,006)**

Exhibit B-5

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Cash flows from capital and related financing activities:					
Acquisition of capital assets	$ —	$ —	$ (6,855)	$ (6,855)	$ (16,281)
Principal payments on capital debt	—	—	(108)	(108)	(1,340)
Interest payments on capital debt	—	—	(255)	(255)	(102)
Proceeds from sale or disposal of capital assets	—	—	18,719	18,719	5,874
Net cash provided by capital and related financing activities	**—**	**—**	**11,501**	**11,501**	**(11,849)**
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	250	24,108	(21,033)	3,325	183,178
Purchase of investments	—	—	(5)	(5)	(210,997)
Interest and dividends on investments	19,438	(19,512)	9,661	9,587	16,427
Realized loss on investments	—	—	—	—	(32,663)
Net cash provided by (used in) investing activities	**19,688**	**4,596**	**(11,377)**	**12,907**	**(44,055)**
Net increase (decrease) in cash and cash equivalents	**223,271**	**(9,940)**	**29,873**	**243,204**	**(28,099)**
Cash and cash equivalents at beginning of year	**1,232,817**	**20,873**	**43,543**	**1,297,233**	**916,389**
Cash and cash equivalents at end of year	**$ 1,456,088**	**$ 10,933**	**$ 73,416**	**$ 1,540,437**	**$ 888,290**

The Notes to the Financial Statements are an integral part of this statement.

Continued on Next Page

Statement of Cash Flows

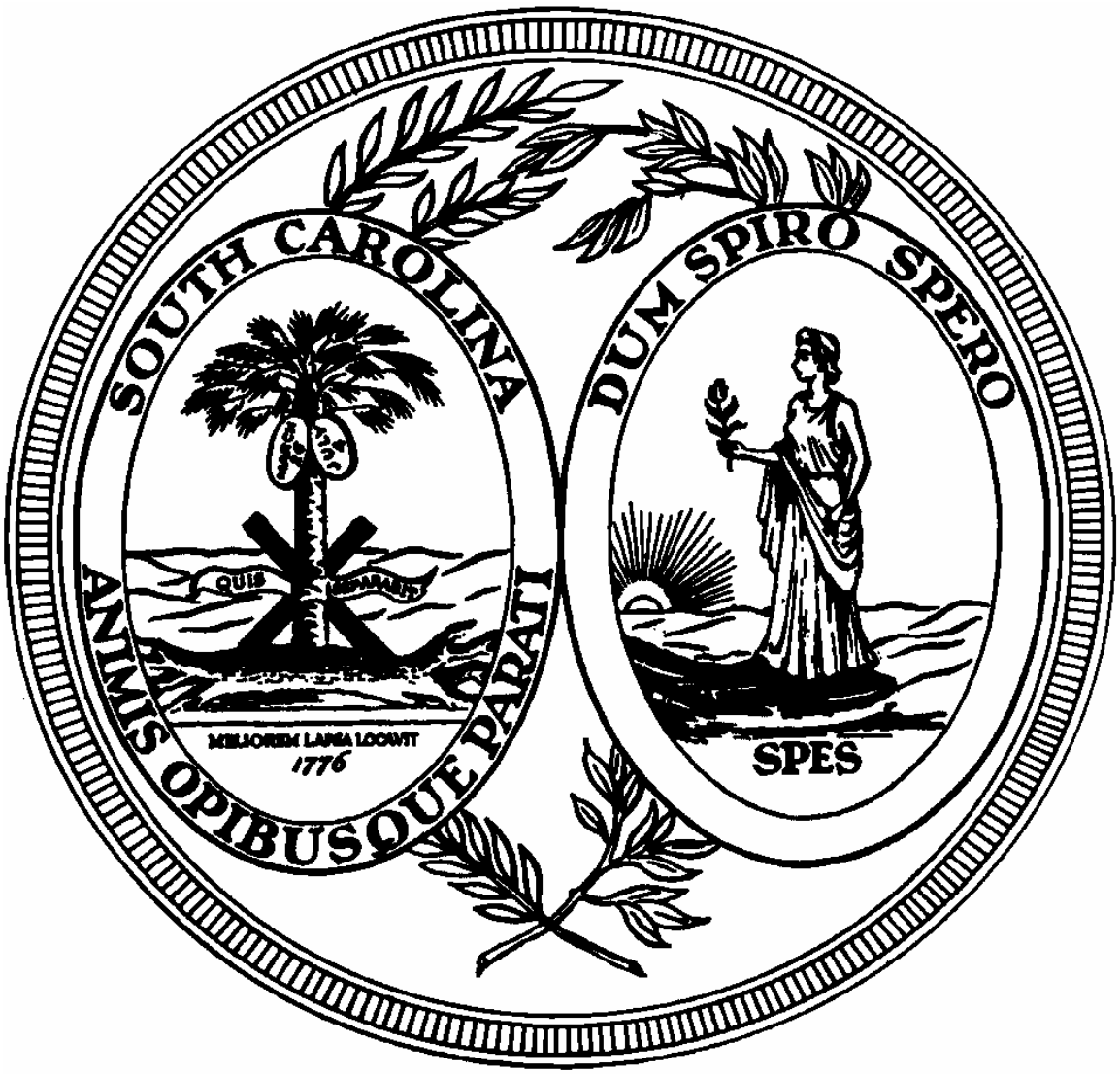
Exhibit B-5

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 263,747	$ (2)	$ 5,793	$ 269,538	$ (150,331)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	1,841	1,841	19,738
Provision for bad debts	117,544	—	—	117,544	—
Realized gains (losses) on sale of assets	—	—	(21)	(21)	(1,591)
Interest and dividends on investments and interfund loans	—	—	40	40	—
Other nonoperating revenues	—	—	4,774	4,774	5,130
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable, net	$ (94,725)	$ 226	$ (2,748)	$ (97,247)	$ 84,175
Assessments receivable, net	(80,128)	—	—	(80,128)	—
Due from Federal government and other grantors	24,985	—	—	24,985	—
Due from other funds	—	—	3	3	(179)
Inventories	—	—	(605)	(605)	279
Other assets	—	—	(61)	(61)	(2,721)
Deferred outflows	—	—	(2,190)	(2,190)	(4,800)
Accounts payable	(12,419)	(570)	1,967	(11,022)	359
Accrued salaries and related expenses	—	—	384	384	16
Tax refunds payable	3,650	—	—	3,650	—
Unemployment benefits payable	(30,817)	—	—	(30,817)	—
Tuition benefits payable	—	—	(12,888)	(12,888)	—
Policy claims	—	(13,915)	—	(13,915)	82,160
Due to other funds	40,381	—	44	40,425	(640)
Unearned revenues	—	—	(33)	(33)	1,878
Compensated absences payable	—	—	(45)	(45)	(137)
Other liabilities	—	—	(4,917)	(4,917)	(8,478)
Deferred inflows	—	—	5,914	5,914	8,953
Net cash provided by (used in) operating activities	**$ 232,218**	**$ (14,261)**	**$ (2,748)**	**$ 215,209**	**$ 33,811**
Noncash capital, investing, and financing activities:					
Disposal of capital assets	$ —	—	$ —	$ —	$ (4,337)
Decrease in fair value of investments	—	—	(1,454)	(1,454)	(38,541)
Total noncash capital, investing, and financing activities	**$ —**	**$ —**	**$ (1,454)**	**$ (1,454)**	**$ (42,878)**

The Notes to the Financial Statements are an integral part of this statement.


SOUTH CAROLINA
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Statement of Fiduciary Net Position

Exhibit B-6

FIDUCIARY FUNDS

June 30, 2022
(Expressed in Thousands)

	Pension and Other Post-Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust	Custodial Funds
ASSETS				
Cash and cash equivalents	$ 1,719,898	$ 6,099,665	$ 2,077	$ 236,415
Receivables, net:				
Accounts	—	—	4	9,215
Contributions	341,101	—	—	—
Accrued interest	30,239	2,238	3,781	—
Unsettled investment sales	279,787	—	4,542	—
Total receivables	651,127	2,238	8,327	9,215
Due from other funds	90,632	—	—	32,433
Investments, at fair value:				
Short term investments	74,608	—	—	8,995
Debt-domestic	3,433,315	3,168,229	—	—
Equity-international	15,211,080	—	—	—
Alternatives	19,462,435	—	—	—
Financial and other	201,064	763,458	5,164,747	—
Total investments	38,382,502	3,931,687	5,164,747	8,995
Invested securities lending collateral	43,663	—	172	388
Interfund receivables	—	—	—	234
Capital assets, net	1,907	—	—	—
Prepaid items	484	—	—	—
Other assets	—	—	4,273	—
Total assets	**40,890,213**	**10,033,590**	**5,179,596**	**287,680**
LIABILITIES				
Accounts payable	3,172	—	2,123	88,569
Accounts payable–unsettled investment purchases	584,238	—	3,950	—
Policy claims	695	—	—	—
Due to other funds	90,632	—	—	91,258
Intergovernmental payables	—	—	—	32,179
Deposits	—	—	—	2,227
Amounts held in custody for others	—	—	—	16,220
Securities lending collateral	88,560	—	172	388
Due to participants	—	—	—	2
Other liabilities	24,377	—	—	—
Total liabilities	**791,674**	**—**	**6,245**	**230,843**
NET POSITION				
Restricted for:				
Pension benefits	38,440,052	—	—	—
Other post-employment benefits	1,658,487	—	—	—
External investment pool participants	—	10,033,590	—	—
Individuals, organizations, and other governments	—	—	5,173,351	56,837
Total net position	**$ 40,098,539**	**$ 10,033,590**	**$ 5,173,351**	**$ 56,837**

The Notes to the Financial Statements are an integral part of this statement.

Statement of Changes in Fiduciary Net Position

Exhibit B-7

FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Pension and Other Post-Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust	Custodial Funds
Additions:				
Licenses, fees, and permits	$ —	$ —	$ 43	$ 4,026
Contributions:				
Employer	2,774,162	—	—	—
Employee	1,150,248	—	—	—
Non-employer	106,451	—	—	—
Deposits from pool participants	—	17,298,324	—	—
Tuition plan deposits	—	—	1,560	—
Other	—	—	266,910	11,170
Total contributions	4,030,861	17,298,324	268,470	11,170
Taxes:				
Retail sales and use	—	—	—	351,774
Other	—	—	—	14
Total taxes	—	—	—	351,788
Investment income:				
Interest income and net appreciation (depletion) in investments	(403,914)	29,737	(645,642)	79
Securities lending income	1,597	6	—	—
Total investment income (loss)	(402,317)	29,743	(645,642)	79
Less investment expense:				
Investment expense	706,343	—	—	—
Securities lending expense	9	—	—	—
Net investment income (loss)	(1,108,669)	29,743	(645,642)	79
Assets moved between pension trust funds	3,193	—	—	—
Transfers in	—	—	—	—
Total additions	**2,925,385**	**17,328,067**	**(377,129)**	**367,063**
Deductions:				
Regular retirement benefits	3,674,219	—	—	—
Supplemental retirement benefits	243	—	—	—
Refunds of retirement contributions to members	193,258	—	—	—
Death benefit claims	34,066	—	—	—
Accidental death benefits	2,015	—	—	—
Other post-employment benefits	520,285	—	—	—
Withdrawals, pool participants	—	16,056,596	—	—
Distributions to pool participants	—	33,573	—	—
Depreciation	177	—	—	—
Administrative expense	22,109	5,311	16,595	972
Other expenses	—	—	1,059	364,616
Assets moved between pension trust funds	3,193	—	—	—
Transfers out	—	—	—	12,689
Total deductions	**4,449,565**	**16,095,480**	**17,654**	**378,277**
Change in net position	**(1,524,180)**	**1,232,587**	**(394,783)**	**(11,214)**
Net position, beginning	**41,622,719**	**8,801,003**	**5,568,134**	**68,051**
Net position at end of year	**$ 40,098,539**	**$ 10,033,590**	**$ 5,173,351**	**$ 56,837**

The Notes to the Financial Statements are an integral part of this statement.

Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2022

(Expressed in Thousands)

	Public Service Authority	Medical University of South Carolina	University of South Carolina	Clemson University	State Ports Authority
ASSETS					
Cash and cash equivalents	$ 299,487	$ 931,113	$ 960,319	$ 624,560	$ 380,288
Investments	303,625	1,190,537	533,965	4,603	2,950
Invested securities lending collateral	—	2,560	18,319	21,631	15,947
Receivables, net:					
Accounts	169,344	56,246	80,143	61,991	72,798
Contributions	—	29,024	34,063	76,258	—
Accrued interest	1,344	1,713	3,712	3,103	2,333
Student accounts	—	2,911	18,221	—	—
Patient accounts	—	448,354	—	—	—
Loans and notes	—	51	10,923	—	—
Leases	6,466	27,507	33,005	585	12,176
Due from Federal government and other grantors	—	17,875	39,391	38,856	—
Due from primary government	—	15,200	8,245	24,002	1,024
Inventories	312,708	—	3,430	2,617	10,637
Restricted assets:					
Cash and cash equivalents	36,899	154,409	450,496	411,020	136,171
Investments	334,597	34,994	15,860	1,048,349	—
Accounts receivable	—	—	—	—	—
Loans receivable	—	11,348	7,586	2,591	—
Other	—	233,858	—	9,731	—
Prepaid items	5,909	6,506	2,873	11,389	6,978
Other assets	204,097	—	2,687	1,467	—
Regulatory asset	3,734,186	—	—	—	—
Other regulatory assets	375,483	—	—	—	—
Investment in joint venture	21,956	—	—	—	—
Leased assets-amortizable, net	—	237,102	31,325	19,270	—
Capital assets-nondepreciable	513,602	267,835	274,271	118,629	792,036
Capital assets-depreciable, net	4,489,598	1,260,366	1,222,782	1,364,214	1,113,782
Total assets	$ 10,809,301	$ 4,929,509	$ 3,751,616	$ 3,844,866	$ 2,547,120
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	$ 11,264	$ —	$ —	$ —	$ —
Unamortized loss on refunded and defeased debt	86,398	19,657	4,938	3,232	24,652
Asset retirement obligation	672,804	—	—	—	—
Pension related	32,229	401,004	147,173	113,865	30,883
Other post-employment benefits related	49,090	706,247	328,067	241,501	20,681
Total deferred outflows of resources	$ 851,785	$ 1,126,908	$ 480,178	$ 358,598	$ 76,216
LIABILITIES					
Accounts payable	$ 177,713	$ 232,308	$ 19,515	$ 23,932	$ 21,608
Accrued salaries and related expenses	10,266	221,073	28,841	28,517	13,402
Accrued interest payable	38,324	1,175	5,430	4,405	22,835
Retainages payable	2,286	2,209	1,722	1,566	973
Prizes payable	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—
Due to primary government	—	179	7,019	5,511	50,000
Asset retirement obligation	669,419	—	—	—	—
Unearned revenues	—	31,101	49,878	62,915	1,254
Deposits	—	—	2,072	7,536	—
Amounts held in custody for others	—	—	20,976	588	—
Securities lending collateral	—	2,560	18,319	21,631	15,947
Liabilities payable from restricted assets:					
Other	—	—	—	—	—
Other liabilities	397,022	224,859	15,687	119,023	42,935
Long-term liabilities:					
Due within one year	112,591	124,832	73,555	47,036	28,246
Due in more than one year	7,466,756	4,721,205	2,963,502	2,321,155	1,639,734
Total liabilities	$ 8,874,377	$ 5,561,501	$ 3,206,516	$ 2,643,815	$ 1,836,934
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	$ 118,208	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—
Deferred nuclear decommissioning costs	245,933	—	—	—	—
Deferred service concession arrangement receipts	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—
Toshiba settlement	251,089	—	—	—	—
Pension related	54,744	225,570	155,461	96,369	17,585
Other post-employment benefits related	9,388	109,750	104,731	49,802	2,119
Lease related	—	28,870	32,203	841	11,944
Total deferred inflows of resources	$ 679,362	$ 364,190	$ 292,395	$ 147,012	$ 31,648
NET POSITION					
Net investment in capital assets	$ 2,010,384	$ 493,236	$ 855,095	$ 871,525	$ 488,248
Restricted:					
Expendable:					
Education	—	277,707	201,763	469,396	—
Transportation	—	—	—	—	—
Capital projects	—	392,760	237,157	230,428	—
Debt service	9,214	3,219	7,591	9,054	37,795
Loan programs	—	—	—	—	—
Other	—	—	—	—	—
Nonexpendable:					
Education	—	206,822	428,762	433,553	—
Unrestricted	87,749	(1,243,018)	(997,485)	(601,319)	228,711
Total net position	**$ 2,107,347**	**$ 130,726**	**$ 732,883**	**$ 1,412,637**	**$ 754,754**

The Notes to the Financial Statements are an integral part of this statement.

Exhibit C-1

Housing Authority	Lottery Commission	Nonmajor Component Units	Total
$ 16,866	$ 39,901	$ 909,500	$ 4,162,034
—	—	493,894	2,529,574
8,771	—	19,569	86,797
31	51,652	127,781	619,986
—	—	20,445	159,790
114	—	1,847	14,166
—	—	52,952	74,084
—	—	—	448,354
11,204	—	23,093	45,271
—	—	61,251	140,990
1,780	—	69,768	167,670
2,915	—	21,215	72,601
—	5,135	8,107	342,634
360,827	453	545,059	2,095,334
278,505	—	559,556	2,271,861
106	—	—	106
989,658	—	2,287	1,013,470
3,406	—	4,494	251,489
—	—	17,548	51,203
9,836	8,234	110,304	336,625
—	—	—	3,734,186
—	—	—	375,483
—	—	—	21,956
450	1,183	23,936	313,266
—	—	328,767	2,295,140
1,102	869	1,985,217	11,437,930
$ 1,685,571	$ 107,427	$ 5,386,590	$ 33,062,000
$ —	$ —	$ —	$ 11,264
—	—	1,588	140,465
—	—	—	672,804
2,377	2,806	194,815	925,152
4,225	4,888	399,720	1,754,419
$ 6,602	$ 7,694	$ 596,123	$ 3,504,104
$ —	$ 2,254	$ 67,751	$ 545,081
1,057	—	48,148	351,304
—	—	4,723	76,892
—	—	3,085	11,841
—	48,832	—	48,832
—	—	658	658
—	21,589	16,660	100,958
—	—	—	669,419
283,745	908	155,970	585,771
—	—	8,337	17,945
—	—	9,070	30,634
8,771	—	19,569	86,797
21,121	—	1,561	22,682
5,378	1,942	14,662	821,508
15,587	1,233	87,299	490,379
820,952	34,248	3,738,650	23,706,202
$ 1,156,611	$ 111,006	$ 4,176,143	$ 27,566,903
$ —	$ —	$ —	$ 118,208
2,403	—	—	2,403
—	—	—	245,933
—	—	120	120
—	—	32	32
—	—	—	251,089
2,377	2,358	241,647	796,111
1,593	1,181	178,318	456,882
—	—	59,472	133,330
$ 6,373	$ 3,539	$ 479,589	$ 2,004,108
$ 1,107	$ 123	$ 1,658,110	$ 6,377,828
—	—	462,782	1,411,648
—	—	2,781	2,781
—	—	392,380	1,252,725
87,572	—	49,170	203,615
403,139	—	66,513	469,652
—	453	20,262	20,715
—	—	280,201	1,349,338
37,371	—	(1,605,218)	(4,093,209)
$ 529,189	**$ 576**	**$ 1,326,981**	**$ 6,995,093**

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Service Authority	$ 1,727,173	$ 1,765,785	$ (1,373)	$ —
Medical University of South Carolina	4,460,156	3,943,487	283,053	30,760
University of South Carolina	1,607,254	1,162,879	98,639	153,785
Clemson University	1,231,283	972,291	112,156	66,149
State Ports Authority	414,055	443,102	6,210	3,855
Housing Authority	480,841	95,427	410,909	—
Lottery Commission	2,257,447	2,257,202	(8)	—
Nonmajor component units	2,182,636	1,292,358	609,528	152,896
Totals	**$ 14,360,845**	**$ 11,932,531**	**$ 1,519,114**	**$ 407,445**

The Notes to the Financial Statements are an integral part of this statement.

Exhibit C-2

Net Revenue (Expenses)	Additions to Endowments	State Appropriations	Net Position (Deficit) Beginning (as Restated)	Net Position Ending
$ 37,239	$ —	$ —	$ 2,070,108	$ 2,107,347
(202,856)	1,287	185,032	147,263	130,726
(191,951)	424	224,645	699,765	732,883
(80,687)	28,304	156,830	1,308,190	1,412,637
39,112	—	—	715,642	754,754
25,495	—	—	503,694	529,189
(253)	—	—	829	576
(127,854)	2,769	373,411	1,078,655	1,326,981
$ (501,755)	**$ 32,784**	**$ 939,918**	**$ 6,524,146**	**$ 6,995,093**

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Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Scope of Reporting Entity

The South Carolina General Assembly (an elected legislative body) and several elected executives govern the State of South Carolina. The accompanying financial statements present the activities of the State of South Carolina's primary government and its component units.

Component units are legally separate organizations for which the State is accountable for purposes of financial reporting. Blended component units, although legally separate from the State, are part of the State's operations in substance. Accordingly, the State includes blended component units within applicable funds in its fund financial statements and within applicable activities in its government-wide financial statements. In contrast, the State excludes its discretely presented component units from the fund financial statements included within its basic financial statements and it reports the discretely presented component units separately in its government-wide financial statements.

As explained more fully below, the State's primary government and its component units include various State funds, agencies, departments, institutions, authorities, and other organizations.

Primary Government

The State's primary government includes all constitutional offices, departments, agencies, commissions, and authorities unless otherwise noted below.

The State's five defined benefit retirement systems and two post-employment benefit trust funds are part of the State's primary government. The Board of Directors of the South Carolina Public Employee Benefit Authority (PEBA), which consists of eleven members appointed by the Governor and General Assembly leadership and the Retirement Systems Investment Commission (RSIC), which consists of eight members appointed by the Governor, the other four members of the State Fiscal Accountability Authority, a retired member of one of the five systems appointed by the other RSIC directors, and the ex-officio Executive director of PEBA, are co-trustees of the assets of the retirement system. PEBA also serves as the custodian of the assets of the retirement system.

Blended Component Units

Unless otherwise indicated below, the following blended component units have fiscal years ended June 30, and the accompanying financial statements include component unit financial information for the fiscal year ended June 30, 2022.

Tobacco Settlement Revenue Management Authority

The Tobacco Settlement Revenue Management Authority, a blended component unit accounted for as a nonmajor governmental fund, was created in accordance with an act of the General Assembly that resulted from South Carolina's participation in a settlement (the Master Settlement Agreement or MSA) that arose out of litigation that a group of state governments brought against the tobacco industry. The legally separate Authority's primary purposes are (a) to receive all receipts due to South Carolina under the MSA after June 30, 2001, and (b) to issue the Authority's revenue bonds payable solely from, and secured solely by, those receipts. The Authority's governing board is composed of the Governor or his designee, the State Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The State receives the funding from the bond issuances, except in the event that the Authority issues bonds expressly to refund its outstanding bonds.

Palmetto Railways Division

The Palmetto Railways Division of the Department of Commerce, a blended component unit accounted for as a nonmajor enterprise fund, has a fiscal year ended December 31, 2021. The Palmetto Railways Division is governed by the Secretary of the Department of Commerce which operates as a cabinet agency under the Governor and is subject to state laws and regulations as well maintaining operational responsibility for the blended component unit.

Obtaining More Information about Blended Component Units

One may obtain complete financial statements for the above blended component units from the following administrative offices:

South Carolina Tobacco Settlement
Revenue Management Authority
http://osa.sc.gov

Palmetto Railways Division
South Carolina Department of Commerce
1201 Main Street, Suite 1600
Columbia, SC 29201-3200
http://osa.sc.gov

Major Discretely Presented Component Units

Unless otherwise indicated below, the following discretely presented component units have fiscal years ended June 30, and the accompanying financial statements include component unit financial information for the fiscal year ended June 30, 2022. In determining which discretely presented component units are major, the State considered the significance of each component unit's relationship to the primary government. The following have been identified as the State's major discretely presented component units:

South Carolina Public Service Authority

The State General Assembly created the South Carolina Public Service Authority (Santee Cooper), a public utility company. Its primary purpose is to provide electric power and wholesale water to the people of South Carolina. The Governor appoints its Board of Directors and has the ability to remove the appointed members at will. By law, the Authority must annually transfer to the State's General Fund any net earnings not necessary for prudent business operations. The financial information presented is for the Authority's fiscal year ended December 31, 2021. A financial benefit/burden relationship exists between the State and the Public Service Authority.

South Carolina State Ports Authority

The State General Assembly created the South Carolina State Ports Authority to develop and improve the State's harbors and seaports. The State Ports Authority owns and operates seven ocean terminals that handle import and export cargo. The Governor appoints the members of the Authority's governing board, except for the Secretary of Transportation and the Secretary of Commerce, who serve ex-officio. A financial benefit/burden relationship exists between the State and the State Ports Authority.

South Carolina State Housing Finance and Development Authority

The South Carolina State Housing Finance and Development Authority is a legally separate entity that 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. Mortgage interest is a primary resource for the Authority. The Governor appoints, with the advice and consent of the Senate, seven persons to be commissioners of the South Carolina State Housing Finance and Development Authority. The State has the ability to impose its will on the Housing Finance and Development Authority.

South Carolina Lottery Commission

The South Carolina Lottery Commission was created through an act of the General Assembly to generate entertainment for citizens and visitors of the state while providing revenue for educational purposes. The Commission is legally separate and is governed by a nine-member board with three members appointed by the Governor, three appointed by the President Pro Tempore of the Senate, and three appointed by the Speaker of the House of Representatives. State law requires, as nearly practical, that at least 45% of sales must be returned to the public in the form of prizes to achieve its entertainment value and that the Commission must transfer its net proceeds to the State to support improvements and enhancements for educational purposes and programs. A benefit/burden relationship exists between the State and the Lottery.

Clemson University

Clemson University is a legally separate State-supported, institution of higher education. The University is granted an annual appropriation for operating purposes as authorized by the General Assembly. The University is governed by a board of thirteen members, including six elected by the General Assembly and seven self-perpetuating life members. A benefit/burden relationship exists between the State and Clemson University.

Medical University of South Carolina

The Medical University of South Carolina (MUSC) is a legally separate State-supported institution of higher education. MUSC is granted an annual appropriation for operating purposes as authorized by the General Assembly. The management and control of the University is vested in a board of trustees, composed as follows: the Governor or designee, ex officio, fourteen members elected by the General Assembly in joint assembly, and one member appointed by the Governor. A financial benefit/burden relationship exists between the State and MUSC.

University of South Carolina

The University of South Carolina (USC) is a legally separate State-supported institution of higher education. USC is granted an annual appropriation for operating purposes as authorized by the General Assembly. The board of trustees is composed of the Governor (or designee), the State Superintendent of Education, and the President of the Greater University of South Carolina Alumni Association, which three are members ex officio of the board, and seventeen other members including one member from each of the sixteen judicial circuits elected by the general vote of the General Assembly, and one at-large member appointed by the Governor. A financial benefit/burden relationship exists between the State and USC.

Nonmajor Discretely Presented Component Units

The State's government-wide financial statements also include the following nonmajor discretely presented component units in the aggregate:

The Children's Trust Fund of South Carolina, Inc. is a non-profit, tax-exempt public charity with a purpose to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations. The Governor appoints the Board of Directors' seventeen members and has the ability to remove the appointed members at will. The financial information presented is for the Fund's fiscal year ended September 30, 2021.

Connector 2000 Association, Inc. is a legally separate entity created to contract with the State Department of Transportation (DOT) in financing, acquiring, constructing, and operating turnpikes and other transportation projects, primarily the project known as the Southern Connector in Greenville County. The leasing and operational agreements with the DOT provide the DOT with certain managerial oversight authority. The financial information presented in the accompanying financial statements is for the Association's fiscal year ended December 31, 2021. The Association is fiscally dependent on DOT for the maintenance of the Southern Connector highway. A benefit/burden relationship exists between the State and the Association.

The South Carolina Education Assistance Authority is a legally separate entity that issues bonds to make loans to individuals to enable students to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, loan repayments, and investment earnings. The State has the ability to impose its will on the Education Assistance Authority.

The South Carolina First Steps to School Readiness is a legally separate non-profit, tax-exempt public charity created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the initiative for improving early childhood development of the Act. The corporation's governing board is composed of two classes of members, voting and nonvoting. The Board's voting members include the Governor, State Superintendent of Education, ten Governor appointees, four members appointed by the President Pro Tempore of the Senate, four members appointed by the Speaker of the House of Representatives, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee. The State has the ability to impose its will on First Steps to School Readiness.

The South Carolina Jobs-Economic Development Authority is a legally separate entity that promotes and develops business and economic welfare in the state. The Authority is governed by a Board of Directors which consists of ten members all appointed by the Governor. The State has the ability to impose its will on the Jobs-Economic Development Authority.

The South Carolina Research Authority was created through an act of the General Assembly, as a legally separate entity, for the development and marketing of a statewide system of research and technology-based infrastructure and to conduct applied research and commercialization services on a contractual basis. The Research Authority is governed by twenty-four board members, of which an executive committee of nine members holds all voting ability. All nine of the executive committee members are State appointees. The State has the ability to impose its will on the Research Authority.

The South Carolina Medical Malpractice Association was established to provide medical malpractice insurance on a self-supporting basis. The Association is legally separate and is governed by a board of thirteen directors, all of whom are appointed by the Governor. The Governor has the ability to remove the appointed members at will. The financial information presented is for the Association's fiscal year ended December 31, 2021.

The Patriots Point Development Authority is a legally separate entity, established to develop and maintain a naval and maritime museum on Charleston Harbor, and to provide a place of education and recreation. The Patriots Point Development Authority Board also oversees the stewardship of over 350 acres of property on Charleston Harbor. Members of the Authority are appointed by the Governor as follows: one upon the joint recommendation of the Chairman of the House Ways and Means Committee and the Speaker of the House, one upon the joint recommendation of the Chairman of the Senate Finance Committee and the President Pro Tempore of the Senate, and three appointed by the Governor. The Governor appoints the chairman. In addition, there are three additional members of the board appointed by the Governor, one appointed upon recommendation of the President Pro Tempore of the Senate, one appointed upon recommendation of the Speaker of the House of Representatives, and one appointed upon recommendation of the State Adjutant General. A financial benefit/burden relationship exists between the State and the Authority.

The following universities are nonmajor component units: *The Citadel, Coastal Carolina University, College of Charleston, Francis Marion University, Lander University, South Carolina State University*, and *Winthrop University*. The universities are legally separate entities, with boards appointed by the State. A benefit/burden relationship exists between the State and each individual university because the State provides significant funding to these institutions.

The following technical colleges are nonmajor component units: *Aiken Technical College, Central Carolina Technical College, Denmark Technical College, Florence-Darlington Technical College, Greenville Technical College, Horry-Georgetown Technical College, Midlands Technical College, Northeastern Technical College, Orangeburg-Calhoun Technical College, Piedmont Technical College, Spartanburg Community College, Technical College of the Lowcountry, Tri-county Technical College, Trident Technical College, Williamsburg Technical College,* and *York Technical College*. The

colleges are legally separate entities, with boards appointed by the State. A benefit/burden relationship exists between the State and each individual college because the State provides significant funding to these institutions.

Obtaining More Information about Discretely Presented Component Units

One may obtain stand-alone financial statements for discretely presented component units from the following administrative offices:

South Carolina Public Service Authority
(Santee Cooper)
http://santeecooper.com

South Carolina State Ports Authority
http://scspa.com

South Carolina State Housing Finance and Development Authority
http://osa.sc.gov

South Carolina Lottery Commission
http://osa.sc.gov

Universities:
Medical University of South Carolina
University of South Carolina
Clemson University
The Citadel
Coastal Carolina University
College of Charleston
Francis Marion University
Lander University
South Carolina State University
Winthrop University
http://osa.sc.gov

Technical Colleges:
Aiken Technical College
Central Carolina Technical College
Denmark Technical College
Florence-Darlington Technical College
Greenville Technical College
Horry-Georgetown Technical College
Technical College of the Lowcountry
Midlands Technical College
Northeastern Technical College
Orangeburg-Calhoun Technical College
Piedmont Technical College
Spartanburg Community College
Tri-county Technical College
Trident Technical College
Williamsburg Technical College
York Technical College
http://sctechsystem.com

Children's Trust Fund of South Carolina
1330 Lady Street, Suite 310
Columbia, South Carolina 29201
http://scchildren.org

Connector 2000 Association, Inc.
Post Office Box 408
Piedmont, South Carolina 29673
http://southernconnector.com

South Carolina Education Assistance Authority
http://osa.sc.gov

South Carolina First Steps to School Readiness
636 Rosewood Drive
Columbia, SC 29201
http://osa.sc.gov

South Carolina Jobs-Economic Development Authority
1201 Main Street, Suite 1600
Columbia, SC 29201
http://osa.sc.gov

South Carolina Research Authority
315 Sigma Drive
Summerville, SC 29486
http://scra.org

South Carolina Medical Malpractice Association
121 Executive Center Drive
Suite 110
Columbia, South Carolina 29210
http://scmma.net

Patriots Point Development Authority
40 Patriots Point Road
Mount Pleasant, SC 29464
http://osa.sc.gov

Related Organizations

A related organization is one for which the primary government is accountable but not *financially accountable*, and accordingly, would not be included in the State's government-wide financial statements. The South Carolina Reinsurance Facility, the Associated Auto Insurers Plan, regional housing authorities, and the Rural Crossroads Institute are related organizations because the State is not financially accountable for them despite the fact that the Governor appoints a voting majority of their governing boards. County boards of disabilities and special needs and redevelopment authorities are related organizations if the Governor appoints a voting majority of the members.

Jointly Governed Organizations

The Governor, in conjunction with officials of certain local governments, appoints the board members of three military-defense facility redevelopment authorities. The three authorities include the Charleston Naval Complex Redevelopment Authority, the Myrtle Beach Air Force Base Redevelopment Authority and the Savannah River Site Redevelopment Authority. The State does not have an ongoing financial interest in these authorities, so it does not include them in the State's government-wide financial statements.

The State of South Carolina is a member state within the Atlantic Interstate Low-Level Radioactive Waste Management Compact, a voluntary association of states that, by federal law, is legally separate from each of the member states. South Carolina does not have an ongoing financial interest in the Compact, so the State does not include it in the State's government-wide financial statements.

b. Basis of Presentation

Government-wide Financial Statements

The statement of net position and the statement of activities report information about all activities of the primary government and its component units, except for fiduciary activities. These statements distinguish between the State's *governmental* and *business-type activities.* Taxes, federal revenues, and nonexchange transactions, such as donations and grants, primarily finance the governmental activities whereas fees charged to external parties' finance, in whole or in part, the business-type activities. All of the State's governmental and internal service funds are reported in the government-wide financial statements as governmental activities, and all of its enterprise funds are reported as business-type activities. (See the *Fund Financial Statements* subsection below for more information about fund types.)

Statement of Activities and Eliminations

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the State and for each function of the State's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The State does not eliminate direct expenses and does not allocate indirect expenses to functions in the statement of activities. In the statement of activities, reimbursements under indirect cost plans for federal reimbursement purposes are reported as program revenues of the function that includes the reimbursed expenses.

Eliminations have been made to minimize the double-counting of internal activities. For example, the State eliminates payments the Department of Health and Human Services makes to the Department of Mental Health for providing Medicaid services because it reports both departments in its health and environment function. An exception to this general rule is that interfund services provided or used between functions have not been eliminated in the statement of activities because to do so would distort the net cost for functional activities as reported in the total column of that statement. The State treats these internal payments as program revenues and treats interfund reimbursements in the statement of activities in the same manner as described below for fund financial statements.

Program revenues include: (a) fees, fines, and charges paid by the recipients of goods, services, or privileges offered by the programs; (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and (c) investment earnings that are legally restricted for a specific program. The State classifies as *general revenues* all revenues that are not program revenues, including all taxes.

Fund Financial Statements

The fund financial statements provide information about the State's funds, including its fiduciary funds and blended component units. The State presents separate statements for each fund category—governmental, proprietary, and fiduciary. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. The State aggregates and reports as nonmajor funds all remaining governmental and enterprise funds.

The State eliminates material intrafund activity. It also treats interfund reimbursements (repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them) as reductions of expenditure/expense in the initial fund. For example, the Department of Motor Vehicles (reported within the general government function) used office supplies and postage provided by the Department of Public Safety (reported within the administration of justice function). The Department of Public Safety initially recorded expenditures for the office supplies and postage in the General Fund. The Department of Motor Vehicles later reimbursed the Department of Public Safety with monies from a Special Revenue Fund. That is, the Department of Motor Vehicles recorded Special Revenue Fund expenditures while the Department of Public Safety reduced its General Fund expenditures by the same amount.

Governmental Funds

Governmental funds focus primarily on the sources, uses, and balances of current financial resources. The governmental fund category includes the General Fund, Special Revenue Funds, Debt Service Fund, Capital Projects Fund, and Permanent Funds. The State reports the following major governmental funds:

The *General Fund* is the State's general operating fund. It accounts for resources that fund the services South Carolina's State government traditionally has provided to its citizens, except those required to be accounted for in another fund.

The *Departmental Program Services Fund* accounts for restricted resources that State agencies use for continued programmatic accomplishments. These resources include significant amounts of federal grant receipts.

The *Local Governmental Infrastructure Fund* accounts for grants, loans, and other financial assistance to local governments for infrastructure purposes. Certain motor fuel taxes, federal funds, and transfers from other funds are the fund's primary resources. This fund includes operations of the South Carolina Transportation Infrastructure Bank.

The *Department of Transportation Special Revenue Fund* accounts for the various gasoline taxes, fees, fines, and federal grant resources that the Department of Transportation uses in its general operations. Those operations include highway maintenance and repair as well as most of the Department's administrative activities.

The State aggregates other nonmajor governmental funds in a single column in its fund financial statements.

Enterprise Funds

Enterprise funds (which are reported as business-type activities in the government-wide financial statements) report activities that charge fees to external users for goods or services. The State reports the following major enterprise funds:

The *Unemployment Compensation Fund* accounts for the State's unemployment compensation benefits. Revenues consist of federal grants and assessments on employers to pay benefits to qualified unemployed persons.

The *Second Injury 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. With the ratification of the Workers' Compensation Reform Act the Second Injury Fund was placed in "run-off" and terminated effective July 1, 2013. The Act provided for an orderly termination of the Fund by decreasing the assessment calculation factor, closing the acceptance of new claims, and transferring any remaining claims as of July 1, 2013 to the State Accident Fund and remaining assets or operational liabilities to the State Fiscal Accountability Authority (SFAA).

The State aggregates other nonmajor enterprise funds in a single column in its fund financial statements.

Other Fund Types

The State reports the following fund types in addition to governmental and enterprise funds:

Internal service funds account for various goods and services provided to other State departments or agencies (primarily to governmental funds), or to other governments, on a cost-reimbursement basis. Services provided by these funds include several risk management activities for which the State is the primary participant, including underwriting related to the following risks: public buildings and their contents, torts, medical malpractice, automobile use by public employees in the performance of their official duties, employee health and disability, and workers' compensation benefits. Other services include those relating to telecommunications, computer operations, office rental, janitorial, building maintenance, lease and repair of fleet vehicles, procurement, and employee training. The internal service funds also sell goods produced with prison inmate labor. In addition, the internal service funds purchase selected supplies and equipment in bulk and sell these items to other State funds (primarily governmental funds) and to local governmental units. The State's internal service funds are considered to be governmental activities because they primarily serve governmental funds.

Pension and post-employment benefit trust funds account for the pension benefits of the South Carolina Retirement System, the Police Officers' Retirement System, the General Assembly Retirement System, the Judges' and Solicitors' Retirement System, and the National Guard Supplemental Retirement Plan, and the post-employment health, dental, and long-term disability insurance benefits provided by the State to its retirees.

The State's *investment trust fund* acts as a local government investment pool that the State Treasurer operates.

Private-purpose trust funds include a tuition savings plan benefiting college students and miscellaneous other trust agreements holding assets that benefit non-State parties.

Custodial funds account for assets that the State holds in a fiduciary capacity. These assets include amounts held for prisoners, patients of State institutions, and other external parties.

Operating and Nonoperating Revenues and Expenses in Proprietary Fund Financial Statements

Enterprise and internal service funds distinguish *operating* revenues and expenses from *nonoperating* revenues and expenses. Operating revenues and expenses are items resulting from the provision of services and goods in connection with the fund's principal ongoing operations. The State classifies revenues and expenses as operating if the substance of the transaction is an exchange transaction. Accordingly, grants and grant-like transactions are reportable as operating revenues only if they are essentially contracts for services whereby they finance programs that the proprietary fund would not otherwise undertake (i.e., the activity of the grant is inherently part of the operations of the grantor). Conversely, the State classifies nonexchange transactions as nonoperating. This includes all grant revenues except those reportable as operating revenue as described above and those restricted by the grantor for use exclusively for capital purposes. The State reports as operating expenses those paid from operating revenues except financing related expenses such as interest expense, which is reported as nonoperating.

For the *Unemployment Compensation Fund,* principal operating revenues include amounts received from covered employers and from federal agencies. The amounts received from federal agencies are classified as operating revenues because they are provided to the State primarily to provide unemployment benefits, although amounts not needed for that purpose may be used for other purposes. This fund's operating expenses consist primarily of unemployment compensation benefits paid.

Component Unit Financial Statements

The State presents a statement of net position and a statement of activities for each of its major discretely presented component units and for the aggregate of its nonmajor discretely presented component units.

c. Measurement Focus and Basis of Accounting

A particular measurement focus determines *what* resources are measured. The State reports its government-wide, proprietary, and fiduciary fund financial statements using the *economic resources* measurement focus. Private sector business enterprises also use the economic resources measurement focus. The State reports its governmental funds using the *current financial resources* measurement focus.

The basis of accounting determines *when* the State recognizes revenues and expenditures/expenses as well as the related assets and liabilities, regardless of measurement focus. Generally accepted accounting principles for governments require the use of the accrual and the modified accrual basis of accounting as described below.

Accrual Basis

The State uses the accrual basis of accounting in reporting its government-wide financial statements, as well as its proprietary and fiduciary fund financial statements and its component unit financial statements. Under the accrual basis, the State generally records revenues when earned and reasonably measurable and records expenses when a liability is incurred, regardless of the timing of related cash flows.

Significant nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and donations. On the accrual basis, the State recognizes taxes (income, sales, and similar) in the period when the underlying income or sales transactions occur, net of estimated overpayments or refunds. Grants, donations, and similar items are recognized as revenue as soon as the State meets all eligibility requirements. Pledges are recognized as receivables and revenues, net of estimated uncollectible amounts, if all eligibility requirements are met, the promise is verifiable, and the resources are measurable and probable of collection.

Modified Accrual Basis

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues reported in the governmental funds to be available if they are collected within 31 days after year-end. Exceptions are individual income tax revenues and federal and county funds accrued for the matching share of Medicaid claims payable, which the State considers to be available if they are collected within 12 months after year-end. Interest on investments is recorded as earned because it is deemed available when earned. Revenues not considered available are reported as deferred inflows of resources. Furthermore, in the circumstance where underpayments exceed overpayments, individual income tax revenues are recognized to the extent of estimated overpayments (i.e., refunds payable and applied refunds). Principal revenue sources considered susceptible to accrual include taxes, federal funds, local funds, and investment earnings.

Recognition of Specific Grant and Shared Revenue Transactions

The State reports the receipt of food commodities and vaccines as revenue and the distribution of commodities and vaccines as expenditure or expense. The fair values of the donated commodities and vaccines are recognized as revenues when all eligibility requirements are met.

The State recognizes the face value of food stamp benefits distributed as revenue and expenditure or expense under both the accrual and modified accrual bases of accounting.

The State shares certain of its revenues with municipalities, counties, and districts within its borders, recognizing expenditure or expense when the recipient government has met all eligibility requirements.

d. Cash and Cash Equivalents

The amounts shown in the accompanying financial statements as *cash and cash equivalents* represent cash on hand, cash on deposit in banks and savings associations, and cash invested in various instruments as a part of the State's cash management pool, an internal investment pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States, government sponsored entities, and domestic corporations, certificates of deposit, and collateralized repurchase agreements. *Restricted cash and cash equivalents* represents cash on deposit with external parties held for compliance with laws, regulations, and contractual obligations.

Most entities in the primary government and the discretely presented governmental component units participate in the cash management pool. Significant exceptions include: retirement plans, the Local Government Investment Pool (an external investment pool), and the Tobacco Settlement Revenue Management Authority (a blended component unit and a nonmajor governmental fund). For activities excluded from the pool, cash equivalents include investments in short-term, highly liquid securities having a maturity at the time of purchase of three months or less.

e. Cash Management Pool–Allocation of Interest

The State's cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account. All earnings on that account are recorded in the General Fund. In contrast, each special deposit account retains its own earnings.

f. Investments

The State Treasurer is authorized by statute to invest all State funds. The State Treasurer's investment objectives are preservation of capital, maintenance of adequate liquidity, and obtaining the best yield possible within prescribed parameters. To meet those objectives, the State Treasurer uses various resources including an investment advisory service, electronic financial quotation and information services, various economic reports, and daily communication with brokers and financial institution investment officers.

To ensure safety of principal, the State Treasurer's policy is to limit liquid investments (i.e., those with maturities not exceeding one year) to cash, repurchase agreements (when collateralized by United States Treasury or federal agency obligations with a market value in excess of 100.0% of funds advanced), United States Treasury bills, federal agency discount notes, and commercial paper. The State Treasurer further preserves principal by investing mostly in the highest investment grade securities. In order to diversify investment holdings, asset allocation policies are used for investments having more than one year to maturity. Overall credit exposure is managed by asset allocation policies and by additional constraints controlling risk exposure to individual corporate issuers.

Certain agencies and component units have specific authority to manage deposits and investments under their control. The investment policies of these entities may differ from those of the State Treasurer.

State law has established an eight-member Retirement System Investment Commission (RSIC) with fiduciary responsibility for investment of all of the State Retirement Systems' investments. The RSIC may invest no more than 70.0% of the Systems' investment portfolio in equity securities.

Substantially all of the State's investments are presented at fair value.

The State sponsors the Local Government Investment Pool (LGIP), an external investment pool reported as an investment trust fund. The LGIP's complete financial statements may be obtained at: http://osa.sc.gov.

g. Receivables and Payables

The State records amounts receivable from parties outside the primary government net of allowances for uncollectible amounts and contractual adjustments. It estimates uncollectible amounts based on past collection experience. The State discloses the allowances for uncollectible receivables and the net receivables not expected to be collected within one year in Note 5. Further, the State disaggregates, if necessary, its receivable balances in Note 5 if any significant components thereof have been obscured in the financial statements by aggregation or if different components of receivables have significantly different liquidity characteristics.

The State presents balances outstanding at the end of the fiscal year that relate to lending/borrowing arrangements between funds as interfund receivables and payables and reports all other outstanding balances between funds as due to/from other funds. The government-wide statement of net position displays internal balances that involve fiduciary funds as accounts receivable and accounts payable. The State reports as internal balances any residual balances outstanding between the governmental and business-type activities in the government-wide financial statements.

h. Inventories

The State values its inventories at the lower of cost or market, predominantly using the first-in, first-out methodology for its proprietary funds and its business-type activities and predominantly using the average cost methodology for its other funds and activities and its discretely presented component units. The State records expenditures in governmental funds when it consumes inventory items rather than when it purchases them.

i. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods. The State records these payments as prepaid items in both the government-wide and fund financial statements. The State's policy is to reflect consumption of the future benefit under the consumption method.

j. Capital Assets

The State reports its capital assets in the following categories in the applicable governmental or business-type activities in the government-wide financial statements: land and land improvements, infrastructure (i.e., highways and bridges), buildings and improvements, construction in progress, vehicles, machinery and equipment, works of art and historical treasures, and intangible assets.

Capital assets are valued at historical cost or at estimated historical cost if actual historical cost data is not available, except for intangible right-to-use assets, which are discussed in section o. Donated capital assets are recorded at estimated acquisition

value on the donation date. Infrastructure assets acquired prior to fiscal year ended June 30, 1980, are reported at cost beginning with fiscal year 1917. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend an asset's useful life are not capitalized. Cumulative costs incurred on major capital assets under construction but not yet placed in service are capitalized and reported as construction in progress.

The State reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. The factors considered by management in performing this assessment include current operating results, trends, and the manner in which the property is used, and the effects of obsolescence, demand, competition, and other economic factors. Based upon this assessment there were no material impairments as of June 30, 2022.

An individual asset is capitalized and reported if it has an estimated useful life of at least two years and a historical cost as follows: more than $5 thousand for vehicles, machinery and equipment, and works of art and historical treasures; more than $100 thousand for buildings and improvements, depreciable land improvements, and intangible assets; and more than $500 thousand for roads and bridges. All land and non-depreciable land improvements are capitalized and reported, regardless of cost.

Once the State or one of its discretely presented component units places a depreciable capital asset in service, depreciation is recorded using the straight-line method over the following estimated useful lives:

Asset Category	Years
Land Improvements	3 - 60
Infrastructure--highways	75
Infrastructure--bridges	50
Buildings and Improvements	5 - 55
Vehicles	3 - 20
Machinery and equipment	2 - 25
Works of art; historical treasures	10 - 25
Intangible assets	3 - 38

The State does not depreciate land, non-depreciable land improvements, and construction in progress. The State does not depreciate capitalized individual works of art and historical treasures determined to have inexhaustible useful lives and does not capitalize collections of works of art and historical treasures that are held for public use, are protected and preserved, and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections. These non-capitalized collections include historical relics, antiques, fossils, works of art, and other South Carolina artifacts.

In the government-wide statement of activities, the State reports losses on disposal of capital assets as expense of its General Government function and gains on such disposal as general revenue.

k. Regulatory Assets and Regulatory Assets-Asset Retirement Obligation

The costs to be recovered from future revenues of the South Carolina Public Service Authority (a regulated utility reported as a major discretely presented component unit) are recorded as regulatory assets and regulatory asset retirement obligations. The Authority's rates are based upon debt service and operating fund requirements. The Authority recognizes differences between debt principal maturities and straight-line depreciation as costs to be recovered from future revenue. The recovery of outstanding amounts recorded as costs to be recovered from future revenue will coincide with the repayment of the outstanding long-term debt of the Authority. The abandoned V.C. Summers 2 and 3 projects encompass the majority of the South Carolina Public Service Authority's $3.734 billion regulatory asset. These regulatory assets are also continuously monitored for impairment.

l. Tax Refunds Payable

Most of the tax refunds payable balance in the General Fund relates to individual income tax. During the calendar year, the State collects employee withholdings and taxpayers' payments. Taxpayers file returns by April 15 for the preceding calendar year. At June 30, the State estimates the amount it owes taxpayers for overpayments during the preceding six months. The State records this estimated payable as tax refunds payable and a reduction of tax revenues.

m. Unearned Revenue

Unearned revenue are monies received by the State in advance of goods or services provided by it to other external entities. These monies are recognized as a liability until those services or goods are provided. Most of the State's unearned revenues are federal grant monies received prior to the State providing the goods or services required by the respective grants.

n. Long-Term Obligations

The State records general long-term debt and other long-term obligations of the primary government's governmental funds in the governmental activities reported in its government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are recorded as liabilities in the appropriate funds.

The State defers and amortizes bond premiums and discounts, as well as losses on bond refundings, over the life of the bonds predominantly using the effective interest method. For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is also deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt and are recognized as deferred outflows or inflows of resources. The State reports bonds payable net of the applicable bond premium or discount.

Losses and gains on bond refundings are reported as deferred outflows or inflows of resources, respectively.

o. Leases

Lessee: The State is a lessee for multiple noncancelable leases of land, buildings and equipment. The State recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements for each of these transactions. The State recognizes lease liabilities with an initial, individual value of $5 thousand or more.

At the commencement of each lease, the State initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liabilities are reduced by the principal portions of lease payments made. The lease assets are initially measured as the initial amount of the individual lease liabilities, adjusted for lease payments made at or before the lease commencement dates, plus certain initial direct costs. Subsequently, the lease assets are amortized on a straight-line basis over their useful lives.

Key estimates and judgments related to leases include how the State determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The State uses the interest rate charged by the lessor as the discount rate. When an interest rate charged by the lessor is not provided, the State generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancelable period of the leases and option years that the State is reasonably certain to exercise. Lease payments included in the measurement of the lease liabilities are composed of fixed payments and purchase option prices that the State is reasonably certain to exercise.

The State monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor: The State is a lessor for noncancelable leases of buildings and equipment. The State recognizes lease receivables and deferred inflows of resources in the government-wide, enterprise and governmental fund financial statements.

At the commencement of the leases, the State initially measures lease receivables at the present value of payments expected to be received during the lease term. Subsequently, the lease receivables are reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amounts of the lease receivables, adjusted for lease payments received at or before the lease commencement dates. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease terms.

Key estimates and judgments include how the State determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The State uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancelable periods of the leases. Lease receipts included in the measurement of the lease receivables are composed of fixed payments from the lessees.

The State monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivables and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease receivables.

p. Compensated Absences

During their first ten years of service, most full-time permanent State employees annually earn 15 days of vacation leave and 15 days of sick leave. After ten years, most employees earn an additional 1.25 days of vacation leave for each year of service over ten until they reach the maximum of 30 days per year. Sick leave earnings remain at 15 days per year. Employees may carry forward up to 45 days of vacation leave and 180 days of sick leave from one calendar year to the next. Upon termination of employment, the State pays employees for accumulated vacation leave at the pay rate then in effect. Employees do not receive pay for accumulated sick leave when they terminate. However, at retirement, employees hired prior to July 1,

2012 participating in the South Carolina Retirement System and the South Carolina Police Officers' Retirement System may receive additional service credit for up to 90 days of accumulated unused sick leave.

The government-wide and proprietary fund statements record an expense and a liability when employees earn compensated absence credits. Governmental fund financial statements record a liability for compensated absences payable at June 30 only if the liability for accumulated vacation leave has matured but has not yet been paid at that date (for example, as a result of employee resignations and retirements). The State does not record a liability for unpaid accumulated sick leave.

q. Net Position and Fund Balance

Fund balance for governmental funds is reported in the following classifications depicting the relative strength of the constraints that control how specific amounts can be spent:

- The Nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted fund balances have constraints placed on the use of resources that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions.
- Committed fund balances can only be used for specific purposes pursuant to constraints imposed by formal action of the South Carolina General Assembly, the State's highest level of decision-making authority. The South Carolina General Assembly establishes commitments through state statute or constitutional provision. Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally.
- Assigned fund balances are constrained by appropriation actions of the legislature.
- Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

Net position is comprised of the following three components:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payments of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. At June 30, 2022, $1.574 billion was reported as restricted net position because of restrictions imposed by enabling legislation.

r. Flow Assumption, Net Position or Fund Balance

The State's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position or fund balance are available. Within the unrestricted fund balance, committed resources would be first applied, when available, followed by assigned resources before unassigned resources are used. Unassigned fund balance is the residual classification for the General Fund. Other governmental funds cannot report positive unassigned fund balance but can report negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

s. Deferred Outflows/Inflows of Resources

A deferred outflow/inflow of resources is a consumption/acquisition of net assets that applies to future reporting periods. The State has recorded deferred outflows/inflows in connection with the change in fair value of hedging derivatives, deferred amounts on bond refundings, nuclear decommissioning costs, non-exchange revenues, service concession arrangements, lease related deferred inflows offsetting noncurrent lease receivables, pension and other post-employment benefit (OPEB) contributions subsequent to the measurement date, difference between actual and expected experience, net difference between

projected and actual earnings on pension and OPEB plan investments, changes in proportion and differences between contributions and proportionate share of contributions, and changes in assumptions. See Note 9, Deferred Outflows of Resources and Deferred Inflows of Resources, on page 120 for further detail.

t. Pension and Other Post-Employment Benefit (OPEB) Obligations

The South Carolina Retirement Systems' financial statements are prepared on the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The State's contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price on the government's balance sheet date. Securities without an established market value are reported at estimated fair value.

For purposes of measuring the net pension and net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pension and OPEB, and expenses, information about the fiduciary net position of the pension and OPEB plans and additions to/deductions from the pension and OPEB fiduciary net positions have been determined on the same basis as they are reported by the pension and OPEB plans. For this purpose, the pension and OPEB plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2: ACCOUNTING AND REPORTING CHANGES

Adoption of New Accounting Standards

For the fiscal year ended June 30, 2022, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 87, *Leases*, increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, is intended to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period.

Statement No. 92, *Omnibus 2020,* is intended to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*, (1) increases consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigates costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhances the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

Statement No. 99, *Omnibus 2022,* is intended to extend of the use of LIBOR, improve accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, and clarify certain provisions in Statement No. 34, as amended, and improve terminology updates related to Statement Nos. 53 and 63. The remaining portions of Statement No. 99, which relate to public-private partnerships, subscription-based information technology agreements, and the classification and reporting of derivative instruments will be implemented in future years, as stipulated by the GASB.

NOTE 3: DEFICITS OF INDIVIDUAL FUNDS

The accompanying fund financial statements display deficit fund balances and deficit net position balances for individual major funds. Nonmajor funds had the following deficit net position balances (expressed in thousands) at June 30, 2022:

Other Enterprise	$ (18,232)
Prison Industries	(910)
Component units:	
Lander University	(3,692)
Denmark Technical College	(8,252)
Florence- Darlington Technical College	(9,815)
Northeastern Technical College	(4,318)
Orangeburg- Calhoun Technical College	(10,192)
Williamsburg Technical College	(391)
Connector 2000	(111,920)
South Carolina Medical Malpractice Association	(85,190)

Actions taken to eliminate deficits include increase of existing fees, assessment of additional fees, purchase of excess loss reinsurance, General Fund appropriations, and implementation of cost containment programs. See page 70 for obtaining more information about the component units listed above.

NOTE 4: DEPOSITS AND INVESTMENTS

By law, all deposits and investments are under the control of the State Treasurer except for those that, by specific authority, are under the control of other agencies or component units. The deposit and investment policies of those entities may differ from those of the State Treasurer. Typically, those agencies follow the deposit and investment policies of the State Treasurer in an effort to minimize deposit and investment risks.

The following schedule reconciles the amounts reported in the Statements of Net Position (expressed in thousands) to the notes.

Statements		Notes				
Current Assets			Note 4	Note 19	Non-Major DCU's	Total
Cash and Cash Equivalents	$ 22,824,965	Cash On Hand	$ 265	$ 544	$ —	$ 809
Investments	59,526,220	Carrying Value of Cash	3,495,387	1,110,699	338,368	4,944,454
Securities Lending	599,408	Securities Lending and Investments	78,829,820	3,707,162	1,200,332	83,737,314
Long Term Investments	555,459					
Restricted Asset						
Cash and Cash Equivalents	2,904,664					
Investments	2,271,861					
	$ 88,682,577		**$ 82,325,472**	**$ 4,818,405**	**$ 1,538,700**	**$ 88,682,577**

**Non-Major DCU's (Discrete Component Units) are not required to be disclosed*

a. Deposits

The following deposits disclosure excludes the primary government's Pension Trust Funds of the South Carolina Retirement Systems (the Systems) which are described in section d of this note and the primary government's Other Post-Employment Benefit Trust Funds which are described in section e of this note.

Deposit Policy

The State's deposit policy, by law, requires all banks or savings and loan associations that receive State funds deposited by the State Treasurer, to secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss. Agencies, with specific authority to manage their deposits outside of the State Treasurer, may have custodial credit risk policies that differ from that of the State Treasurer. Therefore, some deposits presented below have custodial credit risk. See Note 1, sections d and e for additional information on deposits.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the State will not be able to recover the value of the deposits with the collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the State Treasurer are fully insured or collateralized. The reported amount of the State Treasurer's deposits as of June 30, 2022 was $2.795 billion and the bank balance was $2.977 billion. As of June 30, 2022, the reported amount of the primary government's deposits outside of the State Treasurer was $371.398 million and the bank balance was $373.317 million. The entire $373.317 million bank balance was exposed to custodial credit risk, but was collateralized with securities held by the counterparty's trust department or agent but not in the State's name. As of June 30, 2022 cash on hand was $265 thousand.

b. Investments

The following investment disclosure excludes the primary government's Pension Trust Funds of the South Carolina Retirement Systems which are described in section d of this note and the primary government's Other Post-Employment Benefit Trust Funds which are described in section e of this note.

Investment Policy

The State's investment policy, by law, authorizes investments that vary by fund, but generally include obligations of the United States and government sponsored entities, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, certain corporate bonds, and commercial paper. Substantially all of the State's investments are presented at fair value. Securities are valued at the last reported sales price as provided by an independent pricing service. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned. Agencies with specific authority to manage their own investments may have custodial credit risk policies that differ from that of the State Treasurer. Other investment policies for the State and its component units are explained in Note 1, section f.

Fair Value

The State categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72*, Fair Value Measurement and Application*. The valuation technique uses a three level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Inputs that are significant other observable inputs and may include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-driven valuations.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment. In determining the appropriate levels, the State performed a detailed analysis of the assets and liabilities that are subject to GASB Statement No. 72.

Fair value of certain investments not having a readily determinable fair value is established using net asset value (or amortized cost) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Investments classified according to the fair value hierarchy are valued according to pricing policy established by the State's custodian bank. Pricing is based primarily on prices from third-party vendors or other specified alternative sources which are considered to be reliable. Where available, the custodian bank uses more than one vendor for securities of each asset type, class or issue. The price received from a primary source is used in valuation unless a tolerance check, or price challenge, results in the use of a price from a secondary vendor. The State may override prices provided by the custodian bank if it is deemed necessary or appropriate. The following table is expressed in thousands:

	At 6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
U.S. treasuries	$ 14,499,065	$ 14,498,886	$ 179	$ —
U.S. agencies	303,549	—	303,549	—
Common stock	37,734	37,734	—	—
Other equity securities	2,753,970	2,745,203	—	8,767
Corporate bonds	5,929,118	—	5,929,118	—
Municipal bonds	1,237	—	1,237	—
Commercial paper	11,084,347	—	11,084,347	—
Money market mutual funds	754,197	754,197	—	—
Bond mutual funds	1,662,046	1,661,330	716	—
Other	315,575	—	315,575	—
	$ 37,340,838	$ 19,697,350	$ 17,634,721	$ 8,767
Investments measured at amortized cost				
Repurchase agreements	1,679,077			
	$ 39,019,915			

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the State will not be able to recover the value of investments or collateral securities that are in possession of an outside party. The primary government's investments that are exposed to custodial credit risk include investment securities that are uninsured, not registered in the name of the State, and are held by a counterparty.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. Credit risk exposure is primarily limited to debt instruments and other hybrid equity securities. The State Treasurer's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade debt securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Agencies with specific authority to manage their own investments may have credit risk policies that differ from that of the State Treasurer. Debt instruments held for investment for the primary government were rated as of June 30, 2022 using the Standard and Poor's rating scale, Moody's rating scale, or other rating scale when no other rating was available, as follows (expressed in thousands):

Investment Type and Fair Value	AAA	AA	A / A1 / A2	BBB	BB	Not Rated	Total
U.S. agencies	$ —	$ 253,556	$ 49,993	$ —	$ —	$ —	$ 303,549
Corporate bonds	7,108	433,342	2,489,975	2,965,629	32,005	1,059	5,929,118
Municipal bonds	32	1,163	42	—	—	—	1,237
Repurchase agreements	—	—	—	—	—	1,679,077	1,679,077
Commercial paper	—	7,392,993	2,555,803	730,438	—	405,113	11,084,347
Money market mutual funds	—	—	—	—	—	754,197	754,197
Bond mutual funds	516	89	—	—	—	1,661,441	1,662,046
Other	—	285,062	252	452	—	29,809	315,575
Totals	**$ 7,656**	**$ 8,366,205**	**$ 5,096,065**	**$ 3,696,519**	**$ 32,005**	**$ 4,530,696**	**$21,729,146**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The State's policy for reducing this risk is to diversify and limit exposure to any single issuer to no more than 5%, except for United States Treasury and agency obligations. The State sponsors the Local Government Investment Pool (LGIP), an external investment pool reported as an investment trust fund. As of June 30, 2022, the State Treasurer had 10.18% of the LGIP investment portfolio in repurchase agreements; no other single issuer exceeded the 5% threshold.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's policy does not specifically address interest rate risk. Its objectives for preservation of capital and maintenance of adequate liquidity focus the management of interest rate sensitivity on investing in securities with a range of maturities from one day to thirty years. At June 30, 2022, the maturities of the securities that will mature were limited according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	$ 14,487,893	$ 3,867,652	$ 10,473,244	$ 123,104	$ 23,893
U.S. agencies	303,549	50,328	18,089	28,088	207,044
Corporate bonds	5,895,317	1,144,343	4,476,053	238,782	36,139
Repurchase agreements	109,751	109,751	—	—	—
Commercial paper	2,595,744	2,595,744	—	—	—
Money market funds	4	4	—	—	—
Other	29,809	25,000	4,809	—	—
Totals	**$ 23,422,067**	**$ 7,792,822**	**$14,972,195**	**$ 389,974**	**$ 267,076**

Agencies that manage their own investments may have interest rate risk policies that differ from that of the State Treasurer. Some of these agencies may not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. At June 30, 2022, agencies within the State's primary government that manage their own investments limited the maturities of their interest-earning securities according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Does Not Mature	Less than 1	1 - 5	6 - 10
U.S. treasuries	$ 11,172	$ —	$ 5,761	$ 5,411	$ —
Common stock	37,734	37,734	—	—	—
Other equity securities	2,753,970	2,753,970	—	—	—
Corporate bonds	33,801	3,716	—	30,085	—
Municipal bonds	1,237	—	—	—	1,237
Repurchase agreements	1,569,326	—	1,569,326	—	—
Commercial paper	8,488,603	—	8,488,603	—	—
Money market funds	754,193	754,193	—	—	—
Bond mutual funds	1,662,046	716	—	1,661,330	—
Other	285,766	—	284,834	932	—
Totals	**$ 15,597,848**	**$ 3,550,329**	**$10,348,524**	**$1,697,758**	**$ 1,237**

Market Risk

The diversification of the State's investment portfolio exposes it to various risks as discussed in previous sections of this note. These risks result from market fluctuations. It is at least reasonably possible that these market fluctuations may result in material changes to the values of the investments reported in the State's financial statements.

c. Securities Lending Program

The following securities lending disclosures exclude the primary government's Pension Trust Funds of the South Carolina Retirement Systems which are described in section d of this note. The following disclosures, with the exception of the amounts reported in the table below, also apply to the primary government's Other Post-Employment Benefit Trust Funds reported in section e of this note.

By law, the State Treasurer may lend securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions, with a simultaneous agreement to return the collateral for the same securities in the future. The State may lend United States government securities, corporate bonds, other securities and equities for collateral in the form of cash or other securities. The contracts with the State's custodians require them to indemnify the State if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the State for income distributions by the securities' issuers while the securities are on loan.

The weighted average maturity of the State's collateral investments generally matched the maturity of the securities loaned during the fiscal year and at June 30, 2022. At June 30, 2022, the State had no credit risk exposure to borrowers because the amounts the State owed the borrowers exceeded the amounts the borrowers owed the State. Either the State or the borrower can terminate all securities loans on demand. There are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2022, the State experienced no losses on its securities lending transactions because of borrower defaults.

The State receives primarily cash as collateral for its loaned securities. The fair value of the required collateral must meet or exceed 102.0% of the fair value of the securities loaned, providing a margin against a decline in the fair value of the collateral.

During the fiscal year ended June 30, 2022, the State met the 102.0% requirement. The State cannot pledge or sell collateral securities unless the borrower defaults. The lending agent, on behalf of the State, invests cash collateral received. Accordingly, at June 30, 2022, the State recorded these investments of cash collateral as assets in the accompanying financial statements. Corresponding liability amounts also have been recorded because the State must return the cash collateral to the borrower upon expiration of the loan. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2022:

	Amount
Securities lent for cash collateral:	
U.S. Corporate-fixed income	$ 78,030
Total securities lent for cash collateral	**$ 78,030**
Cash collateral invested as follows:	
Repurchase agreements	$ 468,948
Total for cash collateral invested	**$ 468,948**

At June 30, 2022, the fair value of securities on loan was $78.030 million. The fair value of the invested cash collateral was $468.948 million. Securities lending obligations were $468.948 million.

d. South Carolina Retirement Systems

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Systems' deposits may not be recovered. These deposits are secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution or for any other cause. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250 thousand; however, amounts in excess of $250,000 are uninsured and uncollateralized.

As of June 30, 2022, the carrying amount of the Systems' deposits was $329.249 million and the bank balance was $285.100 million.

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investing for the Systems is governed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310(B) and Title 9 Section 16 of the South Carolina Code of Laws. Funds held in trust for the Retirement Systems may be invested and reinvested in a variety of instruments as outlined by Section 9-1-1310(B) of the South Carolina Code of Laws.

Fair Value Measurements

The Systems categorizes fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly; Level 3 inputs are significant unobservable inputs.

The Systems have the following recurring fair value measurements as of June 30, 2022 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2022	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Investments				
Short Term Investment Funds (U. S. Regulated)	$ 1,184,660	$ 1,184,660	$ —	$ —
Repurchase Agreements	109,300	—	109,300	—
Commercial Paper	10,397	—	10,397	—
Certificates of Deposit	23,394	—	23,394	—
U. S. Treasury Bills	43,909	43,909	—	—
Municipals - 1 year or less	298	—	298	—
Private Placements - 1 year or less	1,554	—	1,554	—
Total Short Term Investments	$ 1,373,512	$ 1,228,569	$ 144,943	$ —
Equity Allocation				
Global Public Equity				
Common Stocks	$ 1,074,678	$ 1,074,678	$ —	—
Real Estate Investment Trusts	511,951	511,951	—	—
Preferred	20,231	5,968	14,263	—
Total Global Public Equity	$ 1,606,860	$ 1,592,597	$ 14,263	$ —
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	$ 98,219	$ 98,219	$ —	$ —
U.S. Government Agencies	176,422	—	176,422	—
Mortgage Backed				
Government National Mortgage Association	16,750	—	16,750	—
Federal National Mortgage Association	12,948	—	12,948	—
Federal Home Loan Mortgage Association (Multiclass)	1,695	—	1,695	—
Collateralized Mortgage Obligations	848	—	848	—
Municipals	23,960	—	23,960	—
Corporate				
Corporate Bonds	693,084	6,436	396,208	290,440
Asset Backed Securities	146,351	—	146,351	—
Private Placements	792,631	—	792,631	—
Total Fixed Income	$ 1,962,908	$ 104,655	$ 1,567,813	$ 290,440
Total Investments by Fair Value Level	$ 4,943,280	$ 2,925,821	$ 1,727,019	$ 290,440

(continued)

Recurring fair value measurements as of June 30, 2022, continued (amounts in thousands):

Investments measured at net asset value (NAV)	
Global Equity Common Stocks	$ 13,680,611
Investment Grade Bonds	170,631
Emerging Debt	51,663
Hedge Funds	5,129,270
Private Equity	5,581,113
Private Debt	3,594,909
Private Real Estate	4,117,735
Private Infrastructure	1,039,408
Total investments measured at NAV	33,365,340
Total investments measured at fair value	$ 38,308,620

		Fair Value Measurements Using	
Investment derivative instruments	**At 6/30/2022**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Cash Equivalents			
Options - Cash Equivalents	$ (137)	$ —	$ (137)
Equity Investments			
Options - Equity	1,061	3	1,058
Swaps - Equity	(77,452)	—	(77,452)
Fixed Income Investments			
Options - Fixed Income	(1,748)	—	(1,748)
Futures - Fixed Income	(24,645)	(24,645)	—
Swaps - Fixed Income	594	—	594
Total investment derivative instruments	$ (102,327)	$ (24,642)	$ (77,685)
Total Invested Assets	$ 38,206,293		

For investments measured at net asset value (NAV) (amounts in thousands):

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global Equity Common Stocks	$ 13,680,611	$ —	Daily/Monthly	5 - 30 days
Investment Grade Bonds	170,631	—	1 year	1 day
Emerging Debt	51,663	—	Daily/Monthly	10 - 15 days
Hedge Funds	5,129,270	—	Monthly/Quarterly	2 - 90 days
Private Equity	5,581,113	3,160,615	Illiquid	Illiquid
Private Debt	3,594,909	2,370,900	Illiquid	Illiquid
Private Real Estate	4,117,735	906,405	Illiquid	Illiquid
Private Infrastructure	1,039,408	147,316	Illiquid	Illiquid
Total investments measured at the NAV	$ 33,365,340	$ 6,585,236		

1 For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £67,961,947, €266,409,675 and AUD $38,747,590 that have been converted to USD.

Global Equity Funds. This investment type includes 7 passive index funds that invest primarily in global developed and emerging equity public markets instruments. The fair values of the investments in this asset type have been determined using NAV per share of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice.

Emerging Debt Funds. This investment type includes two funds that generally invest in debt securities issued in any currency and may hold foreign currency. The fair values of the investments in this asset type have been determined using NAV per share of the fund or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, and one fund charges a redemption fee.

Investment Grade Bond Funds. This investment type includes one fund that generally invests in mortgage- related securities. The fair value of the investment in this asset type has been determined using NAV per share of the fund or percent ownership of the NAV of the fund and reported by the Investment Manager. A redemption can be initiated at any time and assets are self-liquidating within 1 year. There is no redemption fee charged.

Hedge Funds. This investment type includes 32 funds that generally invest in hedge fund strategies that seek alpha in equity or credit markets or seek to minimize embedded market beta. There are 26 of these funds invested through strategic partnership investments which may consist of underlying investments in more than one hedge fund. The fair values of the investments in this asset type have been determined using NAV per share of the investments or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, however, it is common that funds have authority to require longer redemption timeframes and/or make the redemption subject to gates to mitigate any detrimental impact to the fund.

Private Equity Funds. This investment type includes 131 funds that consist of 68 investments in limited partnerships, 46 investments in co-investment funds, 4 manager co-investment platforms, and 13 funds within strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. Manager co-investment platforms consist of underlying investments in more than one co-investment fund. The private equity investments span the venture capital, growth equity, secondaries, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Debt Funds. This investment type includes 53 funds that consist of 38 investments in limited partnerships, 13 funds within strategic partnership investments, and two co-investment funds. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The private debt investments span the direct lending, distressed, energy, mezzanine, mortgages, and opportunistic strategies. Private Debt is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Real Estate Funds. This investment type includes 31 funds that consist of 25 investments in limited partnerships, two investments in co-investment funds, and four funds that are strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The real estate investments span the core, diversified, real estate debt, value add, and opportunistic strategies. Real Estate is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Infrastructure Funds. This investment type includes 14 funds that consist of investments in limited partnerships or co-investments. Common types of infrastructure investments are in transportation, energy, telecommunications, and utilities. These assets tend to benefit from a rising inflation environment. Infrastructure is considered an illiquid investment strategy as funds generally have a life span of 20 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the Retirement System Investment Commission (RSIC) has no formal interest rate risk policy, interest rate risk is observed within the portfolio using effective duration (option adjusted duration), which is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 100 basis point change in interest rates. Effective duration takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that change proportionately with market rates. Investment guidelines may specify the degree of interest rate risk taken versus the benchmark within each fixed income portfolio.

Disclosures for interest rate risk at June 30, 2022, are noted below (amounts in thousands):

Investment Type	Fair Value Total	Fair Value Duration Not Available	Fair Value Duration Available	Effective Duration (option adjusted duration)
Short Term Investments				
Short Term Investment Funds (U.S. Regulated)	$ 1,184,660	$ —	$ 1,184,660	0.08
Repurchase Agreements	109,300	—	109,300	0.01
Invested Securities Lending Collateral	9,336	9,336	—	
Commercial Paper	10,397	—	10,397	0.19
Certificates of Deposit	23,394	—	23,394	0.34
U. S. Treasury Bills	43,909	—	43,909	0.25
Municipals - 1 year or less	298	—	298	0.58
Private Placements - 1 year or less	1,554	—	1,554	
Option - Cash Equivalents	(137)	(137)	—	
Total Short Term Investments	1,382,711	9,199	1,373,512	
Global Public Equity				
Preferred	$ 20,231	$ —	$ 20,231	12.22
Total Equity Investments	20,231	—	20,231	
Fixed Income Allocation				
U.S. Government:				
U.S. Government Treasuries	98,219	—	98,219	12.46
U.S. Government Agencies	176,422	76,554	99,868	1.69
Mortgage Backed:				
Government National Mortgage Association	16,750	3,771	12,979	4.37
Federal National Mortgage Association	12,948	—	12,948	6.93
Federal Home Loan Mortgage Association (Multiclass)	1,695	—	1,695	2.39
Collateralized Mortgage Obligations	848	—	848	2.26
Municipals	23,960	275	23,685	2.52
Corporate:				
Corporate Bonds	693,084	238,022	455,062	2.57
Asset Backed Securities	146,351	28,222	118,129	0.64
Private Placements	792,631	135,213	657,418	1.01
Investment Grade Bonds	170,631	—	170,631	1.72
Emerging Debt	51,663	—	51,663	2.48
Options - Fixed Income	(1,748)	(187)	(1,561)	5.89
Futures - Fixed Income	(24,645)	—	(24,645)	11.56
Swaps - Fixed Income	594	(360)	954	101.27
Total Fixed Income	2,159,403	481,510	1,677,893	
Mixed Credit Hedge Fund Allocation				
Mixed Credit Hedge Funds	9,706	—	9,706	0.01
Total Mixed Credit Hedge Funds	9,706	—	9,706	
Total Invested Assets	**$ 3,572,051**	**$ 490,709**	**$ 3,081,342**	
Total Portfolio Effective Duration (option adjusted duration)				**1.33**

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. Each individual portfolio within fixed income is managed in accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. Within high yield portfolios, a quality rating of lower than C is not permissible in any of the fixed income guidelines except in those circumstances of downgrades subsequent to purchase, in which case the investment manager is responsible for communicating the downgrade to the Systems' staff. The Systems' fixed income investments at June 30, 2022 were rated by Moody's and are presented below (expressed in thousands):

Investment Type	AAA	AA	A	BAA	BA	B	CAA	CA	C	NR[1]	TOTAL
Short Term Investments											
Short Term Investment Funds (U. S. Regulated)	$ 1,184,660	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 1,184,660
Repurchase Agreements	–	–	–	–	–	–	–	–	–	109,300	109,300
Invested Securities Lending Collateral	–	–	–	–	–	–	–	–	–	9,336	9,336
Commercial Paper	–	7,952	–	2,445	–	–	–	–	–	–	10,397
Certificates of Deposit	–	16,420	3,997	–	–	–	–	–	–	2,977	23,394
Municipals - 1 year or less	–	–	–	–	–	–	–	–	–	298	298
Private Placements - 1 year or less	–	–	–	–	–	–	–	–	–	1,554	1,554
Options - Cash Equivalents	–	–	–	–	–	–	–	–	–	(137)	(137)
Global Public Equity											
Preferred	–	–	–	15,989	2,693	–	–	–	–	1,549	20,231
Fixed Income Allocation[2]											
Mortgage Backed:											
Federal National Mortgage Association	12,948	–	–	–	–	–	–	–	–	–	12,948
Federal Home Loan Mortgage Association (Multiclass)	1,695	–	–	–	–	–	–	–	–	–	1,695
Collateralized Mortgage Obligations	848	–	–	–	–	–	–	–	–	–	848
Municipals	–	16,621	589	–	–	–	–	–	–	6,750	23,960
Corporate:											
Corporate Bonds	16,092	3,854	80,503	124,363	55,004	101,553	13,364	2,631	952	294,768	693,084
Asset Backed Securities	10,905	8,224	12,379	44,724	28,179	6,424	783	6,633	1,499	26,601	146,351
Private Placements	63,711	45,940	74,713	83,615	96,821	63,597	10,112	2,723	62	351,337	792,631
Investment Grade Bonds	–	–	–	–	–	–	–	–	–	170,631	170,631
Emerging Debt	–	–	–	–	–	–	–	–	–	51,663	51,663
Options - Fixed Income	–	–	–	–	–	–	–	–	–	(1,748)	(1,748)
Futures - Fixed Income	–	–	–	–	–	–	–	–	–	(24,645)	(24,645)
Swaps - Fixed Income	–	–	–	–	–	–	–	–	–	594	594
Totals	**$ 1,290,859**	**$ 99,011**	**$ 172,181**	**$ 271,136**	**$ 182,697**	**$ 171,574**	**$ 24,259**	**$ 11,987**	**$ 2,513**	**$ 1,000,828**	**$ 3,227,045**

[1] *NR represents securities that were either not rated or had a withdrawn rating.*

[2] *U.S. Treasury Bills, Notes and Bonds, Agencies and Government National Mortgage Association securities with a fair value of $227.5 million are not included in the above table because they are not subject to credit risk.*

Concentration of Credit Risk –Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives and Policies as amended and adopted by the Systems' which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6.0% exposure to any single issuer." As of June 30, 2022, there is no single issuer exposure within the portfolio that comprises 5.0% or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Systems participates in foreign markets to diversify assets, reduce risk and enhance returns. Currency forwards are used to manage currency fluctuations and are permitted by investment policy. Policy forbids speculating in forwards and other derivatives.

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2022 (amounts in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Private Debt	Preferred Infrastructure	Fixed Income	Equity	Total
Australian Dollar	$ (522)	$ (33,357)	$ —	$ 27,743	$ —	$ 27,777	$ 1,203	$ 11,098	$ 33,942
Brazil Real	—	—	—	—	—	—	(169)	—	(169)
Canadian Dollar	(276)	(4,512)	—	—	—	—	4,205	38,022	37,439
Chilean Peso	—	13	—	—	—	—	—	—	13
Chinese Yuan Renminbi	—	(8,869)	—	—	—	—	—	—	(8,869)
Danish Krone	22	—	—	—	—	—	—	3,211	3,233
Euro Currency	1,622	(174,510)	(348)	277,280	8,580	126,872	154,794	31,043	425,333
Hong Kong Dollar	434	—	—	—	—	—	—	11,297	11,731
Israeli Shekel	9,905	(10,114)	—	—	—	—	—	—	(209)
Japanese Yen	(383)	(555)	19	—	—	—	1,219	4,804	5,104
Mexican Peso	320	—	—	—	—	—	—	—	320
New Zealand Dollar	56	(1,124)	—	—	—	—	—	—	(1,068)
Norwegian Krone	1	172	—	—	—	—	—	—	173
Peruvian Sol	—	(3,130)	—	—	—	—	2,570	—	(560)
Pound Sterling	(2,919)	(71,170)	—	33,559	8,501	—	28,398	12,287	8,656
South African Rand	1	—	—	—	—	—	—	—	1
Swiss Franc	11	—	—	—	—	—	—	—	11
Totals	**$ 8,272**	**$ (307,156)**	**$ (329)**	**$ 338,582**	**$ 17,081**	**$ 154,649**	**$ 192,220**	**$ 111,762**	**$ 515,081**

Derivatives

Derivatives are financial instruments for which the value is derived from underlying assets or data. All of the Systems' derivatives are considered investments. Excluding futures, derivatives generally take the form of contracts in which two parties agree to make payments at a later date based on the value of specific assets or indices. Through certain collective trust funds, the Systems may invest in various derivative financial instruments such as futures and options thereon; forward foreign currency contracts; options; interest rate, currency, equity, index, credit default, total return swaps, interest-only strips, and CMOs to enhance the performance and reduce volatility. To comply with the requirements of multiple exchanges, cash and securities in the amount of $33.5 million and $40.5 million, respectively, were held in trust by the clearing brokers on June 30, 2022. The Systems' derivatives, consisting of futures, options, forward contracts and swaps are presented in the tables on the following pages. Investments in limited partnerships and commingled funds may include derivatives that are not shown in the derivative totals.

Derivatives directly managed by the RSIC are used primarily to facilitate changes to the asset allocation of the total plan and for their low cost of implementation. Derivatives are utilized for several reasons:

- Asset Allocation: In many cases, synthetic exposures (using derivatives) are placeholders until managers are hired and funded. In time, the RSIC may substitute traditional managers for much of the synthetic exposure currently in the portfolio. Efficient Market Theory dictates that in some asset classes, synthetics are the best way to achieve exposure.
- Risk Management: Derivatives allow investors the ability to swiftly and efficiently increase or decrease exposures in order to manage portfolio risk.
- Cost: A synthetic (derivative) solution is often the least expensive way to gain exposure to an asset class or to manage portfolio risk. Derivatives are more beneficial in each of the three major measures of cost: commission costs, market impact of trading, and opportunity costs.

Futures

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined date at a predetermined price. These contracts are standardized and trade on an organized exchange with gains and losses settled daily thereby significantly reducing credit and default risk. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position. The tables below present classification information on the Systems' derivatives at June 30, 2022 (amounts in thousands):

	Changes in Fair Value	
	Classification	Gain/(Loss)
Futures Contracts	Net depreciation	$ (77,165)
Forward Contracts	Net depreciation	(3,737)
Swaps	Net depreciation	(93,024)
Options	Net depreciation	(655)

	Fair Value			
	Forward Contracts	Futures	Options	Swaps
Cash & Cash Equivalents	$ 7,326	$ —	$ (137)	$ —
Fixed Income	—	(24,645)	(1,748)	594
Global Public Equity	—	—	1,061	(77,452)
Totals	**$ 7,326**	**$ (24,645)**	**$ (824)**	**$ (76,858)**

At June 30, 2022, the Systems had the following exposure via futures contracts (amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*	Fair Value
EURO-BUND FUTURE (EUX)	September 2022	Short	(146)	$ (22,709)	$ 498
EURO-BUXL 30Y BND FUTURE (EUX)	September 2022	Short	(6)	(1,026)	44
EURO-BTP FUTURE (EUX)	September 2022	Short	(110)	(14,159)	(815)
EURO-OAT FUTURE (EUX)	September 2022	Short	(28)	(4,055)	(75)
JPN 10Y BOND FUTURE (OSE)	September 2022	Short	(5)	(5,469)	18
US 10YR ULTRA FUTURE (CBT)	September 2022	Long	69	8,789	(139)
US LONG BOND FUTURE (CBT)	September 2022	Long	5,004	693,679	(6,632)
US 10YR NOTE FUTURE (CBT)	September 2022	Long	575	68,155	(294)
US 10YR NOTE FUTURE (CBT)	September 2022	Long	5,513	653,463	(4,390)
US 5YR NOTE FUTURE (CBT)	September 2022	Long	450	50,513	48
US 5YR NOTE FUTURE (CBT)	September 2022	Long	6,820	765,545	(3,964)
US ULTRA BOND (CBT)	September 2022	Long	36	5,556	(58)
US ULTRA BOND (CBT)	September 2022	Long	5,532	853,830	(8,886)
Totals				**$ 3,052,112**	**$ (24,645)**

*****Notional value is the nominal or face amount that is used to calculate payments made on derivative instruments (futures, forwards, swaps, and options). This amount generally does not change hands and is thus referred to as notional. The notional amount represents the economic equivalent to an investment in the physical securities represented by the derivative contract.*

Forwards

Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are "over-the-counter" (OTC) instruments, meaning they are not traded on an organized exchange. Currency forwards gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position. As of June 30, 2022, the Systems had the following forward exposures, listed by counterparty (amounts in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Banco Santander SA/New York	$ 40,906	$ (880)	8.91%
Bank of America NA	14,283	(182)	3.11%
Bank of New York Mellon/ London	146,027	2,729	31.81%
Barclays Bank PLC	26,675	(32)	5.81%
BNP Paribas Securities Corporation	6,259	13	1.36%
Citibank NA	15,295	171	3.33%
Credit Agricole SA	2,564	(45)	0.56%
Deutsche Bank AG/London	34,153	411	7.44%
Goldman Sachs Bank USA/New York NY	3,399	25	0.74%
Goldman Sachs International	11,990	455	2.61%
HSBC Bank PLC	18,563	95	4.04%
HSBC Bank PLC London	4,641	(56)	1.01%
HSBC Bank USA NA/New York NY	28,554	1,434	6.22%
JPMorgan Chase Bank NA	73,598	1,853	16.03%
Morgan Stanley & Co International PLC	554	(7)	0.12%
Morgan Stanley Capital Services LLC	1,991	54	0.43%
NatWest Markets PLC	1,366	(6)	0.30%
Royal Bank of Canada	15,517	1,028	3.38%
Standard Chartered Bank	4,897	3	1.07%
State Street Corp	150	—	0.03%
USB AG/Stamford CT	7,751	263	1.69%
Totals	**$ 459,133**	**$ 7,326**	**100.00%**

Swaps

The Systems has entered into various swap agreements to manage plan exposure. Swaps are OTC agreements to exchange a series of cash flows according to specified terms. The underlying asset can be an interest rate, an exchange rate, a commodity price or any other index.

Total return swaps are primarily used to efficiently achieve a target asset allocation. Exposures to an asset class are typically gained by paying a reference rate such as LIBOR, plus or minus a spread, in exchange for the risk and returns of a desired market index. Similarly, exposures can be reduced by receiving a reference rate in exchange for the economic risks and returns of an index.

Counterparty risk, or default risk, is the risk that a party will not honor its contractual obligations. The Systems seeks to actively manage its counterparty risk by thorough analysis and evaluation of all potential counterparties by investment staff and the independent overlay manager. Risk is further minimized through diversification among counterparties with high credit ratings and collateralizing unrealized gains and losses. The Systems currently does not participate in a master netting agreement. Unrealized gains and losses are not netted across instrument types and are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position.

The table below reflects the counterparty credit ratings at June 30, 2022, for currency forwards, swap agreements, options and corresponding amounts subject to credit risk (amounts in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aa2	5,835	(44,912)	(70)	(39,147)
Aa3	449	(87)	(316)	46
A1	1,517	(32,832)	(1,508)	(32,823)
A2	(475)	—	(4)	(479)
A3	—	—	16	16
Total subject to credit risk	$ 7,326	$ (77,831)	$ (1,882)	$ (72,387)
Centrally cleared:				
Chicago Board Options Exchange	—	—	1,058	1,058
Chicago Mercantile Exchange	—	3,281	—	3,281
Intercontinental Exchange	—	(698)	—	(698)
LCH Ltd	—	(1,610)	—	(1,610)
Total not subject to credit risk	$ —	$ 973	$ 1,058	$ 2,031
Total	**$ 7,326**	**$ (76,858)**	**$ (824)**	**$ (70,356)**

At June 30, 2022, the Systems held swaps as shown in the tables below (amounts in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value*	Gain (Loss) Since Trade
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	12/30/2022	$ 107,109	$ (1,792)	$ (12,801)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	9/30/2022	500,865	(8,372)	(60,146)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	3/31/2023	405,504	(6,675)	(20,784)
Barclays Bank PLC	Barclays Agg Proxy	Variable	Fixed	12/30/2022	445,660	(7,454)	(53,167)
JP Morgan Chase Bank NA	MSCI ACWI Proxy	Variable	Fixed	5/31/2023	521,822	(44,642)	(22,657)
Merrill Lynch International	MSCI ACWI Proxy	Variable	Fixed	6/30/2023	900,000	—	—
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	3/31/2023	230,893	(3,801)	(11,877)
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	9/30/2022	192,810	(3,223)	(23,153)
Societe Generale SA	Barclays Agg Proxy	Variable	Fixed	12/30/2022	89,257	(1,493)	(10,674)
					$ 3,393,920	**$ (77,452)**	**$ (215,259)**

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value*
Bank of America	Credit Default Swaps	Variable	Fixed	12/20/2026	$ 3,400	$ (270)
Citigroup Global Markets	Cleared Credit Default Swaps	Fixed	Variable	6/20/2027	34,600	16
Goldman Sachs International	Credit Default Swaps	Variable	Fixed	6/20/2024	1,700	(38)
Morgan Stanley Capital Services	Credit Default Swaps	Variable	Fixed	12/20/2026	1,100	(87)
					$ 40,800	**$ (379)**
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Fixed	Variable	Various	$ 22,600	$ 2,593
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Variable	Fixed	Various	215,900	697
Chicago Mercantile Exchange	Cleared Zero Coupon Swaps	Variable	Fixed	Various	19,142	(169)
Chicago Mercantile Exchange	Cleared Zero Coupon Swaps	Fixed	Variable	3/11/2032	1,900	160
Intercontinentel Exchange Holdings	Cleared Credit Default Swaps	Variable	Fixed	Various	28,541	(787)
Intercontinentel Exchange Holdings	Cleared Credit Default Swaps	Fixed	Variable	6/20/2027	2,970	89
LCH Ltd	Cleared Interest Rate Swaps	Fixed	Variable	Various	78,244	4,373
LCH Ltd	Cleared Interest Rate Swaps	Variable	Fixed	Various	75,572	(5,983)
					$ 444,869	**$ 973**

*****Fair value is the amount reasonably expected to be received if the underlying positions were liquidated on the following business day.*

Options

Options are exchange traded agreements between two parties for a future transaction on an underlying asset at a reference or strike price. The buyer of an option has the right, but not the obligation, to transact. The seller of an option has the obligation to transact if forced by the buyer. The price of an option is derived by taking the difference in the underlying asset and the strike price plus a premium for the remaining time until expiration. As of June 30, 2022, the Systems had the following option positions (amounts in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
Call Jul 22 005.555 ED 070822	BRL/USD SPOT OPTION 2022	July 2022	(6,060,000)	$ (4)
Put Jul 22 009.245 ED 071322	NOK/USD SPOT OPTION 2022	July 2022	(4,200,000)	(1)
Put Jul 22 009.390 ED 071422	NOK/USD SPOT OPTION 2022	July 2022	(2,400,000)	(1)
Call Aug 22 000.738 ED 081122	USD/AUD SPOT OPTION 2022	August 2022	(1,400,000)	(1)
Call Aug 22 005.720 ED 081222	BRL/USD SPOT OPTION 2022	August 2022	(600,000)	(3)
Call Aug 22 005.615 ED 080922	BRL/USD SPOT OPTION 2022	August 2022	(1,800,000)	(13)
Call Aug 22 005.2875 ED 082922	BRL/USD SPOT OPTION 2022	August 2022	(3,400,000)	(114)
Total Cash Equivalents				(137)
Put Jul 22 099.15625 ED 070722	COMMIT TO PUR FNMA (OTC)	July 2022	(1,475,000)	(9)
Put Jul 22 099.14062 07/07/22	COMMIT TO PUR FNMA (OTC)	July 2022	(825,000)	(5)
Put Jul 22 096.000 ED 070722	COMMITMENT TO PURCHASE (OTC)	July 2022	(2,700,000)	(6)
Put Aug 22 092.65625 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(5,500,000)	(35)
Put Aug 22 097.859 ED 080422	COMMITMENT TO PURCHASE (OTC)	August 2022	(2,200,000)	(9)
Put Aug 22 093.098 ED 080422	COMMITMENT TO PURCHASE (OTC)	August 2022	(4,900,000)	(41)
Put Aug 22 099.750 ED 080422	COMMITMENT TO PURCHASE OTC	August 2022	(3,000,000)	(11)
Put Aug 22 097.625 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(4,900,000)	(16)
Put Aug 22 097.69531 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(4,100,000)	(15)
Put Aug 22 098.34375 ED 080422	COMMIT TO PUR FNMA (OTC)	August 2022	(2,100,000)	(13)
Put Aug 22 099.773 ED 080422	COMMITMENT TO PURCHASE FNMA SI	August 2022	(5,500,000)	(20)
Put Aug 22 099.828 ED 080422	COMMITMENT TO PURCHASE FNMA SI	August 2022	(2,700,000)	(10)
Put Aug 22 002.851 ED 080422	CCP OIS R SOFR P 2.851% LCH	August 2022	1,500,000	16
Put Sep 22 099.15625 ED 090722	COMMIT TO PUR FNMA (OTC)	September 2022	(1,400,000)	(6)
Put Sep 22 098.51562 ED 090722	COMMIT TO PUR FNMA (OTC)	September 2022	(2,000,000)	(6)
Put Sep 22 097.750 ED 090722	COMMITMENT TO PURCHASE FNMA SI	September 2022	(2,700,000)	(4)
Call Sep 22 091.35937 ED 090722	COMMIT TO PUR FNMA SF MTG OTC	September 2022	(2,700,000)	(16)
Put Nov 23 003.750 ED 111723	CCP OIS R SOFR P 3.75000%	November 2023	(41,000,000)	(149)
Call Nov 23 002.250 ED 111723	CCP OIS R SOFR P 2.25000%	November 2023	(41,000,000)	(149)
Put Dec 23 003.750 ED 120723	CCP OIS R SOFT P 3.75%	December 2023	(5,700,000)	(18)
Call Dec 23 002.250 ED 120723	CCP OIS R SOFR P 2.25%	December 2023	(5,700,000)	(18)
Put Apr 24 002.688 ED 040224	CCP IRS R SOFR P 2.68750%	April 2024	(34,500,000)	(272)
Put Apr 24 002.690 ED 040224	CCP IRS R SOFR P 2.69000%	April 2024	(5,400,000)	(42)
Put Apr 24 002.697 ED 040224	CCP IRS R SOFR P 2.69700%	April 2024	(5,700,000)	(45)
Call Apr 24 002.688 ED 040224	CCP IRS R SOFR P 2.68750%	April 2024	(34,500,000)	(234)
Call Apr 24 002.690 ED 040224	CCP IRS R SOFR P 2.69000%	April 2024	(5,400,000)	(42)
Call Apr 24 002.697 ED 040224	CCP IRS R SOFR P 2.69700%	April 2024	(5,700,000)	(39)
Put Apr 24 002.781 ED 040524	CCP OIS R SOFR P 2.781%	April 2024	(34,600,000)	(267)
Call Apr 24 002.781 ED 040524	CCP OIS R SOFR P 2.781%	April 2024	(34,600,000)	(267)
Total Fixed Income				(1,748)
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	968,000	1
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	1,046,000	2
Put Apr 23 4000.000 ED 042123	S&P 500 INDEX SPX	April 2023	26	1,058
Total Equity				1,061
Total				**$ (824)**

Alternative Investments

The Alternative Investment category includes the following asset classes: private equity, hedge funds, private debt, real estate, and infrastructure.

Private equity, private debt, and real estate investments are normally structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in such limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded or contractual investment period has expired. Hedge fund investments are typically on subscription basis with a single, initial investment with no further commitment.

The Systems established several strategic partnerships to gain access to the deal flow, to receive favorable economics, and to efficiently take advantage of market opportunities. Investments within the strategic partnership accounts may include allocations to any asset class including those considered alternative investments. Assets of Strategic Partnerships are reported within their respective asset class totals.

The RSIC's intent is to access superior risk-adjusted returns through investing in alternative investment asset classes. Due to their low correlation to traditional asset classes, alternative investments diversify the portfolio and help reduce the risk associated with volatility of returns.

Commitments

The RSIC, on behalf of the Systems, has entered into contractual agreements with numerous alternative investment managers and is committed for future funding of private equity, private debt, real estate and private infrastructure investments. As of June 30, 2022, the Systems' commitments, including commitments within Strategic Partnerships, are shown in the following table (amounts in thousands):

	Total Commitment	Amount Funded To Date	Remaining Unfunded Commitment
Limited Partnerships USD			
Private Equity	$ 8,174,666	$ 5,401,769	$ 2,772,897
Private Debt	6,766,949	4,396,050	2,370,899
Private Real Estate	4,865,392	3,958,987	906,405
Private Infrastructure	950,000	802,684	147,316
Totals	$ 20,757,007	$ 14,559,490	$ 6,197,517
Limited Partnerships EUR			
Private Equity	€ 533,580	€ 267,170	€ 266,410
Private Debt	8,000	8,000	—
Private Infrastructure	125,000	125,000	—
Totals	€ 666,580	€ 400,170	€ 266,410
Limited Partnerships AUD			
Private Equity	$ 100,000	$ 61,252	$ 38,748
Private Infrastructure	40,000	40,000	—
Totals	$ 140,000	$ 101,252	$ 38,748
Limited Partnerships GBP			
Private Equity	£ 75,000	£ 7,038	£ 67,962
Private Debt	7,000	7,000	—
Private Infrastructure	22,000	22,000	—
Totals	£ 104,000	£ 36,038	£ 67,962

Securities Lending

The Retirement Systems' investment portfolio currently participates in a securities lending program, managed by BNY Mellon ("Securities Lending Program"), whereby securities are loaned for the purpose of generating additional income. BNY Mellon is responsible for making loans of securities on a collateralized basis from the Systems' investment portfolio to various third party broker-dealers and financial institutions. The fair value of the required collateral must initially meet or exceed 102% of the fair value of the securities loaned for U.S. Securities, 105% for cross currency securities and 107% for equity securities, providing a margin against a decline in the fair value of collateral. If the collateral value falls below 102%, the borrower must post additional collateral. In conjunction with generating revenue, the collateral pool seeks to maintain a net asset value (NAV) of $1.00, which is determined by dividing the fair value of the assets by the cost of those assets.

The RSIC's policy requires that the maximum amount of securities that may be on loan is 65 percent of eligible securities. Conservative investment guidelines continue to be maintained within the Securities Lending Program. The reinvestment of the cash collateral is restricted to short duration, very low risk securities and is monitored by RSIC on an ongoing basis. The types of securities available for loan during the year ended June 30, 2022, included U. S. Government securities, U. S. Government agencies, corporate bonds, Non-U. S. Sovereign debt and Global equities. The contractual agreement between the RSIC and BNYM provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while the securities are on loan.

Indemnification is also provided if the investment of cash collateral results in investment loss. Cash, U. S. Government securities, Corporate securities, Asset backed securities and Global equities are received as collateral for these loans. Collateral securities cannot be pledged or sold without a borrower default. Cash collateral received is invested, and accordingly, investments made with cash collateral are reported as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2022, the fair value of securities on loan was $51.310 million. The fair value of the invested cash collateral was $9.340 million. Securities lending obligations were $53.530 million with an unrealized loss in invested cash collateral of $44.190 million. The unrealized loss from securities lending activity was determined based on the settlement agreement between BNY Mellon and the State.

Under the agreement with BNY Mellon, the $44.190 million in unrealized loss is being gradually offset by a portion of securities lending earnings over a period of years. The gross securities lending revenue for the fiscal year was $1.500 million, a decrease from $1.800 million in the prior year. Since November 2008, gains and losses from the Securities Lending Program have been excluded from the Total Plan performance calculations.

With regard to counterparty credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was one day. The average weighted maturity of investments made with cash collateral was one day. At June 30, 2022, there had been no losses resulting from borrower defaults and the Systems had no credit risk exposure to borrowers because the amounts the Systems owed the borrowers exceeded the amounts the borrowers owed the Systems.

The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2022:

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Securities lent for cash collateral:						
Corporate bonds	$ 11,608	$ 2,147	$ 14	$ 73	$ 12	$ 13,854
Global Public Equity	31,380	5,803	39	197	33	37,452
Total securities lent for cash collateral	**$ 42,988**	**$ 7,950**	**$ 53**	**$ 270**	**$ 45**	**$ 51,306**
Securities lent for non-cash collateral:						
U.S Government Securities	$ 34,242	$ 6,333	$ 43	$ 214	$ 36	$ 40,868
Global Public Equity	199,965	36,981	248	1,253	210	238,657
Total securities lent for non-cash collateral	**$ 234,207**	**$ 43,314**	**$ 291**	**$ 1,467**	**$ 246**	**$ 279,525**
Cash collateral invested as follows:						
Repurchase agreements	$ 7,822	$ 1,447	$ 10	$ 49	$ 8	$ 9,336
Total cash collateral invested	**$ 7,822**	**$ 1,447**	**$ 10**	**$ 49**	**$ 8**	**$ 9,336**
Securities received as collateral:						
U.S. Government securities	$ 20,410	$ 3,774	$ 25	$ 128	$ 22	$ 24,359
Global Public Equity	168,030	31,075	209	1,052	177	200,543
Global Fixed Income	67,308	12,448	84	422	70	80,332
Total securities received as collateral	**$ 255,748**	**$ 47,297**	**$ 318**	**$ 1,602**	**$ 269**	**$ 305,234**

e. Other Post-Employment Benefit Trust Funds

The State Treasurer is the custodian and investment manager of all deposits and investments of the South Carolina Retiree Health Insurance Trust Fund and the Long-term Disability Insurance Trust Fund (the Trusts).

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the Trusts' deposits may not be recovered. As prescribed by law, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution, or for any other cause. As of June 30, 2022, the Trusts had no cash on deposit with banks. All cash reported was held in the cash management pool by the State Treasurer's Office.

Investments

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the State will not be able to recover the value of investments or collateral securities that are in possession of an outside party. All of the State Treasurer's investments are fully insured or collateralized.

In accordance with State Law, the Trusts may invest in a variety of instruments including obligations of the United States and its agencies and securities fully guaranteed by the United States, certain corporate obligations, certain shares of Federal savings and loan associations and State chartered savings and loan associations, and collateralized repurchase agreements. All investments are required to be insured or registered, or held by the State or its agent in the name of the State Treasurer, as custodian.

With respect to the Trust's investments in the State internal cash management pool, all of the Trust'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.

Fair Value Measurements

The Trusts categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Trusts have the following recurring fair value measurements as of June 30, 2022 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments			
U.S. agencies	$ 915,004	$ 892,827	$ 22,177
Collateralized mortgage-backed obligations	22,860	—	22,860
Repurchase agreements	84,982	—	84,982
Corporate bonds	336,049	—	336,049
Financial paper	201,063	—	201,063
Total Investments at Fair Value	$ 1,559,958	$ 892,827	$ 667,131

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. The State Treasurer's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade fixed-income securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. As of June 30, 2022, the Trusts' investments were rated by Moody's as follows (expressed in thousands):

Investment Type	AAA / AA	A/A2/A3	BAA/BA	P-1/P-2	Not Rated
U.S. agencies	$ 915,004	$ —	$ —	$ —	$ —
Collateralized mortgage-backed obligations	22,860	—	—	—	—
Corporate Bonds	21,411	72,823	237,903	—	3,912
Repurchase Agreements	—	—	—	84,982	—
Financial Paper	—	133,659	67,404	—	—
Totals	**$ 959,275**	**$ 206,482**	**$ 305,307**	**$ 84,982**	**$ 3,912**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's policy does not specifically address interest rate risk. Its objectives for preservation of capital and maintenance of adequate liquidity focus the management of interest rate sensitivity on investing in securities with a range of maturities from one day to thirty years. At June 30, 2022, the maturities of the investments for the Trusts that will mature were limited according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. agencies	915,004	37,551	593,217	257,471	26,765
Collateralized mortgage-backed obligations	22,860	—	1	7	22,852
Repurchase Agreements	84,982	84,982	—	—	—
Corporate bonds	336,049	22,082	166,613	141,025	6,329
Financial paper	201,063	8,085	117,314	68,021	7,643
Totals	**$ 1,559,958**	**$ 152,700**	**$ 877,145**	**$ 466,524**	**$ 63,589**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The State's policy for reducing the risk is to diversify and limit exposure to any single issuer to no more than 5% of the OPEB plan's fiduciary net position, except for United States Treasury and agency obligations.

Securities Lending

The Trusts participate in the Securities Lending Program as described in section c of this note. The Trusts have no securities lending losses as of June 30, 2022. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2022:

	Amount
Securities lent for cash collateral:	
U.S. Government Securities	$ 29,726
Corporate Bonds	4,601
Total securities lent for cash collateral	**$ 34,327**
Cash collateral invested as follows:	
Repurchase agreements	$ 30,307
Corporate Bonds	4,710
Total for cash collateral invested	**$ 35,017**

NOTE 5: RECEIVABLES

Receivable balances are disaggregated by type according to their liquidity characteristics and are presented separately in the financial statements, net of applicable allowances. Allowances for governmental activities uncollectible receivables (expressed in thousands) at June 30, 2022, for the primary government were as follows:

	Governmental Activities					
	Governmental Funds					
Allowances related to	General	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Activities
Income taxes	$ 150,218	$ —	$ —	$ —	$ —	$ 150,218
Sales and other taxes	117,376	—	—	17	9,271	126,664
Patient accounts	3,424	379	—	—	—	3,803
Student accounts	—	—	—	—	—	—
Loans and notes receivable	—	25	—	—	—	25
Other	16,202	11,437	249	467	27	28,382
Total allowances for uncollectibles	**$ 287,220**	**$ 11,841**	**$ 249**	**$ 484**	**$ 9,298**	**$ 309,092**

The enterprise fund financial statements separately present long-term receivables (net receivable balances not expected to be collected within one year). Allowances for business-type activities uncollectible receivables (expressed in thousands) at June 30, 2022 were as follows:

	Business-type Activities (Enterprise Funds)	
Allowances related to	Unemployment Compensation Benefits	Second Injury
Assessments	$ 77,665	$ —
Other	230,161	883
Total allowances for uncollectibles	**$ 307,826**	**$ 883**

Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) at June 30, 2022, were as follows:

	Governmental Activities					
	Governmental Funds					
Net Long-term Receivables	General	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Internal Service Funds	Total Governmental Activities
Accounts	$ 49,449	$ 59,975	$ 1,474	$ —	$ 60	$ 110,958
Patient accounts	1,401	2,709	—	—	—	4,110
Loans and notes	35,963	489	694,707	84	—	731,243
Leases	7,616	—	—	—	28	7,644
Accounts receivable—restricted	—	—	13,000	—	—	13,000
Total long-term receivables, net	**$ 94,429**	**$ 63,173**	**$ 709,181**	**$ 84**	**$ 88**	**$ 866,955**

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. The components of unavailable and unearned revenue in the governmental funds (expressed in thousands) at June 30, 2022, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	$ 3,837	$ —	$ 3,837
Federal grants	48,367	2,727,923	2,776,290
Contributions	18,500	150,803	169,303
Departmental services	—	19,483	19,483
Total unearned revenues	$ 70,704	2,898,209	$ 2,968,913
Internal service funds		202,908	
Total governmental activities		$3,101,117	

NOTE 6: CAPITAL ASSETS

Capital asset activity (expressed in thousands) for the fiscal year ended June 30, 2022, for the primary government was as follows:

	Beginning Balances June 30, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 2,287,816	$ 111,285	$ (1,165)	$ 2,397,936
Construction in progress	3,883,574	708,843	(430,265)	4,162,152
Works of art and historical treasures	2,572	—	—	2,572
Intangibles	58	—	(11)	47
Total capital assets not being depreciated	6,174,020	820,128	(431,441)	6,562,707
Capital assets being depreciated:				
Land improvements	121,723	882	(187)	122,418
Infrastructure (road and bridge network)	16,196,265	389,901	(4,138)	16,582,028
Buildings and improvements	2,303,503	18,371	(13,842)	2,308,032
Vehicles	962,319	80,890	(38,132)	1,005,077
Machinery and equipment	734,051	55,749	(33,244)	756,556
Works of art and historical treasures	1,507	—	—	1,507
Intangibles	367,568	721	(26,996)	341,293
Total capital assets being depreciated	20,686,936	546,514	(116,539)	21,116,911
Less accumulated depreciation for:				
Land improvements	(72,934)	(2,645)	36	(75,543)
Infrastructure (road and bridge network)	(4,705,316)	(233,006)	2,782	(4,935,540)
Buildings and improvements	(1,340,529)	(58,666)	5,737	(1,393,458)
Vehicles	(692,552)	(66,166)	34,964	(723,754)
Machinery and equipment	(506,828)	(58,357)	28,128	(537,057)
Works of art and historical treasures	(783)	(60)	—	(843)
Intangibles	(224,819)	(55,185)	14,405	(265,599)
Total accumulated depreciation	(7,543,761)	(474,085)	86,052	(7,931,794)
Total capital assets being depreciated, net	13,143,175	72,429	(30,487)	13,185,117
Capital assets for governmental activities, net	**$ 19,317,195**	**$ 892,557**	**$ (461,928)**	**$ 19,747,824**

During the fiscal year ended June 30, 2022, depreciation expense was charged to functions of the primary government (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	$ 24,139	$ 16,758	$ 40,897
Education	44,322	—	44,322
Health and environment	13,330	—	13,330
Social services	54,374	—	54,374
Administration of justice	30,475	521	30,996
Resources and economic development	33,737	—	33,737
Transportation	256,429	—	256,429
Total depreciation expense, governmental activities	**$ 456,806**	**$ 17,279**	**$ 474,085**

Leased asset activity (expressed in thousands) for the fiscal year ended June 30, 2022, for the primary government was as follows:

	Beginning Balances June 30, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets not being amortized:				
Land and improvements	$ 2,559	$ 43	$ —	$ 2,602
Total leased assets not being amortized	2,559	43	—	2,602
Leased assets being amortized:				
Land improvements	2	—	—	2
Buildings and improvements	106,605	30,245	(1,294)	135,556
Machinery and equipment	13,282	1,919	(4)	15,197
Total leased assets being depreciated	119,889	32,164	(1,298)	150,755
Less accumulated amortization for:				
Land improvements	—	(1)	—	(1)
Buildings and improvements	—	(26,066)	320	(25,746)
Machinery and equipment	(2,453)	(2,759)	21	(5,191)
Total accumulated amortization	(2,453)	(28,826)	341	(30,938)
Total leased assets being amortized, net	117,436	3,338	(957)	119,817
Leased assets for governmental activities, net	**$ 119,995**	**$ 3,381**	**$ (957)**	**$ 122,419**

During the fiscal year ended June 30, 2022, amortization expense for leased assets was charged to functions of the primary government (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	$ 10,581	$ 2,459	$ 13,040
Education	3,117	—	3,117
Health and environment	6,924	—	6,924
Social services	2,564	—	2,564
Administration of justice	2,423	—	2,423
Resources and economic development	758	—	758
Total amortization expense, governmental activities	**$ 26,367**	**$ 2,459**	**$ 28,826**

Changes in business-type activities capital assets for the fiscal year ended June 30, 2022 are as follows (expressed in thousands):

	Beginning Balances June 30, 2021	Increases	Decreases	Ending Balances June 30, 2022
Business-type activities:				
Capital assets not being depreciated:				
Land and improvements	$ 185,461	$ 2,748	$ (6,589)	$ 181,620
Construction in progress	114,082	5,132	(1,852)	117,362
Total capital assets not being depreciated	299,543	7,880	(8,441)	298,982
Capital assets being depreciated:				
Land improvements	7,031	3	—	7,034
Buildings and improvements	20,639	214	(4,161)	16,692
Vehicles	1,787	—	(46)	1,741
Machinery and equipment	11,437	610	(178)	11,869
Total capital assets being depreciated	40,894	827	(4,385)	37,336
Less accumulated depreciation for:				
Land improvements	(1,308)	(286)	—	(1,594)
Buildings and improvements	(6,412)	(568)	812	(6,168)
Vehicles	(1,154)	(136)	46	(1,244)
Machinery and equipment	(7,470)	(851)	122	(8,199)
Total accumulated depreciation	(16,344)	(1,841)	980	(17,205)
Total capital assets being depreciated, net	24,550	(1,014)	(3,405)	20,131
Capital assets for business-type activities, net	**$ 324,093**	**$ 6,866**	**$ (11,846)**	**$ 319,113**

Capital assets for the State's fiduciary funds were comprised of land totaling $582 thousand, a building totaling $4.749 million and equipment totaling $1.697 million with accumulated depreciation of $5.121 million. Depreciation expense for fiscal year 2022 was $177 thousand. There were dispositions of $623 thousand for equipment during the year.

At June 30, 2022, the primary government had outstanding construction commitments totaling $86.906 million for capital projects in progress. In addition, outstanding construction commitments at that date totaled $61.390 million for significant permanent improvement projects. Projects that will not be capitalized as State assets upon completion include projects for replacements, repairs, and renovations to existing facilities. In addition, the primary government had outstanding commitments totaling $19.043 million at June 30, 2022, related to information technology projects.

NOTE 7: RETIREMENT PLANS

a. Plan Descriptions

The South Carolina Retirement Systems (the Systems) represents the collective retirement funds that are held in a group trust for the plans and are protected by the State's constitution. The South Carolina Public Employee Benefit Authority (PEBA) was created effective July 1, 2012 and administers the various retirement systems and retirement programs managed by the Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as trustee of the Systems and the trust funds. By law, the South Carolina Retirement System Investment Commission, which consists of eight members appointed by mostly elected officials, also reviews certain PEBA Board decisions regarding the funding of the Systems and serves as a co-trustee of the Systems in conducting that review. The Systems' financial statements may be obtained by writing to:

Retirement Systems Finance
South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive
Columbia, South Carolina 29223
http://www.peba.sc.gov

The **South Carolina Retirement System** (SCRS), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for public school districts and employees of the State and political subdivisions thereof. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees, teachers, and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. A member of the system with an effective date of membership prior to July 1, 2012, is a Class II member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class III member.

A Class II member who has separated from service with at least five years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class III member who has separated from service with at least eight years of earned service is eligible for a monthly pension subject to the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class II and Class III members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. Incidental death benefits are also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

Beginning July 1, 2012, and annually thereafter, the annual retirement allowance received by retirees or their surviving annuitants must be increased by the lesser of one percent or five hundred dollars. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

Class II Members (members hired prior to July 1, 2012)

Average Final Compensation (AFC) is based on the highest 12 consecutive quarters of earnable compensation. The determination of a member's AFC includes up to 45 days of unused annual leave paid at termination. Monthly benefits are based on one-twelfth of the retirement benefit. The retirement benefit amount is equal to the 1.82% of the member's AFC times the member's credited service years. Credited service may include up to 90 days of unused sick leave.

Members are eligible to commence their retirement benefit after they have (i) 28 years of credited service or (ii) attained age 65 with 5 years of earned service. At each July 1 after their first full year of retirement, annuitants will receive an automatic cost of living adjustment equal to the lesser of 1.00% of their retirement benefit or $500 per annum.

Class III Members (members hired after June 30, 2012)

AFC is based on the highest 20 consecutive quarters of earnable compensation. The determination of a member's AFC will not include unused annual leave paid at termination. Monthly benefits are based on one-twelfth of the retirement benefit. The retirement benefit is equal to 1.82% of the member's AFC times the member's credited service (years). Credited service will not include unused sick leave.

Members are eligible to commence a retirement benefit after they have (i) attained age 60 with eight years of earned service or (ii) the combination of the member's age and years of credited service equals or exceeds 90 (i.e. the rule of 90). At each July 1 after their first full year of retirement, annuitants will receive an automatic cost of living adjustment equal to the lesser of 1.00% of their retirement benefit or $500 per annum.

The **South Carolina Police Officers Retirement System** (PORS), a cost–sharing multiple-employer defined benefit pension plan, was established effective July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for police officers and firemen of the State and its political subdivisions. To be eligible for PORS membership, an employee must be required by the terms of his or her employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least $2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. A member of the system with an effective date of membership prior to July 1, 2012, is a Class II member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class III member. A Class II member who has separated from service with at least five years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class III member who has separated from service with at least eight years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class II and Class III members are eligible to receive a deferred annuity at age 55 with five or eight years earned service, respectively. Incidental death benefits are also available to beneficiaries of active and retired members of employers who participate in the death benefit program. An additional accidental death benefit is also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

Class II Members (members hired prior to July 1, 2012)

AFC is based on the highest 12 consecutive quarters of earnable compensation. The determination of a member's AFC includes up to 45 days of unused annual leave paid at termination. Monthly benefits are based on one-twelfth of the retirement benefit. The retirement benefit is equal to 2.14% of the member's AFC times the member's credited service (years). Credited service may include up to 90 days of unused sick leave.

Members are eligible to commence their retirement benefit after they have (i) 25 years of credited service or (ii) attained age 55 with five years of earned service. At each July 1 after their first full year of retirement, annuitants will receive an automatic post-retirement benefit adjustment equal to the lesser of 1.00% of their retirement benefit or $500 per annum.

Class III Members (members hired after June 30, 2012)

AFC is based on the highest 20 consecutive quarters of earnable compensation. The determination of a member's AFC will not include unused annual leave paid at termination. Monthly benefits are based on one-twelfth of the retirement benefit. The retirement benefit is equal to 2.14% of the member's AFC times the member's credited service years. Credited service will not include unused sick leave.

Members are eligible to commence their retirement benefit after they have (i) 27 years of credited service or (ii) attained age 55 with eight years of earned service. At each July 1 after their first full year of retirement, annuitants will receive an automatic post-retirement benefit adjustment equal to the lesser of 1.00% of their retirement benefit or $500 per annum.

The **Retirement System for Members of the General Assembly of the State of South Carolina** (GARS), a single-employer defined benefit pension plan, was created effective January 1, 1966, pursuant to the provisions of Section 9-9-20 of the South Carolina Code of Laws to provide retirement allowances and other benefits for members of the General Assembly. Retirement reform legislation closed the plan to individuals newly elected to the Senate or House of Representatives after the general election of 2012. Members of the Senate and the House of Representatives who were first elected to office prior to November 2012 are required to participate in and contribute to the system upon taking office as a member of the General Assembly. However, persons elected to the General Assembly in November 2012 or after must elect membership in SCRS, the State Optional Retirement Program (State ORP), or may elect non-membership. A member is eligible for a monthly pension at age 60 or with 30 years credited service. A member who has attained age 70 or has 30 years of service is eligible to retire and draw an annuity while continuing to serve in the General Assembly. A member is eligible to receive a deferred annuity with eight years of service. An incidental death benefit is also provided to members. Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

Earnable compensation is comprised of $10,400 annually plus 40 times the daily rate of remuneration (i.e. $22,400 in total earnable compensation annually). Certain line-item additional compensation for specified offices is also included. Monthly benefits are based on one-twelfth of the retirement benefit. The retirement benefit amount is equal to the 4.82% of the member's earnable compensation times the member's credited service years.

The **Retirement System for Judges and Solicitors of the State of South Carolina** (JSRS), a single-employer defined benefit pension plan, was created effective July 1, 1979, pursuant to the provisions of Section 9-8-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for judges, solicitors, and circuit public defenders of the State. All solicitors, circuit public defenders, judges of a Circuit or Family Court and justices of the Court of Appeals and Supreme Court are required to participate in and contribute to the system upon taking office.

Members are eligible for retirement after they have (i) attained age 70 with 15 years of service, or (ii) attained age 65 with 20 years of service or (iii) completed 25 years of creditable service for judges and 24 years for solicitors and public defenders regardless of age. Members who have accrued a retirement allowance that is 90% of salary may elect to "retire in place" and begin to receive their accrued retirement benefits while remaining employed. Members who have retired in place but have not attained age 60 will have their retirement benefit paid into a deferred retirement option program (DROP) and receive the balance of their DROP account upon attaining age 60. The mandatory retirement age is 72.

The retirement benefit is equal to 71.3% of the current active salary of the position from which the member retired plus an additional 2.67% of compensation for each year of service beyond 25 years for judges and 24 years for solicitors and public defenders (subject to a maximum retirement allowance that does not exceed 90% of the current active salary). The normal form of payment for a married member is a 33.3% joint and survivor annuity. Retirees receive increases in benefits based upon increases in the current salary of their respective active positions.

The **South Carolina National Guard Supplemental Retirement Plan** (SCNG), a single-employer defined benefit pension plan, was created effective July 1, 1975, and is governed by the provisions of Section 9-10-30 of the South Carolina Code of Laws for the purpose of providing supplemental retirement benefits to certain members who served in the South Carolina National Guard. National Guard members are considered to be federal government employees. The federal government pays National Guard members' drill pay and summer camp pay. In accordance with State law, the State's General Fund pays National Guard members' salaries only if the Governor activates the National Guard for service to the State. A monthly pension is payable at age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of the 20 years total creditable military service, at least 15 must have been served in the South Carolina National Guard. Additionally, the last 10 years of service must have been served in the South Carolina National Guard. No cost-of-living increases are provided to SCNG retirees.

The pension benefit that the State provides is intended only to supplement the retirement benefit that National Guard members receive from the federal government. Members who retire at age sixty with 20 years of military service, including at least 15 years of South Carolina National Guard duty, 10 of which immediately precede retirement, and who have received an honorable discharge, are entitled to monthly pension benefits. The pension amount is equal to $50 per month for 20 years of creditable service with an additional $5 per month for each additional year of service, provided that the total pension shall not exceed $100 per month.

Each plan is independent. Assets of each plan may be used only to benefit participants of that plan. PEBA does not have the authority to establish or amend the benefit terms of SCRS, PORS, GARS, JSRS, or SCNG without a legislative change in the South Carolina Code of Laws. Additionally, the plans provide retirement, death, and disability benefits to State employees; public school employees; and employees of counties, municipalities, and certain other State political subdivisions.

A summary of information related to members of the five plans is as follows at June 30, 2022:

	SCRS	PORS	GARS	JSRS	SCNG
Active Contributing Members	199,162	26,555	73	160	12,146
Retirees and Beneficiaries Currently Receiving Benefits	148,008	20,181	341	229	5,027
Terminated Members Entitled to But Not Yet Receiving Benefits	207,341	20,589	37	5	1,635
Total Membership	554,511	67,325	451	394	18,808

b. Summary of Significant Accounting Policies—Basis of Accounting and Valuation of Investments

The financial statements of the previously-described plans are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Retirement benefits and refunded expenses are recognized when due and payable in accordance with the terms of each plan.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of SCRS, PORS, GARS, JSRS, and SCNG and additions to/deductions from SCRS', PORS', GARS', JSRS', and SCNG's fiduciary net position have been determined on the same basis as they are reported by SCRS, PORS, GARS, JSRS, and SCNG. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

See Note 4d for more information on pension trust fund investments.

c. Funding Policies

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement plans be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws prescribes requirements relating to membership, benefits, and employee/employer contributions for each plan. The PEBA Board may increase the SCRS and PORS employer and employee contribution rates on the basis of the actuarial valuations, but any such increase may not result in a differential between the employee and employer contribution rate that exceeds 2.9% of earnable compensation for SCRS and 5% for PORS. An increase in the contribution rates adopted by the board may not provide for an increase of more than one-half of one percent in any one year. If the scheduled employee and employer contributions provided in statute or the rates last adopted by the board are insufficient to maintain a thirty year amortization schedule of the unfunded liabilities of the plans, the Board shall increase the contribution rates in equal percentage amounts for the employer and employee as necessary to maintain the thirty-year amortization period; this increase is not limited to one-half of one percent per year.

By law, employee contribution requirements for the fiscal year ended June 30, 2022, were as follows:

Plan	Rate
SCRS	9.00% of earnable compensation
PORS	9.75% of earnable compensation
GARS	11.00% of earnable compensation
JSRS	10.00% of earnable compensation
SCNG	Non-contributory by employees

Actuarially-determined employer contribution rates, expressed as percentages of compensation, for the fiscal year ended June 30, 2022, were as follows:

Plan	Rate
SCRS	16.56%
PORS	19.24%
JSRS	62.94%

Contributions to SCRS, PORS, and JSRS from the State were $227.385 million, $73.378 million, and $19.577 million, respectively, for the year ended June 30, 2022. The GARS employer contribution of $6.279 million was actuarily determined and included incidental death benefits. The State contributed $5.290 million to fund the SCNG actuarially-determined employer contribution for the year ended June 30, 2022. Additionally, the State contributed $88.706 million to SCRS, $12.470 million to PORS, and $2.900 million to JSRS above its proportionate employer contributions.

d. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, the State reported $2.699 billion and $683.623 million for its proportionate shares of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of each defined benefit pension plan was determined based on the July 1, 2020 actuarial valuations, using membership data as of July 1, 2020, projected forward to June 30, 2021, and financial information of the pension trust funds as of June 30, 2021, using generally accepted actuarial procedures. The State's proportion of the net pension liability was based on the State's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2021, the State's SCRS proportion was 12.47%, which was a decrease of 0.07% from its proportion measured as of June 30, 2020. The State's PORS proportion of the net pension liability at June 30, 2021 was 26.57%, which was a decrease of 0.89% from its proportion measured as of June 30, 2020.

The State's JSRS, GARS, and SCNG net pension liabilities were also measured by actuarial valuations as of July 1, 2020, using membership data as of July 1, 2020, projected forward to June 30, 2021, and financial information of the pension trust funds as of June 30, 2021, using generally accepted actuarial procedures. The State assumes 100% of the JSRS, GARS, and SCNG liabilities.

For the year ended June 30, 2022, the State recognized pension expenses of $197.107 million for SCRS, $74.789 million for PORS, $44.647 million for JSRS, $3.524 million for GARS, and $2.494 million for SCNG, making the State's total pension expense $322.561 million for the fiscal year.

According to South Carolina Code of Laws 9-1-1180, the State is responsible for contributing the employer contributions related to all publicly funded teachers and the employees of the State's technical colleges. However, as these employer contributions related to the State's teachers and technical college employees are not paid by the State directly to SCRS and PORS, but remitted instead to each school district and technical college for their contribution payments, GASB 68 requires that the school districts and technical colleges recognize the portions of the SCRS and PORS net pension liabilities that relate to their respective employees. As the State is actually responsible for these net pension liabilities, the State's effective share of

the SCRS net pension liability was approximately $12.299 billion (or 56.83% of the total net SCRS pension liability) at June 30, 2022, with related pension expenses of approximately $898.084 million for the year ended June 30, 2022. Likewise, the State's effective share of the PORS net pension liability was approximately $698.050 million at June 30, 2022 (or 27.13% of the total net PORS pension liability), with related pension expenses of approximately $76.367 million for the year ended June 30, 2022. As prescribed by GASB 68, the teachers and technical college employee-related net pension liabilities and corresponding pension expenses are not included in the State's net pension liability or in the State's pension expense.

At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources related to pensions (expressed in thousands) from the following sources:

	SCRS	PORS	JSRS	GARS	SCNG	Total
Deferred Outflows of Resources						
State Contributions Subsequent to the Measurement Date	$ 227,385	$ 73,378	$ 19,577	$ 6,279	$ 5,290	$ 331,909
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	66,522	5,591	—	—	—	72,113
Differences Between Expected and Actual Experience	45,981	23,256	24,463	—	216	93,916
Changes in Assumptions	147,750	48,759	12,749	—	3,136	212,394
Total	$ 487,638	$ 150,984	$ 56,789	$ 6,279	$ 8,642	$ 710,332
Deferred Inflows of Resources						
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 113,560	$ 42,470	$ —	$ —	$ —	$ 156,030
Net differences Between Projected and Actual Earnings on Pension Plan Investments	392,110	153,265	19,128	3,598	2,825	570,926
Differences Between Expected and Actual Experience	3,642	2,129	—	—	3,953	9,724
Total	$ 509,312	$ 197,864	$ 19,128	$ 3,598	$ 6,778	$ 736,680

$331.909 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2023. Other amounts reported as net deferred outflows of resources and net deferred inflows of resources related to pensions (expressed in thousands) will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	JSRS	GARS	SCNG	Total
2023	$ (17,784)	$ (11,633)	$ 22,608	$ (715)	$ (579)	$ (8,103)
2024	(8,551)	(11,055)	2,720	(695)	(450)	(18,031)
2025	(41,840)	(19,368)	(107)	(797)	(450)	(62,562)
2026	(180,884)	(78,202)	(7,137)	(1,391)	(522)	(268,136)
2027	—	—	—	—	(947)	(947)
Thereafter	—	—	—	—	(478)	(478)
	$ (249,059)	$ (120,258)	$ 18,084	$ (3,598)	$ (3,426)	$ (358,257)

The total pension liabilities in the July 1, 2020 actuarial valuation were determined using the following actuarial assumptions applied to all periods included in the measurement:

	SCRS	PORS	GARS	JSRS	SCNG
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:					
Investment Rate of Return	7.00%	7.00%	7.00%	7.00%	7.00%
Projected Salary Increases	3.0% to 11.0% (Varies by Service)	3.5% to 10.5% (Varies by Service)	None	2.70%	None
Inflation Rate	2.25%	2.25%	2.25%	2.25%	2.25%
Benefit Adjustments	Lesser of 1% or $500	Lesser of 1% or $500	None	3.00%	None

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The last experience study was performed on data through June 30, 2020.

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the June 30, 2021 valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators and Judges	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety, Firefighters and Members of the South Carolina National Guard	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 20-year capital market outlook. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed for the Retirement System Investment Commission (RSIC) using a building block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics, and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the Systems, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and then adding the actuarial expected inflation which is summarized in the table below. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Global Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
Real Estate	9.0%	6.01%	0.54%
Infrastructure (Private)	3.0%	5.08%	0.15%
Total Expected Real Return	**100.0%**		5.18%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			**7.43%**

The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all SCRS and PORS participating employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability (expressed in thousands)

	JSRS	GARS	SCNG
Total Pension Liability			
Service Cost	$ 8,718	$ 364	$ 696
Interest	29,199	4,937	4,754
Difference Between Actual and Expected Experience	4,000	379	(960)
Assumption Changes	17,439	1,386	971
Benefit Payments	(25,941)	(6,315)	(4,574)
Net Change in Total Pension Liability	33,415	751	887
Total Pension Liability at June 30, 2021	411,367	71,074	67,501
Total Pension Liability at June 30, 2022 (a)	$ 444,782	$ 71,825	$ 68,388
Plan Fiduciary Net Position			
Contributions - Employer	$ 19,100	$ 5,956	$ 5,290
Contributions - Nonemployer	2,900	—	—
Contributions - Member	3,587	184	—
Refunds of Contributions to Members	—	(77)	—
Retirement Benefits	(25,746)	(6,222)	(4,574)
Death Benefits	(195)	(16)	—
Net Investment Income (Loss)	47,659	9,444	7,996
Administrative Expense	(109)	(23)	(20)
Other	237	(45)	—
Net Change in Plan Fiduciary Net Position	47,433	9,201	8,692
Plan Fiduciary Net Position at June 30, 2021	165,250	34,454	31,092
Plan Fiduciary Net Position at June 30, 2022 (b)	$ 212,683	$ 43,655	$ 39,784
Net Pension Liability at June 30, 2022 (a) - (b)	$ 232,099	$ 28,170	$ 28,604

The following table presents the State's proportionate share of the SCRS and PORS net pension liabilities and the GARS, JSRS, and SCNG net pension liabilities calculated using the discount rate of 7.00%, as well as what the State's respective net pension liabilities (expressed in thousands) would be if it were calculated using a discount rate of 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate.

Plan	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 3,535,754	$ 2,699,303	$ 2,004,044
PORS	991,850	683,623	431,138
JSRS	282,713	232,099	189,557
GARS	34,454	28,170	22,753
SCNG	37,176	28,604	21,586

e. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2022, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	SCNG	Totals
Receivables:						
Contributions	$ 305,290	$ 34,727	$ —	$ 1,080	$ 4	$ 341,101
Accrued interest	18,760	3,459	26	123	25	22,393
Unsettled investment sales	234,427	43,354	291	1,468	247	279,787
Total receivables	**$ 558,477**	**$ 81,540**	**$ 317**	**$ 2,671**	**$ 276**	**$ 643,281**
Due from other funds	**$ —**	**$ 1,103**	**$ —**	**$ 27**	**$ —**	**$ 1,130**
Investments and invested securities lending collateral:						
Short-term securities and opportunistic	$ 62,513	$ 11,560	$ 77	$ 392	$ 66	$ 74,608
Fixed income	1,809,306	334,608	2,250	11,334	1,905	2,159,403
Equity-international	12,744,967	2,357,015	15,846	79,835	13,417	15,211,080
Alternatives	16,307,066	3,015,778	20,275	102,149	17,167	19,462,435
Invested securities lending collateral	7,822	1,447	10	49	8	9,336
Total investments	**$ 30,931,674**	**$ 5,720,408**	**$ 38,458**	**$ 193,759**	**$ 32,563**	**$ 36,916,862**

f. Deferred Retirement Option Plans

A deferred retirement option program exists for JSRS. A member who has not yet reached the age of 60 years, but who is eligible to retire and receive the maximum monthly benefit, may retire and continue to serve as a judge, a solicitor, or a circuit public defender. The member's normal monthly retirement benefit is deferred and placed in the JSRS trust fund on behalf of the member. Upon reaching the age of 60 years, the balance of the member's deferred retirement benefit is distributed to the member. As of June 30, 2022, $205 thousand was in the JSRS trust fund.

g. Optional Retirement Program

As an alternative to membership in SCRS, certain State, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. Participants in the State ORP direct the investment of their funds into a plan administered by one of four investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts that those providers issue. Accordingly, balances of the State ORP are not reported in the accompanying financial statements.

Under State law, contributions to the State ORP are at the same rates as for the SCRS (see Subsection c, Funding Policies). A direct remittance is required from the employers to the investment providers for the employee contribution (9.00%) and a portion of the employer contribution (5.00%), which is immediately vested to the employee. A direct remittance is also required to the SCRS for a portion of the employer contribution (11.41%) and a death benefit contribution (0.15%), which is retained by the SCRS. The activity for the State ORP for the year ended June 30, 2022 is as follows (expressed in thousands):

Covered payroll	$ 1,903,664
Employee contributions to providers	171,330
Employer contributions to providers	95,183

NOTE 8: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits through the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (LTDITF), collectively referred to as the OPEB plans, to retired State and school district employees and their covered dependents. The OPEB plans have been determined to be cost-sharing multiple-employer defined benefit plans and are administered by the Insurance Benefits Division (IBD), a part of South Carolina Public Employee Benefit Authority (PEBA). Article 5 of the State Code of Laws defines the two plans and authorizes PEBA to at any time adjust the plans, including its benefits and contributions, as necessary to ensure the fiscal stability of the plans. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires on May 2, 2008 and after, retirees are eligible for benefits if they have

established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Sections 1-11-705 through 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these post-employment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees and participating retirees except the portion funded through the pension surcharge and provided from other applicable sources for active employees who are not funded by State General Fund appropriations.

Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the Executive Budget, 6.25% of annual covered payroll for fiscal year 2022. The IBD sets the employer contribution rate based on a pay-as-you-go basis. The State paid $558.629 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2022. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee was $3.22 for the fiscal year ended June 30, 2022.

Effective May 1, 2008, the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. SCRHITF is funded primarily through the payroll surcharge. Other sources of funding include additional State appropriated dollars ($2.375 million). LTDITF is funded primarily through investment income and employer contributions.

c. OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2022, the State reported a liability of $4.178 billion for its proportionate share of the SCRHITF net OPEB liability and reported a liability of $562 thousand for its proportionate share of the LTDITF net OPEB liability. The net OPEB liabilities were measured as of June 30, 2021, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2020. At June 30, 2022, the State's proportion of the SCRHITF net OPEB liability was 20.07% and the State's proportion of the LTDITF net OPEB liability was 17.68%, based on its statutory contribution requirements. These proportions decreased by 0.24% and by 0.23%, respectively, from the prior year.

As with SCRS and PORS, the State is responsible for contributing the OPEB employer contributions related to all publicly funded teachers and the employees of the State's technical colleges. However, as these employer contributions related to the State's teachers and technical college employees are not paid by the State directly to SCRHITF and LTDITF, but remitted instead to each school district and technical college for their contribution payments, GASB 75 requires that the school districts and technical colleges recognize the portions of the SCRHITF and LTDITF net OPEB liabilities that relate to their respective employees. As the State is actually responsible for these net OPEB liabilities, the State's effective share of the SCRHITF net OPEB liability was approximately $15.779 billion (or 75.77% of the total net SCRHITF OPEB liability) at June 30, 2022, with related OPEB expenses of approximately $1.323 billion for the year ended June 30, 2022. Likewise, the State's effective share of the LTDITF net OPEB liability was approximately $2.059 million at June 30, 2022 (or 64.79% of the total net LTDITF OPEB liability), with related OPEB expenses of approximately $5.545 million for the year ended June 30, 2022. As prescribed by GASB 75, the teachers and technical college employee-related net OPEB liabilities and corresponding OPEB expenses are not included in the State's net OPEB liability or in the State's OPEB expense.

As a result of its requirement to contribute to the SCRHITF and LTDITF, the State recognized expenses of $336.908 million for SCRHITF and $1.511 million for LTDITF, for a total OPEB expense of $338.419 million for the year ended June 30, 2022. At June 30, 2022, the State reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirements to SCRHITF and LTDITF (expressed in thousands):

	SCRHITF	LTDITF	Total
Deferred Outflows of Resources			
State Contributions Subsequent to the Measurement Date	$ 118,415	$ 1,265	$ 119,680
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	105,440	10	105,450
Differences Between Expected and Actual Experience	84,558	—	84,558
Changes in Assumptions	849,485	464	849,949
Total	$ 1,157,898	$ 1,739	$ 1,159,637
Deferred Inflows of Resources			
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 200,892	$ 76	$ 200,968
Net differences Between Projected and Actual Earnings on OPEB Plan Investments	1,129	172	1,301
Differences Between Expected and Actual Experience	107,098	414	107,512
Changes in Assumptions	100,610	23	100,633
Total	$ 409,729	$ 685	$ 410,414

$119.680 million reported as deferred outflows resulting from State contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liabilities in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred (inflows) of resources as a result of the State's requirement to contribute to SCRHITF and LTDITF will be recognized against expenses as follows (expressed in thousands):

Year Ended June 30,	SCRHITF	LTDITF
2023	$ 94,159	$ (32)
2024	92,289	(31)
2025	124,732	(42)
2026	137,113	(46)
2027	122,912	(41)
Thereafter	58,549	(19)
	$ 629,754	$ (211)

The total OPEB liabilities in the June 30, 2020 valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	SCRHITF	LTDITF
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Inflation Rate	2.25%	2.25%
Investment Rate of Return	2.75%, net of OPEB plan expense, including inflation	3.00%, net of OPEB plan expense, including inflation
Healthcare Cost Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate rate of 4.00% over 15 years	N/A

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period for both OPEB plans. The last experience study was performed on data through June 30, 2020.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for SCRHITF is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.0%	0.60%	0.48%
Cash	20.0%	0.35%	0.07%
Total	**100.0%**		0.55%
Expected Inflation			2.25%
Total Return			**2.80%**
Investment Return Assumption			**2.75%**

The target allocation and best estimates of arithmetic real rates of return for LTDITF is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.0%	0.95%	0.76%
Cash	20.0%	0.35%	0.07%
Total	**100.0%**		0.83%
Expected Inflation			2.25%
Total Return			**3.08%**
Investment Return Assumption			**3.00%**

The Single Discount Rate used to measure the total SCRHITF liability is 1.92% (updated from 2.45% in the 2021 fiscal year). This Single Discount Rate was based on an expected rate of return on plan investments of 2.75% and a municipal bond rate of 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

The Single Discount Rate used to measure the total LTDITF liability is 2.48% (updated from 2.83% in the 2021 fiscal year). This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index") and the resulting Single Discount Rate is 2.48%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain $38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

The following table presents the State's proportionate share of the SCRHITF and LTDITF net OPEB liabilities, as well as what the State's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate of 1.00% lower (0.92% for SCRHITF and 1.48% for LTDITF) or 1.00% higher (2.92% for SCRHITF and 3.48% for LTDITF) than the current discount rates:

Plan	1% Decrease (0.92%)	Current Discount Rate (1.92%)	1% Increase (2.92%)
SCRHITF	$ 5,035,788	$ 4,178,384	$ 3,502,321

Plan	1% Decrease (1.48%)	Current Discount Rate (2.48%)	1% Increase (3.48%)
LTDITF	$ 818	$ 562	$ 304

In addition, the following table presents SCRHITF's net OPEB liability, calculated using the assumed healthcare cost trend rates as well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percent lower (5.00%) and one percent higher (7.00%):

Plan	1% Decrease (5.00%)	Current Healthcare Cost Trend Rate (6.00%)	1% Increase (7.00%)
SCRHITF	$ 3,352,317	$ 4,178,384	$ 5,279,388

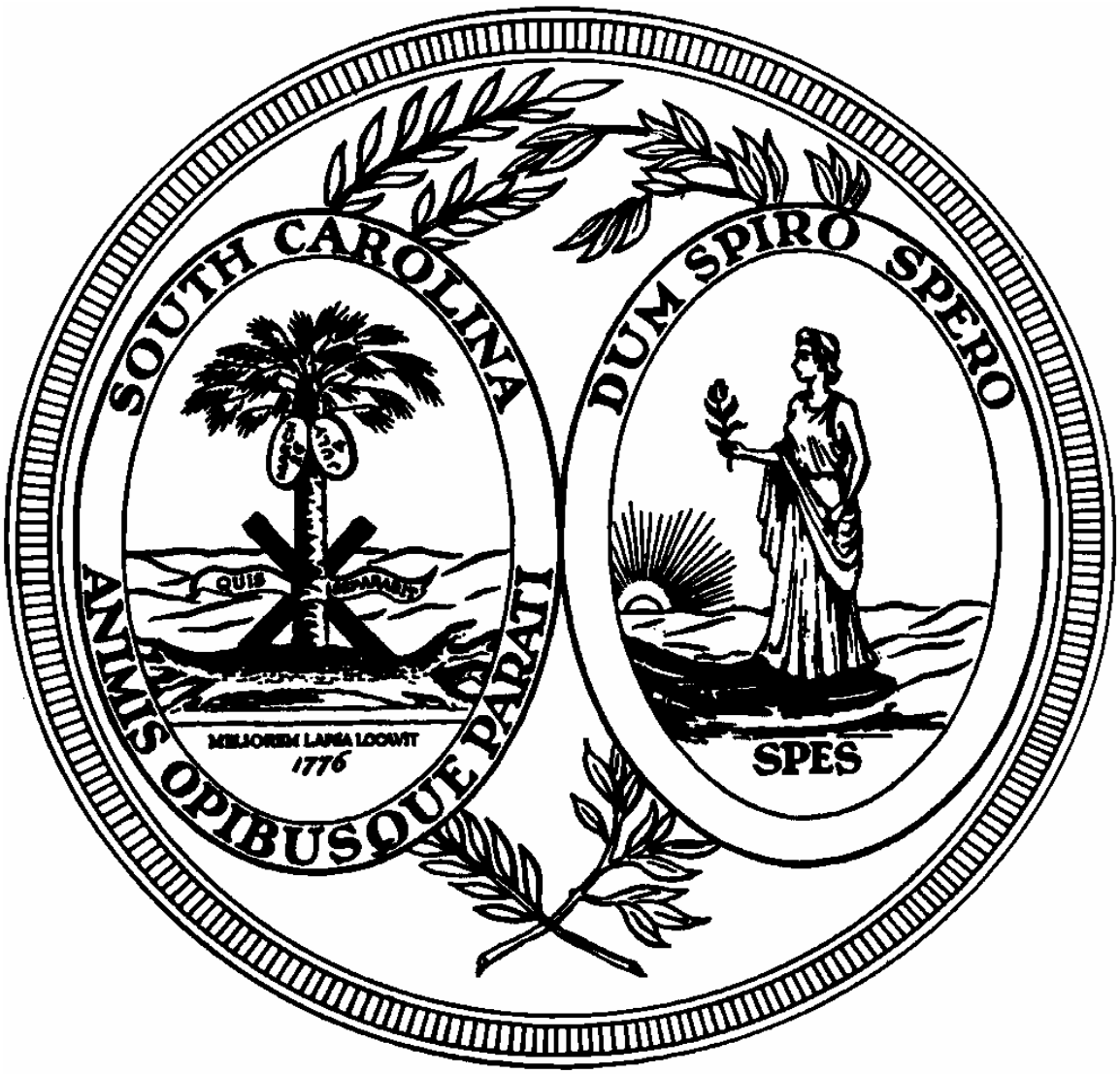
Complete financial statements for the OPEB plans and the trust funds may be obtained by contacting:

Insurance Benefits Division
South Carolina Public Employee Benefit Authority
202 Arbor Lake Drive
Columbia, SC 29223
http://www.peba.sc.gov

d. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2022, for the OPEB plans administered by the Insurance Benefits Division were as follows:

	SCRHI	LTDI	Totals
Receivables:			
Accrued interest	**$ 7,610**	**$ 236**	**$ 7,846**
Due from other funds	**$ 89,502**	**$ —**	**$ 89,502**
Investments and invested securities lending collateral:			
Domestic debt instruments	$ 1,244,940	$ 28,972	$ 1,273,912
Financial paper	196,159	4,905	201,064
Invested securities lending collateral	30,880	3,447	34,327
Total investments	**$ 1,471,979**	**$ 37,324**	**$ 1,509,303**


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NOTE 9: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Details of all deferred outflows of resources and deferred inflows of resources at June 30, 2022 are as follows (expressed in thousands):

	Governmental Activities less Internal Service	Internal Service	Total Governmental Activities	Business-Type Activities	Totals	Component Units
Deferred Outflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ —	$ —	$ 11,264
Deferred amount on refunding	28,445	—	28,445	—	28,445	140,465
Asset retirement obligation	—	—	—	—	—	672,804
Pensions:						
State contributions subsequent to the measurement date	325,176	4,443	329,619	2,290	331,909	408,911
Change in proportion and differences between employer contributions and proportionate share of plan contributions	69,088	2,414	71,502	611	72,113	179,048
Differences between expected and actual experience	92,367	951	93,318	598	93,916	80,521
Changes in assumptions	207,788	2,845	210,633	1,761	212,394	256,672
OPEB:						
State contributions subsequent to the measurement date	117,034	1,738	118,772	908	119,680	184,687
Change in proportion and differences between employer contributions and proportionate share of plan contributions	102,459	2,060	104,519	931	105,450	233,696
Net differences between projected and actual earnings on OPEB plan investments	—	—	—	—	—	5,125
Differences between expected and actual experience	82,544	1,247	83,791	767	84,558	121,916
Changes in assumptions	829,712	12,529	842,241	7,708	849,949	1,208,995
Total	$ 1,854,613	$ 28,227	$ 1,882,840	$ 15,574	$ 1,898,414	$ 3,504,104
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ —	$ —	$ 118,208
Deferred gain on refunding	—	—	—	—	—	2,403
Deferred nuclear decommissioning costs	—	—	—	—	—	245,933
Deferred service concession arrangement receipts	—	—	—	—	—	120
Deferred nonexchange revenues	11,390	—	11,390	—	11,390	32
Toshiba Settlement	—	—	—	—	—	251,089
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	153,169	1,418	154,587	1,443	156,030	105,583
Net differences between projected and actual earnings on pension plan investments	558,362	7,742	566,104	4,822	570,926	683,751
Differences between expected and actual experience	9,598	77	9,675	49	9,724	6,774
Changes in Assumptions	—	—	—	—	—	3
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	196,650	2,552	199,202	1,766	200,968	159,705
Net differences between projected and actual earnings on OPEB plan investments	1,273	17	1,290	11	1,301	2,553
Differences between expected and actual experience	104,956	1,582	106,538	974	107,512	153,071
Changes in assumptions	98,236	1,484	99,720	913	100,633	141,553
Lease related	9,138	37	9,175	914	10,089	133,330
Total	$ 1,142,772	$ 14,909	$ 1,157,681	$ 10,892	$ 1,168,573	$ 2,004,108

Details of all enterprise fund deferred outflows of resources and deferred inflows of resources at June 30, 2022 are as follows (expressed in thousands):

	Canteen	Palmetto Railways	Other Enterprise	Total
Deferred Outflows of Resources				
Pensions:				
State contributions subsequent to the measurement date	$ 209	$ 442	$ 1,639	$ 2,290
Change in proportion and differences between employer contributions and proportionate share of plan contributions	49	177	385	611
Differences between expected and actual experience	48	173	377	598
Changes in assumptions	136	555	1,070	1,761
OPEB:				
State contributions subsequent to the measurement date	83	173	652	908
Change in proportion and differences between employer contributions and proportionate share of plan contributions	73	287	571	931
Differences between expected and actual experience	59	248	460	767
Changes in assumptions	589	2,494	4,625	7,708
Total	$ 1,246	$ 4,549	$ 9,779	$ 15,574
Deferred Inflows of Resources				
Pensions:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 109	$ 480	$ 854	$ 1,443
Net differences between projected and actual earnings on pension plan investments	378	1,474	2,970	4,822
Differences between expected and actual experience	4	14	31	49
OPEB:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	140	530	1,096	1,766
Net differences between projected and actual earnings on OPEB plan investments	1	3	7	11
Differences between expected and actual experience	75	314	585	974
Changes in assumptions	70	295	548	913
Lease related	—	—	914	914
Total	$ 777	$ 3,110	$ 7,005	$ 10,892

Details of all internal service fund deferred outflows of resources and deferred inflows of resources at June 30, 2022 are as follows (expressed in thousands):

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Deferred Outflows of Resources				
Pensions:				
State contributions subsequent to the measurement date	$ 359	$ 1,202	$ 502	$ 1,729
Change in proportion and differences between employer contributions and proportionate share of plan contributions	2	1,206	647	406
Differences between expected and actual experience	76	221	106	398
Changes in assumptions	243	710	339	1,128
OPEB:				
State contributions subsequent to the measurement date	137	458	196	688
Change in proportion and differences between employer contributions and proportionate share of plan contributions	37	—	1,194	602
Differences between expected and actual experience	110	317	152	485
Changes in assumptions	1,102	3,180	1,531	4,878
Total	$ 2,066	$ 7,294	$ 4,667	$ 10,314
Deferred Inflows of Resources				
Pensions:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 155	$ —	$ 22	$ 901
Net differences between projected and actual earnings on pension plan investments	644	1,884	901	3,133
Differences between expected and actual experience	6	18	8	33
OPEB:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	247	382	331	1,156
Net differences between projected and actual earnings on OPEB plan investments	1	4	2	7
Differences between expected and actual experience	139	401	193	617
Changes in assumptions	131	377	181	578
Lease related	—	—	—	—
Total	$ 1,323	$ 3,066	$ 1,638	$ 6,425

Motor Pool	Prison Industries	Other Internal Service	Total
$ 157	$ 494	$ —	$ 4,443
37	116	—	2,414
36	114	—	951
102	323	—	2,845
62	197	—	1,738
55	172	—	2,060
44	139	—	1,247
443	1,395	—	12,529
$ 936	$ 2,950	$ —	$ 28,227

$ 82	$ 258	$ —	$ 1,418
285	895	—	7,742
3	9	—	77
105	331	—	2,552
1	2	—	17
56	176	—	1,582
52	165	—	1,484
—	—	37	37
$ 584	$ 1,836	$ 37	$ 14,909

Details of all discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2022 are as follows (expressed in thousands):

	Public Service Authority	Medical University of South Carolina	University of South Carolina	Clemson University	State Ports Authority	Housing Authority
Deferred Outflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ 11,264	$ —	$ —	$ —	$ —	$ —
Deferred amount on refunding	86,398	19,657	4,938	3,232	24,652	—
Asset retirement obligation	672,804	—	—	—	—	—
Pensions:						
State contributions subsequent to the measurement date	10,919	145,310	78,889	56,309	14,101	1,404
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,204	147,369	1,770	10,864	8,179	—
Differences between expected and actual experience	4,799	25,808	15,902	11,168	2,044	231
Changes in assumptions	15,307	82,517	50,612	35,524	6,559	742
OPEB:						
State contributions subsequent to the measurement date	11,264	62,594	37,061	26,565	2,120	530
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	197,414	7,754	16,354	—	32
Net differences between projected and actual earnings on OPEB plan investments	2,242	—	—	—	2,484	—
Differences between expected and actual experience	6,751	40,382	25,642	17,971	—	332
Changes in assumptions	28,833	405,857	257,610	180,611	16,077	3,331
Total	$ 851,785	$ 1,126,908	$ 480,178	$ 358,598	$ 76,216	$ 6,602
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ 118,208	$ —	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—	2,403
Deferred nuclear decommissioning costs	245,933	—	—	—	—	—
Deferred service concession arrangement receipts	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Toshiba Settlement	251,089	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	12,586	4,152	19,432	870	8	390
Net differences between projected and actual earnings on pension plan investments	41,402	219,369	134,764	94,610	17,415	1,969
Differences between expected and actual experience	753	2,049	1,265	889	162	18
Changes in assumptions	3	—	—	—	—	—
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	9,934	41,400	5,331	—	774
Net differences between projected and actual earnings on OPEB plan investments	—	464	343	264	—	4
Differences between expected and actual experience	7,450	51,295	32,478	22,821	—	420
Changes in assumptions	1,938	48,057	30,510	21,386	2,119	395
Lease related	—	28,870	32,203	841	11,944	—
Total	$ 679,362	$ 364,190	$ 292,395	$ 147,012	$ 31,648	$ 6,373

Lottery Commission	Nonmajor Component Units	Total
$ —	$ —	$ 11,264
—	1,588	140,465
—	—	672,804
1,336	100,643	408,911
378	9,284	179,048
260	20,309	80,521
832	64,579	256,672
514	44,039	184,687
340	11,802	233,696
—	399	5,125
365	30,473	121,916
3,669	313,007	1,208,995
$ 7,694	$ 596,123	$ 3,504,104
$ —	$ —	$ 118,208
—	—	2,403
—	—	245,933
—	120	120
—	32	32
—	—	251,089
126	68,019	105,583
2,211	172,011	683,751
21	1,617	6,774
—	—	3
279	101,987	159,705
5	1,473	2,553
463	38,144	153,071
434	36,714	141,553
—	59,472	133,330
$ 3,539	$ 479,589	$ 2,004,108

Details of all nonmajor discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2022 are as follows (expressed in thousands):

	The Citadel	Coastal Carolina University	College of Charleston	Francis Marion University	Lander University	South Carolina State University
Deferred Outflows of Resources						
Deferred amount on refunding	$ —	$ 168	$ 286	$ —	$ —	$ —
Pensions:						
State contributions subsequent to the measurement date	4,614	12,987	13,165	4,700	4,367	5,192
Change in proportion and differences between employer contributions and proportionate share of plan contributions	237	1,205	1,257	26	2,687	177
Differences between expected and actual experience	1,415	2,505	2,760	922	782	890
Changes in assumptions	4,484	7,912	8,749	2,936	2,468	2,825
OPEB:						
State contributions subsequent to the measurement date	3,188	6,090	6,422	2,042	1,870	1,436
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,067	2,470	1,625	—	—	1,311
Net Differences between projected and actual earnings on OPEB plan investments	—	—	—	—	—	—
Differences between expected and actual experience	2,235	3,868	4,567	1,455	1,209	1,314
Changes in assumptions	22,462	38,880	45,903	14,624	15,680	13,208
Total	$ 39,702	$ 76,085	$ 84,734	$ 26,705	$ 29,063	$ 26,353
Deferred Inflows of Resources						
Deferred service concession arrangement receipts	—	120	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	2,815	16,395	8,826	2,212	18	1,591
Net differences between projected and actual earnings on pension plan investments	11,959	21,125	23,328	7,818	6,590	7,529
Differences between expected and actual experience	113	200	220	73	62	71
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,194	23,248	13,492	3,327	5	1,042
Net differences between projected and actual earnings on OPEB plan investments	33	58	68	22	13	20
Differences between expected and actual experience	2,838	4,915	5,801	1,849	1,523	1,670
Changes in assumptions	2,660	4,604	5,435	1,732	1,472	1,564
Lease related	—	—	2,882	—	548	—
Total	$ 23,612	$ 70,665	$ 60,052	$ 17,033	$ 10,231	$ 13,487

Winthrop University	Aiken Technical College	Central Carolina Technical College	Denmark Technical College
$ 794	$ —	$ —	$ —
6,631	1,264	2,132	564
602	—	55	39
1,442	249	420	109
4,606	799	1,347	344
3,151	540	840	239
115	56	148	—
—	—	—	—
2,202	377	596	156
22,133	3,784	5,988	1,566
$ 41,676	$ 7,069	$ 11,526	$ 3,017
—	—	—	—
32	—	—	—
3,105	642	1,945	619
12,249	2,120	3,578	919
115	20	33	9
11,335	1,033	2,110	1,324
33	5	9	2
2,798	477	757	197
2,621	448	709	186
—	—	—	—
$ 32,288	$ 4,745	$ 9,141	$ 3,256

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	Florence-Darlington Technical College	Greenville Technical College	Horry-Georgetown Technical College	Technical College of the Lowcountry	Midlands Technical College	Northeastern Technical College
Deferred Outflows of Resources						
Deferred amount on refunding	$ 214	$ —	$ —	$ —	$ 126	$ —
Pensions:						
State contributions subsequent to the measurement date	2,260	6,824	3,529	1,482	6,778	830
Change in proportion and differences between employer contributions and proportionate share of plan contributions	10	324	168	—	5	451
Differences between expected and actual experience	496	1,350	705	272	1,346	152
Changes in assumptions	1,594	4,300	2,262	873	4,298	487
OPEB:						
State contributions subsequent to the measurement date	982	2,821	1,526	599	2,671	347
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	138	427	—	—	755
Net Differences between projected and actual earnings on OPEB plan investments	—	—	—	399	—	—
Differences between expected and actual experience	724	2,003	1,054	—	1,943	225
Changes in assumptions	7,272	20,127	10,589	4,050	19,523	2,257
Total	$ 13,552	$ 37,887	$ 20,260	$ 7,675	$ 36,690	$ 5,504
Deferred Inflows of Resources						
Deferred service concession arrangement receipts	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	4,424	3,407	646	1,193	7,118	32
Net differences between projected and actual earnings on pension plan investments	4,231	11,448	6,007	2,318	11,431	1,293
Differences between expected and actual experience	39	107	56	22	107	12
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	6,381	5,203	621	1,190	9,782	118
Net differences between projected and actual earnings on OPEB plan investments	11	30	16	5	26	3
Differences between expected and actual experience	919	2,544	1,338	506	2,461	285
Changes in assumptions	861	2,383	1,254	515	2,312	267
Lease related	12	8,373	—	—	—	—
Total	$ 16,878	$ 33,495	$ 9,938	$ 5,749	$ 33,237	$ 2,010

Orangeburg-Calhoun Technical College	Piedmont Technical College	Spartanburg Community College	Tri-County Technical College	Trident Technical College
$ —	$ —	$ —	$ —	$ —
1,836	3,038	3,576	3,664	6,629
30	589	35	348	—
346	580	640	709	1,328
1,096	1,846	2,046	2,245	4,221
703	1,176	1,440	1,493	2,640
—	936	661	830	—
—	—	—	—	—
481	821	936	1,038	1,918
4,828	8,244	9,411	10,436	19,271
$ 9,320	$ 17,230	$ 18,745	$ 20,763	$ 36,007
—	—	—	—	—
—	—	—	—	—
1,238	893	332	10	7,098
2,922	4,916	5,441	5,987	11,244
28	46	51	56	106
1,970	1,171	221	1	9,249
6	1,039	14	16	26
609	11	1,190	1,320	2,430
572	976	1,114	1,236	2,282
—	—	14	—	—
$ 7,345	$ 9,052	$ 8,377	$ 8,626	$ 32,435

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	Williamsburg Technical College	York Technical College	South Carolina Jobs-Economic Development Authority	South Carolina Research Authority	Patriot's Point Development Authority
Deferred Outflows of Resources					
Deferred amount on refunding	$ —	$ —	$ —	$ —	$ —
Pensions:					
State contributions subsequent to the measurement date	582	2,747	46	—	545
Change in proportion and differences between employer contributions and proportionate share of plan contributions	91	99	48	—	38
Differences between expected and actual experience	115	548	10	—	111
Changes in assumptions	365	1,742	33	—	357
OPEB:					
State contributions subsequent to the measurement date	234	1,102	17	—	220
Change in proportion and differences between employer contributions and proportionate share of plan contributions	224	83	86	—	90
Net Differences between projected and actual earnings on OPEB plan investments	—	—	—	—	—
Differences between expected and actual experience	158	879	14	—	158
Changes in assumptions	1,592	8,026	144	—	1,587
Total	$ 3,361	$ 15,226	$ 398	$ —	$ 3,106
Deferred Inflows of Resources					
Deferred service concession arrangement receipts	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—
Pensions:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	169	1,636	6	—	1,170
Net differences between projected and actual earnings on pension plan investments	971	4,639	88	—	948
Differences between expected and actual experience	9	44	1	—	9
OPEB:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	189	2,460	10	—	1,282
Net differences between projected and actual earnings on OPEB plan investments	2	12	—	—	2
Differences between expected and actual experience	201	1,108	18	—	200
Changes in assumptions	188	950	17	—	188
Lease related	—	624	—	17,761	29,258
Total	$ 1,729	$ 11,473	$ 140	$ 17,761	$ 33,057

South Carolina First Steps to School Readiness Board of Trustees	Total
$ —	$ 1,588
661	100,643
763	9,284
107	20,309
344	64,579
250	44,039
780	11,802
—	399
142	30,473
1,422	313,007
$ 4,469	$ 596,123
—	$ 120
—	32
479	68,019
912	172,011
8	1,617
2,029	101,987
2	1,473
179	38,144
168	36,714
—	59,472
$ 3,777	$ 479,589

NOTE 10: INSURANCE ACTIVITIES

a. Insurance Reserve Fund

The State generally does not purchase commercial insurance for the risks of losses for property damage, including theft of, damage to, and destruction of assets; automobile liability; tort liability; and medical professional liability. Instead, State management believes it is more economical to manage its risks internally and set aside assets for claim settlement in its Insurance Reserve Fund (IRF), within the internal service funds. The IRF services claims for risk of loss to which the State is exposed, including the following: property insurance on government-owned buildings, the contents of such buildings, equipment, and automobiles; automobile liability insurance on government owned vehicles and school buses; tort liability insurance for government premises and operations; and medical professional liability for hospitals. Although the State is the predominant participant in the IRF, county and municipal governments, school districts and special purpose political subdivisions also participate. The IRF allocates the cost of providing claims servicing and claims payment by charging each participant an actuarially determined premium for the coverage provided.

The IRF reports liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts for allocated and unallocated claims adjustment expenses have been included in the calculation of the unpaid claims liability. The liability is reported net of receivables for salvage, subrogation, and reinsurance. The unpaid policy claims liability includes a provision for reported claims and claims incurred but not reported. The liability for claims incurred but not reported is an actuarial estimate based on the most current historical claims experience. This process does not necessarily result in an exact amount. The IRF continually reviews estimates of liabilities for incurred claims and revises those estimates as changes occur. The current year's operating statement reflects the revisions.

Changes in the balances of claims liabilities during the past two years were as follows (expressed in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	$ 333,664	$ 109,682	$ (112,116)	$ 331,230
2021	334,770	89,111	(90,217)	333,664

The IRF purchases aircraft and ocean marine insurance, areas in which the IRF has limited expertise. The IRF also purchases reinsurance to limit losses in the areas of property, boiler and machinery, and automobile liability. The IRF purchases reinsurance for catastrophic losses in the area of property insurance for losses above $10.000 million per occurrence. Reinsurance permits partial recovery of losses from reinsurers; however, the IRF, as the direct insurer of the risks, remains primarily liable. Within the last three years there have been no claims in excess of coverage.

At June 30, 2022 the IRF had no reinsurance recoverable receivables, but had expenses of $54.318 million in reinsurance premiums for the 2022 fiscal year.

b. Employee Insurance Programs Fund

State law established the Employee Insurance Programs Fund, part of the State's internal service funds, to provide health and dental insurance coverage for eligible employees and retirees of State agencies and school districts and to provide group life and long-term disability insurance coverage to eligible active State and public school employees. The State, the predominant participant, retains the risk of loss. Under the health insurance program, participants elect coverage through a State Health Plan or a fully funded health plan if available. All dental, group life, and long-term disability coverages are provided through the State's self-insured plans. State funds and payroll deductions pay health and dental premiums for eligible State and public school employees. Agencies and school districts pay the employer share of premiums for retirees. Retirees directly pay their own share of premiums. Agencies and school districts pay the premiums for group life and long-term disability for their employees.

The Employee Insurance Programs Fund serves as the third party administrator for the Long-Term Disability Insurance Trust and the South Carolina Retiree Health Insurance Trust Fund collecting monthly premiums, processing claims, and providing other managerial and administrative responsibilities. Transfers to the LTDITF occur monthly for the Basic Long-Term Disability premiums. Likewise, monthly transfers are made from the Trust to cover the cost of claims. Refer to Note 8 for more information on the outstanding liability for Basic Long-Term Disability. Similar transactions occur monthly for the SCRHITF for which claims liability information is also available in Note 8.

The Employee Insurance Programs Fund establishes claims liabilities when information before the issuance of the financial statements indicates that a liability is probable and estimable at the date of the financial statements. The calculation of the unpaid claims liability includes amounts for allocated and unallocated claims adjustment expenses. The unpaid policy claims liability includes a provision for reported claims and for claims incurred but not reported. The Fund actuarially estimates the liability for claims incurred but not reported based on the most current historical claims experience including factors for changes

in number of members and participants, inflation, award trends, and estimates of health care trend changes (cost, use, and intensity of services). This process does not necessarily result in an exact amount. The Fund continually reviews estimates of liabilities for incurred claims and revises those estimates as changes occur. The current year's operating statement reflects the revisions. The State does not discount its claims liabilities for health and dental insurance coverage to present value.

Changes in the balances of claims liabilities during the past two years were as follows (expressed in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	$ 244,966	$ 3,266,758	$ (3,240,452)	$ 271,272
2021	191,987	3,130,466	(3,077,487)	244,966

c. State Accident Fund

State law established the State Accident Fund, an internal service fund, to provide workers' compensation insurance coverage to State entities. Although the State is the Fund's predominant participant, counties, municipalities, and other political subdivisions of the State may also elect to participate. The State assumes the full risk for workers' compensation claims.

The Fund investigates, adjusts, and pays workers' compensation claims as awarded by the Workers' Compensation Commission for job-related accidental injury, disease, or death to covered individuals. The Fund annually bills participating entities for estimated premiums based on the entity's estimated payroll modified for claims experience. After the policy period ends, policyholders submit the details of the actual salaries paid. The Fund then adjusts the premium using the actual payroll data.

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The claims liabilities include specific incremental claims adjustment expenses but not administrative expenses. The Fund deducts reasonably estimable amounts of salvage and subrogation and reinsurance recoverable, if any, on both settled and unsettled claims from the liability for unpaid claims. The Fund periodically recomputes claims liabilities using a variety of actuarial and statistical techniques to produce current estimates. The Fund charges or credits expense in the period when it adjusts claims liabilities. Policy claims in the financial statements include the liabilities for claims reported but not yet paid and for claims incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in legal doctrines, and damage awards, computation of the claims liability does not necessarily result in an exact amount.

Changes in the balances of claims liabilities during the past two years were as follows (expressed in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	$ 223,419	$ 108,982	$ (50,695)	$ 281,706
2021	202,768	72,939	(52,288)	223,419

The Fund has entered into a reinsurance agreement to reduce its exposure to catastrophic losses on insured events. Losses in excess of $1.000 million are covered up to limits of statutory liability; the Fund retains the risk for the first $1.000 million of loss. Reinsurance reduces the Fund's exposure to losses on insured events related to State-owned aircraft in excess of $1.000 million per occurrence up to a limit of $9.000 million. Reinsurance permits partial recovery of losses from reinsurers; however, the Fund, as the direct insurer of the risks, remains primarily liable. Within the last three years there have been no claims in excess of coverage.

At June 30, 2022 the Fund had a balance of $656 thousand in reinsurance recoverable receivables and had expenses of $3.051 million in reinsurance premiums for the 2022 fiscal year.

d. Uninsured Employers' Fund

The Uninsured Employers' Fund was established by Section 42-7-200. Effective July 1, 2013 the powers, duties, obligations and responsibilities of the Second Injury Fund that relate to the South Carolina Workers' Compensation Uninsured Employers' Fund were devolved upon the South Carolina Workers' Compensation Uninsured Employers' Fund within the State Accident Fund. This long term liability is included in the Governmental Activities located in Exhibit A-1.

Per Section 42-7-200(a) of the South Carolina Code of Laws of 1976, as amended, the Uninsured Employers' Fund issues payment of awards of workers' compensation benefits, which are unpaid because of employers who fail to acquire necessary coverage for employees. Funding for payment of awards is provided from collections of the tax on insurance carriers and self-insured persons in an amount sufficient to maintain the fund.

Changes in the balances of claims liabilities during the past two years were as follows (expressed in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	$ 28,680	$ 2,038	$ (4,871)	$ 25,847
2021	21,696	15,228	(8,244)	28,680

e. Second Injury Fund

The Second Injury Fund, a major enterprise fund, was created by Code of Laws Section 42-7-310. It established the guidelines by which to pay compensation claims in those cases where an individual having an existing permanent physical impairment incurs a subsequent disability from injury by accident arising out of and in the course of employment. Funding for payment of compensation awards and for Fund operating costs is provided by equitable assessments upon all workmen's compensation insurance carriers, self-insurers, and the South Carolina State Accident Fund (approximately 360 entities). Participation is mandatory as required by State law. Participants of the fund are responsible for the fund's liabilities. Payments of claims and awards are made directly to the carriers and self-insurers. The State of South Carolina will not be responsible for any expense or liabilities of the fund, except the State Accident Fund, who is a participant in the fund.

Changes in the balances of claims liabilities during the past two years were as follows (expressed in thousands):

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2022	$ 180,158	$ -	$ (13,915)	$ 166,243
2021	195,116	756	(15,714)	180,158

With the ratification of the Workers' Compensation Reform Act the Second Injury Fund has been placed in "run-off" and was terminated effective July 1, 2013. The Act provides for an orderly termination of the Fund through decreasing the assessment calculation factor, closing the acceptance of new claims, and transferring any remaining claims as of July 1, 2013 to the State Accident Fund and any remaining assets or operational liabilities to the State Fiscal Accountability Authority.

NOTE 11: LEASES

a. Lease Receivables

The State leases buildings and equipment to third parties with various terms and interest rates. As of June 30, 2022, the State's governmental activities receivables for lease payments totaled $9.891 million and its business-type activities receivables for lease payments totaled $841 thousand. Governmental activities lease receivables are held primarily by the General Fund and the Departmental Program Services Fund and business-type lease receivables are held entirely within the State's Other Enterprise Fund. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the governmental activities deferred inflow of resources was $9.175 million and the balance of the State's business-type activities deferred inflow of resources was $914 thousand.

The following are schedules of future minimum payments to be received by year and by type of asset leased to third parties by the State as of June 30, 2022 (expressed in thousands):

	Governmental Activities		Business-Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2023	$ 2,247	$ 305	$ 408	$ 4
2024	642	282	178	2
2025	621	260	179	1
2026	562	238	76	—
2027	565	218	—	—
2028-2032	2,944	779	—	—
2033-2037	2,001	243	—	—
2038-2039	309	10	—	—
Total lease receivable	**$ 9,891**	**$ 2,335**	**$ 841**	**$ 7**

	Governmental Activities		Business-Type Activities	
Asset Type	Current	Noncurrent	Current	Noncurrent
Land	$ 1,563	$ 441	$ —	$ —
Land Improvements (Depreciable)	5	7	—	—
Buildings and Improvements	104	493	408	433
Equipment	575	6,703	—	—
	$ 2,247	**$ 7,644**	**$ 408**	**$ 433**

For the fiscal year ended June 30, 2022, the State's governmental activities recognized $3.119 million in lease revenue and $326 thousand in related interest income and the State's business-type activities recognized $544 thousand in lease revenue and $5 thousand in related interest income.

b. Lease Payable

The primary government routinely lease various land, facilities, and equipment instead of purchasing assets. These lease contracts, at times, included variable payments, residual value guarantees or termination penalties that are not known or certain to be exercised at the time of the lease liability valuation. These are recognized as expenses in the period that they occur. For the fiscal year ended, June 30, 2022, the State recognized expense for the lease variable payments related to index changes and payments based on performance of $4.227 million. There were no residual guarantee or termination payments expensed for the fiscal year ended June 30, 2022.

The following is a schedule by fiscal year of principal and interest payments due for lease payments as of June 30, 2022 (expressed in thousands):

	Governmental Activities	
Fiscal Year Ending June 30	**Principal**	**Interest**
2023	$ 30,417	$ 1,419
2024	22,484	1,021
2025	18,843	710
2026	14,467	486
2027	10,167	303
2028-2032	17,287	407
2033-2037	325	3
Total lease liabilities	**$ 113,990**	**$ 4,349**

Annual payments (not rounded to thousands) and interest rates on the leases are as follows:

	Governmental Activities	
Fiscal Year Ending June 30	**Annual Payment**	**Interest Rate**
Land	$ 1,174 - $ 600,000	0.53% - 10.42%
Buildings and Improvements	520 - 2,283,490	0.17% - 5.04%
Equipment	193 - 785,556	0.52% - 7.51%

NOTE 12: BONDS AND NOTES PAYABLE

a. General Obligation Bonds

General obligation bonds are backed by the full faith, credit, and taxing power of the State. General obligation bonds outstanding at June 30, 2022, were (net of unamortized premiums/discounts, expressed in thousands):

Governmental Activities:	
State highway bonds, 5.00%, maturing serially through 2023	$ 12,419
Infrastructure Bank bonds, 2.50% to 5.00%, maturing serially through 2028	21,245
State economic development bonds, 3.00% to 5.00%, maturing serially through 2029	126,833
Research university infrastructure bonds, 3.00% to 5.00%, maturing serially through 2029	21,087
Air carrier hub terminal facilities bonds, 1.00% to 4.00%, maturing serially through 2025	12,385
Totals—primary government	**$ 193,969**

At June 30, 2022, $6.344 million of capital improvement bonds, $106.000 million of State highway bonds, $121.125 million of State economic development bonds, and $13.680 million of State research university infrastructure bonds were authorized by the General Assembly but unissued.

At June 30, 2022, future debt service requirements for general obligation bonds for the primary government were (expressed in thousands):

	Governmental Activities	
Year Ending June 30	**Principal**	**Interest**
2023	$ 43,455	$ 6,747
2024	54,990	4,768
2025	34,785	2,442
2026	7,985	1,050
2027	8,345	740
2028-2029	13,090	621
Total debt service requirements	**162,650**	**$ 16,368**
Unamortized premiums	31,319	
Total principal outstanding	**$ 193,969**	

The Department of Transportation Special Revenue Fund, a major governmental fund, pays the debt service for the State highway bonds. The Local Government Infrastructure Fund, a major governmental fund, pays the debt service for the Infrastructure Bank bonds. The General Fund pays the debt service for the other general obligation bonds recorded for governmental activities.

Rather than directly limiting the amount of outstanding general obligation debt, State law imposes a limitation on annual debt service expenditures. The legal annual debt service margin at June 30, 2022, was $111.650 million for highway bonds, $597.058 million for general obligation bonds excluding institution and highway bonds, $48.009 million for economic development bonds, and $47.437 million for research university infrastructure bonds. Excluded from the debt service limit calculations are a $170.000 million 2010 issue, an $85.000 million 2013 issue, and an $18.110 million 2015 issue of economic development bonds and a $50.000 million 2010 issue of air carrier hub terminal facilities bonds which by State Law are not subject to the limitation on maximum annual debt service.

b. Revenue, Infrastructure Bank, and Other Bonds and Notes

Revenue debt is not backed by the full faith, credit, and taxing power of the State. Revenue, Infrastructure Bank, and other bonds and notes outstanding at June 30, 2022, were (net of unamortized premiums/discounts, expressed in thousands):

	Bonds	Notes
Primary Government:		
Governmental Activities:		
Infrastructure Bank bonds, 0.40% to 5.25%, maturing serially through 2041	$ 1,441,839	$ —
Department of Mental Health bonds, 3.25% to 5.00%, maturing through 2038	35,887	—
Department of Transportation note, 3.04%, maturing through 2032	—	3,744
Department of Administration notes, 1.71%, maturing through 2023	—	1,339
Department of Education notes, 0.72% to 0.87%, maturing through 2027	—	28,726
Judicial Department note, 0.89%, maturing through 2026	—	3,634
Department of Corrections notes, 2.62%, maturing through 2024	—	280
Department of Probation, Parole and Pardon note, 0.94% to 1.81%, maturing through 2026	—	2,672
Department of Public Safety note, 1.87%, maturing through 2030	—	7,042
Department of Social Services note, 1.71% to 2.94%, maturing through 2024	—	2,736
Department of Parks, Recreation and Tourism, 0.94% to 1.45%, maturing through 2026	—	1,646
InvestSC, Inc. notes, 7.25%, maturing through 2023	—	12,500
Totals—governmental activities	**1,477,726**	**64,319**
Business-Type Activities:		
Nonmajor enterprise fund bonds, 0.43%, maturing through 2038	$ 4,785	$ —
Palmetto Railways note, 4.28%, maturing through 2047	—	6,500
Totals—business-type activities	**4,785**	**6,500**
Totals—primary government	**$ 1,482,511**	**$ 70,819**

Pledged Revenues for Payment of Debt

Certain revenue bonds require the individual business-type activities to provide sufficient revenue to pay debt service and to fund all necessary expenses of the activities. The funds that receive the proceeds of revenue, Infrastructure Bank, and other bonds and notes have pledged revenues for payment of debt service as follows:

Primary Government:

Governmental Activities:

	Infrastructure Bank Bonds
Specific revenue pledged	Truck and vehicle registration fees; One-cent motor fuel user fee; contributions receivable and intergovernmental loans
Approximate amount of pledge	$146.359 million
General purpose for the debt	Provide financial assistance for major transportation projects for DOT
Term of commitment	FY 2041
% of revenue stream pledged	130.83%
Pledged revenue recognized	$379.760 million
Principal & interest paid	$108.190 million

Debt Service Requirements

At June 30, 2022, future debt service requirements for revenue, Infrastructure Bank, and other bonds and notes of the primary government were as follows (expressed in thousands):

	Primary Government			
	Governmental Activities		Business-Type Activities	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 78,440	$ 55,568	$ 215	$ 7
2024	70,885	51,703	225	7
2025	72,719	48,508	235	7
2026	81,765	45,080	245	6
2027	83,953	41,477	255	6
2028-2032	444,136	151,611	1,435	23
2033-2037	319,506	60,190	1,775	11
2038-2042	156,130	15,851	400	1
2043-2047	—	—	6,500	5,163
Total debt service requirements	**1,307,534**	**$ 469,988**	**11,285**	**$ 5,231**
Net unamortized premiums	234,511		—	
Total principal outstanding	**$ 1,542,045**		**$ 11,285**	

On May 5, 2017, the Palmetto Railways purchased the assets of the Hampton and Branchville Railroad Company (H&B) for $6.500 million. Financing for the acquisition was provided to the Division by the Colleton County Intermodal Corporation (CCIC), which obtained the funds from its issuance of taxable economic development revenue bonds.

Payments on the loan are payable only from the revenues and net income generated from the operation of H&B. Payments are limited to 10% of annual revenues of H&B and 25% of net income generated by H&B.

The loan matures on May 12, 2047 and may be extended in four increments of five years each, if certain conditions are met and the loan has not been paid in full by the maturity date. The loan has a put option beginning at the end of five years under which Palmetto Railways may relinquish its rights to the H&B in exchange for the loan being considered paid in full. The loan also contains a call option exercisable after five years under which CCIC can demand payment in full or repossess the H&B if the loan payments in the preceding fiscal year are less than CCIC's payment obligations on its taxable economic development revenue bonds for that year.

The loan requires total payments of $11.663 million, which includes $6.500 million of principal that was borrowed to fund the acquisition of H&B. This leaves the remaining $5.163 million allocated to interest expense. Because of the variable nature of the payments, the effective interest rate will vary depending on the timing and amount of the loan repayments. Assuming a level stream of payments over the life of the loan, the effective interest rate is calculated to be 4.28%.

Interest Expense

Borrowing is essential to the continuation of programs associated with certain entities reported within the primary government's governmental activities. The primary government reported interest expense during the fiscal year ended June 30, 2022, in governmental functions for these entities as follows (expressed in thousands):

	Amount
Transportation	$ 53,456
Total allocated interest expense	**$ 53,456**

c. Defeased Bonds

For all defeasances involving advance refundings in the current and prior years, the securities purchased were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the State has removed the defeased bonds from the accompanying financial statements. At June 30, 2022, the following outstanding bonds of the primary government were considered defeased (expressed in thousands):

	Governmental Activities
Economic Development bonds	$ 23,320
Tobacco Authority bonds	64,890
Totals	**$ 88,210**

d. Arbitrage Rebate Payable

The Internal Revenue Code and arbitrage regulations issued by the Internal Revenue Service require rebate to the federal government of excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related tax-exempt bonds issued. At June 30, 2022, there was an arbitrage rebate liability associated with the State's Local Government Infrastructure Fund (a major governmental fund) $1.715 million.

e. Conduit Debt

State law authorizes issuance of certain bonds for which the State assumes no responsibility for repayment. These bonds do not appear as liabilities in the accompanying financial statements.

The Educational Facilities Authority, reported in the General Fund, issues bonds to assist nonprofit educational institutions that do not receive State appropriations in the acquisition, construction, and financing of facilities for educational programs. The bonds are payable solely from, and secured by, a lease agreement on the facilities between the Authority and the institution. When the bonds have been fully paid, the Authority conveys the title for the facility to the institution. At June 30, 2022, the outstanding balance of bonds issued was $131.341 million.

NOTE 13: CHANGES IN LIABILITIES

Changes in major classes of long-term liabilities for the fiscal year ended June 30, 2022, were (expressed in thousands):

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Primary Government:					
Governmental Activities					
Policy claims	$ 830,756	$ 3,487,460	$ (3,408,161)	$ 910,055	$ 659,403
Notes payable	64,678	25,860	(26,219)	64,319	25,065
General obligation bonds payable	224,830	—	(62,180)	162,650	43,455
Unamortized discounts and premiums	40,399	—	(9,080)	31,319	—
Total general obligation bonds payable	265,229	—	(71,260)	193,969	43,455
Infrastructure Bank bonds payable	1,330,545	370,445	(489,260)	1,211,730	52,040
Unamortized discounts and premiums	141,774	103,641	(15,306)	230,109	—
Total Infrastructure Bank bonds	1,472,319	474,086	(504,566)	1,441,839	52,040
Revenue bonds payable	32,755	—	(1,270)	31,485	1,335
Unamortized discounts and premiums	4,593	—	(191)	4,402	—
Total revenue bonds payable	37,348	—	(1,461)	35,887	1,335
Leases payable	120,969	23,468	(30,447)	113,990	30,417
Compensated absences payable	207,460	141,998	(135,762)	213,696	124,335
Net pension liability	4,393,826	—	(752,919)	3,640,907	—
Net other post-employment benefit liability	3,630,894	504,336	5,813	4,141,043	—
Judgments and contingencies payable	1,000	211	—	1,211	1,211
Arbitrage payable	1,757	—	(42)	1,715	—
Total long-term liabilities	$ 11,026,236	$ 4,657,419	$ (4,925,024)	$ 10,758,631	$ 937,261

For compensated absences, the General Fund normally liquidates approximately 67%, Departmental Program Services approximately 18%, and the Department of Transportation Special Revenue approximately 13%. The remaining 2% is liquidated by other governmental funds and the internal service funds. The entire claims liability is reported in the internal service funds (See Note 10) and will be liquidated by those funds. The net pension and OPEB liabilities will be liquidated primarily from the General Fund, approximately 79%, with the remaining amounts from the Departmental Program Services Fund, Local Government Infrastructure Fund, Department of Transportation Special Revenue Fund, and internal service funds.

	Balances at July 1, 2021	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Primary Government:					
Business-type Activities					
Policy claims	$ 180,158	$ —	$ (13,915)	$ 166,243	$ 17,752
Notes payable	6,500	—	—	6,500	—
Revenue bonds payable	4,990	—	(205)	4,785	215
Compensated absences payable	1,992	1,347	(1,391)	1,948	1,178
Net pension liability	39,415	—	(8,523)	30,892	—
Net other post-employment benefit liability	35,041	3	2,859	37,903	—
Total long-term liabilities	$ 268,096	$ 1,350	$ (21,175)	$ 248,271	$ 19,145

NOTE 14: FUND BALANCES IN GOVERNMENTAL FUNDS

Fund balance classifications in governmental funds represent levels of constraints on the use of the resources received and reported in each fund. At June 30, 2022, the amounts constrained within the fund balance in governmental funds (expressed in thousands) were as follows:

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:						
Interfund receivables	$ 51,157	$ —	$ —	$ —	$ —	$ 51,157
Inventories	34,667	45,125	—	4,347	—	84,139
Prepaid items	24,821	3,294	—	5,580	190	33,885
Other assets	31	—	—	203	—	234
Long-term loans and notes receivable	35,963	—	—	—	—	35,963
Endowments	—	—	—	—	11,642	11,642
Total Non-spendable	146,639	48,419	—	10,130	11,832	217,020
Restricted:						
Primary and Secondary Education	397,047	8,175	—	—	5,563	410,785
Health, Human Services and Environment	175,188	777,446	—	10,130	30,795	993,559
Transportation	—	18,731	139,133	1,902,778	—	2,060,642
Debt Service	—	—	808,768	—	—	808,768
General Government	1,047,449	297,254	1,364,621	5,313	1,627,091	4,341,728
Total Restricted	1,619,684	1,101,606	2,312,522	1,918,221	1,663,449	8,615,482
Committed:						
General Government	687,576	13,125	—	—	55,583	756,284
Primary and Secondary Education	6,409	21,350	—	—	—	27,759
Health, Human Services and Environment	132,626	—	—	—	—	132,626
Total Committed	826,611	34,475	—	—	55,583	916,669
Assigned:						
Primary and Secondary Education	767	273	—	—	—	1,040
Health, Human Services and Environment	333,921	71,857	—	—	247	406,025
General Government	122,178	18,102	—	—	216,180	356,460
Administration of Justice	47,381	15,984	—	—	32,563	95,928
Economic Development	34,541	33,059	—	—	1,618	69,218
Transportation	212	—	—	—	661	873
Social Programs	1,030	—	—	—	2,157	3,187
Total Assigned	540,030	139,275	—	—	253,426	932,731
Unassigned	7,501,115	(477,783)	—	—	(689,306)	6,334,026
Total Fund Balances	**$ 10,634,079**	**$ 845,992**	**$ 2,312,522**	**$ 1,928,351**	**$ 1,294,984**	**$ 17,015,928**

The following subsections contain further descriptive information regarding the constraints of fund balance:

a. Non-spendable

This portion of fund balance is not available for appropriation because it is either in a form that cannot be spent or is legally or contractually required to be maintained intact (endowments).

b. Restricted

Primary and Secondary Education

The balance represents resources received from external parties or through enabling legislation which creates resources and narrowly defines the use of the resources for the continuation and improvement of educational programs in the State. The programs include formative education, higher education, and skills training for job creation.

Health, Human Services and Environment

These are restricted resources for the continuation and enhancement of programs to improve the health and safety of the citizens and visitors of the State of South Carolina. Programs promote environment, physical, and mental health of the State, its resources, citizens, and travelers.

Transportation

Restricted resources for transportation are imposed by external parties or enabling legislation for use in the maintenance and improvement of highway systems and access to commercial markets through rail, air, and transoceanic.

General Government

General Government includes resources restricted to individual programs undertaken by the agencies to provide services and resources to the constituents of the State of South Carolina and visitors to it.

c. Committed

General Government

This represents the portion of the fund balance, which is constrained through enabling legislation for programs within the established missions of the agencies in its directives for service to the citizens of the State of South Carolina.

Primary and Secondary Education

This portion of fund balance has been committed through various sections of the State's Code of Law which stipulate the use of resources for the continuation and improvement of educational programs in the State. The programs include formative education, higher education, and skills training for job creation.

Health, Human Services and Environment

This represents the portion of the fund balance, which has been committed through various sections of the State's Code of Law, for purposes of promoting and safeguarding the health of the citizens and visitors of the State. The programs include enforcement of regulations, access to services, and education in the risks faced by the citizens of the State.

d. Assigned

Capital Projects

The fund balance reported in this category arises primarily from budgetary proviso actions and from contracts between the State and vendors for services and construction provided. The resources will be expended over the life of the construction.

Primary and Secondary Education

Amounts reported in this category arise from programmatic requirements for use in educational purposes. The assignment may be by contract with other state agencies or through budgetary action of the legislation in the form of a proviso.

Health, Human Services and Environment

The fund balance reported in this category arises primarily from contracts between state agencies for services provided in connection with public health and the safety of the citizens and visitors to the State.

General Government

The fund balance reported in this category is created through budgetary proviso actions and agency contractual obligations between parties within the reporting entity relating to a variety of other services provided to the citizens of the State and its visitors.

Administration of Justice

The fund balance reported in this category arises primarily from budgetary proviso actions which provide a certain level of funding to the courts to ensure the safety of its citizens and visitors.

Economic Development

The fund balance reported in this category arises primarily from budgetary proviso actions which provide a certain level of funding to assist in bringing businesses to South Carolina or expanding current businesses within South Carolina as it relates to infrastructure.

Transportation

The fund balance reported in this category arises primarily from budgetary proviso actions which provide a certain level of funding for use in the maintenance and improvement of highway systems and access to commercial markets through rail, air, and transoceanic.

Social Programs

Amounts reported in this category primarily arise through contractual agreements between state agencies that cooperate in the provision of social programs to the citizens of the State.

e. Unassigned

Unassigned fund balance is the residual classification for a government‘s general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Included in the unassigned fund balance classification is the General Reserve Fund (the Reserve). The South Carolina Constitution requires that the State maintain this reserve which aids in preventing year-end deficits in the Budgetary General Fund.

If the State withdraws funds from the Reserve to cover a year-end deficit, it must replace the funds within five years. The Constitution requires that at least one percent of the Budgetary General Fund revenue of the latest completed fiscal year, if so much is necessary, be restored each year following the deficit until full funding is achieved.

The Reserve is fully funded when it equals 5 percent of the Budgetary General Fund’s revenue of the previous fiscal year. At June 30, 2022, the Reserve met the legally-required fully funded amount.

NOTE 15: FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

The following table reconciles the beginning fund equity as previously reported to the beginning fund equity as restated (dollars in thousands):

	7/1/2021 Fund Equity as Previously Reported	Implementation of GASB 87	Error Correction	7/1/2021 Fund Equity as Restated
Primary Government				
Governmental Funds:				
General Fund	$ 10,630,392	$ —	$ (3,529,832)	$ 7,100,560
Departmental Program Services	430,303	—	—	430,303
Local Government Infrastructure	2,218,756	—	—	2,218,756
Department of Transportation Special Revenue	1,468,825	—	—	1,468,825
Other Nonmajor Governmental Funds	1,100,026	—	—	1,100,026
Total Governmental Funds	15,848,302	—	(3,529,832)	12,318,470
Internal Service Funds	890,312	—	—	890,312
Government-wide:				
Capital assets	19,233,103	(979)	—	19,232,124
Leased assets	—	116,253		116,253
Net deferred outflows and inflows	1,220,929	—	—	1,220,929
Long-term liabilities	(10,214,975)	(110,921)	—	(10,325,896)
Total Government-wide	10,239,057	4,353	—	10,243,410
Total Governmental Activities	26,977,671	4,353	(3,529,832)	23,452,192
Business-type Activities - Enterprise Funds:				
Unemployment Compensation Fund	1,286,665	—	—	1,286,665
Second Injury Fund	65,384	—	—	65,384
Other nonmajor enterprise funds	207,806	—	—	207,806
Total Business-type Activities - Enterprise Funds	1,559,855	—	—	1,559,855
Total Primary Government	$ 28,537,526	$ 4,353	$ (3,529,832)	$ 25,012,047
Fiduciary Funds				
Pension and Other Post-Employment Trust	41,622,719	—	—	41,622,719
Investment Trust Local Government Investment Pool	8,801,003	—	—	8,801,003
Private Purpose Trust	5,568,134	—	—	5,568,134
Custodial Funds	68,051	—	—	68,051
Total Fiduciary Funds	56,059,907	—	—	56,059,907
Component Units				
Public Service Authority	$ 2,070,108	$ —	$ —	$ 2,070,108
MUSC	138,912	8,351	—	147,263
USC	699,765	—	—	699,765
Clemson University	1,308,470	(280)	—	1,308,190
State Ports Authority	715,511	131	—	715,642
Housing Authority	503,711	(17)	—	503,694
Lottery Commission	884	(55)	—	829
Nonmajor component units	1,052,867	25,788	—	1,078,655
Total Component Units	$ 6,490,228	$ 33,918	$ —	$ 6,524,146

During the fiscal year ended June 30, 2022, the State implemented GASB 87. This resulted in a change in accounting principle which resulted in the restatements of beginning fund equity detailed above.

The State also discovered during fiscal year 2022 that certain transfers-out from the General Fund previously had been incompletely mapped for ACFR compilation purposes. This ACFR mapping error arose from internal reporting issues

associated with the State converting to an enterprise resource planning (ERP) software system which began in 2007. The conversion occurred in multiple phases over a ten-year span with Treasury Cash and Investments being one of the final systems to convert in 2017.

From 2007 through 2011, the State concurrently operated its aging legacy systems and the new ERP system that was being developed in phases. During those five years the ACFR continued to be sourced from the State's legacy systems. Beginning in 2012, the ERP system was sufficiently established to begin using it as a primary source for ACFR reporting. However, the mapping error made in 2007 was then incorporated into the State's ACFR reporting in 2012. The error resulted in the ACFR failing to capture certain cash transfers-out from the General Fund, primarily those transfers to the State's component units.

The State's reporting entity includes the primary government and its component units. The primary government includes all funds, departments, and agencies. The component units are legally separate entities for which the State is accountable for purposes of financial reporting.

The State's ERP system is the source of most of the financial information for the ACFR, although the financial information for component units is compiled into the ACFR from their separately audited financial statements. These audited financial statements are derived from stand-alone accounting systems operated by each component unit.

State appropriations are distributed annually from the General Fund to primary government agencies and to the component units as directed by the annual Appropriations Act. Within the State's ERP system General Fund cash is reduced for each of these transfers-out and increased at the individual agency level for the corresponding transfers-in. The appropriations received by the component units have been properly recorded in their own accounting systems as cash transfers-in from the State General Fund.

For ACFR compilation purposes, since the transactions for the component units come not from the ERP system, but from the component unit's own separately audited financial statements derived from their own accounting systems, these General Fund cash transfers-in from the ERP system were correctly excluded from the ACFR mapping. However, the corresponding cash transfers-out in the ERP system should have been mapped to the ACFR since those cash reductions of State funds are not captured in the component unit's individual financial statements. Yet they were erroneously not mapped.

Until being discovered in 2022, this mapping error impacted the ACFRs for fiscal years 2012 through 2021, overstating General Fund cash and fund equity in those ACFRs by a cumulative amount of $3.530 billion, which necessitated the restatements of beginning fund equity reflected above.

This mapping error impacted the ACFRs only. It had no impact on the State's actual cash or on the State's annual appropriation and budgeting process. Furthermore, the general ledger remained correct throughout.

NOTE 16: INTERFUND AND INTRAFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2022 (expressed in thousands):

Funds	Due From	Due To
General Fund		
Departmental Program Services	$ 102,647	$ 202,979
Local Government Infrastructure	65	30,259
Department of Transportation Special Revenue Fund	2,503	165,809
Nonmajor governmental funds	2,966	48,554
Internal service	1,761	22,840
Unemployment Compensation	3,400	—
Nonmajor enterprise funds	585	361
Fiduciary	84,595	1
	198,522	470,803
Departmental Program Services		
General Fund	202,979	102,647
Nonmajor governmental funds	444	51
Internal service	861	1,385
Nonmajor enterprise funds	26	—
Fiduciary	6,545	150
	210,855	104,233
Local Government Infrastructure		
General Fund	30,259	65
Department of Transportation Special Revenue Fund	1,324	—
	31,583	65
Department of Transportation Special Revenue Fund		
General Fund	165,809	2,503
Local Government Infrastructure	—	1,324
	165,809	3,827
Nonmajor Governmental Funds		
General Fund	48,554	2,966
Departmental Program Services	51	444
Internal service	—	3
Fiduciary	—	32,179
	48,605	35,592
Internal Service		
General Fund	22,840	1,761
Departmental Program Services	1,385	861
Nonmajor governmental funds	3	—
Internal service	3	3
Nonmajor enterprise funds	9	—
Fiduciary	—	17
	24,240	2,642
Unemployment Compensation		
General Fund	—	3,400
Nonmajor Enterprise Funds		
General Fund	361	585
Departmental Program Services	—	26
Internal service	—	9
Fiduciary	40	8
	401	628
Fiduciary		
General Fund	1	84,595
Departmental Program Services	150	6,545
Nonmajor governmental funds	32,179	—
Internal service	17	—
Nonmajor enterprise funds	8	40
Fiduciary	90,710	90,710
	123,065	181,890
Totals	**$ 803,080**	**$ 803,080**

Amounts due from/to funds resulting from interfund goods and services provided or reimbursable expenditures/expenses incurred on or before June 30 for which payment was received/made after June 30.

Funds	Interfund Receivables	Interfund Payables	Receivables Long-term Portion
General Fund			
Departmental Program Services	$ 15	$ 2,050	$ 15
Nonmajor enterprise funds	51,000	—	—
Internal service	142	—	142
	51,157	2,050	157
Departmental Program Services			
General Fund	2,050	15	1,550
Custodial funds	—	234	234
	2,050	249	1,784
Local Government Infrastructure			
Department of Transportation Special Revenue	98,119	—	78,678
Department of Transportation Special Revenue Fund			
Local Government Infrastructure	—	98,119	—
Nonmajor Enterprise Funds			
General Fund	—	51,000	—
Internal Service			
General Fund	—	142	—
Custodial Funds			
Departmental Program Services	234	—	—
Totals	**$ 151,560**	**$ 151,560**	**$ 80,619**

The preceding interfund receivables and payables generally include loans for building improvements, economic development initiatives, and initial funding for new programs. Also included are the following:

- $98.119 million owed by the Department of Transportation Special Revenue Fund, a major governmental fund, to the Local Government Infrastructure Fund, a major governmental fund. The Department of Transportation has entered into various agreements to provide assistance for highway and transportation facilities projects being constructed by the Local Government Infrastructure Fund.
- $51.000 million owed by the Palmetto Railways Fund, a nonmajor enterprise fund, to the General Fund. The $51.000 million interfund payable due to the Department of Commerce from the Palmetto Railways Fund requires semi-annual payments for 25 years from the beginning of the first year of operation of the Navy Base Intermodal Facility.

The following table summarizes interfund transfers during the fiscal year ended June 30, 2022 (expressed in thousands):

Funds	Transfers In	Transfers Out
General Fund		
Departmental Program Services	$ 74,373	$ 47,027
Local Government Infrastructure	—	12,166
Department of Transportation	3,564	58,326
Nonmajor governmental funds	185,270	290,985
Unemployment Compensation Benefits	28,635	—
Nonmajor enterprise funds	180	—
Internal service	662	3,669
Custodial funds	372	—
	293,056	412,173
Departmental Program Services		
General Fund	47,027	74,373
Nonmajor governmental funds	13,101	1,531
Second Injury	275	—
Nonmajor enterprise funds	2,341	167
Internal service	9,831	1,023
Custodial funds	12,317	—
	84,892	77,094
Local Government Infrastructure		
General Fund	6,000	—
Department of Transportation	6,166	—
	12,166	—
Department of Transportation		
General Fund	58,326	3,564
Nonmajor Governmental Funds		
General Fund	290,985	185,270
Departmental Program Services	1,531	13,101
Nonmajor governmental funds	84,994	84,994
Nonmajor enterprise funds	1,008	—
Internal Service	250	359
	378,768	283,724
Unemployment Compensation Benefits		
General Fund	—	28,635
Second Injury Fund		
Departmental Program Services	—	275
Nonmajor Enterprise Funds		
General Fund	—	180
Department Program Services	167	2,341
Nonmajor governmental funds	—	1,008
	167	3,529
Internal Service		
General Fund	3,669	662
Department Program Services	1,023	9,831
Nonmajor governmental funds	359	250
Internal Service	2,281	2,281
	7,332	13,024
Custodial Funds		
General Fund	—	372
Department Program Services	—	12,317
	—	12,689
Totals	**$ 834,707**	**$ 834,707**

The State routinely uses transfers to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move State grant monies from grantor funds to grantee funds, and (3) transfer bond proceeds from the originating fund to other funds authorized to receive portions of the proceeds.

The following tables summarize intra-entity balances between the primary government and its discretely presented component units at June 30, 2022 (expressed in thousands):

Funds	Due From	Due To
General Fund		
MUSC	$ 179	$ 671
USC	347	713
Clemson University	16	7,305
Housing Authority	—	2,915
Ports Authority	50,000	—
Nonmajor discretely presented component units	3,083	1,177
	53,625	12,781
Departmental Program Services		
MUSC	—	14,503
USC	—	4,796
Clemson University	—	1,477
Nonmajor discretely presented component units	—	7,785
	—	28,561
Department of Transportation Special Revenue Fund		
Ports Authority	—	1,024
Nonmajor discretely presented component units	173	—
	173	1,024
Nonmajor Governmental Funds		
MUSC	—	26
USC	—	2,736
Clemson University	—	15,220
Lottery Commission	21,589	—
Nonmajor discretely presented component units	7,658	12,253
	29,247	30,235
Internal Service		
USC	6,672	—
Clemson University	5,495	—
Nonmajor discretely presented component units	5,746	—
	17,913	—
Governmental activities total	**100,958**	**72,601**
MUSC		
General Fund	671	179
Departmental Program Services	14,503	—
Nonmajor governmental funds	26	—
	15,200	179
USC		
General Fund	713	347
Departmental Program Services	4,796	—
Nonmajor governmental funds	2,736	—
Internal service	—	6,672
	8,245	7,019
Clemson University		
General Fund	7,305	16
Departmental Program Services	1,477	—
Nonmajor governmental funds	15,220	—
Internal service	—	5,495
	24,002	5,511
Housing Authority		
General Fund	2,915	—
Ports Authority		
General Fund	—	50,000
Department of Transportation Special Revenue Fund	1,024	—
	1,024	50,000
Lottery Commission		
Departmental Program Services	—	21,589
Nonmajor Discretely Presented Component Units		
General Fund	1,177	3,083
Departmental Program Services	7,785	—
Department of Transportation Special Revenue Fund	—	173
Nonmajor governmental funds	12,253	7,658
Internal service	—	5,746
	21,215	16,660
Discretely presented component units total	**72,601**	**100,958**
Totals	**$173,559**	**$173,559**

NOTE 17: RELATED PARTY TRANSACTIONS

These financial statements exclude certain related foundations and other organizations, including those discussed below. (See also Note 1a, Scope of Reporting Entity.)

During the fiscal year ended June 30, 2022, the Educational Television Endowment of South Carolina, Inc., disbursed $8.413 million on behalf of the Departmental Program Services Fund, a major governmental fund, for programs, development, advertising, and other costs and had accounts payable to the Departmental Program Services Fund of $809 thousand at June 30, 2022.

The Education Assistance Authority, a discretely presented component unit, has designated the South Carolina Student Loan Corporation (SLC) as the entity to administer the enterprise fund's student loan program. During the fiscal year ended June 30, 2022, the Authority entered various transactions with SLC. Approximate amounts within the Authority that represent these transactions include: accounts receivable from SLC $50.595 million; program revenue from SLC $2.063 million; reimbursements to SLC for administrative costs $160 thousand; and payable to SLC $6 thousand.

NOTE 18: CONTINGENCIES AND COMMITMENTS

a. Litigation

The State is involved in a number of cases in which the amounts of potential losses, if any, are not presently determinable. These cases include **KDP** (formerly known as Kiawah Development Partners II) **vs SCDHEC-OCRM (Office of Ocean and Coastal Resource Management) and State**, which alleges an unconstitutional taking/inverse condemnation of developer's Kiawah property on a spit of land above mean high-water. The plaintiff claims that the taking is due to the SCDHEC-OCRM's alleged delay and denial of most of its request for a permit to build a revetment in the related State critical area to protect KDP's spit from further erosion. The plaintiff seeks not less than $100 million in damages. The parties agreed to a stay of this suit while the Administrative Law Court (ALC) determined KDP's appeal of the permitting decision. The ALC subsequently ruled in favor of KDP and OCRM appealed. The Supreme Court reversed the ALC decision granting a permit for erosion control structure. Now that the appeal is complete, the Circuit Court has restored the takings case to the roster and is awaiting trial. Assessing the likelihood of a loss and the amount of any loss remains somewhat speculative. Additionally, there are multiple cases surrounding the denial and/or reduction of unemployment benefits which cannot yet be estimated.

The State is involved in other legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes cases involving claims asserted against the State arising from alleged torts, breach of contract, and possible violations of State laws. In the event of unfavorable outcomes in all of these matters, the State's estimated liability would be approximately $12.134 million and $67.701 million in lost future revenues. While the State is uncertain as to the ultimate outcome of any of the individual lawsuits, it believes its positions are meritorious and it is vigorously defending its position in each case.

Generally, liabilities recorded by the State's Insurance Reserve Fund (see Note 10a), an internal service fund, are sufficient to cover claims arising from alleged torts, up to the liability limits established by the South Carolina Tort Claims Act. Currently, except as described above, no tort claims are pending that are expected to result in any significant liability in excess of the provision for policy claims recorded by the Insurance Reserve Fund.

b. Federal Grants

The State receives significant federal grant and entitlement revenues. Compliance audits of federal programs may identify disallowed expenditures. Disallowances by federal program officials as a result of these audits may become liabilities of the State. The State records a liability for pending disallowances if settlement is probable and the settlement amount is reasonably estimable. Otherwise, the liability is recorded only when the State and the federal government agree on reimbursement terms. Based on an analysis of historical data, the State believes that any disallowances without an established agreement of reimbursement terms relating to the fiscal year ended June 30, 2022, or earlier years will not have a material impact on the State's financial statements.

c. Commitments to Provide Grants and Other Financial Assistance

As of June 30, 2022, the following agencies had outstanding commitments for the identified programs:

- The South Carolina Transportation Infrastructure Bank, reported within the Local Government Infrastructure Fund (a major governmental fund), has $715.000 million remaining on agreements with various counties to provide financial assistance for highway and transportation facilities projects.
- The Department of Commerce has $305.317 million to provide funds to local governmental entities including grants for water and wastewater infrastructure projects, airport construction projects, and rural infrastructure projects. Of the outstanding commitment, $97.265 million will be funded by federal grants.
- The Office of Regulatory Staff has $946 thousand for energy efficiency improvement projects. Federal grants will fund $946 thousand of this commitment.
- The Division of Aeronautics has $4.814 million for grants made to municipal and county airports for capital improvements.
- The State Board for Technical and Comprehensive Education has $16.540 million to provide training for new and expanding business and industry in the State.
- The Department of Public Safety has $18.012 million for pass-through grants to various local governments and not-for-profit entities, of which $6.299 million will be funded by federal grants.
- The South Carolina Law Enforcement Division has $10.926 million for grant program activities and pass-through grants to subrecipients, of which $10.737 million will be funded by federal grants.
- The South Carolina Judicial Department has $5.851 million outstanding commitments related to vendor service contracts.
- The South Carolina Attorney General's Office has $13.013 million for pass-through grants to subrecipients, of which $12.877 million will be funded by federal grants.
- The South Carolina Department of Revenue has $29.745 million outstanding commitments for vendor contracts related to services for paper check and return processing.
- The Rural Infrastructure Authority has $190.531 million for loans to municipalities, counties, special purpose and public service districts and public works commissions for constructing and improving rural infrastructure facilities, of which $32.488 million will be funded by federal grants.
- The Department of Health and Environmental Control has $2.714 million in outstanding commitments for interim remediation and site cleanup of which $410 thousand will be funded by a federal credit.
- The Office of Regulatory Staff has $30.636 million in outstanding commitments for internet broadband infrastructure development.

d. DHEC Remedial Activities

DHEC has four sites where remediation activity is currently occurring. These sites are: The Pinewood Site, The Palmetto Wood National Priority List Site, The Frank Elmore National Priority List Site, and The Brewer Gold Mine Priority List Site. The estimated future loss expected in fiscal year 2023 in maintaining these sites is $7.102 million.

The Pinewood Site is $3.981 million of this total. This estimated loss is based upon the current budgetary request of the department and the annual operating costs less capital expenditures for the Pinewood Site. On September 13, 2016 the court approved the establishment of Pinewood Trustee, Inc. to be the new trustee for the Pinewood Site. During fiscal year 2017, $5.200 million in capital budgeted funds were deposited with the trustee to continue site improvements that will result in lower operating costs once they are completed. In fiscal year 2022, the budgeted $3.981 million operating funds have been placed in care of the trustee. The balances in these two accounts at June 30, 2022 were $3.428 million for capital improvements and $5.520 million for operating expenditures.

NOTE 19: DISCRETELY PRESENTED COMPONENT UNITS

a. Deposits and Investments

Deposits

As of June 30, 2022, the reported amount of the major discretely presented component units' deposits was $1.111 billion and the bank balance was $1.127 billion. Of the $1.069 billion bank balance exposed to custodial credit risk, $243.847 million was uninsured and uncollateralized, $80.526 million was uninsured and collateralized with securities held by the pledging financial institution, and $744.700 million was uninsured and collateralized with securities held by the counterparty's trust department or agent, but not in the State's name. As of June 30, 2022 cash on hand was $544 thousand.

Investments

The major discretely presented component units categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The valuation technique uses a three-level hierarchy of inputs to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These classifications are summarized as follows:

Level 1 Inputs: Quoted prices (unadjusted) for identical assets or liabilities in active markets that a reporting entity can access at the measurement date.

Level 2 Inputs: Inputs that are significant other observable inputs and may include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, or model-drivel valuations.

Level 3 Inputs: Unobservable inputs for an asset or liability.

In the event that inputs used to measure the fair value of an asset or liability fall into different levels in the fair value hierarchy, the overall level of the fair value hierarchy in its entirety is determined based on the lowest level input that is significant to the entire valuation. These levels are not necessarily an indication of risk but are based upon the pricing transparency of the investment. In determining the appropriate levels, each major discretely presented component unit performed a detailed analysis of the assets and liabilities that are subject to GASB Statement No. 72.

Fair value of certain investments that do not have a readily determinable fair value is established using net asset value (or its equivalent) as a practical expedient. These investments are not categorized according to the fair value hierarchy.

Investments classified according to the fair value hierarchy are valued according to pricing policy established by each major discretely presented component units custodian bank. Pricing is based primarily on prices from third-party vendors or other specified alternative sources which are reliable. Where available, the custodian bank uses more than one vendor for securities of each asset type, class or issue. The price received from a primary source is used in valuation unless a tolerance check, or price challenge, results in the use of a price from a secondary vendor. Each major discretely presented component unit may override prices provided by the custodian bank if it is deemed necessary or appropriate.

The major discretely presented component units have the following recurring fair value measurements as of June 30, 2022 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. treasuries	$ 262,890	$ 66,773	$ 196,117	$ —
U.S. agencies	682,779	—	682,779	—
Mortgage backed obligations	93,736	27,191	66,545	—
Common stock	18,589	18,589	—	—
Other equity securities	600,864	600,864	—	—
Corporate bonds	156,218	18,160	138,058	—
Repurchase agreements	100,368	368	100,000	—
Asset backed securities	33,752	33,482	270	—
Money market mutual funds	89,766	89,766	—	—
Bond mutual funds	624,827	596,205	28,622	—
Other	1,028,932	395,010	32,664	601,258
Total Investments at Fair Value	$ 3,692,721	$ 1,846,408	$1,245,055	$ 601,258

Included in the table above are investments with uniquely derived measurement sources which are detailed below:

Investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private partnership - equity (1)	$ 166,334	$ 112,288	N/A	N/A
Private partnership - real assets (1)	32,358	26,927	N/A	N/A
Hedge funds (1)	128,915	—	Monthly to Annually	33-95 days
Hedge funds (2)	53,175	—	Monthly to Annually	30-90 days
Private Equity Partnerships (3)	5,561	648	N/A	N/A
Multi-strategy hedge funds (4)	5,220	—	Monthly	30 days
Partnerships (5)	483,470	51,000	Monthly - No Liquidity	7 days
Total investments measured at the NAV	$ 875,033	$ 190,863	$ —	$ —
Investments measured at amortized cost				
Repurchase agreements	$ 100,368	$ 368	$ 100,000	$ —
Investment derivative instruments				
Alternative Investments				
Interest rate swaps	$ (660,108)	$ —	$ (660,108)	$ —

(1) Private partnership – equity, Private partnership - real assets and Hedge Funds. This category includes investments in private equity, buyout, real assets, and venture capital funds. These funds invest primarily in domestic companies across a broad spectrum of industries. Fair value of the partnerships is determined by the Fund Manager using the NAV reported by the underlying partnerships. For real assets, fair value is estimated by the general partner based on an internal valuation of the underlying projects. Generally, these funds cannot be redeemed; instead, the nature of the investments is that distributions will be received as the underlying investments of the fund are liquidated.

(2) Hedge funds. The USC Foundation holds ownership shares in several hedge funds with investment strategies including fund to fund long/short equity managers. Management believes that the investment strategies employed, and availability of other USC Foundation resources allow the USC Foundation to be unaffected by the liquidity restrictions.

(3) Private Equity Partnerships. The USC Foundation holds ownership positions in four partnerships with investment strategies of investing in private equity (distressed companies) and private energy funds. The USC Foundation cannot redeem its investment in these funds until the final liquidation of the partnerships.

(4) Multi-strategy hedge funds. This hedge fund uses multiple investing strategies in order to diversify risks and reduce volatility. The hedge fund's composite portfolio includes investments in US index funds.

(5) Partnerships. The MUSC Foundation holds ownership positions in several partnerships with investment strategies including private equity partnerships, energy and natural resources, fund of fund hedge funds investing primarily in equity and fixed income securities, real estate and real estate related securities. For the majority of these partnerships, the MUSC Foundation is subject to redemption restrictions and cannot redeem from its investment in the fund. The manager has discretion on the timing of distributing the capital.

None of the State's major discretely presented component unit's investments had custodial credit risk exposure at June 30, 2022.

At fiscal year-end, Clemson University, the Medical University of South Carolina, the State Ports Authority, and the Public Service Authority, all major discretely presented component units, held investments in U.S. Government securities which do not require disclosure of credit quality. In addition to U.S. Government securities, Clemson University, the State Housing Authority, the Medical University of South Carolina, the State Ports Authority, Public Service Authority, and the University of South Carolina held investments as listed below with Standard and Poor's rating scale (expressed in thousands):

Investment Type and Fair Value	AAA	AA	A	BBB	Alternative Rating	Not Rated
U.S. agencies	$ 682,779	$ —	$ —	$ —	$ —	$ —
Mortgage backed obligations	49,828	—	—	9,928	—	33,980
Corporate bonds	124,456	5,496	8,106	—	—	18,160
Repurchase agreements	100,000	—	—	—	—	368
Asset backed securities	—	—	—	—	—	33,752
Money market mutual funds	—	—	—	—	—	89,766
Bond mutual funds	4,036	—	—	—	—	620,791
Other	—	2,157	—	—	—	568,547
Totals	**$ 961,099**	**$ 7,653**	**$ 8,106**	**$ 9,928**	**$ —**	**$1,365,364**

The State's major discretely presented component units may have interest rate risk policies that differ from that of the State Treasurer. At June 30, 2022, these major discretely presented component units had the following fixed income investments with maturities disclosed by investment category and segmented time distribution stated with fair value (expressed in thousands):

		Investment Maturities (in years)				
Investment Type	Fair Value	Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	$ 262,890	$ —	$ 143,869	$ 81,661	$ 15,707	$ 21,653
U.S. agencies	682,779	—	276,815	218,480	73,824	113,660
Mortgage backed obligations	93,736	—	—	86,948	178	6,610
Common Stock	18,589	18,589	—	—	—	—
Other equity securities	600,864	600,864	—	—	—	—
Corporate bonds	156,218	—	58,426	55,507	42,285	—
Repurchase agreements	100,368	368	100,000	—	—	—
Asset backed securities	33,752	—	—	33,752	—	—
Money market mutual funds	89,766	6,277	78,937	4,552	—	—
Bond mutual funds	624,827	620,000	4,036	—	791	—
Other	1,028,932	604,583	—	424,349	—	—
Totals	**$3,692,721**	**$1,850,681**	**$ 662,083**	**$ 905,249**	**$ 132,785**	**$ 141,923**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a component unit's investments in a single issuer. As of June 30, 2022, the Medical University Hospital Authority has 34.70% of the Authority's investments in notes issued by the Federal Farm Credit Bank. The Public Service Authority has 88.17% of the US Agencies investments with two issuers. 61.65% are with the Federal Farm Credit Bank, and 26.52% of the investments are with the Federal Home Loan Bank.

Securities Lending Program

The following securities lending disclosures apply to the State's discretely presented component units. By law, the State Treasurer may lend securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions, with a simultaneous agreement to return the collateral for the same securities in the future. The State may lend United States government securities, corporate bonds, other securities and equities for collateral in the form of cash or other securities. The contracts with the State's custodians require them to indemnify the State if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the State for income distributions by the securities' issuers while the securities are on loan.

The weighted average maturity of the State's collateral investments generally matched the maturity of the securities loaned during the fiscal year and at June 30, 2022. At June 30, 2022, the State had no credit risk exposure to borrowers because the amounts the State owed the borrowers exceeded the amounts the borrowers owed the State. Either the State or the borrower can terminate all securities loans on demand. There are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2022, the State experienced no losses on its securities lending transactions because of borrower defaults.

The State receives primarily cash as collateral for its loaned securities. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. During the fiscal year ended June 30, 2022, the State met the 102% requirement. The State cannot pledge or sell collateral securities unless the borrower defaults. The lending agent, on behalf of the State, invests cash collateral received. Accordingly, at June 30, 2022, the State recorded these investments of cash collateral as assets in the accompanying financial statements. Corresponding liability amounts also have been recorded because the State must return the cash collateral to the borrower upon expiration of the loan. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2022:

	Amount
Securities lent for cash collateral:	
U.S. Corporate-fixed income	$ 14,442
Total securities lent for cash collateral	**$ 14,442**
Cash collateral invested as follows:	
Repurchase agreements	$ 86,797
Total for cash collateral invested	**$ 86,797**
Securities received as collateral:	
U.S. treasuries	$ 86,797
Total for securities collateral invested	**$ 86,797**

At June 30, 2022, the fair value of securities on loan was $14.442 million. The fair value of the invested cash collateral was $86.797 million. Securities lending obligations were $86.797 million.

b. Capital Assets

Capital asset activity (expressed in thousands) for the following State major discretely presented component units was as follows:

	Beginning Balances January 1, 2021	Increases	Decreases	Ending Balances December 31, 2021
Public Service Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 184,487	$ —	$ (1,950)	$ 182,537
Construction in progress	447,309	188,546	(304,790)	331,065
Total capital assets not being depreciated	631,796	188,546	(306,740)	513,602
Capital assets being depreciated:				
Buildings and improvements (utility plant)	8,477,104	331,525	(106,504)	8,702,125
Vehicles	72,742	1,106	—	73,848
Machinery and equipment	52,242	478	(219)	52,501
Intangibles	89,493	2	—	89,495
Total capital assets being depreciated	8,691,581	333,111	(106,723)	8,917,969
Less accumulated depreciation for:				
Buildings and improvements (utility plant)	(4,100,878)	(347,054)	187,828	(4,260,104)
Vehicles	(38,402)	(5,023)	—	(43,425)
Machinery and equipment	(36,374)	(2,584)	162	(38,796)
Intangibles	(82,498)	(3,548)	—	(86,046)
Total accumulated depreciation	(4,258,152)	(358,209)	187,990	(4,428,371)
Total capital assets being depreciated, net	4,433,429	(25,098)	81,267	4,489,598
Public Service Authority, net	**$ 5,065,225**	**$ 163,448**	**$ (225,473)**	**$ 5,003,200**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
State Ports Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 696,208	$ 26,482	$ (5,719)	$ 716,971
Construction in progress	72,833	203,180	(200,948)	75,065
Total capital assets not being depreciated	769,041	229,662	(206,667)	792,036
Capital assets being depreciated:				
Land improvements	688,958	44,744	(317)	733,385
Buildings and improvements	669,842	46,945	(22,311)	694,476
Machinery and equipment	352,494	85,918	(1,696)	436,716
Intangibles	623	62	(316)	369
Total capital assets being depreciated	1,711,917	177,669	(24,640)	1,864,946
Less accumulated depreciation for:				
Land improvements	(284,573)	(34,652)	108	(319,117)
Buildings and improvements	(235,779)	(22,503)	18,851	(239,431)
Machinery and equipment	(174,720)	(19,345)	1,449	(192,616)
Total accumulated depreciation	(695,072)	(76,500)	20,408	(751,164)
Total capital assets being depreciated, net	1,016,845	101,169	(4,232)	1,113,782
State Ports Authority, net	**$ 1,785,886**	**$ 330,831**	**$ (210,899)**	**$ 1,905,818**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Clemson University:				
Capital assets not being depreciated:				
Land and improvements	$ 43,334	$ 151	$ (7)	$ 43,478
Construction in progress	102,431	68,512	(95,792)	75,151
Total capital assets not being depreciated	145,765	68,663	(95,799)	118,629
Capital assets being depreciated:				
Buildings and improvements	1,656,224	23,738	—	1,679,962
Vehicles	22,798	765	(586)	22,977
Machinery and equipment	482,533	102,462	(14,193)	570,802
Intangibles	24,283	—	—	24,283
Total capital assets being depreciated	2,185,838	126,965	(14,779)	2,298,024
Less accumulated depreciation for:				
Buildings and improvements	(534,404)	(39,744)	—	(574,148)
Vehicles	(16,843)	(1,996)	538	(18,301)
Machinery and equipment	(302,327)	(27,342)	12,592	(317,077)
Intangibles	(24,284)	—	—	(24,284)
Total accumulated depreciation	(877,858)	(69,082)	13,130	(933,810)
Total capital assets being depreciated, net	1,307,980	57,883	(1,649)	1,364,214
Capital assets for Clemson University, net	**$ 1,453,745**	**$ 126,546**	**$ (97,448)**	**$ 1,482,843**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets being amortized:				
Buildings and improvements	$ 7,969	$ 12,817	$ (170)	$ 20,616
Machinery and equipment	1,103	836	—	1,939
Total leased assets being amortized	9,072	13,653	(170)	22,555
Less accumulated amortization for:				
Buildings and improvements	—	(2,629)	13	(2,616)
Machinery and equipment	—	(669)	—	(669)
Total accumulated amortization	—	(3,298)	13	(3,285)
Total leased assets being amortized, net	9,072	10,355	(157)	19,270
Leased assets for Clemson University, net	**$ 9,072**	**$ 10,355**	**$ (157)**	**$ 19,270**

	Beginning Balances July 1, 2021	Increases	Decreases	Ending Balances June 30, 2022
Medical University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 125,057	$ 15,820	$ (6,745)	$ 134,132
Construction in progress	47,327	128,104	(43,535)	131,896
Works of art and historical treasures	1,730	77	—	1,807
Total capital assets not being depreciated	174,114	144,001	(50,280)	267,835
Capital assets being depreciated:				
Land improvements	13,331	—	—	13,331
Buildings and improvements	2,191,648	18,595	(25,518)	2,184,725
Vehicles	8,059	2,844	(586)	10,317
Machinery and equipment	576,188	50,243	(14,213)	612,218
Intangibles	93,143	15,042	(6)	108,179
Total capital assets being depreciated	2,882,369	86,724	(40,323)	2,928,770
Less accumulated depreciation for:				
Land improvements	(9,812)	(366)	—	(10,178)
Buildings and improvements	(1,096,053)	(84,273)	25,222	(1,155,104)
Vehicles	(4,702)	(1,244)	586	(5,360)
Machinery and equipment	(375,650)	(52,019)	12,790	(414,879)
Intangibles	(76,185)	(6,702)	4	(82,883)
Total accumulated depreciation	(1,562,402)	(144,604)	38,602	(1,668,404)
Total capital assets being depreciated, net	1,319,967	(57,880)	(1,721)	1,260,366
MUSC, net	**$ 1,494,081**	**$ 86,121**	**$ (52,001)**	**$ 1,528,201**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets being amortized:				
Land and improvements	$ 2,036	$ —	$ —	$ 2,036
Buildings and improvements	176,694	49,693	—	226,387
Machinery and equipment	38,845	15,663	—	54,508
Total leased assets being amortized	217,575	65,356	—	282,931
Less accumulated amortization for:				
Land improvements	—	(74)	—	(74)
Buildings and improvements	—	(32,753)	—	(32,753)
Machinery and equipment	(106)	(12,896)	—	(13,002)
Total accumulated amortization	(106)	(45,723)	—	(45,829)
Total leased assets being amortized, net	217,469	19,633	—	237,102
Leased assets for MUSC, net	**$ 217,469**	**$ 19,633**	**$ —**	**$ 237,102**

	Beginning Balances July 1, 2021	Increases	Decreases	Ending Balances June 30, 2022
University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 96,527	$ —	$ —	$ 96,527
Construction in progress	36,481	113,603	(25,523)	124,561
Works of art and historical treasures	50,792	2,391	—	53,183
Total capital assets not being depreciated	183,800	115,994	(25,523)	274,271
Capital assets being depreciated:				
Land improvements	110,488	—	—	110,488
Buildings and improvements	2,002,371	19,932	(1,087)	2,021,216
Vehicles	16,609	1,555	(324)	17,840
Machinery and equipment	225,043	19,035	(5,046)	239,032
Intangibles	93,167	537	—	93,704
Total capital assets being depreciated	2,447,678	41,059	(6,457)	2,482,280
Less accumulated depreciation for:				
Land improvements	(56,722)	(4,163)	—	(60,885)
Buildings and improvements	(895,730)	(48,560)	678	(943,612)
Vehicles	(13,052)	(1,325)	316	(14,061)
Machinery and equipment	(162,920)	(14,742)	4,059	(173,603)
Intangibles	(60,179)	(7,258)	100	(67,337)
Total accumulated depreciation	(1,188,603)	(76,048)	5,153	(1,259,498)
Total capital assets being depreciated, net	1,259,075	(34,989)	(1,304)	1,222,782
Capital assets for USC, net	**$ 1,442,875**	**$ 81,005**	**$ (26,827)**	**$ 1,497,053**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets being amortized:				
Land improvements	$ 775	$ —	$ —	$ 775
Buildings and improvements	36,967	3,821	(614)	40,174
Machinery and equipment	364	—	—	364
Total leased assets being amortized	38,106	3,821	(614)	41,313
Less accumulated amortization for:				
Land improvements	—	(241)	—	(241)
Buildings and improvements	—	(9,780)	140	(9,640)
Machinery and equipment	—	(107)	—	(107)
Total accumulated amortization	—	(10,128)	140	(9,988)
Total leased assets being amortized, net	38,106	(6,307)	(474)	31,325
Leased assets for USC, net	**$ 38,106**	**$ (6,307)**	**$ (474)**	**$ 31,325**

	Beginning Balances July 1, 2021	Increases	Decreases	Ending Balances June 30, 2022
Lottery Commission:				
Capital assets being depreciated:				
Buildings and improvements	$ 1,316	$ 141	$ —	$ 1,457
Vehicles	440	—	—	440
Machinery and equipment	4,029	608	(41)	4,596
Intangibles	556	—	—	556
Total capital assets being depreciated	6,341	749	(41)	7,049
Less accumulated depreciation for:				
Buildings and improvements	(1,301)	(2)	—	(1,303)
Vehicles	(295)	(11)	—	(306)
Machinery and equipment	(3,777)	(238)	—	(4,015)
Intangibles	(556)	—	—	(556)
Total accumulated depreciation	(5,929)	(251)	—	(6,180)
Total capital assets being depreciated, net	412	498	(41)	869
Capital assets for Lottery Commission, net	**$ 412**	**$ 498**	**$ (41)**	**$ 869**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets being amortized:				
Buildings and improvements	$ 2,362	$ —	$ —	$ 2,362
Total leased assets being amortized	2,362	—	—	2,362
Less accumulated amortization for:				
Buildings and improvements	(589)	(590)	—	(1,179)
Total accumulated amortization	(589)	(590)	—	(1,179)
Total leased assets being amortized, net	1,773	(590)	—	1,183
Leased assets for Lottery Commission, net	**$ 1,773**	**$ (590)**	**$ —**	**$ 1,183**

	Beginning Balances July 1, 2021	Increases	Decreases	Ending Balances June 30, 2022
Housing Authority:				
Capital assets being depreciated:				
Machinery and equipment	$ 2,816	$ 249	$ —	$ 3,065
Total capital assets being depreciated	2,816	249	—	3,065
Less accumulated depreciation for:				
Machinery and equipment	(1,578)	(385)	—	(1,963)
Total accumulated depreciation	(1,578)	(385)	—	(1,963)
Total capital assets being depreciated, net	1,238	(136)	—	1,102
Capital assets for Housing Authority, net	**$ 1,238**	**$ (136)**	**$ —**	**$ 1,102**

	Beginning Balances July 1, 2021 (as restated)	Increases	Decreases	Ending Balances June 30, 2022
Leased assets:				
Leased assets being amortized:				
Buildings and improvements	$ 2,360	$ —	$ —	$ 2,360
Total leased assets being amortized	2,360	—	—	2,360
Less accumulated amortization for:				
Buildings and improvements	(1,573)	(337)	—	(1,910)
Total accumulated amortization	(1,573)	(337)	—	(1,910)
Total leased assets being amortized, net	787	(337)	—	450
Leased assets for Housing Authority, net	**$ 787**	**$ (337)**	**$ —**	**$ 450**

During the fiscal year ended June 30, 2022, depreciation expense for capital assets and amortization expense for leased assets were charged to the major discretely presented component units as follows (expressed in thousands):

	Capital Assets Depreciation	Leased Assets Amortization	Total
Public Service Authority	$ 358,209	$ —	$ 358,209
State Ports Authority	76,500	—	76,500
MUSC	144,604	45,723	190,327
USC	76,048	10,128	86,176
Clemson University	69,082	3,298	72,380
Lottery Commission	251	590	841
Housing Authority	385	337	722

Outstanding construction commitments (expressed in thousands) for the State's major discretely presented component units were as follows:

	Outstanding Construction Commitments
Public Service Authority	$ 31,896
State Ports Authority	167,500
MUSC	40,249
USC	301,305
Clemson University	86,356

c. Insurance Activities

Public Service Authority (Santee Cooper)

The Public Service Authority (Santee Cooper), a major discretely presented component unit with a fiscal year ended December 31, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions. The Authority purchases commercial insurance to cover these risks, subject to coverage limits and various exclusions. Settled claims resulting from these risks did not exceed commercial insurance coverage in 2021. Policies are subject to deductibles ranging from $500 to $2.000 million, with the exception of named storm losses which carry deductibles from $2.000 million up to $50.000 million. Also a $1.400 million general liability self-insured layer exists between the Authority's primary and excess liability policies. During 2021, there were minimal payments made for general liability claims.

The Authority is self-insured for auto, dental, workers' compensation and environmental incidents that do not arise out of an insured event. The Authority purchases commercial insurance, subject to coverage limits and various exclusions, to cover automotive exposure in excess of $2.000 million per incident. Risk exposure for the dental plan is limited by plan provisions. Estimated exposure for workers' compensation is based on an annual actuarial study using loss and exposure information valued as of June 30, 2021. There have been no third-party claims for environmental damages for 2021.

The Authority is exposed to additional risks specific to the utilities industry including nuclear incidents. The maximum liability for public claims arising from any nuclear incident has been established at $13.523 billion by the Price-Anderson Indemnification Act. The $13.523 billion would be covered by nuclear liability insurance of $450.000 million per reactor unit, with potential retrospective assessments of up to $137.600 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $20.500 million per incident, per year). Based on its one-third interest in V.C. Summer Nuclear Unit 1, the Authority could be responsible for the maximum assessment of $45.900 million, not to exceed approximately $6.800 million per incident, per year. This amount is subject to further increases to reflect the effect of (i) inflation, (ii) the licensing for operation of additional nuclear reactors and (iii) any increase in the amount of commercial liability insurance required to be maintained by the NRC.

Additionally, Dominion Energy and the Authority maintain, with Nuclear Electric Insurance Limited (NEIL), $1.500 billion primary and $1.250 billion excess property and decontamination insurance to cover the costs of cleanup of the facility in the event of an accident. Dominion Energy and the Authority also maintain accidental outage insurance to cover replacement power costs (within policy limits) associated with an insured property loss. In addition to the premiums paid on these three policies, Dominion Energy and the Authority could also be assessed a retrospective premium, not to exceed ten times the annual premium of each policy, in the event of property damage to any nuclear generating facility covered by NEIL. Based on current annual premiums and the Authority's one-third interest, the Authority's maximum retrospective premium would be approximately $7.000 million for the primary policy, $3.600 million for the excess policy and $1.800 million for the accidental outage policy.

The Authority is self-insured for any retrospective premium assessments, claims in excess of stated coverage or cost increases due to the purchase of replacement power associated with an uninsured event. Management does not expect any retrospective assessments, claims in excess of stated coverage or cost increases for any periods through December 31, 2021.

The State reports all the Authority's risk management activities within the Public Service Authority's accounts. The State reports the Authority's claims expenses and liabilities when it is probable that a loss has occurred, and the amount of the loss is reasonably estimable.

Changes in the reported liability in each of the past two years were as follows (expressed in thousands):

Fiscal Year Ended December 31	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2021	$ 1,554	$ 1,166	$ (1,131)	$ 1,589
2020	2,690	576	(1,712)	1,554

d. Leases

Leases Receivable

At June 30, 2022, the Public Service Authority (with a December 31, 2021 fiscal year end that will implement GASB 87 within the State's 2023 fiscal year) had leased to non-State parties land and non-depreciable land improvements having a cost of $6.466 million. Future minimum rental payments to be received at June 30, 2022, under these operating leases were as follows (expressed in thousands):

Fiscal Year Ending December 31	Public Service Authority
2022	$ 404
2023	404
2024	404
2025	404
2026	404
2027-2031	2,020
2032-2036	2,020
2037-2041	406
Total	**$ 6,466**

The State Ports Authority leases buildings to third parties with various terms and interest rates. As of June 30, 2022, the Ports Authority's receivables for lease payments totaled $12.176 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the State Ports Authority's lease-related deferred inflow of resources was $11.944 million. For the fiscal year ended June 30, 2022, the Ports Authority recognized $3.537 million in lease revenue and $442 thousand in related interest income.

The following are schedules of future minimum payments by year and by type of asset leased to third parties by the Ports Authority as of June 30, 2022 (expressed in thousands):

	State Ports Authority	
Fiscal Year Ending June 30	Principal	Interest
2023	$ 2,511	$ 362
2024	2,110	290
2025	1,195	234
2026	525	210
2027	545	189
2028-2032	2,624	617
2033-2037	889	315
2038-2042	479	231
2043-2047	556	153
Thereafter	742	134
Total	**$ 12,176**	**$ 2,735**

Clemson University leases buildings to third parties with various terms and interest rates. As of June 30, 2022, Clemson University's receivables for lease payments totaled $585 thousand. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the Clemson University's lease-related deferred inflow of resources was $841 thousand. For the fiscal year ended June 30, 2022, Clemson University recognized $573 thousand in lease revenue.

The following are schedules of future minimum payments by year and by type of asset leased to third parties by Clemson University as of June 30, 2022 (expressed in thousands):

Fiscal Year Ending June 30	Clemson University Principal	Clemson University Interest
2023	$ 398	$ 2
2024	162	1
2025	25	—
Total	**$ 585**	**$ 3**

The Medical University of South Carolina leases buildings to third parties with various terms and interest rates. As of June 30, 2022, the Medical University of South Carolina's receivables for lease payments totaled $27.507 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the Medical University of South Carolina's lease-related deferred inflow of resources was $28.870 million. For the fiscal year ended June 30, 2022, the Medical University of South Carolina recognized $17.493 million in lease revenue.

The following are schedules of future minimum payments by year and by type of asset leased to third parties by the Medical University of South Carolina as of June 30, 2022 (expressed in thousands):

Year Ending June 30	Medical University of South Carolin Principal	Medical University of South Carolin Interest
2023	$ 9,459	$ 405
2024	6,361	272
2025	2,511	176
2026	1,978	134
2027	1,728	100
2028-2032	4,353	201
2033-2037	679	77
2038-2042	391	19
Thereafter	47	3
Total lease liabilities	**$ 27,507**	**$ 1,387**

The University of South Carolina leases land and buildings to third parties with various terms and interest rates. As of June 30, 2022, the University of South Carolina's receivables for lease payments totaled $33.005 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the University of South Carolina's lease-related deferred inflow of resources was $32.203 million. For the fiscal year ended June 30, 2022, the University of South Carolina recognized $2.449 million in lease revenue.

The following are schedules of future minimum payments by year and by type of asset leased to third parties by the Medical University of South Carolina as of June 30, 2022 (expressed in thousands):

Year Ending June 30	University of South Carolina Principal	University of South Carolina Interest
2023	$ 528	$ 1,062
2024	496	1,048
2025	480	1,033
2026	500	1,018
2027	543	1,001
2028-2032	3,232	4,713
2033-2037	434	4,350
2038-2042	114	4,354
Thereafter	26,678	19,589
Total lease liabilities	**$ 33,005**	**$ 38,168**

Leases Payable

The State's discretely presented component units lease land, office facilities, equipment, and other assets. The related lease principal and interest lease payments are recorded at June 30, 2022 for the State's discretely presented component units and are as follows (expressed in thousands):

	Medical University of South Carolina		University of South Carolina	
Year Ending June 30	Principal	Interest	Principal	Interest
2023	$ 49,291	$ 8,906	$ 10,270	$ 1,231
2024	44,772	8,605	10,092	854
2025	35,966	7,315	2,765	664
2026	32,351	6,313	1,946	565
2027	28,596	5,356	1,672	495
2028-2032	67,049	14,474	7,646	1,566
2033-2037	22,657	6,166	4,653	331
2038-2042	17,250	2,755	268	2
Thereafter	10,786	2,456	—	—
Total lease liabilities	**$ 308,718**	**$ 62,346**	**$ 39,312**	**$ 5,708**

	Clemson University	
Year Ending June 30	Principal	Interest
2023	$ 4,008	$ 312
2024	3,309	248
2025	2,837	198
2026	1,989	156
2027	580	130
2028-2032	2,379	485
2033-2037	2,669	200
2038-2042	389	3
Total lease liabilities	**$ 18,160**	**$ 1,732**

	Housing Authority		Lottery Commission	
Year Ending June 30	Principal	Interest	Principal	Interest
2023	$ 334	$ 44	$ 587	$ 17
2024	112	16	609	7
2025	—	—	51	—
Total lease liabilities	**$ 446**	**$ 60**	**$ 1,247**	**$ 24**

e. Bonds and Notes Payable

General Obligation Bonds

General obligation bonds are backed by the full faith, credit, and taxing power of the State. General obligation bonds outstanding at June 30, 2022, were (net of unamortized premiums/discounts, expressed in thousands):

Clemson University institution bonds, 2.00% to 5.00%, maturing serially through 2042	$ 320,223
University of South Carolina institution bonds, 2.50% to 5.00%, maturing serially through 2037	128,143
Medical University of South Carolina institution bonds, 2.50% to 5.00%, maturing serially through 2040	48,708

As of the last reporting date of the component units, future debt service requirements for general obligation bonds of the State's major discretely presented component units were as follows (expressed in thousands):

	Clemson University		Medical University of South Carolin	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 15,695	$ 10,872	$ 3,040	$ 1,749
2024	15,260	11,314	3,170	1,613
2025	16,020	10,551	2,445	1,476
2026	16,820	9,750	2,565	1,353
2027	17,650	8,926	2,705	1,225
2028-2032	92,615	33,356	14,355	4,121
2033-2037	73,950	17,038	10,580	1,528
2038-2042	36,615	5,453	3,125	190
Total debt service requirements	**$ 284,625**	**$ 107,260**	**$ 41,985**	**$ 13,255**
Unamortized premiums	35,598		6,723	
Total principal outstanding	**$ 320,223**		**$ 48,708**	

	University of South Carolina	
Year Ending June 30	**Principal**	**Interest**
2023	$ 10,935	$ 4,766
2024	10,300	4,252
2025	10,355	3,749
2026	10,915	3,232
2027	7,400	2,694
2028-2032	38,930	8,317
2033-2037	26,485	2,065
Total debt service requirements	**$ 115,320**	**$ 29,075**
Unamortized premiums	12,823	
Total principal outstanding	**$ 128,143**	

The State is authorized by the State Constitution to issue general obligation state institution bonds on behalf of state universities and technical colleges (included as discretely presented component units). Under state law, if an institution is unable to pay debt service from tuition fees, the General Fund would assume responsibility. These state institution bonds are

presented as liabilities in the stand-alone audited financial statements of the respective universities and technical colleges. In addition to the general obligation nature of the bonds, state institution bonds are secured by the pledge of revenues from tuition fees received by the particular university or technical college for which the bonds are issued. The maximum annual debt service on the state institution bonds for a university or technical college may not exceed 90% of the tuition fees received for the preceding fiscal year. Tuition fee receipts for each university or technical college are earmarked by the State to support the principal and interest payments for the applicable state institution bonds. State institution bonds of $537.640 million were outstanding at June 30, 2022.

Revenue and Other Bonds and Notes

Revenue debt is not backed by the full faith, credit, and taxing power of the State. Revenue and other bonds and notes outstanding at June 30, 2022 and December 31, 2021 (for PSA), were (net of unamortized premiums/discounts, expressed in thousands):

	Bonds	Notes
Major Discretely Presented Component Units:		
Public Service Authority bonds, 1.49% to 6.22%, maturing serially through 2056	$ 7,072,593	$ —
Clemson University bonds, 2.13% to 5.00%, maturing serially through 2047	461,646	—
University of South Carolina bonds and notes, 0.59% to 5.00%, maturing serially through 2052	643,240	1,691
Medical University of South Carolina bonds and notes, 2.25% to 5.00%, maturing serially through 2046	878,134	70,063
State Ports Authority bonds and notes, 0.92% to 5.25%, maturing serially through 2061	1,090,745	368,674
State Housing Authority bonds, 0.25% to 5.50%, maturing serially through 2056	805,272	—

University Medical Associates

University Medical Associates of the Medical University of South Carolina (UMA) is a discretely presented component unit and part of the Medical University of South Carolina, a major discretely presented component unit. UMA entered into an interest rate swap agreement with a financial institution to modify interest rates on certain bonds by converting the variable interest rate into a rate equal to 2.70% plus 13.00% of the one-month LIBOR rate. The interest rate swap agreement matures on July 1, 2037. The notional amount as of June 30, 2022 is $53.960 million, which equals the principal outstanding. Under the swap agreement, UMA pays the financial institution a fixed interest payment of 2.10% and receives a variable payment equal to 67.00% of the one-month LIBOR rate. The variable rate in effect at June 30, 2022 was 1.21%. The fair value of this swap, estimated using the zero-coupon method, was negative $660 million as of June 30, 2022. The negative fair value of the cash flow hedge swap has been recorded on the statement of net position. The increase in the fair value of the cash flow hedge swap from June 30, 2021 of $4.914 million is recognized as investment income in these financial statements.

As of June 30, 2022, debt service requirements of the UMA variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (expressed in thousands):

Year Ending June 30	Variable Rate Debt Principal	Variable Rate Debt Interest	Interest Rate Swaps, Net	Totals
2023	$ 2,600	$ 590	$ 583	$ 3,773
2024	2,635	558	552	3,745
2025	2,745	525	519	3,789
2026	2,825	491	485	3,801
2027	2,925	455	450	3,830
2028-2032	15,715	1,719	1,699	19,133
2033-2037	18,065	685	678	19,428
2038-2042	3,925	—	—	3,925
Totals.....	**$ 51,435**	**$ 5,023**	**$ 4,966**	**$ 61,424**

Debt Service Requirements

The fiscal year for the Public Service Authority ends December 31 while the fiscal year for Clemson University, the University of South Carolina, the Medical University of South Carolina, the State Ports Authority, and the State Housing Authority ends June 30. At December 31, 2021, the carrying value of the Public Service Authority's debt was $6.643 billion while the fair value was approximately $7.700 billion.

As of the last reporting date of the component units, future debt service requirements for bonds and notes of the State's major discretely presented component units were as follows (expressed in thousands):

	Public Service Authority	
Year Ending December 31	**Principal**	**Interest**
2022	$ 111,002	$ 316,530
2023	291,091	312,675
2024	129,806	303,432
2025	123,225	298,220
2026	144,957	292,639
2027-2031	836,435	1,367,302
2032-2036	995,200	1,176,625
2037-2041	924,007	942,675
2042-2046	1,145,810	704,472
2047-2051	1,140,235	395,685
2052-2056	823,260	102,092
Total debt service requirements	**$ 6,665,028**	**$ 6,212,347**
Unamortized discounts and premiums	407,565	
Total principal outstanding	**$ 7,072,593**	

	State Ports Authority		State Housing Authority	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2023	$ 28,043	$ 52,460	$ 14,615	$ 24,339
2024	30,926	51,485	23,485	23,570
2025	40,924	50,379	23,655	23,011
2026	32,490	49,217	24,205	22,367
2027	33,697	48,079	19,330	21,626
2028-2032	214,892	237,154	109,345	97,004
2033-2037	228,756	180,343	94,695	81,185
2038-2042	136,978	145,547	102,175	67,307
2043-2047	169,808	111,763	118,690	52,133
2048-2052	207,315	74,022	235,425	31,440
2053-2057	206,330	28,841	—	—
2058-2061	56,720	3,254	—	—
Total debt service requirements	**$ 1,386,879**	**$ 1,032,544**	**$ 765,620**	**$ 443,982**
Unamortized premiums and discounts.	72,540		39,652	
Total principal outstanding	**$ 1,459,419**		**$ 805,272**	

Year Ending June 30	Clemson University Principal	Clemson University Interest	University of South Carolina Principal	University of South Carolina Interest
2023	$ 13,680	$ 16,653	$ 18,123	$ 25,167
2024	14,395	16,049	20,700	24,330
2025	15,060	15,380	21,585	23,451
2026	13,290	14,724	21,721	22,515
2027	13,880	14,131	22,822	21,586
2028-2032	73,055	62,000	117,625	91,244
2033-2037	87,310	47,737	117,575	61,846
2038-2042	104,350	30,703	87,255	35,976
2043-2047	90,675	9,851	66,495	18,347
2048-2052	11,940	770	46,950	5,055
Total debt service requirements	**$ 437,635**	**$ 227,998**	**$ 540,851**	**$ 329,517**
Unamortized discounts and premiums	24,011		104,080	
Total principal outstanding.....	**$ 461,646**		**$ 644,931**	

Year Ending June 30	Medical University of South Carolin Principal	Medical University of South Carolin Interest
2023	$ 49,046	$ 28,931
2024	82,342	26,631
2025	50,246	24,355
2026	48,260	22,779
2027	49,838	21,216
2028-2032	295,312	80,327
2033-2037	157,630	47,358
2038-2042	136,210	24,884
2043-2046	78,433	4,030
Total debt service requirements	**$ 947,317**	**$ 280,511**
Unamortized discounts and premiums	880	
Total principal outstanding.....	**$ 948,197**	

Defeased Bonds

At December 31, 2021, $131.775 million of bonds associated with the Public Service Authority were considered defeased.

Conduit Debt

State law authorizes issuance of certain bonds for which the State assumes no responsibility for repayment. These bonds do not appear as liabilities in the accompanying financial statements.

The Housing Authority issues certain mortgage loan notes and housing revenue bonds for developers to construct moderate to low income housing projects. The bonds are payable solely from housing rental payments received by the developer and generally are secured by an irrevocable letter of credit or bond insurance. At June 30, 2022, the outstanding balance of bonds issued was $442.839 million.

The Jobs-Economic Development Authority, a nonmajor discretely presented component unit, issues industrial revenue bonds to develop and benefit business enterprises. The bonds are payable solely by revenues of the business enterprise and generally are secured by an irrevocable letter of credit. At June 30, 2022, the outstanding balance of bonds issued after June 30, 1995, was $5.457 billion. The original amount of bonds issued prior to that date is not available.

Commercial Paper Notes and Lines of Credit

The Public Service Authority and the University of South Carolina present their outstanding amounts as commercial paper notes and line of credit, respectively, but all other amounts outstanding on lines of credit at June 30, 2022 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The Public Service Authority has recorded a $120.832 million liability for commercial paper notes at its fiscal year ended December 31, 2021. The paper is issued for valid corporate purposes with terms not to exceed 120 days. The Authority has a $200.000 million revolving credit agreement to support the issuance of commercial paper. There were no borrowings under the agreement during 2021.

The Medical University of South Carolina borrowed $80.000 million in revenue bond anticipation notes (RANS) during the 2022 fiscal year ended June 30, 2022 for the purpose of defraying payment of a portion of the operating expenses to be made in connection with the ownership and operation of the acquired Midlands Hospital System.

The University of South Carolina Educational Foundation, a discretely presented component unit of USC, has a line of credit with a maximum borrowing limit of $20.000 million, on which it could draw for working capital. The loan bears interest at the 30-day LIBOR rate plus 1.79%. As of June 30, 2022, the University of South Carolina Educational Foundation has an outstanding balance of $5.438 million on this line of credit. Interest only payments on this line of credit were due beginning in August 2015 and the entire principal balance and any outstanding interest are due on June 25, 2023.

f. Changes in Liabilities

	Balances at January 1, 2021	Increases	Decreases	Balances at December 31, 2021	Amounts Due Within One Year
Public Service Authority					
Policy claims	$ 1,554	$ 1,166	$ (1,131)	$ 1,589	$ 1,589
Revenue bonds payable	6,645,247	430,290	(410,509)	6,665,028	111,002
Unamortized discounts and premiums	342,705	97,354	(32,494)	407,565	—
Total revenue bonds payable	6,987,952	527,644	(443,003)	7,072,593	111,002
Compensated absences payable	20,309	4,586	(3,562)	21,333	—
Net pension liability	344,795	—	(50,291)	294,504	—
Net OPEB liability	176,109	13,219	—	189,328	—
Total long-term liabilities	$ 7,530,719	$ 546,615	$ (497,987)	$ 7,579,347	$ 112,591

	Balances at July 1, 2021	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
State Ports Authority					
Notes payable	$ 202,608	$ 179,459	$ (13,393)	$ 368,674	$ 19,063
Revenue bonds payable	1,024,854	—	(6,649)	1,018,205	8,980
Unamortized discounts and premiums	75,119	—	(2,579)	72,540	—
Total revenue bonds payable	1,099,973	—	(9,228)	1,090,745	8,980
Compensated absences payable	2,459	203	(172)	2,490	203
Net pension liability	135,131	—	(15,372)	119,759	—
Net OPEB liability	78,454	7,858	—	86,312	—
Total long-term liabilities	$ 1,518,625	$ 187,520	$ (38,165)	$ 1,667,980	$ 28,246

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Housing Authority					
Revenue bonds payable	$ 648,715	$ 250,000	$ (133,095)	$ 765,620	$ 14,615
Unamortized discounts and premiums	27,135	15,172	(2,655)	39,652	—
Total revenue bonds payable	675,850	265,172	(135,750)	805,272	14,615
Compensated absences payable	839	879	(839)	879	638
Leases payable	805	—	(359)	446	334
Net pension liability	16,022	—	(2,465)	13,557	—
Net OPEB liability	14,159	2,226	—	16,385	—
Total long-term liabilities	$ 707,675	$ 268,277	$ (139,413)	$ 836,539	$ 15,587

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Clemson University					
General obligation bonds payable	$ 195,295	$ 100,310	$ (10,980)	$ 284,625	$ 15,695
Unamortized discounts and premiums	21,319	16,469	(2,190)	35,598	—
Total general obligation bonds payable	216,614	116,779	(13,170)	320,223	15,695
Revenue bonds payable	385,915	64,510	(12,790)	437,635	13,680
Unamortized discounts and premiums	21,981	3,233	(1,203)	24,011	—
Total revenue bonds	407,896	67,743	(13,993)	461,646	13,680
Leases payable	9,076	13,551	(4,467)	18,160	4,008
Compensated absences payable	36,067	12,756	(14,901)	33,922	13,653
Net pension liability	765,006	—	(118,901)	646,105	—
Net OPEB liability	776,738	111,397	—	888,135	—
Total long-term liabilities	$ 2,211,397	$ 322,226	$ (165,432)	$ 2,368,191	$ 47,036

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Medical University of South Carolina					
Notes payable	$ 76,075	$ —	$ (6,012)	$ 70,063	$ 5,753
General obligation bonds payable	44,895	—	(2,910)	41,985	3,040
Unamortized discounts and premiums	7,739	—	(1,016)	6,723	—
Total general obligation bonds payable	52,634	—	(3,926)	48,708	3,040
Revenue bonds payable	812,131	105,198	(40,075)	877,254	43,293
Unamortized discounts and premiums	1,099	—	(219)	880	—
Total revenue bonds	813,230	105,198	(40,294)	878,134	43,293
Leases payable	233,078	131,343	(55,703)	308,718	49,291
Compensated absences payable	40,876	27,520	(28,913)	39,483	23,455
Net pension liability	1,732,749	—	(228,524)	1,504,225	—
Net OPEB liability	1,636,487	360,219	—	1,996,706	—
Total long-term liabilities	$ 4,585,129	$ 624,280	$ (363,372)	$ 4,846,037	$ 124,832

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
Lottery Commission					
Compensated absences payable	$ 982	$ 689	$ (647)	$ 1,024	$ 646
Leases payable	1,813	—	(566)	1,247	587
Net pension liability	17,453	—	(2,288)	15,165	—
Net OPEB liability	15,351	2,694	—	18,045	—
Total long-term liabilities	$ 35,599	$ 3,383	$ (3,501)	$ 35,481	$ 1,233

	Balances at July 1, 2021 (as restated)	Increases	Decreases	Balances at June 30, 2022	Amounts Due Within One Year
University of South Carolina					
Notes payable	$ 1,733	$ —	$ (42)	$ 1,691	$ 1,413
General obligation bonds payable	128,040	—	(12,720)	115,320	10,935
Unamortized discounts and premiums	14,631	—	(1,808)	12,823	—
Total general obligation bonds payable	142,671	—	(14,528)	128,143	10,935
Revenue bonds payable	553,140	90,635	(104,615)	539,160	16,710
Unamortized discounts and premiums	102,025	18,047	(15,992)	104,080	—
Total revenue bonds	655,165	108,682	(120,607)	643,240	16,710
Leases payable	46,391	4,088	(11,167)	39,312	10,270
Compensated absences payable	36,231	34,235	(33,663)	36,803	34,227
Net pension liability	1,109,953	—	(189,196)	920,757	—
Net OPEB liability	1,117,472	149,639	—	1,267,111	—
Total long-term liabilities	$ 3,109,616	$ 296,644	$ (369,203)	$ 3,037,057	$ 73,555

Short-Term Debt

The Medical University of South Carolina and the University of South Carolina may issue bond anticipation notes (BANS) or revenue bond anticipation notes (RANS) to provide interim financing for capital projects while in the process of issuing bonds. The Public Service Authority may issue commercial paper as short-term financing for valid corporate purposes as allowed by the Authority's Board of Directors. Short-term debt for the fiscal year ended June 30, 2022 included: a line of credit for USC and commercial paper notes in the Public Service Authority. Short-term debt activity during the fiscal year was as follows (expressed in thousands):

	Balances at January 1, 2021	Increases	Decreases	Balances at December 31, 2021
Public Service Authority				
Commercial paper notes	$ 171,251	$ 65,660	$ (116,079)	$ 120,832

	Balances at July 1, 2021	Increases	Decreases	Balances at June 30, 2022
Medical University of South Carolina				
Revenue anticipation notes	$ —	$ 80,000	$ —	$ 80,000

	Balances at July 1, 2021	Increases	Decreases	Balances at June 30, 2022
University of South Carolina				
Line of credit	$ 6,388	$ 5,438	$ (6,388)	$ 5,438

g. Joint Ventures

Joint Ventures

The Public Service Authority (Authority) is a member of The Energy Authority (TEA). TEA markets wholesale power and coordinates the operation of the generation assets of its members to maximize the efficient use of electrical energy

resources, reduce operating costs and increase operating revenues of the members. It is expected to accomplish the foregoing without impacting the safety and reliability of the electric system of each member. TEA does not engage in the construction or ownership of generation or transmission assets. In addition, it assists members with fuel hedging activities and acts as an agent in the execution of forward transactions. The Authority accounts for its investment in TEA under the equity method of accounting.

All of TEA's revenues and costs are allocated to the members. The Authority's exposure relating to TEA is limited to the Authority's capital investment, any accounts receivable and trade guarantees provided by the Authority. These guarantees are within the scope of FASB ASC 952. Upon the Authority making any payments under its electric guarantee, it has certain contribution rights with the other members in order that payments made under the TEA member guarantees would be equalized ratably, based upon each member's equity ownership interest. After such contributions have been affected, the Authority would only have recourse against TEA to recover amounts paid under the guarantee. The term of this guarantee is generally indefinite, but the Authority has the ability to terminate its guarantee obligations by providing advance notice to the beneficiaries thereof. Such termination of its guarantee obligations only applies to TEA transactions not yet entered into at the time the termination takes effect. The Authority's support of TEA's trading activities is limited based on the formula derived from the forward value of TEA's trading positions at a point in time. The formula was approved by the Authority's Board. At December 31, 2021, the trade guarantees are an amount not to exceed approximately $51.600 million.

Interested parties may obtain a copy of TEA's financial statements by writing to:

The Energy Authority
301 West Bay Street, Suite 2600
Jacksonville, Florida 32202
http://teainc.org

The Authority and Dominion Energy, are parties to a joint ownership agreement providing that the Authority and Dominion Energy own Unit 1 at the V.C. Summer Nuclear Station with undivided interests of 33.33% and 66.67%, respectively. Dominion Energy is solely responsible for the design, construction, budgeting, management, operation, maintenance and decommissioning of Unit 1 and the Authority is obligated to pay its ownership share of all costs relating thereto. The Authority receives 33.33% of the net electricity generated. In 2004, the Nuclear Regulatory Commission (NRC) granted a twenty-year extension to the operating license for Unit 1, extending it to August 6, 2042. Nuclear fuel costs are being amortized based on energy expended using the unit-of-production method. Costs include a component for estimated disposal expense of spent nuclear fuel; however as of May 2015, the Department of Energy suspended the collection of spent fuel disposal fees. Fuel amortization and disposal fees (through April 2014) are included in fuel expense and recovered through the Authority's rates.

The NRC requires a licensee of a nuclear reactor to provide minimum financial assurance of its ability to decommission its nuclear facilities. In compliance with the applicable NRC regulations, the Authority established an external trust fund and began making deposits into this fund in September 1990. In addition to providing for the minimum requirements imposed by the NRC, the Authority makes deposits into an internal fund in the amount necessary to fund the difference between a site-specific decommissioning study completed in 2016 and the NRC's imposed minimum requirement. Based on these estimates, the Authority's one-third share of the estimated decommissioning costs of Unit 1 equals approximately $439.500 million in 2016 dollars. As deposits are made, the Authority debits FERC account 532 - Maintenance of Nuclear Plant, an amount equal to the deposits made to the internal and external trust funds. These costs are recovered through the Authority's rates.

The Authority and Dominion Energy were constructing two additional nuclear generating units (Summer Units 2 and 3) at the V.C. Summer Nuclear Station. Together the Design and Construction Agreement and the Operating and Decommissioning Agreement provided for a 45.00% ownership interest by the Authority in each of the two new units and replace the Amended and Restated Bridge Agreement which had governed the relationship between the Authority and Dominion Energy. On July 31, 2017 the Authority, along with Dominion Energy, halted the V.C. Summer Units 2 and 3 projects. The Authority reclassified the construction in progress related to the Summer Units 2 and 3 to a regulatory asset to be amortized over the remaining life of the revenue bonds related to the halted project.

h. Significant Transactions of Major Component Units with the Primary Government

The Public Service Authority makes payments to the General Fund in lieu of taxes each year based on requirements under bond indentures. These payments totaled $17.100 million during the Authority's fiscal year ended December 31, 2021.

During the fiscal year ended June 30, 2002, the State Ports Authority resolved to contribute a total of $45.000 million over twenty-six years to the Local Government Infrastructure Fund, a major governmental fund, for the Cooper River Bridge project in Charleston. The Authority made a payment of $1.000 million during the fiscal year ended June 30, 2022.

Clemson University provided computer services and information systems development to other State agencies for a fee. These fees totaled $346 thousand and $30.692 million, respectively, for the fiscal year ended June 30, 2022.

i. Concentrations of Customer Credit Risk

Public Service Authority

Concentrations of credit risk with respect to the Public Service Authority's receivables are limited due to its large number of customers and their dispersion across different industries. The Authority maintains an allowance for uncollectible accounts based on the expected collectability of all accounts receivable. The Authority had one customer that accounted for more than ten percent of the Authority's sales for its fiscal year ended December 31, 2021, as follows (expressed in thousands):

Customer	Revenue	Revenue
Central Electric Power Cooperative, Inc	$ 1,003,000	58%

No other customer accounted for more than 10% of the Authority's sales.

State Ports Authority

During the fiscal year ended June 30, 2022, of the State Ports Authority's total revenues, three customers accounted for approximately 16%, 15%, and 15% each. The Authority performs ongoing credit evaluations of its customers and operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Authority maintains reserves for potential credit losses.

j. Contingencies and Commitments

Litigation – State Ports Authority

In January 2013, the Ports Authority intervened in a federal case brought by preservation and environmental groups against the U.S. Army Corps of Engineers (The "Corps"), to challenge issuance of authority for the Ports Authority to drive pilings under a building on Union Pier Terminal in renovating the cruise terminal. On September 19, 2013, the federal district court remanded the permit to the Corps for further review and action. The permit application is under review by the Corps of Engineers on remand. The Ports Authority intends to continue pursuing the federal permit and to continue any legal actions necessary to perfect the final permit.

In February 2013, the same cruise terminal opponents and others filed an administrative action challenging the State permit issued for the piling work at Union Pier. The South Carolina Administrative Law Court granted summary judgment in favor of the Ports Authority and dismissed the challenge on April 21, 2014. On October 18, 2017, the Court of Appeals issued a unanimous opinion affirming the South Carolina Administrative Law Court. This was appealed to the South Carolina Supreme Court, and the Supreme Court accepted a petition for certiorari on August 21, 2018. Briefing and argument were held on February 19, 2020. The Ports Authority filed a reconsideration, which was denied, and the case has been remitted back to the ALC for a merit hearing. The effect of these administrative permit cases on the financial position of the Ports Authority cannot be determined at this time.

On March 17, 2021, the State of South Carolina and the Ports Authority filed labor charges against the United States Maritime Alliance, Ltd. (USMX), the International Longshoreman's Association, AFL-CIO, CLC and the International Longshoreman's Association, AFL-CIO, CLC, Local 1422 (together, the ILA) with the National Labor Relations Board (NLRB) for entering into and maintaining an unlawful hot-cargo agreement as contained in Article VII, Section 7 of the USMX-ILA collective bargaining agreement (Master Agreement) and the Hugh K. Leatherman Terminal (HLT). The NLRB issued a complaint against Respondents (USMX and the ILA). Following issuance of the complaint, in April 2021, the ILA filed a lawsuit in the New Jersey Superior Court (the Lawsuit) against two USMX member-carriers seeking to effectuate the unlawful provision in the Master Agreement. In doing so, the ILA not only reaffirmed the unlawful nature of Article VII, Section 7 of the Master Agreement, it asserted additional unlawful interpretations of the Master Contract. The State of South Carolina and Ports Authority filed additional charges against the ILA for these additional unlawful interpretations, and the NLRB issued a second complaint against the ILA. A hearing was held before an Administrative Law Judge on June 9th and 10th, 2021. No order has been issued by the Administrative Law Judge. On September 16, 2021, a National Labor Relations Board judge ruled in favor of the Ports Authority stating that the ILA cannot force the use of union labor at the Port of Charleston and ordered that the ILA drop a lawsuit filed against two ocean carriers that utilized the HLT. The ILA will have 28 days to file an appeal if they choose. The Ports Authority intends to aggressively protect its interests with regards to the ILA. The effect of this labor dispute on the financial position of the Ports Authority related to operations at HLT cannot be determined at this time.

Purchase Commitments – Public Service Authority

At December 31, 2021, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling $345.526 million for coal. In addition, at December 31, 2021, the Authority had commitments for nuclear fuel and nuclear fuel conversion contracts of $78.100 million over the next thirteen years.

The Authority amended a service agreement to an approximate amount of $48.500 million. The agreement provides unplanned maintenance coverage, rotor replacement and auxiliary parts replacement in addition to a contract performance manager, initial spare parts, parts and services for specified planned maintenance outages, remote monitoring and diagnostics of the turbine generators and combustion tuning for the gas turbines. The contract term extends through 2028.

Purchase Commitments – Ports Authority

At June 30, 2022, the Ports Authority had construction commitments of approximately $167.500 million and non-construction commitments for property, plant and equipment of approximately $4.850 million.

Commitments to Provide Grants and Other Financial Assistance – The State Housing Finance and Development Authority

The State Housing Finance and Development Authority, a major discretely presented component unit, had commitments of $6.929 million from the Housing Trust Fund for affordable housing projects and developments as of June 30, 2022.

Additionally, in May 2020, the South Carolina Legislature enacted the "Workforce and Senior Affordable Housing Act", which gives tax credits to developers of affordable housing projects that are approved by the South Carolina Housing Authority and placed into service after January 1, 2020. Initial impact estimates put the annual General Fund tax credit impact at approximately $2.057 million per calendar year until the program, which mirrors the federal low-income housing tax credit, sunsets for projects completed by December 31, 2030 in calendar year 2039. But, later in 2020, the federal government changed the low-income housing tax credit financing program, which greatly increased participation in this program by developers. Tax credits for calendar years 2021 and 2022 are now estimated to be $2.263 million and $17.277 million, respectively. Additionally, the South Carolina Legislature limited future Housing Authority tax credits from the General Fund in fiscal year 2022 to a maximum of $20.000 million per calendar year and limited credits granted prior to December 31, 2021 to a total maximum of $100.000 million.

NOTE 20: COVID-19 PANDEMIC

The 2019 Novel Coronavirus (or "COVID-19") has adversely affected economic activity globally, nationally and locally. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The extent of the impact of the virus and its variants on the State's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, severity of the impact on the state's economy, and governmental, regulatory, and private sector responses. The full extent of the economic uncertainty caused by COVID-19 on the State's financial statements in future periods is not yet determinable.

To respond to this pandemic, the State held its fiscal year 2021 budget at fiscal year 2020 spending levels, although fiscal 2021 revenues have ultimately surpassed projections. All of the $1.905 billion in COVID Relief Funds received has been recognized with corresponding expenditures or obligated to be expended (see table below) before the December 31, 2021 deadline.

CARES Act
Coronavirus Relief Funds
(expressed in thousands)

Program	Amount
Unemployment Trust Fund	$ 841,906
State Government	353,869
Department of Education	222,657
State Testing/Monitoring	144,071
Broadband/Mobile Hotspots	38,370
PPE Stockpile	13,056
Grant Management	10,000
Total State	**$ 1,623,929**
Local Government	$ 92,976
Hospital Relief	123,210
Small/Minority Businesses	40,000
Nonprofits	25,000
Total Non-State	**$ 281,186**
Grand Total	**$ 1,905,115**

In addition, the State received $2.499 billion in September 2021 under the American Rescue Plan Act (ARPA) for the State Fiscal Recovery Fund. Of the $2.499 billion received, $1.261 billion has been distributed. States must obligate the funds by December 31, 2024, and spend by December 31, 2026.

Also, on September 3, 2021, the state received $217.563 million under ARPA for the Local Fiscal Recovery Fund. On September 6, 2022 the state received an additional $217.563 million under ARPA for the Local Fiscal Recovery Fund. Of the $435.126 million received, $415.628 million has been allocated to local governments. States must also obligate these funds by December 31, 2024, and spend them by December 31, 2026.

NOTE 21: SUBSEQUENT EVENTS

a. Debt Issuances

Subsequent to the fiscal year end, the State of South Carolina issued the following debt:

- Subsequent to the Public Service Authority's, a major discretely presented component unit, December 31, 2021 fiscal year-end, it issued $931.000 million in 2022 Tax-Exempt Refunding Series A revenue bonds and $352.000 million in 2022 Tax-Exempt Refunding Series B revenue bonds on February 23, 2022. The $1.283 billion in revenue bonds will be used to purchase or exchange $2.697 billion in callable revenue bonds to lower their interest rates. The refunding produced approximately $378.000 million in gross savings, which results in approximately $250.000 in net present value debt service savings.
- On August 23, 2022, the State Housing Authority, a major discretely presented component unit, issued $160.000 million in mortgage revenue bonds, Series 2022B.

- On August 30, 2022, the State Housing Authority, a major discretely presented component unit, issued $206.190 million in mortgage revenue notes, Series 2022C.
- On October 6, 2022, Clemson University, a major discretely presented component unit, issued $40.000 million in notes to fund various capital projects.
- On November 15, 2022, the Public Service Authority, a major discretely presented component unit, issued $36.600 million in Tax-Exempt Revenue Refunding Bonds Series 2022C, $134.900 million in Taxable Revenue Refunding Bonds Series 2022D, $390.000 million in Tax-Exempt Revenue Improvement Bonds Series 2022E, and $60.000 million in Taxable Revenue Improvement Bonds Series 2022F. The bonds provided $450.000 in capital improvements and refunded approximately $175.000 million of higher interest bonds.

b. State Constitutional Changes

On November 8, 2022 the citizens of South Carolina voted to approve two constitutional amendments. Amendment 1, General Reserve Fund Increase, increases the General Reserve Fund from 5% of the state general fund revenue to 7% incrementally by one-half percent increase each year. Amendment 2, Capital Reserve Fund Increase, increases the Capital Reserve Fund from 2% to 3% of the state general fund revenue and provides that the first use of the Capital Reserve Fund is to offset midyear budget reductions.

c. Opioid Settlements

The South Carolina Opioid Recovery Act, enacted May 23, 2022, created the South Carolina Opioid Recovery Fund and the South Carolina Opioid Recovery Fund Board. The act identifies the board as an independent, quasi-governmental agency responsible for managing the South Carolina Opioid Recovery Fund. The state is currently participating in two national opioid settlements, one with distributors McKesson, Cardinal Health, AmerisourceBergen, and another with manufacturer Janssen Pharmaceuticals/Johnson and Johnson. The distributors settlement, including amounts due to political subdivisions, is $161.588 million guaranteed with incentives increasing to a possible $293.796 million paid over eighteen years. The Janssen settlement, including amounts due to political subdivisions, is $30.894 million guaranteed with incentives increasing to a possible $67.831 million over ten years.

The first two payments received July 15, 2022 and September 15, 2022 for $12.551 million and $13.190 million respectively were received from the opioid distributors. A third payment was received from Janssen on October 18, 2022 for $50.789 million. Funds received are allocated accordingly with the terms of the settlement allocation agreement which provides that eighteen percent is credited towards the payment of attorney fees in years 2021 through 2027 only, and the remainder is further allocated eighty-five percent to participating counties/municipalities and fifteen percent at the discretion of the board. After 2029, the allocation between counties/municipalities and discretionary shifts to is fifty percent each. The board is expected to issue separately audited financial statements on a calendar year basis beginning with the year ending December 31, 2022.

d. Dominion Energy Settlement

On September 23, 2022, the State of South Carolina received real property from Dominion Energy commonly known as the Ramsey Grove Planation located in Georgetown County. The exchange was in lieu of $28.167 million of taxes owed. Three additional properties are expected to be transferred, however the exact timing is unknown due to regulatory constraints existing on the properties. Once transferred, the remaining properties are expected to satisfy an additional $22.602 million of tax debt.

e. Department of Transportation Project Delay Claim

On November 1 2022, a claim for project delay was filed against the Department of Transportation in the amount of $42.000 million. The Department is in the process of assessing the claim documentation and a reasonable estimate of SCDOT exposure is not available at this time.

REQUIRED SUPPLEMENTARY INFORMATION—
Other than Management's Discussion and Analysis
(Unaudited)

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
BUDGETARY GENERAL FUND
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Regular sources				
Individual Income Tax	$ 4,457,741	$ 5,781,755	$ 6,221,166	$ 439,411
Sales and Use Tax	3,418,454	4,155,332	4,401,993	246,661
Corporation Income Tax	422,271	982,582	1,085,746	103,164
Insurance Tax	256,190	282,735	283,503	768
Corporation License Tax	101,200	158,137	163,072	4,935
Documentary (Deed Stamp) Tax	88,433	142,827	156,851	14,024
Beer and Wine Tax	115,434	117,928	116,942	(986)
Alcoholic Liquors Tax	87,899	109,892	112,482	2,590
Other Source Revenues	11,137	16,726	87,780	71,054
Bank Tax	32,000	74,110	72,352	(1,758)
Earned on Investments	82,500	70,000	69,657	(343)
Admissions Tax	30,746	43,367	45,743	2,376
Security Dealer Fees	29,701	31,702	31,897	195
Tobacco Tax	29,280	30,757	28,936	(1,821)
Indirect Cost Recoveries	15,939	28,640	22,098	(6,542)
Public Service Authority Assessment	17,450	16,700	17,675	975
Unclaimed Property Fund Transfers	15,000	15,000	15,000	—
Business Filing Fees	8,578	12,201	12,616	415
Motor Vehicle Licenses	12,216	10,182	11,179	997
Workers' Compensation Insurance Tax	9,382	12,710	9,795	(2,915)
Private Rail Car Lines Tax	7,008	6,850	6,879	29
Uncashed Checks	—	—	6,218	6,218
Circuit and Family Court Fines	5,500	5,906	6,089	183
Record Search Fees	4,461	4,461	4,461	—
Purchasing Card Rebates	3,089	3,541	3,541	—
Parole and Probation Supervision Fees	3,393	3,393	3,393	—
Nursing Home Fees	3,600	3,242	3,231	(11)
Savings and Loan Tax	1,273	2,340	2,448	108
Aircraft Tax	1,250	1,250	1,250	—
Bingo Tax	112	—	399	399
Total revenues	**9,271,237**	**12,124,266**	**13,004,392**	**880,126**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Expenditures:				
Legislative	$ 56,133	$ 63,511	$ 54,172	$ 9,339
Judicial	149,019	133,773	92,678	41,095
Executive and administrative	340,304	493,046	357,709	135,337
Educational	4,419,142	5,090,408	4,709,872	380,536
Health	2,149,907	2,497,999	2,282,018	215,981
Social rehabilitation services	268,938	359,834	326,404	33,430
Correctional and public safety	823,757	1,083,101	870,033	213,068
Conservation, natural resources, and development	215,299	341,070	276,156	64,914
Regulatory	169,799	408,565	176,727	231,838
Transportation	2,181	62,927	4,758	58,169
Debt service	191,630	182,468	113,586	68,882
Aid to subdivisions	300,926	310,345	308,729	1,616
Total expenditures	**9,087,035**	**11,027,047**	**9,572,842**	**1,454,205**
Excess of revenues over (under) expenditures—budgetary basis	**184,202**	**1,097,219**	**3,431,550**	**2,334,331**
Fund balance, beginning — budgetary basis	**3,615,308**	**3,615,308**	**3,615,308**	**—**
Fund balance, ending — budgetary basis	**$ 3,799,510**	**$ 4,712,527**	**$ 7,046,858**	**$ 2,334,331**
Plus:				
CARES Act reimbursements			**65,000**	
Litigation recovery account			**20,480**	
Less:				
Capital Reserve appropriation			**(176,095)**	
Transfers for Ft. Johnson Property Acquisition			**(23,250)**	
Taxpayer rebates			**(67,055)**	
Fund balance, ending — budgetary basis, after reservation			**$ 6,865,938**	

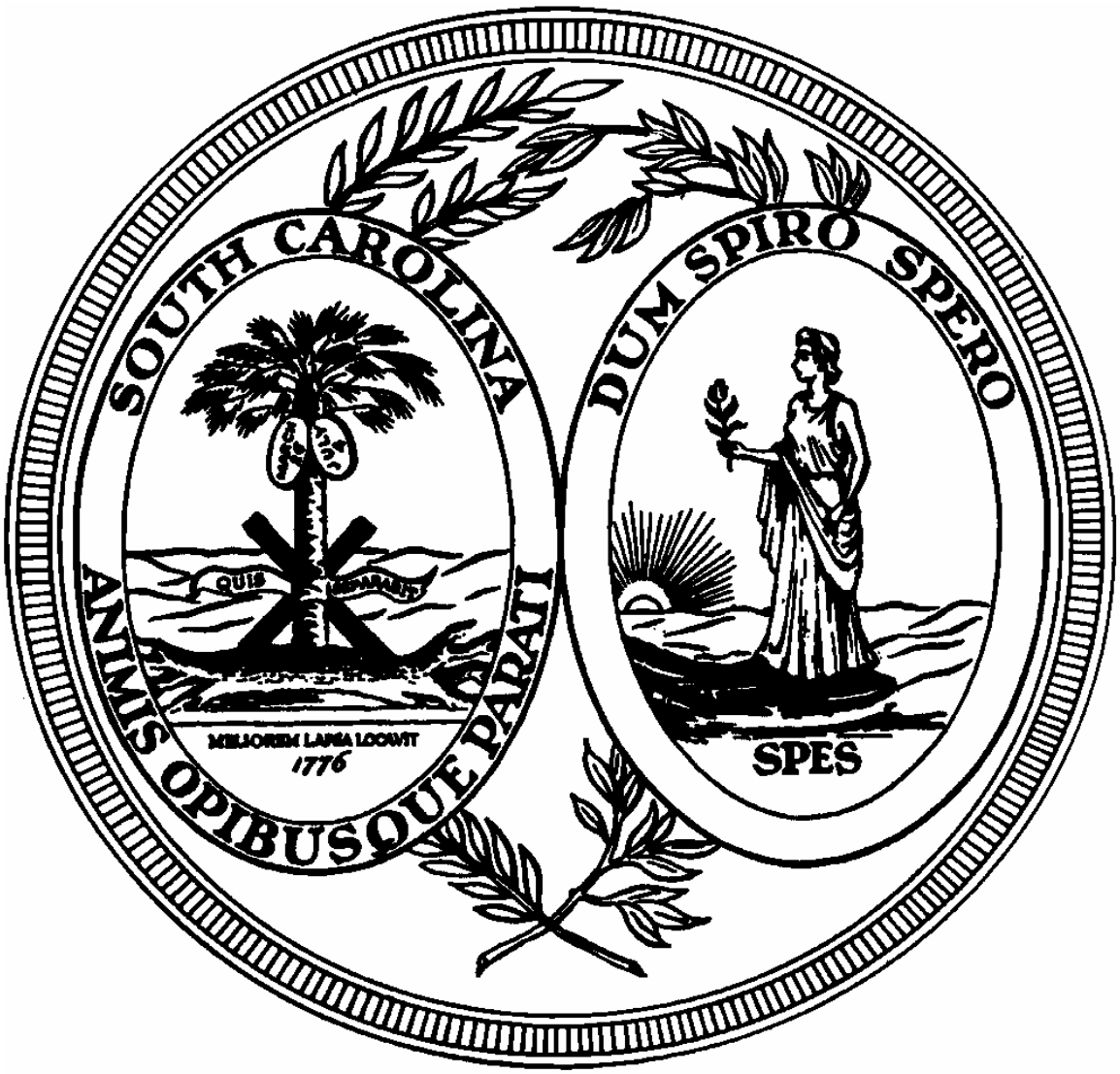
The notes to the Required Supplementary Information--Budgetary are an integral part of the schedule.

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
OTHER BUDGETED FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Federal	$ 9,499,379	$ 12,656,489	$ 13,904,263	$ 1,247,774
Earmarked	7,168,321	7,231,973	6,043,386	(1,188,587)
Restricted	5,370,137	5,527,182	5,399,754	(127,428)
Total revenues	**22,037,837**	**25,415,644**	**25,347,403**	**(68,241)**
Expenditures:				
Legislative	2,793	8,336	7,191	1,145
Judicial	22,958	25,205	13,297	11,908
Executive and administrative	738,911	1,766,586	1,239,373	527,213
Educational	7,868,234	9,036,537	7,868,418	1,168,119
Health	8,033,977	9,806,753	8,626,291	1,180,462
Social rehabilitation services	854,953	1,725,464	1,313,762	411,702
Correctional and public safety	206,081	240,059	153,069	86,990
Conservation, natural resources, and development	317,332	391,068	243,381	147,687
Regulatory	334,403	346,632	242,788	103,844
Transportation	2,764,585	2,937,626	2,133,324	804,302
Total expenditures	**21,144,227**	**26,284,266**	**21,840,894**	**4,443,372**
Excess of revenues over (under) expenditures—budgetary basis	**893,610**	**(868,622)**	**3,506,509**	**4,375,131**
Fund balance at beginning of year—budgetary basis	**5,735,341**	**5,735,341**	**5,735,341**	—
Fund balance at end of year—budgetary basis	**$ 6,628,951**	**$ 4,866,719**	**$ 9,241,850**	**$ 4,375,131**

The notes to the Required Supplementary Information--Budgetary are an integral part of the schedule.


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Notes to the Required Supplementary Information--Budgetary

NOTE 1: BUDGETARY FUNDS AND PERSPECTIVE DIFFERENCES

a. Budgetary Funds

South Carolina's Annual Appropriations Act, the State's legally adopted budget, does not present budgets by GAAP fund. Instead, it presents program-level budgets categorized by:

General Funds. These funds are general operating funds. The resources in these funds are primarily taxes. The State expends General Funds to provide traditional State government services. The General Funds column in the Appropriations Act differs somewhat from the GAAP General Fund and is referred to within these notes and in the accompanying schedules as the *Budgetary General Fund*.

Total Funds. The Total Funds column in the Appropriations Act includes all budgeted resources. Amounts in this column include General Funds as well as most, but not all, federal and department-generated resources. Total funds include portions of certain proprietary and capital project fund activities as well as most special revenue activities but exclude the pension trust funds and some other fiduciary fund activities.

Amounts obtained by subtracting the General Funds column in the Appropriations Act from the Total Funds column in the Appropriation Act are referred to within these notes and in the accompanying schedules as *Other Budgeted Funds*.

b. Perspective Differences

Perspective differences exist when the structure of financial information for budgetary purposes differs from the fund structure that is defined by GAAP. Although there are some perspective differences between the Budgetary General Fund and the GAAP General Fund, those differences are *not* significant enough to prevent the State from preparing a budgetary comparison schedule for the Budgetary General Fund.

In contrast, however, there are *significant* perspective differences between the Other Budgeted Funds and the State's GAAP funds, including its major special revenue funds. These perspective differences are so significant that the State is unable to present separate budgetary comparison schedules for its major special revenue funds. Accordingly, the State instead has presented a budgetary comparison schedule for its Other Budgeted Funds in accordance with GASB Statement No. 41, *Budgetary Comparison Schedules—Perspective Differences*.

NOTE 2: ORIGINAL AND FINAL BUDGETED AMOUNTS; BASIS OF PRESENTATION

a. Budgetary General Fund

Each year, the General Assembly enacts an Appropriations Act that includes initial estimated revenue and appropriation figures for the Budgetary General Fund. The *original appropriations* presented in the accompanying schedule for the Budgetary General Fund include the amounts displayed in the Appropriations Act as well as any appropriations authorized to carry forward from the preceding fiscal year. *Original budgeted revenues* in the accompanying schedule for the Budgetary General Fund include amounts displayed in the Statement of Revenues at the end of Part 1A of the Appropriations Act and nonrecurring transfers from other funds that were legislatively required by various provisos within the Appropriations Act.

The accompanying schedule for the Budgetary General Fund presents a fund balance section whereas the budget document does not present fund balances; in other respects, however, the format of the accompanying schedule is substantively the same as for the legally enacted budget.

After the beginning of the fiscal year, departments and agencies may request transfers of appropriations among programs. No such transfer request may exceed 20.0% of the program budget. In addition, the Executive Budget Office within the Department of Administration has the authority to approve transfers of appropriations between personal service and other operating accounts.

The authority to reduce enacted appropriations is provided to the Executive Budget Office if it is deemed necessary to prevent a deficit. Likewise, the State Board of Economic Advisors may approve revisions of estimated revenues for the Budgetary General Fund during the year.

b. Other Budgeted Funds

The *original appropriations* presented in the accompanying schedule for Other Budgeted Funds include the amounts displayed in the Appropriations Act as well as any appropriation reductions specifically authorized by law to prevent duplicate appropriations. The terminology, classifications, and format of the appropriations section of the accompanying schedule for Other Budgeted Funds is substantively the same as for the legally enacted budget.

The State's General Assembly does not approve estimated revenue or fund balance amounts for Other Budgeted Funds (or for Total Funds). However, the *Recapitulation* section of the Appropriations Act includes net *source of funds* amounts for two categories of Other Budgeted Funds: Federal and Other. The *original budgeted revenue* amounts in the accompanying schedule for Other Budgeted Funds were obtained from the Executive Budget Office's breakdown of the source of funds amounts.

As operating conditions change, departments and agencies may request revisions of budgeted amounts in Other Budgeted Funds. Such changes require Executive Budget Office approval. Departments and agencies also may request revisions of estimated revenues and appropriations for permanent improvement projects. The State Fiscal Accountability Authority and the Joint Bond Review Committee must approve and review those changes for projects that exceed $1.000 million.

NOTE 3: LEGAL LEVEL OF BUDGETARY CONTROL

The State maintains budgetary control at the level of summary object category of expenditure within each program of each department or agency. The State's Appropriation Acts for the 2021-22 fiscal year has approximately 2,500 appropriated line items. These line items constitute the level of legal control over expenditures. The level of legal control for all agencies is reported in a publication of the State Comptroller General's Office titled "A Detailed Report of Appropriations and Expenditures," not included herein.

NOTE 4: BASIS OF BUDGETING

Current legislation states that the General Assembly intends to appropriate all monies to operate State government for the current fiscal year. Unexpended appropriations lapse on July 31 unless the department or agency is given specific authorization to carry them forward to the next fiscal year. Cash-basis accounting for payroll expenditures is required.

State law does not precisely define the State's basis of budgeting. In practice, however, it is the cash basis with the following exceptions:

(i) Departments and agencies charge certain vendor and interfund payments against the preceding fiscal year's appropriations through July 14.

(ii) Certain revenues collected in advance are recorded as liabilities (unearned revenues) rather than as revenues.

(iii) The following taxes are recorded on the modified accrual basis in accordance with State law: admissions tax, alcoholic liquors tax, beer and wine tax, business license tax, documentary tax, electric power tax, gasoline and motor fuel taxes, and sales, use, and casual excise taxes.

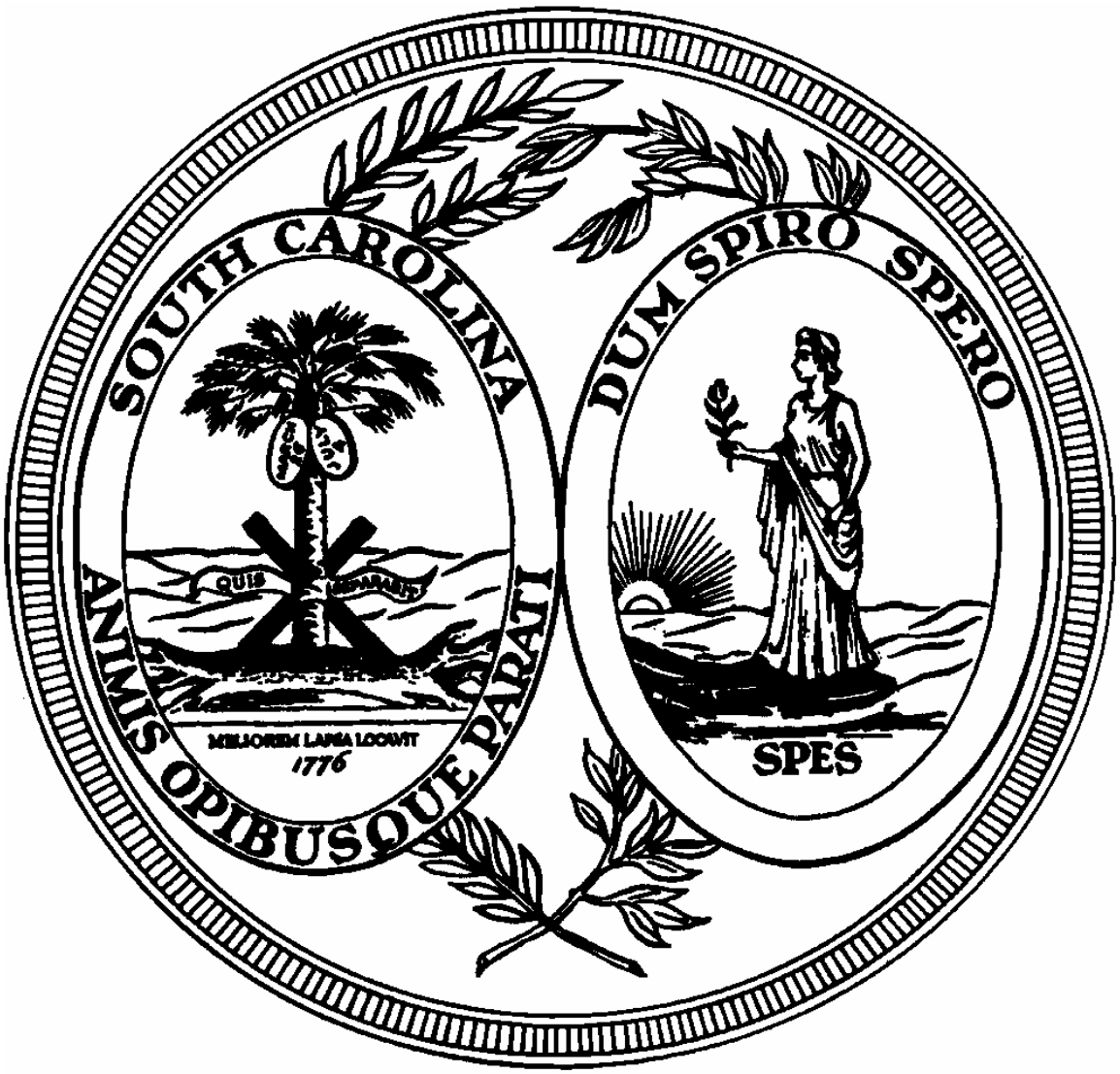
(iv) Certain non-cash activity, such as food stamp benefits, is recorded as revenue and expenditure in the fiscal year in which the resources are distributed to the beneficiaries.

(v) All other revenues are recorded only when the State receives the related cash.

NOTE 5: RECONCILIATION OF BUDGET TO GAAP REPORTING DIFFERENCES

The accompanying budgetary comparison schedules compare the State's legally adopted budget with actual data in accordance with the State's basis of budgeting. Its budgetary accounting principles differ significantly from GAAP accounting principles. These different accounting principles result in basis, perspective, and entity differences in the net increase in fund balance—budgetary basis. *Basis differences* arise because the basis of budgeting differs from the GAAP basis used to prepare the statement of revenues, expenditures, and changes in fund balances—governmental funds. *Perspective differences* result because the Appropriations Act's program-oriented structure differs from the fund structure required for GAAP. *Entity differences* arise because certain activity reported within the State's financial reporting entity for GAAP purposes is excluded from the Appropriations Act. These differences for the fiscal year ended June 30, 2022, were as follows (expressed in thousands):

Budgetary funds	***Budgetary General Fund***	**Major Special Revenue Funds**		
GAAP funds	**General Fund**	**Departmental Program Services**	**Local Government Infrastructure**	**Department of Transportation Special Revenue**
Net increase (decrease) in fund balance—budgetary basis	$ 3,431,550	$ —	$ —	$ —
Perspective differences:				
Other Budgeted Funds net increase (decrease) allocated among the State's major governmental GAAP funds	635,643	2,271,675	18,175	—
Basis of accounting differences	(548,361)	(1,866,750)	75,591	459,526
Entity differences	14,687	10,764	—	—
Net increase (decrease) in fund balance—GAAP basis	**$ 3,533,519**	**$ 415,689**	**$ 93,766**	**$ 459,526**


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REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's Proportionate Share of the SCRS and PORS Net Pension Liabilities
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

Last 10 Fiscal Years*

SCRS - South Carolina Retirement System	**2022**	**2021**	**2020**	**2019**	**2018**
State's Proportion of the Net Pension Liability	12.47%	12.54%	12.75%	12.96%	13.05%
State's Proportionate Share of the Net Pension Liability	$2,699,303	$3,203,359	$2,910,713	$2,905,027	$2,938,212
State Covered Payroll	$1,173,557	$1,133,366	$1,101,602	$1,079,349	$1,021,083
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	230.01%	282.64%	264.23%	269.15%	287.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.70%	50.70%	54.40%	54.10%	53.30%
PORS - South Carolina Police Officers Retirement System					
State's Proportion of the Net Pension Liability	26.57%	27.46%	28.24%	29.17%	28.97%
State's Proportionate Share of the Net Pension Liability	$ 683,623	$ 910,737	$ 809,373	$ 826,613	$ 793,572
State Covered Payroll	$ 379,401	$ 370,843	$ 364,884	$ 337,092	$ 328,193
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.18%	245.59%	221.82%	245.22%	241.80%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.40%	58.80%	62.70%	61.70%	60.90%

* - The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of that day, projected forward to June 30 of the previous year. Additionally, the State implemented GASB 68 during fiscal year 2015. As such, only the last nine years of information is available.

2017	2016	2015	2014
12.94%	12.87%	12.70%	12.70%
$ 2,763,455	$ 2,441,249	$ 2,185,979	$ 2,277,364
$ 954,763	$ 973,471	$ 958,913	$ 943,177
289.44%	250.78%	227.96%	241.46%
52.91%	56.99%	59.92%	56.39%
28.88%	30.05%	30.37%	30.37%
$ 732,637	$ 654,937	$ 581,343	$ 629,487
$ 316,491	$ 337,916	$ 338,025	$ 325,628
231.49%	193.82%	171.98%	193.31%
60.44%	64.57%	67.55%	62.98%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRS and PORS Contributions
For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

Last 10 Fiscal Years*

SCRS - South Carolina Retirement System

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 227,385	$ 209,454	$ 207,694	$ 186,054	$ 168,903
Contributions in Relation to the Contractually Required Contribution	(227,385)	(209,454)	(207,694)	(186,054)	(168,903)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
State Covered Payroll	$ 1,183,193	$ 1,173,557	$ 1,133,366	$ 1,101,602	$ 1,079,349
Contributions as a Percentage of Covered Payroll	19.22%	17.85%	18.33%	16.89%	15.65%

PORS - South Carolina Police Officers Retirement System

Contractually Required Contribution	$ 73,378	$ 69,088	$ 71,887	$ 66,834	$ 61,790
Contributions in Relation to the Contractually Required Contribution	(73,378)	(69,088)	(71,887)	(66,834)	(61,790)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
State Covered Payroll	$ 354,014	$ 379,401	$ 370,843	$ 364,884	$ 337,092
Contributions as a Percentage of Covered Payroll	20.73%	18.21%	19.38%	18.32%	18.33%

* - In fiscal year 2013 (2014 on this schedule due to GASB 68), the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category. Fiscal year 2013 has not been restated.

2017	2016	2015	2014	2013
$ 152,191	$ 131,856	$ 130,062	$ 122,348	$ 123,651
(152,191)	(131,856)	(130,062)	(122,348)	(123,651)
$ —	$ —	$ —	$ —	$ —
$ 1,021,083	$ 954,763	$ 973,471	$ 958,913	$ 943,177
14.90%	13.81%	13.36%	12.76%	13.11%
$ 55,534	$ 50,546	$ 49,915	$ 46,907	$ 44,393
(55,534)	(50,546)	(49,915)	(46,907)	(44,393)
$ —	$ —	$ —	$ —	$ —
$ 328,193	$ 316,491	$ 337,916	$ 338,025	$ 325,628
16.92%	15.97%	14.77%	13.88%	13.63%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's GARS Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

GARS - Retirement System for the Members of the General Assembly of the State of South Carolina

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 6,279	$ 5,956	$ 6,329	$ 5,804	$ 5,428
Contributions in Relation to the Contractually Required Contribution	(6,279)	(5,956)	(6,329)	(5,804)	(5,428)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 1,249	$ 1,570	$ 1,570	$ 1,866	$ 1,961
Contributions as a Percentage of Covered Payroll	502.72%	379.36%	403.12%	311.04%	276.80%

Notes to Schedule

Valuation Date:	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which they are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry age
Amortization Method:	Level dollar, closed
Remaining Amortization Period:	7 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	None
Investment Rate of Return:	7.25%, net of investment and administration expenses, including inflation
Retirement Age:	Age 60 or 30 years of service or age 70 or 30 years of service while continuing to serve in the General Assembly.
Mortality:	In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.
Other Information:	GARS is closed to members of the General Assembly first elected in November 2012 or after.

2017	2016	2015	2014	2013
$ 4,539	$ 4,501	$ 4,275	$ 4,063	$ 2,831
(4,539)	(4,501)	(4,275)	(4,063)	(2,831)
$ —	$ —	$ —	$ —	$ —
$ 2,316	$ 2,338	$ 2,383	$ 2,688	$ 3,854
195.98%	192.51%	179.40%	151.15%	73.46%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the State of South Carolina's GARS Net Pension Liability and Related Ratios
(Expressed in Thousands)

Last 10 Fiscal Years*

GARS - Retirement System for the Members of the General Assembly of the State of South Carolina	**2022**	**2021**	**2020**	**2019**	**2018**
Total Pension Liability					
Service Cost	$ 364	$ 358	$ 440	$ 464	$ 488
Interest	4,937	5,003	5,149	5,200	5,293
Difference Between Actual and Expected Experience	379	60	(1,135)	138	(348)
Assumption Changes	1,386	—	—	—	2,330
Benefit Payments	(6,315)	(6,348)	(6,515)	(6,468)	(6,737)
Net Change in Total Pension Liability	751	(927)	(2,061)	(666)	1,026
Total Pension Liability - Beginning	71,074	72,001	74,062	74,728	73,702
Total Pension Liability - Ending (a)	$ 71,825	$ 71,074	$ 72,001	$ 74,062	$ 74,728
Plan Fiduciary Net Position					
Contributions - Employer	$ 5,956	$ 6,329	$ 5,804	$ 5,428	$ 4,539
Contributions - Member	184	222	162	287	468
Refunds of Contributions to Members	(77)	—	(17)	—	—
Retirement Benefits	(6,222)	(6,323)	(6,480)	(6,452)	(6,678)
Death Benefits	(16)	(25)	(18)	(16)	(59)
Net Investment Income (Loss)	9,444	(443)	1,887	2,376	3,329
Administrative Expense	(23)	(18)	(20)	(18)	(17)
Other	(45)	—	—	—	19
Net Change in Plan Fiduciary Net Position	9,201	(258)	1,318	1,605	1,601
Plan Fiduciary Net Position - Beginning	34,454	34,712	33,394	31,789	30,188
Plan Fiduciary Net Position - Ending (b)	$ 43,655	$ 34,454	$ 34,712	$ 33,394	$ 31,789
Net Pension Liability - Ending (a) - (b)	$ 28,170	$ 36,620	$ 37,289	$ 40,668	$ 42,939
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.78%	48.48%	48.21%	45.09%	42.54%
Covered Payroll	$ 1,570	$ 1,570	$ 1,866	$ 1,961	$ 2,316
Net Pension Liability as a Percentage of Covered Payroll	1794.27%	2332.48%	1998.34%	2073.84%	1854.02%

* - The State implemented GASB 68 in fiscal year 2015, which changed prior calculations of the total pension liabilities. As such, only the last eight years' information is available.

2017	2016	2015
$ 493	$ 553	$ 572
5,301	5,380	5,437
798	(294)	(2,585)
—	—	—
(6,656)	(6,660)	(6,861)
(64)	(1,021)	(3,437)
73,766	74,787	78,224
$ 73,702	$ 73,766	$ 74,787
$ 4,501	$ 4,275	$ 4,063
292	369	384
(22)	—	(41)
(6,625)	(6,639)	(6,799)
(9)	(21)	(20)
(266)	500	4,545
(18)	(18)	(17)
(147)	(18)	15
(2,294)	(1,552)	2,130
32,482	34,034	31,904
$ 30,188	$ 32,482	$ 34,034
$ 43,514	$ 41,284	$ 40,753
40.96%	44.03%	45.51%
$ 2,338	$ 2,383	$ 2,688
1861.16%	1732.44%	1516.11%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's JSRS Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

JSRS - Retirement System for Judges and Solicitors of the State of South Carolina

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 22,477	$ 22,000	$ 21,998	$ 11,730	$ 11,043
Contributions in Relation to the Contractually Required Contribution	(22,477)	(22,000)	(21,998)	(11,730)	(11,043)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 31,104	$ 30,346	$ 30,346	$ 22,347	$ 22,347
Contributions as a Percentage of Covered Payroll	72.26%	72.50%	72.49%	52.49%	49.42%

Notes to Schedule

Valuation Date: Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which they are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry age

Amortization Method: Level percent of pay, open

Remaining Amortization Period: 27 years

Asset Valuation Method: 5-Year Smoothed

Inflation: 2.25%

Salary Increases: 2.75%

Investment Rate of Return: 7.25%, net of investment and administration expenses, including inflation

Retirement Age: In the 2017 valuation the retirement age changed from a varying formula based on years of service and age to age 70 or 25 years of service for judges and 24 years of service for solicitors or circuit public defenders regardless of age.

Mortality: In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.

2017	2016	2015	2014	2013
$ 10,534	$ 10,202	$ 10,109	$ 9,659	$ 8,667
(10,534)	(10,202)	(10,109)	(9,659)	(8,667)
$ —	$ —	$ —	$ —	$ —
$ 21,958	$ 21,267	$ 18,138	$ 20,407	$ 19,221
47.97%	47.97%	55.73%	47.33%	45.09%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the State of South Carolina's JSRS Net Pension Liability and Related Ratios
(Expressed in Thousands)

Last 10 Fiscal Years*

JSRS - Retirement System for Judges and Solicitors of the State of South Carolina	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Total Pension Liability						
Service Cost	$ 8,718	$ 8,919	$ 6,645	$ 6,521	$ 6,186	$ 5,886
Interest	29,199	28,154	21,737	21,271	20,404	20,022
Benefit Changes	—	—	—	—	—	—
Difference Between Actual and Expected Experience	4,000	3,262	80,801	(3,548)	(995)	(3,085)
Assumption Changes	17,439	—	—	—	13,790	—
Benefit Payments	(25,941)	(25,673)	(17,950)	(17,811)	(18,602)	(17,191)
Net Change in Total Pension Liability	33,415	14,662	91,233	6,433	20,783	5,632
Total Pension Liability - Beginning	411,367	396,705	305,472	299,039	278,256	272,624
Total Pension Liability - Ending (a)	$ 444,782	$ 411,367	$ 396,705	$ 305,472	$ 299,039	$ 278,256
Plan Fiduciary Net Position						
Contributions - Employer	$ 19,100	$ 19,098	$ 11,730	$ 11,043	$ 10,534	$ 10,202
Contributions - Nonemployer	2,900	2,900	—	—	—	—
Contributions - Member	3,587	4,966	2,840	3,016	2,928	2,303
Refunds of Contributions to Members	—	(182)	—	—	(629)	(60)
Retirement Benefits	(25,746)	(25,301)	(17,947)	(17,655)	(17,679)	(16,989)
Death Benefits	(195)	(190)	(3)	(156)	(293)	(143)
Net Investment Income (Loss)	47,659	(2,361)	9,183	11,723	16,399	(871)
Administrative Expense	(109)	(86)	(92)	(86)	(79)	(75)
Other	237	563	96	—	253	(3)
Net Change in Plan Fiduciary Net Position	47,433	(593)	5,807	7,885	11,434	(5,636)
Plan Fiduciary Net Position - Beginning	165,250	165,843	160,036	152,151	140,717	146,353
Plan Fiduciary Net Position - Ending (b)	$ 212,683	$ 165,250	$ 165,843	$ 160,036	$ 152,151	$ 140,717
Net Pension Liability - Ending (a) - (b)	$ 232,099	$ 246,117	$ 230,862	$ 145,436	$ 146,888	$ 137,539
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.82%	40.17%	41.81%	52.39%	50.88%	50.57%
Covered Payroll	$ 30,346	$ 30,346	$ 22,347	$ 22,347	$ 21,958	$ 21,267
Net Pension Liability as a Percentage of Covered Payroll	764.84%	811.04%	1033.08%	650.81%	668.95%	646.72%

* - The State implemented GASB 68 in fiscal year 2015, which changed prior calculations of the total pension liabilities. As such, only the last eight years' information is available.

2016	2015
$ 5,760	$ 5,571
19,440	18,857
666	—
(1,138)	(3,240)
—	—
(16,836)	(16,684)
7,892	4,504
264,732	260,228
$ 272,624	$ 264,732
$ 10,109	$ 9,659
—	—
3,153	2,448
—	—
(16,832)	(16,675)
(4)	(10)
2,216	19,962
(71)	(68)
286	195
(1,143)	15,511
147,496	131,985
$ 146,353	$ 147,496
$ 126,271	$ 117,236
53.68%	55.72%
$ 18,138	$ 20,407
696.17%	574.49%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCNG Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

SCNG - South Carolina National Guard Supplemental Retirement Plan

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 4,405	$ 5,188	$ 5,262	$ 5,290	$ 4,814
Contributions in Relation to the Contractually Required Contribution	(5,290)	(5,290)	(5,290)	(5,290)	(4,814)
Contribution Deficiency/(Excess)	$ (885)	$ (102)	$ (28)	$ —	$ —
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date:	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which they are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry age
Amortization Method:	Level dollar, closed
Remaining Amortization Period:	16 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	N/A
Investment Rate of Return:	7.25%, net of investment and administration expenses, including inflation
Retirement Age:	Age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of that 20 years of service, 15 years, and the final 10 years, must have been served in the South Carolina National Guard.
Mortality:	In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.

2017	2016	2015	2014	2013
$ 4,509	$ 4,570	$ 4,591	$ 4,586	$ 4,539
(4,591)	(4,591)	(4,591)	(4,586)	(4,539)
$ (82)	$ (21)	$ —	$ —	$ —
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the State of South Carolina's SCNG Net Pension Liability and Related Ratios
(Expressed in Thousands)

Last 10 Fiscal Years*

SCNG - South Carolina National Guard Supplemental Retirement Plan	**2022**	**2021**	**2020**	**2019**	**2018**
Total Pension Liability					
Service Cost	$ 696	$ 805	$ 786	$ 804	$ 696
Interest	4,754	4,731	4,764	4,743	4,589
Difference Between Actual and Expected Experience	(960)	(627)	(1,501)	(767)	(843)
Assumption Changes	971	—	—	—	4,161
Benefit Payments	(4,574)	(4,514)	(4,534)	(4,411)	(4,426)
Net Change in Total Pension Liability	887	395	(485)	369	4,177
Total Pension Liability - Beginning	67,501	67,106	67,591	67,222	63,045
Total Pension Liability - Ending (a)	$ 68,388	$ 67,501	$ 67,106	$ 67,591	$ 67,222
Plan Fiduciary Net Position					
Contributions - Employer	$ 5,290	$ 5,290	$ 5,290	$ 4,814	$ 4,591
Retirement Benefits	(4,574)	(4,514)	(4,534)	(4,411)	(4,425)
Net Investment Income (Loss)	7,996	(352)	1,616	1,902	2,533
Administrative Expense	(20)	(15)	(16)	(14)	(13)
Net Change in Plan Fiduciary Net Position	8,692	409	2,356	2,291	2,686
Plan Fiduciary Net Position - Beginning	31,092	30,683	28,327	26,036	23,350
Plan Fiduciary Net Position - Ending (b)	$ 39,784	$ 31,092	$ 30,683	$ 28,327	$ 26,036
Net Pension Liability - Ending (a) - (b)	$ 28,604	$ 36,409	$ 36,423	$ 39,264	$ 41,186
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.17%	46.06%	45.72%	41.91%	38.73%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

* - The State implemented GASB 68 in fiscal year 2015, which changed prior calculations of the total pension liabilities. As such, only the last eight years' information is available.

2017	2016	2015
$ 689	$ 690	$ 697
4,594	4,481	4,417
(992)	612	(262)
—	—	—
(4,310)	(4,249)	(4,248)
(19)	1,534	604
63,064	61,530	60,926
$ 63,045	$ 63,064	$ 61,530
$ 4,591	$ 4,591	$ 4,586
(4,310)	(4,249)	(4,248)
(121)	313	2,806
(12)	(11)	(10)
148	644	3,134
23,202	22,558	19,424
$ 23,350	$ 23,202	$ 22,558
$ 39,695	$ 39,862	$ 38,972
37.04%	36.79%	36.66%
N/A	N/A	N/A
N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION

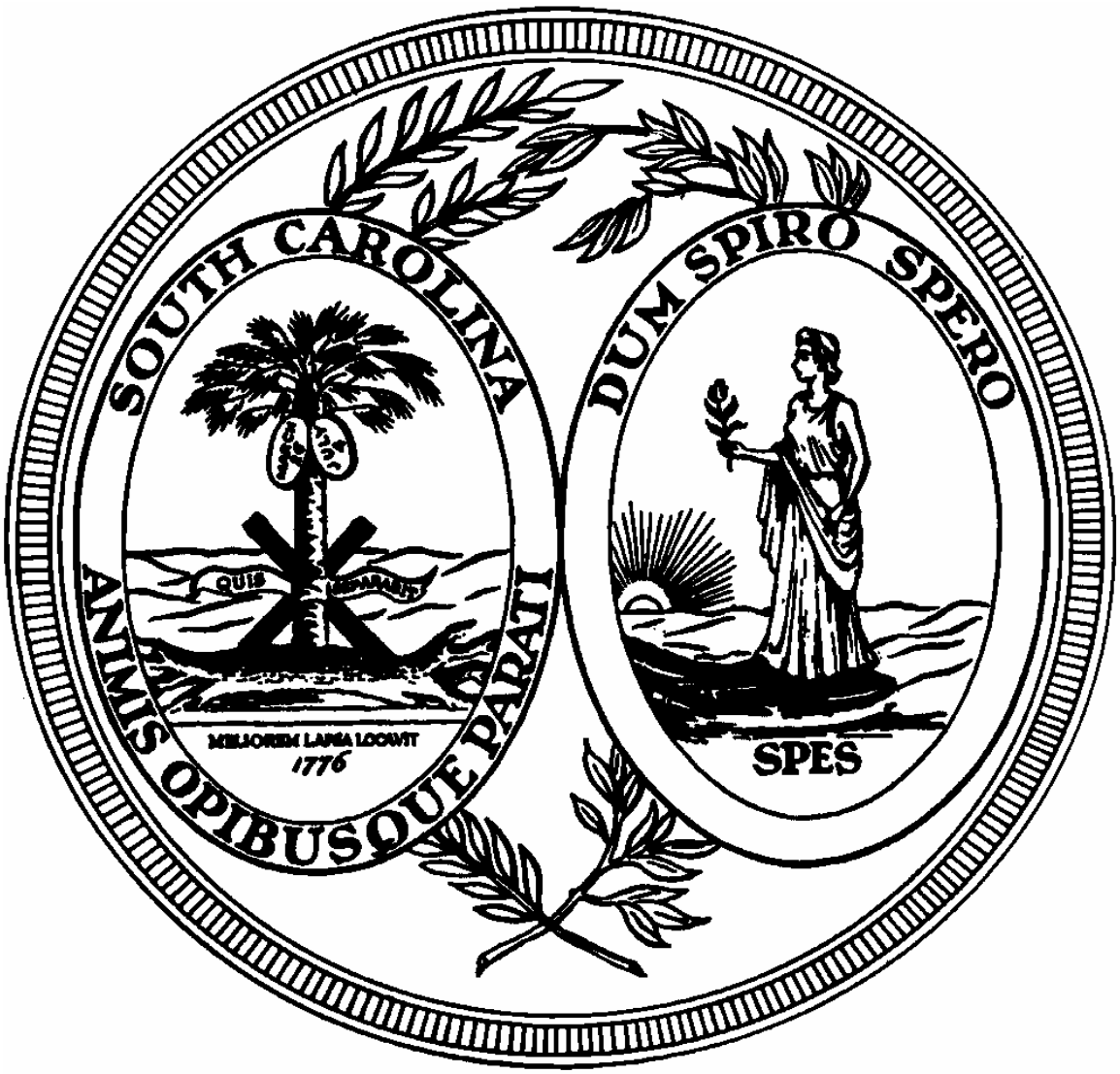
Schedule of the State of South Carolina's Proportionate Share of the Net OPEB Liability
(Expressed in Thousands)

Last 10 Fiscal Years

SCRHITF - The South Carolina Retiree Health Insurance Trust Fund

	2022	2021	2020	2019	2018	2017
State's Proportion of the Net OPEB Liability	20.07%	20.31%	20.73%	20.92%	20.95%	20.95%
State's Proportionate Share of the Net OPEB Liability	$ 4,178,384	$ 3,665,881	$ 3,134,761	$ 2,964,579	$ 2,837,273	$ 3,030,783
State Covered Payroll	$ 1,902,583	$ 1,919,893	$ 1,830,287	$ 1,804,721	$ 1,767,564	$ 1,704,840
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.64%	8.39%	8.44%	7.91%	7.60%	6.62%

* - The State implemented GASB 75 in fiscal year 2018, which changed prior calculations of the total OPEB liabilities. As such, only the last six years' information is available.


SOUTH CAROLINA
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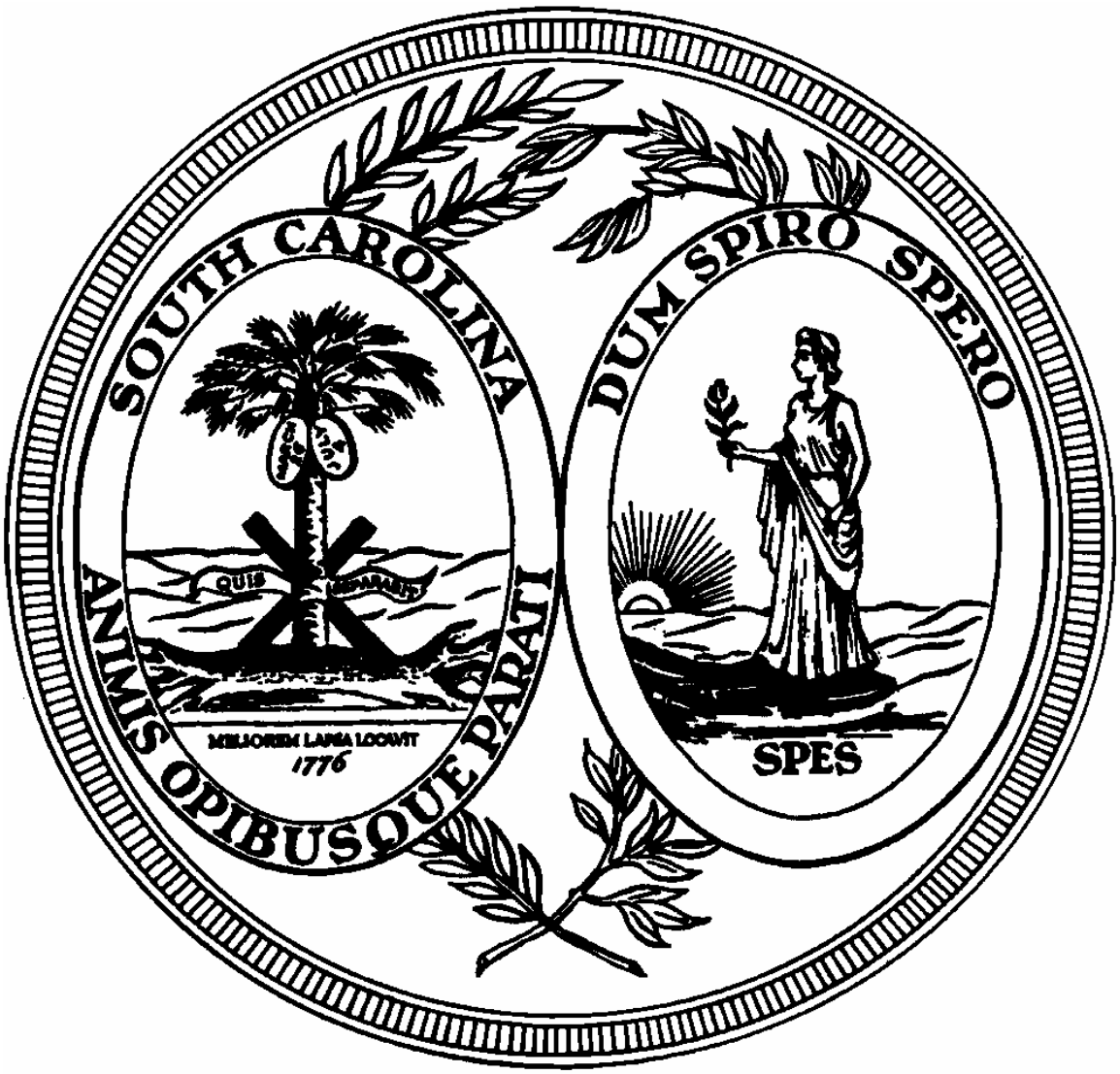
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRHITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

SCRHITF - The South Carolina Retiree Health Insurance Trust Fund

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 112,594	$ 118,591	$ 146,271	$ 133,157	$ 102,826
Contributions in Relation to the Contractually Required Contribution	(112,594)	(118,591)	(146,271)	(133,157)	(102,826)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
State Covered Payroll	$ 1,976,191	$ 1,902,583	$ 1,919,893	$ 1,830,287	$ 1,804,721
Contributions as a Percentage of Covered Payroll	5.70%	6.23%	7.62%	7.28%	5.70%

2017	2016	2015	2014	2013
$ 166,834	$ 157,065	$ 156,653	$ 163,194	$ 171,551
(102,887)	(95,903)	(119,745)	(99,102)	(85,810)
$ 63,947	$ 61,162	$ 36,908	$ 64,092	$ 85,741
$1,767,564	$ 1,704,840	N/A	N/A	N/A
5.82%	5.63%	N/A	N/A	N/A


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REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's Proportionate Share of the Net OPEB Liability
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2022	2021	2020	2019	2018	2017
State's Proportion of the Net OPEB Liability	17.68%	17.91%	18.55%	21.98%	21.71%	21.98%
State's Proportionate Share of the Net OPEB Liability	$ 562	$ 54	$ 365	$ 673	$ 394	$ 151
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.04%	99.29%	95.17%	92.20%	95.29%	95.29%

* - The State implemented GASB 75 in fiscal year 2018, which changed prior calculations of the total OPEB liabilities. As such, only the last six years' information is available.

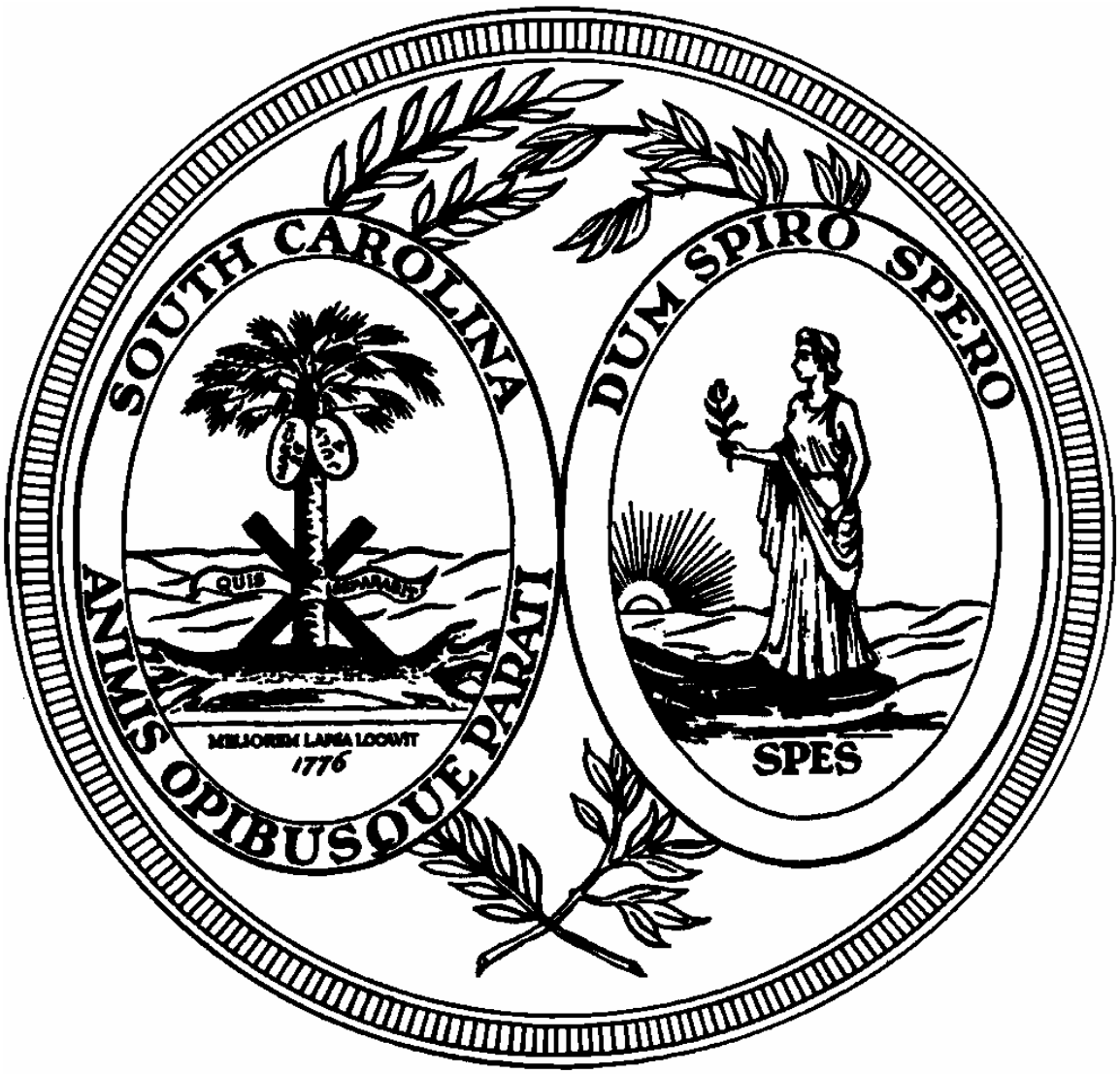
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's LTDITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2022	2021	2020	2019	2018
Contractually Required Contribution	$ 1,339	$ 1,357	$ 1,402	$ 1,656	$ 1,976
Contributions in Relation to the Contractually Required Contribution	(1,339)	(1,357)	(1,402)	(1,656)	(1,658)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ 318

2017	2016	2015	2014	2013
$ 2,918	$ 2,845	$ 2,256	$ 1,574	$ 2,043
(1,669)	(1,547)	(1,520)	(1,508)	(1,476)
$ 1,249	$ 1,298	$ 736	$ 66	$ 567


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I N F O R M A T I O N

Governmental Funds

Governmental funds include the General Fund, several special revenue funds, a Capital Projects Fund, and three permanent funds.

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor governmental funds:

- Combining Balance Sheet—Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds
- General Reserve Fund Activity—Budgetary General Fund

Generally accepted accounting principles (GAAP) for governments require that an Annual Comprehensive Financial Report (ACFR) include budgetary comparison schedules for "individual nonmajor special revenue funds and other governmental funds of the primary government (including its blended component units)." Such schedules would be included as supplementary information in this subsection of the ACFR if they were applicable. The State of South Carolina, however, does not prepare separate budgets for its individual special revenue funds or for its other governmental funds. Accordingly, this subsection includes no budgetary comparison schedules. (Also see the budgetary comparison schedules within the Required Supplementary Information section of this report.)

Note 1b in the notes to the financial statements describes the State's major governmental funds. The paragraphs below describe all other individual governmental funds that the State uses.

a. Nonmajor Special Revenue Funds

Special revenue funds account for specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. The State uses the nonmajor special revenue funds described below:

Waste Management Fund. This fund accounts for fees collected from consumers, generators of solid and hazardous wastes, and owners and operators of solid waste and hazardous waste storage facilities. These fees must be used for the purposes set forth in the State's Solid Waste Policy and Management Act of 1991 and to cover the State's costs in governmental actions involving uncontrolled hazardous waste sites.

Accommodations and Local Option Sales Tax Fund. This fund accounts for: (1) a special additional 2% sales tax on the gross proceeds on the rental of transient accommodations and (2) a special 1% sales tax applicable in some localities within the State. The State allocates these revenues to counties and municipalities in accordance with State law.

Education Lottery Fund. State law requires the Lottery Commission, a major discretely presented component unit, to transfer all proceeds from lottery ticket sales and other revenues net of expenses to the Education Lottery Fund. The Fund distributes these monies for education purposes and programs as stipulated in State law. These programs include tuition assistance, needs-based grants, scholarships for the State's universities and technical colleges and acquisition or improvement of physical resources for education.

Tobacco Settlement Revenue Management Authority Fund. The Tobacco Settlement Revenue Management Authority was created to issue bonds that securitized future payments received under the multi-state legal settlement with the tobacco industry. The State transferred to the Authority, from its General Fund, all of its rights to the future tobacco settlement revenues.

The *State Tobacco Settlement Fund* accounts for revenues received from the General Fund and from the Tobacco Settlement Revenue Management Authority. Various healthcare and local government programs use these funds and the related interest.

Public Telecommunications Fund. The Public Telecommunications Fund of the State's Office of Regulatory Staff accounts for revenues collected from telephone companies within the State and redistributed to certain telephone companies in an effort to align prices and cost recovery with costs. This program also is intended to ensure basic telephone service at affordable rates is available to all citizens. Other revenues of the Fund include telephone customer surcharges for the 911 emergency system mandated by the FCC. These monies are collected from the telephone companies and distributed to local governments for their 911 emergency telephone systems.

Other Special Revenue Funds. These funds, aggregated for reporting purposes, account for various other revenues that must be used for specific purposes. These funds include operations of various employment services, water recreation, agricultural boards, forest renewal programs, medical and dental scholarships, energy-related programs, and certain programs administered by the Department of Probation, Parole, and Pardon Services.

b. Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments). Capital outlays financed from general obligation bond proceeds are accounted for through the Capital Projects Fund.

c. Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs—that is, for the benefit of the State or its citizenry.

Bequests Fund. Sometimes private citizens make bequests of specific assets within their wills to the State. Typically, these gifts provide that the State may expend the earnings, but not the principal, to support certain State agencies or certain programs within a specific State agency. The Bequests Fund accounts for these funds.

Children's Education Endowment Fund. This fund accounts for low-level radioactive waste fees collected from the Barnwell waste facility that are not required to be deposited to the General Fund or remitted to Barnwell County. These funds are to be used for public school facilities assistance and higher education scholarship grants.

Wildlife Endowment Fund. The Wildlife Endowment Fund accounts for funds received from private citizens as gifts and contributions, as well as fees for certain lifetime hunting and fishing licenses. The State may expend the earnings, but not the principal, in furthering the conservation of wildlife resources and the efficient operation of the State's Department of Natural Resources.

Combining Balance Sheet

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2022
(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	Accommodations and Local Option Sales Tax	Education Lottery	Tobacco Settlement Revenue Management Authority	State Tobacco Settlement	Public Tele-commun-ications
ASSETS						
Cash and cash equivalents	$ 12,563	$ 315,064	$ 22,401	$ 5,196	$ 11,576	$ 3,721
Investments	163,054	115,720	281,283	—	115,685	9,011
Invested securities lending collateral	7,038	4,995	12,116	—	4,993	389
Receivables, net:						
Accounts	174	88	40,261	—	114	10
Accrued interest	1,064	541	2,128	—	696	61
Sales and other taxes	261	141,668	—	—	—	19
Due from Federal government and other grantors	—	—	—	—	—	—
Due from other funds	792	225	7	—	40,051	—
Due from component units	—	—	21,589	—	—	—
Restricted assets:						
Other	—	—	—	40,000	—	—
Prepaid items	—	—	168	—	—	—
Total assets	**$ 184,946**	**$ 578,301**	**$ 379,953**	**$ 45,196**	**$ 173,115**	**$ 13,211**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	1,989	—	37,004	66	—	215
Accrued salaries and related expenditures	61	—	55	—	—	27
Retainages payable	—	—	—	—	—	—
Tax refunds payable	2	—	—	—	—	—
Intergovernmental payables	934	290,106	279	—	—	—
Due to other funds	38	33,369	21	—	—	59
Due to component units	—	—	28,538	—	—	—
Securities lending collateral	7,038	4,995	12,116	—	4,993	389
Other liabilities	—	—	—	—	—	—
Total liabilities	**10,062**	**328,470**	**78,013**	**66**	**4,993**	**690**
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	—	—	—	—	—	497
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**	**497**
Fund balances:						
Nonspendable	—	—	168	—	—	—
Restricted	175,678	349,707	575,739	45,130	324,319	12,025
Committed	—	—	—	—	3,271	—
Assigned	—	—	—	—	—	—
Unassigned	(794)	(99,876)	(273,967)	—	(159,468)	(1)
Total fund balances	**174,884**	**249,831**	**301,940**	**45,130**	**168,122**	**12,024**
Total liabilities and fund balances	**$ 184,946**	**$ 578,301**	**$ 379,953**	**$ 45,196**	**$ 173,115**	**$ 13,211**

Exhibit D-1

			PERMANENT				
Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ 71,700	$ 442,221	$ 143,893	$ 528	$ 674	$ 767	$ 1,969	$ 588,083
63,172	747,925	38,267	316	12,094	7,644	20,054	806,246
2,697	32,228	1,651	29	521	285	835	34,714
83	40,730	1,270	—	8	16	24	42,024
409	4,899	188	2	19	72	93	5,180
706	142,654	—	—	—	—	—	142,654
—	—	1,424	—	—	—	—	1,424
1,664	42,739	5,863	1	—	2	3	48,605
—	21,589	7,658	—	—	—	—	29,247
—	40,000	—	—	—	—	—	40,000
22	190	—	—	—	—	—	190
$ 140,453	**$ 1,515,175**	**$ 200,214**	**$ 876**	**$ 13,316**	**$ 8,786**	**$ 22,978**	**$ 1,738,367**
1,062	40,336	3,773	—	—	4	4	44,113
198	341	—	—	—	8	8	349
—	—	1,807	—	—	—	—	1,807
—	2	—	—	—	—	—	2
4,432	295,751	14	—	—	—	—	295,765
180	33,667	1,921	—	—	4	4	35,592
—	28,538	1,697	—	—	—	—	30,235
2,697	32,228	1,651	29	521	285	835	34,714
309	309	—	—	—	—	—	309
8,878	**431,172**	**10,863**	**29**	**521**	**301**	**851**	**442,886**
—	497	—	—	—	—	—	497
—	**497**	**—**	**—**	**—**	**—**	**—**	**497**
22	190	—	568	7,895	3,179	11,642	11,832
78,494	1,561,092	91,208	279	5,564	5,306	11,149	1,663,449
52,312	55,583	—	—	—	—	—	55,583
747	747	252,679	—	—	—	—	253,426
—	(534,106)	(154,536)	—	(664)	—	(664)	(689,306)
131,575	**1,083,506**	**189,351**	**847**	**12,795**	**8,485**	**22,127**	**1,294,984**
$ 140,453	**$ 1,515,175**	**$ 200,214**	**$ 876**	**$ 13,316**	**$ 8,786**	**$ 22,978**	**$ 1,738,367**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	Accommodations and Local Option Sales Tax	Education Lottery	Tobacco Settlement Revenue Management Authority	State Tobacco Settlement	Public Tele-commun-ications
Revenues:						
Taxes:						
Individual income	$ —	$ —	$ —	$ —	$ —	$ 650
Retail sales and use	2,859	1,503,205	—	—	—	—
Other	19	—	—	—	—	—
Licenses, fees, and permits	5,615	—	—	—	—	42,327
Interest and other investment income	(8,527)	(6,794)	(13,279)	478	(6,152)	(479)
Federal	—	—	—	—	—	—
Departmental services	—	—	—	—	—	—
Contributions	—	—	564,001	—	—	—
Fines and penalties	4	—	—	—	1,550	—
Tobacco legal settlement	—	—	—	88,544	—	—
Other	844	—	453	—	—	—
Total revenues	**814**	**1,496,411**	**551,175**	**89,022**	**(4,602)**	**42,498**
Expenditures:						
Current:						
General government	2,750	—	3,538	2,059	34	44,341
Education	—	—	474,866	—	—	—
Health and environment	1,848	—	39	—	41,949	—
Social services	—	—	—	—	—	—
Resources and economic development	—	—	—	—	—	—
Capital outlay	37	—	2,895	—	—	21
Debt service:						
Principal retirement	—	—	71	—	—	26
Interest and fiscal charges	—	—	6	—	—	1
Intergovernmental	5,419	1,482,201	22,726	—	—	—
Total expenditures	**10,054**	**1,482,201**	**504,141**	**2,059**	**41,983**	**44,389**
Excess of revenues over (under) expenditures	**(9,240)**	**14,210**	**47,034**	**86,963**	**(46,585)**	**(1,891)**
Other financing sources (uses):						
Bonds and notes issued	—	—	—	—	—	—
Leases	—	—	25	—	—	21
Transfers in	133	—	—	—	84,994	—
Transfers out	(545)	—	—	(84,994)	(2,027)	—
Total other financing sources (uses)	**(412)**	**—**	**25**	**(84,994)**	**82,967**	**21**
Net change in fund balances	**(9,652)**	**14,210**	**47,059**	**1,969**	**36,382**	**(1,870)**
Fund balances at beginning of year	**184,536**	**235,621**	**254,881**	**43,161**	**131,740**	**13,894**
Fund balances at end of year	**$ 174,884**	**$ 249,831**	**$ 301,940**	**$ 45,130**	**$ 168,122**	**$ 12,024**

Exhibit D-2

			PERMANENT				
Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ —	$ 650	$ —	$ —	$ —	$ —	$ —	$ 650
2	1,506,066	—	—	—	—	—	1,506,066
4,539	4,558	—	—	—	—	—	4,558
24,997	72,939	—	—	—	734	734	73,673
(2,979)	(37,732)	(2,535)	(57)	(524)	(876)	(1,457)	(41,724)
—	—	98,320	—	—	—	—	98,320
36,160	36,160	6,444	—	—	—	—	42,604
77	564,078	—	34	—	—	34	564,112
6,409	7,963	190	—	—	—	—	8,153
—	88,544	—	—	—	—	—	88,544
70	1,367	1,146	112	2	—	114	2,627
69,275	**2,244,593**	**103,565**	**89**	**(522)**	**(142)**	**(575)**	**2,347,583**
32,094	84,816	—	7	—	—	7	84,823
—	474,866	—	—	16	—	16	474,882
47	43,883	—	—	—	—	—	43,883
19	19	—	224	—	—	224	243
89	89	—	—	—	172	172	261
35	2,988	117,331	—	—	—	—	120,319
76	173	—	—	—	—	—	173
2	9	75	—	—	—	—	84
39,219	1,549,565	(8,080)	—	(5,478)	—	(5,478)	1,536,007
71,581	**2,156,408**	**109,326**	**231**	**(5,462)**	**172**	**(5,059)**	**2,260,675**
(2,306)	**88,185**	**(5,761)**	**(142)**	**4,940**	**(314)**	**4,484**	**86,908**
—	—	12,523	—	—	—	—	12,523
437	483	—	—	—	—	—	483
9,852	94,979	283,789	—	—	—	—	378,768
(269)	(87,835)	(195,889)	—	—	—	—	(283,724)
10,020	**7,627**	**100,423**	**—**	**—**	**—**	**—**	**108,050**
7,714	**95,812**	**94,662**	**(142)**	**4,940**	**(314)**	**4,484**	**194,958**
123,861	**987,694**	**94,689**	**989**	**7,855**	**8,799**	**17,643**	**1,100,026**
$ 131,575	**$ 1,083,506**	**$ 189,351**	**$ 847**	**$ 12,795**	**$ 8,485**	**$ 22,127**	**$ 1,294,984**

General Reserve Fund Activity

Exhibit D-3

BUDGETARY GENERAL FUND

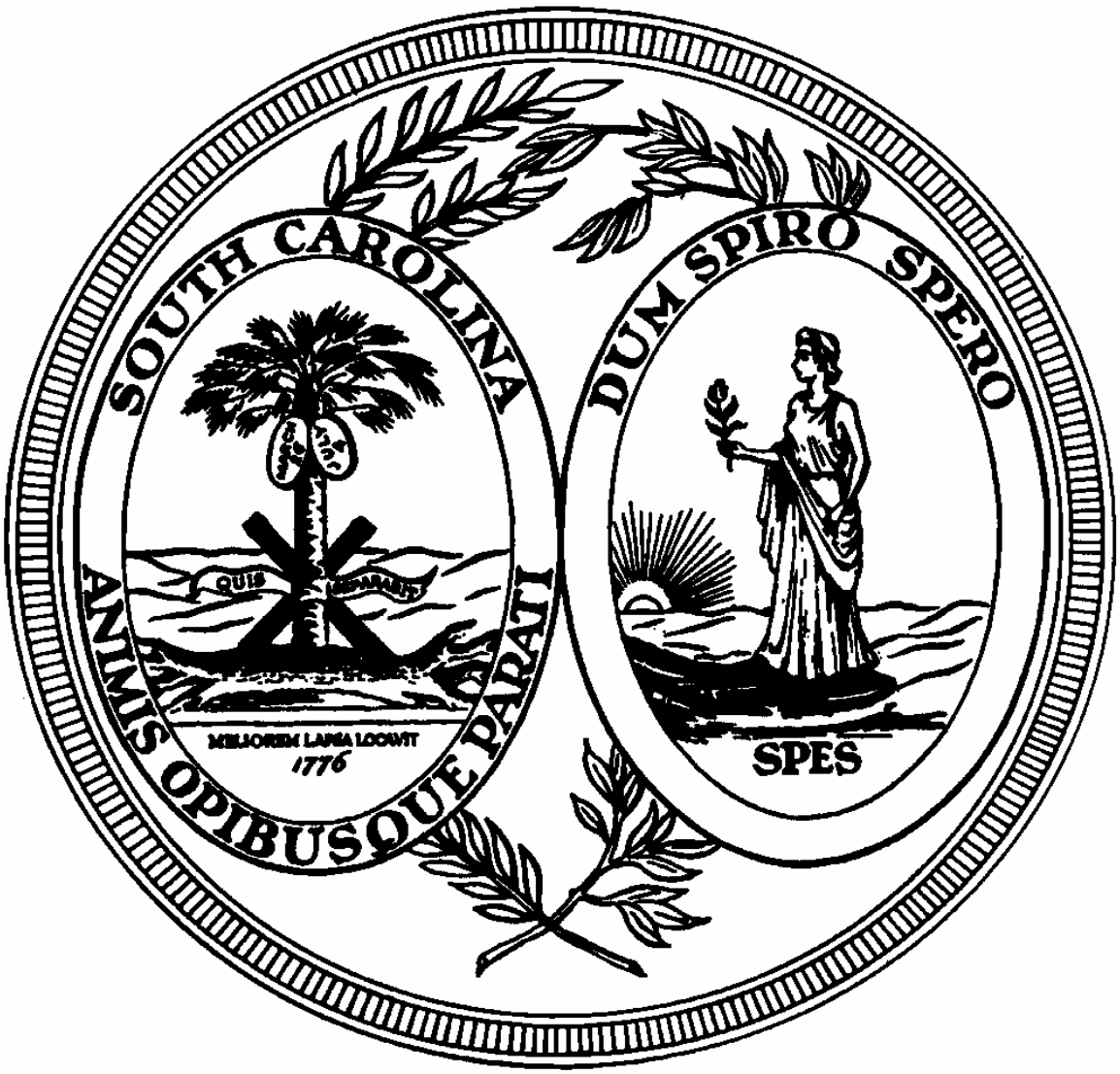
Last Ten Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Reserve Fund (Reserve). The Reserve primarily is designed to prevent Budgetary General Fund deficits. On November 4, 1988, a Constitutional amendment was passed, which permanently changed the funding requirement for the Reserve to three percent of the Budgetary General Fund revenue of the previous fiscal year. An additional Constitutional amendment was passed to be effective for the fiscal year 2011-2012, that requires the amount in the Reserve to be gradually increased one-half of one percent annually until the Reserve is five percent of the Budgetary General Fund revenue of the previous fiscal year.

If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

Key amounts for the General Reserve Fund for the last ten fiscal years are (dollars in thousands):

Fiscal Year Ended June 30	Start-of-Year Balance	Deposits	Withdrawals	End-of-Year Balance	Full-Funding Amount	Actual End-of-Year % Funded
2022	$ 440,238	$ 18,723	$ —	$ 458,961	$ 458,961	100%
2021	406,213	34,025	—	440,238	440,238	100%
2020	379,123	27,090	—	406,213	406,213	100%
2019	363,552	15,571	—	379,123	379,123	100%
2018	348,019	15,533	—	363,552	363,552	100%
2017	327,619	20,400	—	348,019	348,019	100%
2016	319,479	8,140	—	327,619	327,619	100%
2015	292,890	26,589	—	319,479	319,479	100%
2014	281,641	11,249	—	292,890	263,601	111%
2013	183,466	98,175	—	281,641	225,313	125%


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
1776
SPES

Proprietary Funds

Proprietary funds include enterprise and internal service funds. This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor proprietary funds:

- Combining Statement of Net Position—Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Position—Nonmajor Enterprise Funds
- Combining Statement of Cash Flows—Nonmajor Enterprise Funds
- Combining Statement of Net Position—Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Position—Internal Service Funds
- Combining Statement of Cash Flows—Internal Service Funds

Note 1b in the notes to the financial statements describes the State's major enterprise funds. The paragraphs below describe all nonmajor enterprise funds and the internal service funds that the State uses.

a. Nonmajor Enterprise Funds

The State uses enterprise funds to report activities for which it charges fees to external users for goods or services if *any* of the following situations applies:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The State uses the nonmajor enterprise funds described below.

Canteen Fund. This fund accounts for the operations of canteens at various correctional institutions.

Tuition Prepayment Program Fund. This fund, previously known as the PACE program, allows contributors to make payments, under the terms of a tuition prepayment contract, to cover future undergraduate tuition expenses of a designated beneficiary at a South Carolina public higher education institution. Alternatively, the benefits of this contract can be applied toward the cost of tuition, up to the weighted average tuition at South Carolina public institutions, at any accredited college or university to which the designated beneficiary has been admitted.

Palmetto Railways Fund. The Public Railways Division of the Department of Commerce d/b/a Palmetto Railways consists of two divisions: the Ports Utilities Commission and Port Terminal Railroad, which operates the railroad yard at the Charleston Harbor; and the East Cooper and Berkeley Railroad, which operates the railroad line in Berkeley County.

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development of the South Carolina Department of Commerce, operation of the Columbia Farmers' Market, and enterprise operations of the Adjutant General's Office and the State Board for Technical and Comprehensive Education.

b. Internal Service Funds

The State uses the internal service funds described below to report activities that provide goods or services to other State funds, departments, agencies, component units, and/or to other governments, on a cost-reimbursement basis if the State is the predominant participant in the activity. If the State is *not* the predominant participant, it reports the activity as an enterprise fund.

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. State law limits the Fund's customers to certain governmental persons/entities within the State and certain associated parties.

Employee Insurance Programs Fund. This is a risk management fund that underwrites the group health, dental, life, accidental death and dismemberment, disability, and long-term care benefits provided to State and public school employees and retirees.

State Accident Fund. This is a risk management fund that provides workers' compensation benefits predominantly to State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include telecommunication and computer services, rental of office buildings, janitorial services, building maintenance, and procurement services.

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of internal service funds. Such activities include provision of training programs for State employees and work activity centers of the Vocational Rehabilitation Department.

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS

June 30, 2022
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
ASSETS			
Current assets:			
Cash and cash equivalents	$ 6,903	$ 876	$ 45,739
Investments	—	37,665	—
Invested securities lending collateral	—	—	38
Receivables, net:			
Accounts	18	222	6,836
Participants	—	49	—
Accrued interest	—	—	6
Leases	—	—	—
Due from other funds	—	—	—
Inventories	1,609	—	540
Prepaid items	—	—	482
Total current assets	8,530	38,812	53,641
Long-term assets:			
Receivables, net:			
Participants	—	2	—
Leases	—	—	—
Restricted assets:			
Cash and cash equivalents	—	—	12
Non-depreciable capital assets	—	—	298,484
Depreciable capital assets, net	386	—	18,180
Total long-term assets	386	2	316,676
Total assets	**8,916**	**38,814**	**370,317**
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	442	—	1,347
Other post-employment benefits related	804	—	3,202
Total deferred outflows of resources	**$ 1,246**	**$ —**	**$ 4,549**

Exhibit E-1

Other Enterprise	Totals
$ 19,898	$ 73,416
36	37,701
2	40
71	7,147
—	49
—	6
408	408
401	401
—	2,149
—	482
20,816	121,799
—	2
433	433
—	12
498	298,982
1,565	20,131
2,496	319,560
23,312	**441,359**
3,471	5,260
6,308	10,314
$ 9,779	**$ 15,574**

Continued on Next Page

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2022
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
LIABILITIES			
Current liabilities:			
Accounts payable	$ 344	$ 9	$ 3,658
Accrued salaries and related expenses	166	—	1,406
Accrued interest payable	—	—	42
Intergovernmental payables	1	—	—
Interfund payables	—	—	51,000
Tuition benefits payable	—	9,819	—
Due to other funds	78	—	—
Deposits	—	—	300
Securities lending collateral	—	—	38
Revenue bonds payable	—	—	215
Compensated absences payable	141	—	332
Other current liabilities	—	—	12
Total current liabilities	730	9,828	57,003
Long-term liabilities:			
Retainages payable	—	—	151
Tuition benefits payable	—	26,213	—
Notes payable	—	—	6,500
Revenue bonds payable	—	—	4,570
Compensated absences payable	121	—	44
Net pension liability	2,344	—	10,144
Net OPEB liability	2,897	—	12,267
Total long-term liabilities	5,362	26,213	33,676
Total liabilities	**6,092**	**36,041**	**90,679**
DEFERRED INFLOWS OF RESOURCES			
Pension related	491	—	1,968
Other post-employment benefits related	286	—	1,142
Lease related	—	—	—
Total deferred inflows of resources	**777**	**—**	**3,110**
NET POSITION			
Net investment in capital assets	$ 386	$ —	$ 305,379
Unrestricted	2,907	2,773	(24,302)
Total net position (deficit)	**$ 3,293**	**$ 2,773**	**$ 281,077**

Exhibit E-1

Other Enterprise	Totals
$ 401	$ 4,412
912	2,484
—	42
—	1
—	51,000
—	9,819
550	628
—	300
2	40
—	215
705	1,178
—	12
2,570	70,131
—	151
—	26,213
—	6,500
—	4,570
605	770
18,404	30,892
22,739	37,903
41,748	106,999
44,318	**177,130**
3,855	6,314
2,236	3,664
914	914
7,005	**10,892**
$ 2,063	$ 307,828
(20,295)	(38,917)
$ (18,232)	**$ 268,911**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
Operating revenues:			
Charges for services	$ 24,692	$ 1	$ 23,909
Contributions	—	101	—
Licenses, fees, and permits	—	—	—
Other operating revenues	—	—	61
Total operating revenues	**24,692**	**102**	**23,970**
Operating expenses:			
General operations and administration	19,480	369	14,781
Tuition plan disbursements	—	9,529	—
Depreciation and amortization	184	—	1,348
Other operating expenses	—	—	—
Total operating expenses	**19,664**	**9,898**	**16,129**
Operating income (loss)	**5,028**	**(9,796)**	**7,841**
Nonoperating revenues (expenses):			
Interest income	—	9,621	36
Interest expense	—	—	(42)
Net other nonoperating revenues (expenses)	—	—	747
Gains (losses) on sale of capital assets	—	—	12,143
Total nonoperating revenues	**—**	**9,621**	**12,884**
Income (loss) before transfers	**5,028**	**(175)**	**20,725**
Transfers and contributions:			
Federal capital grants and contracts	—	—	4,259
State capital grants and contracts	—	31,900	—
Transfers in	167	—	—
Transfers out	(1,180)	—	—
Change in net position	**4,015**	**31,725**	**24,984**
Net position (deficit), at beginning of year	**(722)**	**(28,952)**	**256,093**
Net position (deficit) at end of year	**$ 3,293**	**$ 2,773**	**$ 281,077**

Exhibit E-2

Other Enterprise	Totals
$ 2,346	$ 50,948
—	101
18,358	18,358
—	61
20,704	**69,468**
17,591	52,221
—	9,529
309	1,841
84	84
17,984	**63,675**
2,720	**5,793**
3	9,660
—	(42)
28	775
(21)	12,122
10	**22,515**
2,730	**28,308**
—	4,259
—	31,900
—	167
(2,349)	(3,529)
381	**61,105**
(18,613)	**207,806**
$ (18,232)	**$ 268,911**

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers	$ 24,691	$ —	$ 22,264	$ 19,748
Tuition plan contributions received	—	55	—	—
Claims and benefits paid	—	(22,416)	—	—
Payments to suppliers for goods and services	(18,439)	(464)	(6,727)	(2,278)
Payments to employees	(2,000)	—	(5,563)	(16,164)
Capital grants and gifts received	—	—	4,259	—
Other operating cash receipts	—	228	240	540
Other operating cash payments	—	(228)	—	(494)
Net cash provided by (used in) operating activities	**4,252**	**(22,825)**	**14,473**	**1,352**
Cash flows from noncapital financing activities:				
Gifts and grants for other than capital purposes	—	31,900	—	—
Rental income cash receipts	2	—	4,758	—
Industrial development costs	—	—	(801)	—
Transfers in	167	—	—	—
Transfers out	(1,180)	—	—	(2,349)
Net cash provided by (used in) noncapital financing activities	**(1,011)**	**31,900**	**3,957**	**(2,349)**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	—	(6,683)	(172)
Principal payments on capital debt	—	—	(108)	—
Interest payments on capital debt	—	—	(255)	—
Proceeds from sale or disposal of capital assets	—	—	18,719	—
Net cash provided by (used in) capital and related financing activities	**—**	**—**	**11,673**	**(172)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	—	(21,038)	—	5
Purchase of investments	—	—	—	(5)
Interest and dividends on investments	—	9,621	37	3
Net cash provided by (used in) investing activities	**—**	**(11,417)**	**37**	**3**
Net increase (decrease) in cash and cash equivalents	**3,241**	**(2,342)**	**30,140**	**(1,166)**
Cash and cash equivalents at beginning of year	**3,662**	**3,218**	**15,599**	**21,064**
Cash and cash equivalents at end of year	**$ 6,903**	**$ 876**	**$ 45,739**	**$ 19,898**

Exhibit E-3

Totals
$ 66,703
55
(22,416)
(27,908)
(23,727)
4,259
1,008
(722)
(2,748)
31,900
4,760
(801)
167
(3,529)
32,497
(6,855)
(108)
(255)
18,719
11,501
(21,033)
(5)
9,661
(11,377)
29,873
43,543
$ 73,416

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 5,028	$ (9,796)	$ 7,841	$ 2,720
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	184	—	1,348	309
Realized gains and losses on sale of assets	—	—	—	(21)
Interest and dividends on investments and interfund loans	—	—	37	3
Other nonoperating revenues	—	—	4,728	46
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	(46)	(1,765)	(937)
Due from other funds	—	—	3	—
Inventories	(566)	—	(39)	—
Other assets	6	—	(67)	—
Deferred outflows	(146)	—	(268)	(1,776)
Accounts payable	152	(95)	1,653	257
Accrued salaries and related expenses	(1)	—	397	(12)
Tuition benefits payable	—	(12,888)	—	—
Due to other funds	1	—	—	43
Unearned revenues	—	—	(33)	—
Compensated absences payable	19	—	15	(79)
Other liabilities	(923)	—	(653)	(3,341)
Deferred inflows	498	—	1,276	4,140
Net cash provided by (used in) operating activities	**$ 4,252**	**$ (22,825)**	**$ 14,473**	**$ 1,352**
Noncash capital, investing, and financing activities:				
Decrease in fair value of investments	$ —	$ (1,454)	$ —	$ —

Exhibit E-3

	Totals
$	5,793
	1,841
	(21)
	40
	4,774
	(2,748)
	3
	(605)
	(61)
	(2,190)
	1,967
	384
	(12,888)
	44
	(33)
	(45)
	(4,917)
	5,914
$	**(2,748)**
$	(1,454)

Combining Statement of Net Position

INTERNAL SERVICE FUNDS

June 30, 2022
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
ASSETS				
Current assets:				
Cash and cash equivalents	$ 1,824	$ 491,868	$ 344,501	$ 25,871
Investments	—	—	—	2,474
Invested securities lending collateral	6,006	—	13,946	107
Receivables, net:				
Accounts	31,303	197,319	60,115	—
Accrued interest	2,494	10	2,146	16
Leases	—	—	—	—
Due from other funds	15,847	—	32	5,861
Due from component units	17,363	550	—	—
Inventories	—	—	—	646
Prepaid items	29,975	191	35	477
Total current assets	104,812	689,938	420,775	35,452
Long-term assets:				
Investments	555,459	—	—	—
Accounts receivable, net	—	—	—	—
Leases receivable	—	—	—	—
Interfund receivables	—	—	—	—
Prepaid items	—	—	—	387
Other long-term assets	—	—	122	—
Leased assets-amortizable, net	—	—	2,651	2,806
Non-depreciable capital assets	—	—	—	6,339
Depreciable capital assets, net	—	78	308	45,988
Total long-term assets	555,459	78	3,081	55,520
Total assets	**660,271**	**690,016**	**423,856**	**90,972**
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	680	3,339	1,594	3,661
Other post-employment benefits related	1,386	3,955	3,073	6,653
Total deferred outflows of resources	**$ 2,066**	**$ 7,294**	**$ 4,667**	**$ 10,314**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 18,621	$ 3,882	$ 1,723	$ 888,290
—	—	—	2,474
—	—	—	20,059
463	1,434	10	290,644
—	—	—	4,666
—	—	9	9
1,452	1,022	26	24,240
—	—	—	17,913
—	2,321	—	2,967
—	—	—	30,678
20,536	8,659	1,768	1,281,940
—	—	—	555,459
—	60	—	60
—	—	28	28
—	—	—	—
—	—	—	387
—	—	—	122
—	—	—	5,457
—	—	—	6,339
20,754	4,354	—	71,482
20,754	4,414	28	639,334
41,290	**13,073**	**1,796**	**1,921,274**
332	1,047	—	10,653
604	1,903	—	17,574
$ 936	**$ 2,950**	**$ —**	**$ 28,227**

Continued on Next Page

Combining Statement of Net Position

INTERNAL SERVICE FUNDS (Continued)

June 30, 2022
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
LIABILITIES				
Current liabilities:				
Accounts payable	$ 14	$ —	$ 330	$ 6,302
Accrued salaries and related expenses	327	852	368	1,006
Accrued interest payable	—	—	4	—
Intergovernmental payables	—	—	—	4
Policy claims	331,230	271,272	51,209	—
Due to other funds	—	—	—	2,001
Unearned revenues	115,122	20,026	63,224	4,536
Deposits	—	—	9	—
Securities lending collateral	6,006	—	13,946	107
Notes payable	—	—	—	—
Leases payable	—	—	255	933
Compensated absences payable	194	791	231	814
Other current liabilities	—	—	2,873	—
Total current liabilities	452,893	292,941	132,449	15,703
Long-term liabilities:				
Policy claims	—	—	230,497	—
Interfund payables	—	—	—	142
Notes payable	—	—	—	—
Leases payable	—	—	2,444	1,881
Compensated absences payable	65	451	3	608
Other long-term liabilities	—	—	146	—
Net pension liability	4,433	12,972	6,183	19,413
Net OPEB liability	5,421	15,643	7,418	23,985
Total long-term liabilities	9,919	29,066	246,691	46,029
Total liabilities	**462,812**	**322,007**	**379,140**	**61,732**
DEFERRED INFLOWS OF RESOURCES				
Pension related	805	1,902	931	4,067
Other post-employment benefits related	518	1,164	707	2,358
Lease related	—	—	—	—
Total deferred inflows of resources	**1,323**	**3,066**	**1,638**	**6,425**
NET POSITION				
Net investment in capital assets	$ —	$ 78	$ 260	$ 52,319
Restricted:				
Expendable:				
Insurance programs	—	372,159	—	—
Unrestricted	198,202	—	47,485	(19,190)
Total net position (deficit)	**$ 198,202**	**$ 372,237**	**$ 47,745**	**$ 33,129**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 1,418	$ 704	$ —	$ 8,768
98	1,055	—	3,706
2	2	—	8
10	1	—	15
—	—	—	653,711
354	287	—	2,642
—	—	—	202,908
—	—	—	9
—	—	—	20,059
1,339	138	—	1,477
—	—	—	1,188
65	205	—	2,300
—	—	—	2,873
3,286	2,392	—	899,664
—	—	—	230,497
—	—	—	142
—	142	—	142
—	—	—	4,325
48	153	—	1,328
—	—	—	146
1,762	5,551	—	50,314
2,178	6,859	—	61,504
3,988	12,705	—	348,398
7,274	**15,097**	**—**	**1,248,062**
370	1,162	—	9,237
214	674	—	5,635
—	—	37	37
584	**1,836**	**37**	**14,909**
$ 19,415	$ 4,074	$ —	$ 76,146
—	—	—	372,159
14,953	(4,984)	1,759	238,225
$ 34,368	**$ (910)**	**$ 1,759**	**$ 686,530**

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Operating revenues:				
Charges for services	$ 193,196	$ 2,822,382	$ 60,425	$ 77,885
Licenses, fees, and permits	—	—	—	88
Other operating revenues	—	606,361	—	—
Total operating revenues	**193,196**	**3,428,743**	**60,425**	**77,973**
Operating expenses:				
General operations and administration	59,092	279,230	5,721	71,521
Benefits and claims	109,671	3,266,728	109,075	—
Depreciation and amortization	—	44	355	6,132
Other operating expenses	—	—	109	199
Total operating expenses	**168,763**	**3,546,002**	**115,260**	**77,852**
Operating income (loss)	**24,433**	**(117,259)**	**(54,835)**	**121**
Nonoperating revenues (expenses):				
Interest income	(46,406)	8,322	(17,279)	(127)
Interest expense	—	—	(49)	(18)
Net other nonoperating revenues (expenses)	1	—	68	1,638
Losses on sale of capital assets	—	—	(11)	(1,262)
Total nonoperating revenues (expenses)	**(46,405)**	**8,322**	**(17,271)**	**231**
Income (loss) before transfers	**(21,972)**	**(108,937)**	**(72,106)**	**352**
Transfers and contributions:				
Federal grants and contracts	—	—	—	2
Transfers in	—	—	—	7,332
Transfers out	(810)	—	—	(9,779)
Change in net position	**(22,782)**	**(108,937)**	**(72,106)**	**(2,093)**
Net position (deficit), at beginning of year	**220,984**	**481,174**	**119,851**	**35,222**
Net position (deficit) at end of year	**$ 198,202**	**$ 372,237**	**$ 47,745**	**$ 33,129**

Exhibit E-5

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 34,436	$ 16,632	$ 398	$ 3,205,354
—	—	—	88
—	—	—	606,361
34,436	**16,632**	**398**	**3,811,803**
24,229	17,770	(950)	456,613
—	—	—	3,485,474
12,693	514	—	19,738
—	1	—	309
36,922	**18,285**	**(950)**	**3,962,134**
(2,486)	**(1,653)**	**1,348**	**(150,331)**
—	—	—	(55,490)
(53)	(10)	—	(130)
5,859	1,883	1	9,450
(318)	—	—	(1,591)
5,488	**1,873**	**1**	**(47,761)**
3,002	**220**	**1,349**	**(198,092)**
—	—	—	2
—	—	—	7,332
(2,435)	—	—	(13,024)
567	**220**	**1,349**	**(203,782)**
33,801	**(1,130)**	**410**	**890,312**
$ 34,368	**$ (910)**	**$ 1,759**	**$ 686,530**

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Cash flows from operating activities:				
Receipts from customers	$ 102,557	$ 3,516,346	$ 8,011	$ —
Internal activity–payments from other funds	93,560	—	51,826	72,673
Other operating cash receipts	41	—	68	7,085
Claims paid	(112,104)	—	(50,756)	—
Payments to suppliers for goods and services	(58,191)	(3,507,727)	(679)	(57,686)
Payments to employees	(3,500)	(10,253)	(4,545)	(20,416)
Other operating cash payments	(40)	—	—	(5,166)
Net cash provided by (used in) operating activities	**22,323**	**(1,634)**	**3,925**	**(3,510)**
Cash flows from noncapital financing activities:				
Local and private grants and contracts	—	—	—	(316)
Transfers in	—	—	—	7,332
Transfers out	(810)	—	—	(9,779)
Net cash used in noncapital financing activities	**(810)**	**—**	**—**	**(2,763)**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	(5)	(48)	(7,157)
Principal payments on capital debt	—	—	(244)	2,814
Interest payments on capital debt	—	—	(43)	—
Proceeds from sale or disposal of capital assets	—	—	—	1,274
Net cash used in capital and related financing activities	**—**	**(5)**	**(335)**	**(3,069)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	183,178	—	—	—
Purchase of investments	(210,763)	—	—	(234)
Interest on investments	8,231	8,321	—	(125)
Realized loss on investments	(15,771)	—	(16,892)	—
Net cash provided by (used in) investing activities	**(35,125)**	**8,321**	**(16,892)**	**(359)**
Net increase (decrease) in cash and cash equivalents	**(13,612)**	**6,682**	**(13,302)**	**(9,701)**
Cash and cash equivalents at beginning	**15,436**	**485,186**	**357,803**	**35,572**
Cash and cash equivalents at end of year	**$ 1,824**	**$ 491,868**	**$ 344,501**	**$ 25,871**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ —	$ 15,097	$ —	$ 3,642,011
33,234	—	327	251,620
1,290	3,399	—	11,883
—	—	—	(162,860)
(21,347)	(2,628)	27	(3,648,231)
(1,530)	(13,630)	15	(53,859)
(31)	(1,516)	—	(6,753)
11,616	**722**	**369**	**33,811**
—	—	2	(314)
—	—	—	7,332
(2,435)	—	—	(13,024)
(2,435)	**—**	**2**	**(6,006)**
(8,468)	(603)	—	(16,281)
(3,775)	(135)	—	(1,340)
(48)	(11)	—	(102)
4,600	—	—	5,874
(7,691)	**(749)**	**—**	**(11,849)**
—	—	—	183,178
—	—	—	(210,997)
—	—	—	16,427
—	—	—	(32,663)
—	**—**	**—**	**(44,055)**
1,490	**(27)**	**371**	**(28,099)**
17,131	**3,909**	**1,352**	**916,389**
$ 18,621	**$ 3,882**	**$ 1,723**	**$ 888,290**

Continued on Next Page

Combining Statement of Cash Flows

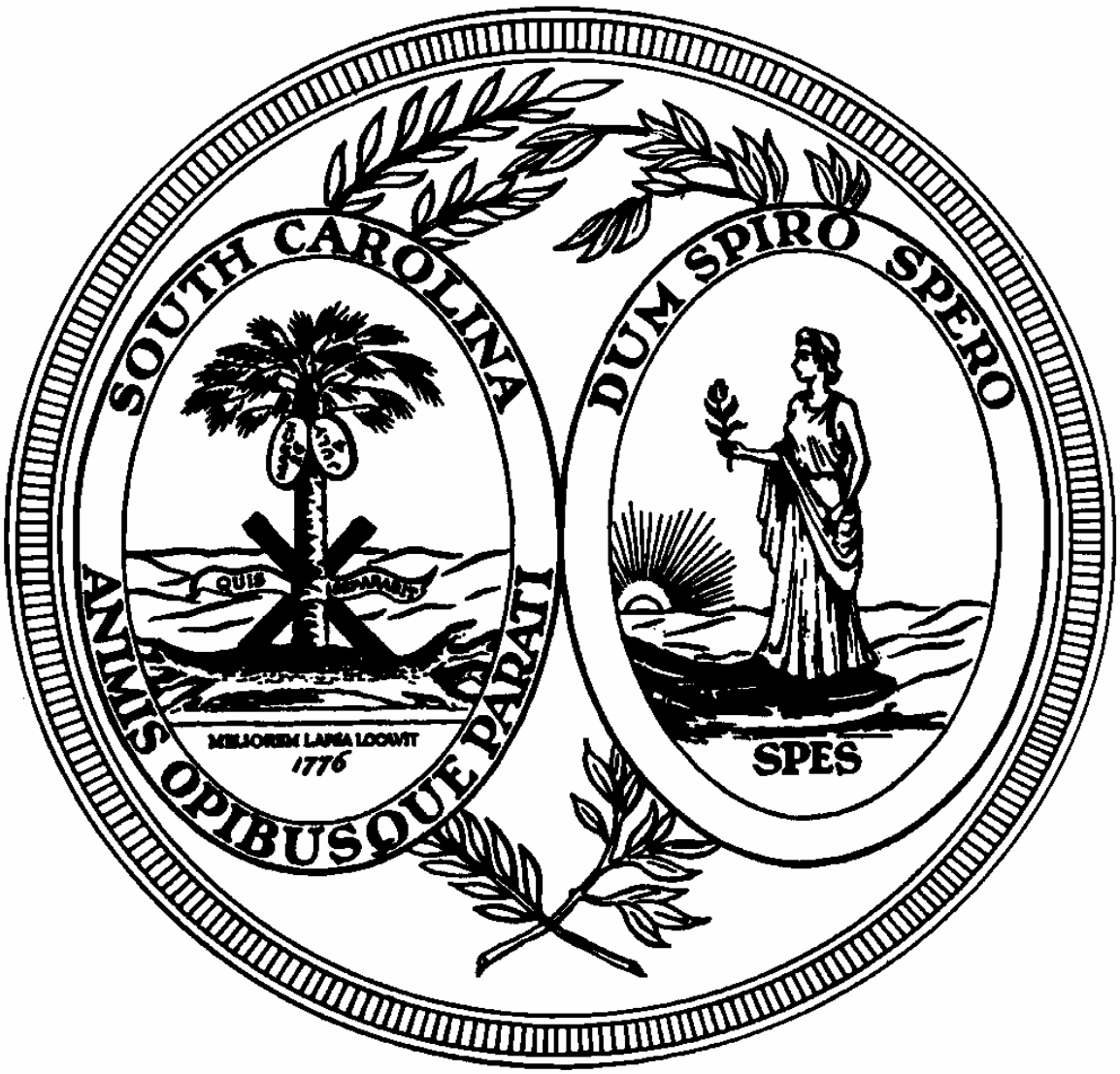
INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 24,433	$ (117,259)	$ (54,835)	$ 121
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	44	355	6,132
Realized losses on sale of assets	—	—	(11)	(1,262)
Other nonoperating revenues	1	—	68	1,919
Other nonoperating expenses	—	—	—	—
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	90,894	(6,028)	382
Due from other funds	4,761	1,250	(2)	(4,761)
Inventories	—	—	—	(306)
Other assets	(2,772)	295	27	(271)
Deferred outflows	(269)	(552)	(1,707)	(1,457)
Accounts payable	—	—	15	(801)
Accrued salaries and related expenses	62	48	(166)	(28)
Policy claims	(2,433)	26,306	58,287	—
Due to other funds	—	—	—	(1,087)
Unearned revenues	(1,840)	(2,740)	6,142	316
Compensated absences payable	19	56	(52)	(149)
Other liabilities	(78)	(1,811)	1,051	(6,473)
Deferred inflows	439	1,835	781	4,215
Net cash provided by (used in) operating activities	**$ 22,323**	**$ (1,634)**	**$ 3,925**	**$ (3,510)**
Noncash capital, investing, and financing activities:				
Disposal of capital assets	$ —	$ —	$ —	$ 4,068
Decrease in fair value of investments	(38,541)	—	—	—
Total noncash capital, investing, and financing activities	**$ (38,541)**	**$ —**	**$ —**	**$ 4,068**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ (2,486)	$ (1,653)	$ 1,348	$ (150,331)
12,693	514	—	19,738
(318)	—	—	(1,591)
1,259	1,883	—	5,130
—	—	—	—
(305)	(768)	—	84,175
(589)	(767)	(71)	(179)
—	585	—	279
—	—	—	(2,721)
(305)	(725)	215	(4,800)
656	489	—	359
9	113	(22)	16
—	—	—	82,160
324	95	28	(640)
—	—	—	1,878
(6)	19	(24)	(137)
238	(378)	(1,027)	(8,478)
446	1,315	(78)	8,953
$ 11,616	**$ 722**	**$ 369**	**$ 33,811**
$ (8,427)	$ 22	$ —	$ (4,337)
—	—	—	(38,541)
$ (8,427)	**$ 22**	**$ —**	**$ (42,878)**


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Fiduciary Funds

Fiduciary funds include pension and other post-employment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Note 1b in the notes to the financial statements provides definitions of each of these fund types.

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's fiduciary funds:

- Combining Statement of Plan Net Position—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Changes in Plan Net Position—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Fiduciary Net Position—Private-Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Position—Private-Purpose Trust Funds
- Combining Statement of Changes in Assets and Liabilities—Custodial Funds

The State maintains only one investment trust fund, so no combining statements are necessary for that fund type. The paragraphs below describe all other individual fiduciary funds that the State uses.

a. Pension and Other Post-Employment Benefit Trust Funds

South Carolina Retirement System. This is a multiple-employer pension system that benefits employees of the State, public schools, and political subdivisions of the State.

Police Officers' Retirement System. This is a multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions.

General Assembly Retirement System. This is a single-employer pension system that benefits members of the South Carolina General Assembly.

Judges' and Solicitors' Retirement System. This is a single-employer pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors.

National Guard Retirement System. The State administers this single-employer pension system that provides a supplemental retirement benefit to members of the South Carolina National Guard. The State is a nonemployer contributor to the system.

South Carolina Retiree Health Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer post-employment health and dental benefit plans.

Long-term Disability Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer long-term disability insurance plans.

b. Private-Purpose Trust Funds

College Savings Plan Fund. The Future Scholar 529 College Savings Plan (the Plan), accounted for in this fund, provides participant families a tax-advantaged method of saving for future college costs. A primary objective of both the financial advisor program and the direct program within the Plan is to provide families with flexibility and professional investment management in meeting their college savings objectives.

Other Private-Purpose Trust Funds. This fund accounts for monies the State has received as trustee under various trust arrangements that specify how the principal and interest earnings must be used. In each case, all of the principal and income benefit individuals, private organizations, or governments outside the State reporting entity; none of the monies may be used for State purposes. The purposes to which the resources of these funds are dedicated include scholarships, the operation of the equestrian center and activities at the Springdale Race Course (for the exclusive benefit of the Carolina Cup Racing Association, Inc., a private nonprofit corporation), and the decommissioning of a low-level radioactive waste disposal facility on behalf of Chem-Nuclear Systems, Inc., a for-profit corporation.

c. Custodial Funds

Custodial Funds are used to account for resources held by the State in a short-term caretaker capacity for individuals, private organizations, and other governments. Balances in these funds, aggregated for presentation purposes, represent amounts held for prisoners and patients of State institutions, cash bonds, miscellaneous clearing accounts, and other deposits.

Combining Statement of Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

June 30, 2022
(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents	$ 1,367,345	$ 239,681	$ 4,377	$ 13,637	$ 7,310
Receivables:					
Contributions	305,290	34,727	—	1,080	4
Accrued interest	18,760	3,459	26	123	25
Unsettled investment sales	234,427	43,354	291	1,468	247
Total receivables	558,477	81,540	317	2,671	276
Due from other funds	—	1,103	—	27	—
Investments, at fair value:					
Short-term investments and opportunistic	62,513	11,560	77	392	66
Debt-domestic	1,809,306	334,608	2,250	11,334	1,905
Equity-international	12,744,967	2,357,015	15,846	79,835	13,417
Alternatives	16,307,066	3,015,778	20,275	102,149	17,167
Financial and other	—	—	—	—	—
Total investments	30,923,852	5,718,961	38,448	193,710	32,555
Invested securities lending collateral	7,822	1,447	10	49	8
Capital assets, net	1,715	179	5	8	—
Prepaid items	406	74	1	3	—
Total assets	**32,859,617**	**6,042,985**	**43,158**	**210,105**	**40,149**
LIABILITIES					
Accounts payable	2,657	491	4	17	3
Accounts payable–unsettled investment purchases	489,518	90,530	609	3,066	515
Policy claims	—	—	—	—	—
Due to other funds	89,190	1,442	—	—	—
Securities lending collateral	44,862	8,297	56	281	47
Other liabilities	20,763	3,517	13	67	17
Total liabilities	**646,990**	**104,277**	**682**	**3,431**	**582**
NET POSITION					
Restricted for pension benefits	$ 32,212,627	$ 5,938,708	$ 42,476	$ 206,674	$ 39,567
Restricted for other post-employment benefits	—	—	—	—	—
Held in trust for pension and other post-employment benefits	**$ 32,212,627**	**$ 5,938,708**	**$ 42,476**	**$ 206,674**	**$ 39,567**

Exhibit F-1

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 86,081	$ 1,467	$ 1,719,898
—	—	341,101
7,610	236	30,239
—	—	279,787
7,610	236	651,127
89,502	—	90,632
—	—	74,608
1,244,940	28,972	3,433,315
—	—	15,211,080
—	—	19,462,435
196,159	4,905	201,064
1,441,099	33,877	38,382,502
30,880	3,447	43,663
—	—	1,907
—	—	484
1,655,172	**39,027**	**40,890,213**
—	—	3,172
—	—	584,238
—	695	695
—	—	90,632
31,511	3,506	88,560
—	—	24,377
31,511	**4,201**	**791,674**
$ —	$ —	$ 38,440,052
1,623,661	34,826	1,658,487
$ 1,623,661	**$ 34,826**	**$ 40,098,539**

Combining Statement of Changes in Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
Additions:					
Contributions:					
Employer	$ 1,884,444	$ 292,372	$ 6,279	$ 19,577	$ 5,290
Employee	983,536	163,536	164	3,012	—
Nonemployer	88,706	12,470	—	2,900	—
Total contributions	2,956,686	468,378	6,443	25,489	5,290
Investment income:					
Interest income and net depletion in investments	(241,701)	(46,509)	(312)	(1,506)	(258)
Securities lending income	1,259	232	2	7	2
Total investment income	(240,442)	(46,277)	(310)	(1,499)	(256)
Less investment expense:					
Investment expense	591,922	109,361	735	3,703	622
Securities lending expense	—	—	—	—	—
Net investment income	(832,364)	(155,638)	(1,045)	(5,202)	(878)
Assets moved between pension trust funds	289	2,904	—	—	—
Total additions	**2,124,611**	**315,644**	**5,398**	**20,287**	**4,412**
Deductions:					
Regular retirement benefits	3,189,790	447,401	6,332	26,089	4,607
Supplemental retirement benefits	235	8	—	—	—
Refunds of retirement contributions to members	160,567	32,691	—	—	—
Death benefit claims	30,804	3,236	16	10	—
Accidental death benefits	—	2,015	—	—	—
Other post-employment benefits	—	—	—	—	—
Depreciation	156	20	—	1	—
Administrative expense	17,834	3,237	23	113	22
Assets moved between pension trust funds	2,904	—	206	83	—
Total deductions	**3,402,290**	**488,608**	**6,577**	**26,296**	**4,629**
Change in net position	**(1,277,679)**	**(172,964)**	**(1,179)**	**(6,009)**	**(217)**
Net position at beginning of year	**33,490,306**	**6,111,672**	**43,655**	**212,683**	**39,784**
Net position at end of year	**$ 32,212,627**	**$ 5,938,708**	**$ 42,476**	**$ 206,674**	**$ 39,567**

Exhibit F-2

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 558,629	$ 7,571	$ 2,774,162
—	—	1,150,248
2,375	—	106,451
561,004	7,571	4,030,861
(109,249)	(4,379)	(403,914)
91	4	1,597
(109,158)	(4,375)	(402,317)
—	—	706,343
9	—	9
(109,167)	(4,375)	(1,108,669)
—	—	3,193
451,837	**3,196**	**2,925,385**
—	—	3,674,219
—	—	243
—	—	193,258
—	—	34,066
—	—	2,015
510,793	9,492	520,285
—	—	177
801	79	22,109
—	—	3,193
511,594	**9,571**	**4,449,565**
(59,757)	**(6,375)**	**(1,524,180)**
1,683,418	**41,201**	**41,622,719**
$ 1,623,661	**$ 34,826**	**$ 40,098,539**

Combining Statement of Fiduciary Net Position — Exhibit F-3

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2022
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents	$ 1,842	$ 235	$ 2,077
Receivables, net:			
Accounts receivable	—	4	4
Accrued interest	3,755	26	3,781
Unsettled investment sales	4,542	—	4,542
Investments	5,160,726	4,021	5,164,747
Invested securities lending collateral	—	172	172
Other assets	—	4,273	4,273
Total assets	**5,170,865**	**8,731**	**5,179,596**
LIABILITIES			
Accounts payable	2,113	10	2,123
Accounts payable–unsettled investment purchases	3,950	—	3,950
Securities lending collateral	—	172	172
Total liabilities	**6,063**	**182**	**6,245**
NET POSITION			
Held in trust for other purposes	**$ 5,164,802**	**$ 8,549**	**$ 5,173,351**

Combining Statement of Changes in Fiduciary Net Position

Exhibit F-4

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
Additions:			
Licenses, fees, and permits	$ —	$ 43	$ 43
Tuition plan deposits	1,560	—	1,560
Contributions	266,898	12	266,910
Interest income	(645,391)	(251)	(645,642)
Total additions	**(376,933)**	**(196)**	**(377,129)**
Deductions:			
Administrative expense	16,553	42	16,595
Other expenses	898	161	1,059
Total deductions	**17,451**	**203**	**17,654**
Change in net position	**(394,384)**	**(399)**	**(394,783)**
Net position at beginning of year	**5,559,186**	**8,948**	**5,568,134**
Net position at end of year	**$ 5,164,802**	**$ 8,549**	**$ 5,173,351**

Statement of Fiduciary Net Position

Exhibit F-5

CUSTODIAL FUNDS

June 30, 2022
(Expressed in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 236,415
Receivables, net:	
Accounts receivable	9,215
Due from other funds	32,433
Investments	8,995
Invested securities lending collateral	388
Interfund receivables	234
Total assets	**287,680**
LIABILITIES	
Accounts payable	88,569
Due to other funds	91,258
Intergovernmental payables	32,179
Deposits	2,227
Amount held in custody for others	16,220
Securities lending collateral	388
Due to participants	2
Total liabilities	**230,843**
NET POSITION	
Held in trust for custodial funds	**$ 56,837**

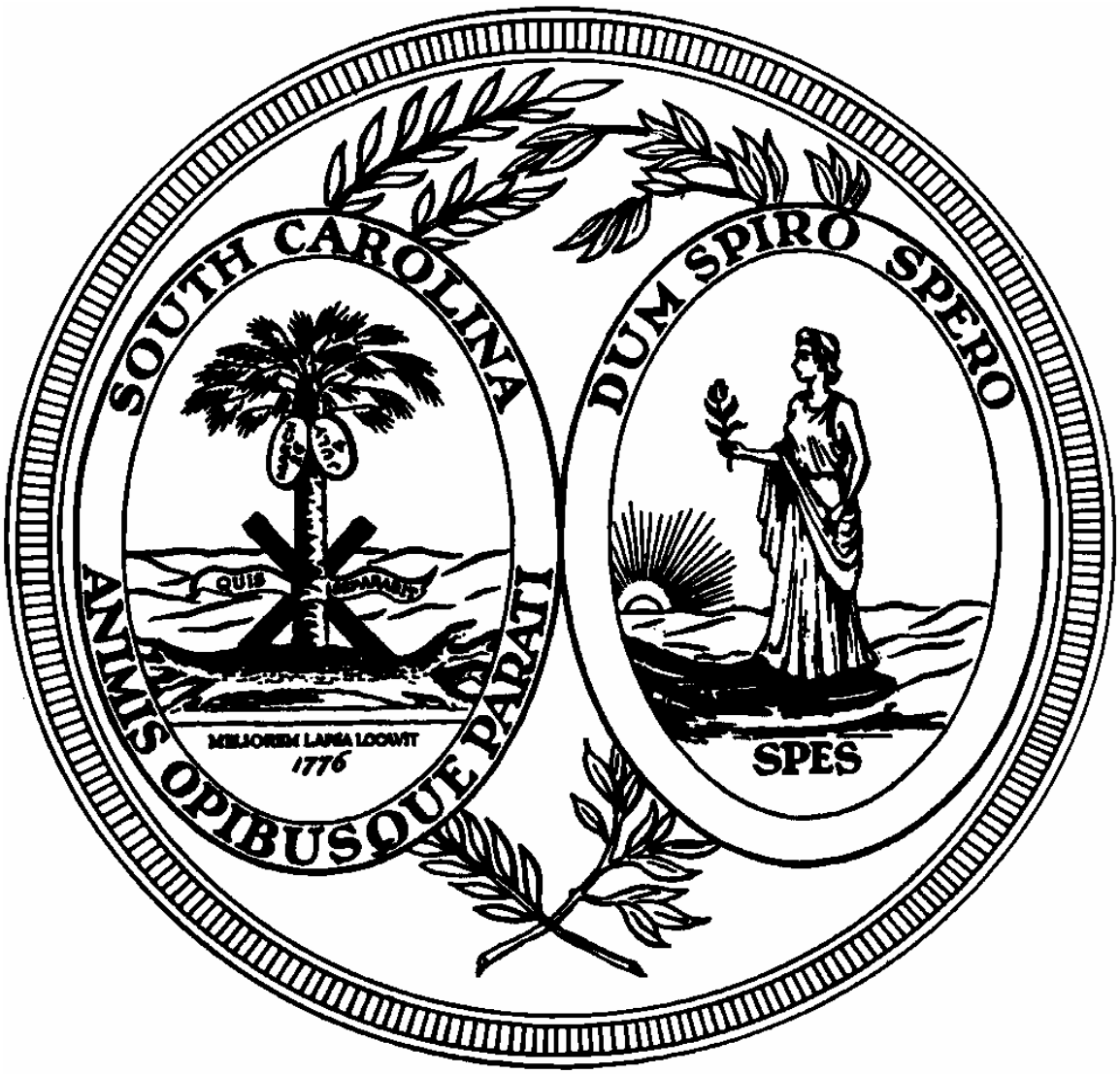
Statement of Changes in Fiduciary Net Position

Exhibit F-6

CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

	Custodial Funds
Additions:	
Licenses, fees, and permits	$ 4,026
Contributions	11,170
Taxes:	
Retail sales and use	351,774
Other	14
Interest income	79
Total additions	**367,063**
Deductions:	
Administrative expense	972
Other expenses	364,616
Transfers out	12,689
Total deductions	**378,277**
Change in net position	**(11,214)**
Net position at beginning of year	**68,051**
Net position at end of year	**$ 56,837**


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Nonmajor Discretely Presented Component Units

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor discretely presented component units:

- Combining Statement of Net Position—Nonmajor Discretely Presented Component Units
- Combining Statement of Activities—Nonmajor Discretely Presented Component Units

The following entities are nonmajor discretely presented component units of the State:

The following universities are nonmajor component units: *The Citadel, Coastal Carolina University, College of Charleston, Francis Marion University, Lander University, South Carolina State University,* and *Winthrop University*.

The following technical colleges are nonmajor component units: *Aiken Technical College, Central Carolina Technical College, Denmark Technical College, Florence-Darlington Technical College, Greenville Technical College, Horry-Georgetown Technical College, Technical College of the Lowcountry, Midlands Technical College, Northeastern Technical College, Orangeburg-Calhoun Technical College, Piedmont Technical College, Spartanburg Community College, Tri-county Technical College, Trident Technical College, Williamsburg Technical College,* and *York Technical College*.

Connector 2000 Association, Inc. is a legally separate entity created to contract with the State Department of Transportation (DOT) in financing, acquiring, constructing, and operating turnpikes and other transportation projects, primarily the project known as the Southern Connector in Greenville County.

The *South Carolina Education Assistance Authority* issues bonds to make loans to individuals to enable students to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, loan repayments, and investment earnings.

The *South Carolina Jobs-Economic Development Authority* is a legally separate entity that promotes and develops business and economic welfare in the state.

The *South Carolina Research Authority* was created through an act of the General Assembly for the development and marketing of a statewide system of research and technology-based infrastructure and to conduct applied research and commercialization services on a contractual basis.

The *Patriots Point Development Authority* was established to develop and maintain a naval and maritime museum on Charleston Harbor, and to provide a place of education and recreation. The Patriots Point Development Authority Board also oversees the stewardship of over 350 acres of property on Charleston Harbor.

The *South Carolina Medical Malpractice Association* was established to provide medical malpractice insurance on a self-supporting basis. In May 2019, the State decided to combine the South Carolina Medical Malpractice Liability Joint Underwriting Association and the Patients' Compensation Fund, a nonmajor enterprise fund, which took effect on January 1, 2020. The new combined entity is named the South Carolina Medical Malpractice Association, which is a nonmajor discretely presented component unit.

The *South Carolina First Steps to School Readiness* is a legally separate non-profit, tax-exempt public charity created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the initiative for improving early childhood development of the Act.

The *Children's Trust Fund of South Carolina, Inc.* is a non-profit, tax-exempt public charity with a purpose to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations.

Combining Statement of Net Position

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2022
(Expressed in Thousands)

	The Citadel	Coastal Carolina University	College of Charleston	Francis Marion University	Lander University	South Carolina State University	Winthrop University
ASSETS							
Cash and cash equivalents	$ 59,736	$ 105,947	$ 94,513	$ 44,746	$ 7,973	$ 538	$ 47,466
Investments	93,408	—	12,233	6,690	18,893	117	—
Invested securities lending collateral	3,005	4,789	4,534	510	151	230	1,189
Receivables, net:							
Accounts	8,021	21,778	3,518	11,269	710	3,589	2,051
Contributions	8,933	—	5,654	31	2,810	—	1,261
Accrued interest	—	—	274	28	31	—	93
Student accounts	5,783	1,369	1,321	545	2,111	8,835	2,295
Loans and notes	5,255	—	—	—	—	—	—
Leases	—	—	2,924	—	548	—	—
Due from Federal government and other grantors	—	2,335	2,860	2,297	3,259	10,845	687
Due from primary government	2,983	16	30	127	153	1,632	262
Inventories	1,854	1,003	266	—	69	—	382
Restricted assets:							
Cash and cash equivalents	48,664	60,699	193,483	52,732	14,019	41,104	18,623
Investments	311,962	507	129,666	26,230	934	—	87,413
Loans receivable	—	240	379	774	9	—	882
Other	2,321	—	—	—	—	1,162	—
Prepaid items	969	2,756	4,938	1,253	358	331	1,997
Other assets	—	—	1,798	—	111	—	—
Leased assets-amortizable, net	—	1,052	14,496	195	10	—	226
Capital assets-nondepreciable	38,249	45,674	101,838	7,725	10,385	11,387	4,888
Capital assets-depreciable, net	123,879	393,877	316,952	91,605	61,738	106,428	79,063
Total assets	715,022	642,042	891,677	246,757	124,272	186,198	248,778
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	168	286	—	—	—	794
Pension related	10,750	24,609	25,931	8,584	10,304	9,084	13,281
Other post-employment benefits related	28,952	51,308	58,517	18,121	18,759	17,269	27,601
Total deferred outflows of resources	$ 39,702	$ 76,085	$ 84,734	$ 26,705	$ 29,063	$ 26,353	$ 41,676
LIABILITIES							
Accounts payable	$ 8,730	$ 6,394	$ 16,156	$ 362	$ 773	$ 4,716	$ 4,575
Accrued salaries and related expenses	4,392	14,652	9,938	185	2,560	269	5,737
Accrued interest payable	531	585	2,150	291	385	178	223
Retainages payable	970	134	1,017	—	—	—	80
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	2,082	1,736	7	599	3,546	39
Unearned revenues and deferred credits	4,174	1,519	6,304	1,655	11,216	2,217	9,128
Deposits	3,874	2,426	1,390	—	—	—	160
Amounts held in custody for others	—	117	954	217	—	—	5,208
Securities lending collateral	3,005	4,789	4,534	510	151	230	1,189
Liabilities payable from restricted assets	—	—	—	—	—	—	1,554
Other liabilities	3,153	1,719	1,247	1,039	104	576	1,150
Long-term liabilities:							
Due within one year	6,697	8,640	16,947	2,982	3,155	2,114	7,300
Due in more than one year	241,372	512,937	635,258	149,688	127,853	129,160	208,927
Total liabilities	276,898	555,994	697,631	156,936	146,796	143,006	245,270
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	120	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	32
Pension related	14,887	37,720	32,374	10,103	6,670	9,191	15,469
Other post-employment benefits related	8,725	32,825	24,796	6,930	3,013	4,296	16,787
Lease related	—	—	2,882	—	548	—	—
Total deferred inflows of resources	$ 23,612	$ 70,665	$ 60,052	$ 17,033	$ 10,231	$ 13,487	$ 32,288
NET POSITION							
Net investment in capital assets	124,066	259,356	206,065	74,130	38,405	74,025	64,118
Restricted:							
Expendable:							
Education	257,038	—	68,798	14,108	27,946	34,558	6,837
Transportation	—	—	—	—	—	—	—
Capital projects	22,965	73,929	77,353	57,975	643	—	—
Debt service	1,071	2,355	6,109	—	2,178	5,908	1,480
Loan programs	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	69,553	166	79,398	16,405	—	991	77,409
Unrestricted	(20,479)	(244,338)	(218,995)	(63,125)	(72,864)	(59,424)	(136,948)
Total net position (deficit)	**$ 454,214**	**$ 91,468**	**$ 218,728**	**$ 99,493**	**$ (3,692)**	**$ 56,058**	**$ 12,896**

Exhibit G-1

Aiken Technical College	Central Carolina Technical College	Denmark Technical College	Florence-Darlington Technical College	Greenville Technical College	Horry-Georgetown Technical College	Technical College of the Lowcountry	Midlands Technical College	Northeastern Technical College	Orangeburg-Calhoun Technical College	Piedmont Technical College
$ 17,362	$ 15,331	$ 808	$ 11,417	$ 61,789	$ 28,727	$ 19,197	$ 11,300	$ 2,797	$ 8,292	$ 29,006
12,056	—	—	—	75,073	42,649	331	99,129	—	3,469	5,832
—	—	—	—	12	—	—	327	—	—	—
2,223	—	432	1,951	2,669	2,952	3,130	3,141	—	1,556	4
—	—	—	—	366	—	23	—	—	—	32
—	—	—	—	448	323	—	—	—	4	—
67	591	360	2,246	533	5,910	4,756	2,353	2,677	101	1,077
—	—	—	—	—	26	4,762	—	—	—	—
—	—	—	12	8,457	—	—	—	—	—	—
1,116	2,034	2,031	4,280	3,897	15,342	946	1,961	233	486	3,138
355	367	22	928	136	1,623	722	1,024	296	348	457
302	236	50	347	1,465	—	—	—	—	94	—
—	1,827	—	11,347	3,978	231	2,541	8,370	—	—	—
—	—	—	—	—	—	1,397	—	—	—	1,440
—	—	—	3	—	—	—	—	—	—	—
—	—	—	—	1,011	—	—	—	—	—	—
151	468	278	124	147	381	32	703	—	188	406
—	—	—	—	—	—	—	48	39	5	12
—	—	—	439	21	311	98	82	40	—	—
1,127	2,221	673	3,990	21,097	7,533	4,392	27,959	1,041	106	2,205
20,172	34,335	4,317	38,991	118,937	78,293	24,448	71,001	6,160	20,450	53,148
54,931	57,410	8,971	76,075	300,036	184,301	66,775	227,398	13,283	35,099	96,757
—	—	—	214	—	—	—	126	—	—	—
2,312	3,954	1,056	4,360	12,798	6,664	2,627	12,427	1,920	3,308	6,053
4,757	7,572	1,961	8,978	25,089	13,596	5,048	24,137	3,584	6,012	11,177
$ 7,069	$ 11,526	$ 3,017	$ 13,552	$ 37,887	$ 20,260	$ 7,675	$ 36,690	$ 5,504	$ 9,320	$ 17,230
$ 427	$ 531	$ 603	$ 656	$ 3,326	$ 2,640	$ 657	$ 1,860	$ 79	$ 255	$ 181
311	554	236	312	329	2,238	382	2,434	183	352	630
—	—	—	132	—	—	4	229	—	—	—
—	2	—	—	—	48	—	724	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	550	—	—	—	—	—	—
4,242	3,088	1,675	4,852	9,062	5,690	10,920	8,488	14	1,905	1,884
—	—	155	—	—	—	20	241	—	—	71
—	25	22	—	1,470	23	6	596	359	—	—
—	—	—	—	12	—	—	327	—	—	—
—	—	—	—	—	—	—	—	—	—	—
5	—	—	3	2,122	—	743	1,735	—	—	—
58	124	63	1,289	1,573	158	1,026	332	123	104	539
33,886	54,840	14,230	75,321	260,396	95,251	48,760	199,392	20,337	44,650	74,885
38,929	59,164	16,984	82,565	278,840	106,048	62,518	216,358	21,095	47,266	78,190
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
2,782	5,556	1,547	8,694	14,962	6,709	3,533	18,656	1,337	4,188	5,855
1,963	3,585	1,709	8,172	10,160	3,229	2,216	14,581	673	3,157	3,197
—	—	—	12	8,373	—	—	—	—	—	—
$ 4,745	$ 9,141	$ 3,256	$ 16,878	$ 33,495	$ 9,938	$ 5,749	$ 33,237	$ 2,010	$ 7,345	$ 9,052
21,299	36,556	4,991	33,050	125,638	85,812	21,865	75,367	7,241	20,556	55,365
64	3	—	156	2,563	964	2,122	—	1,040	—	1,149
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	3,027	29,540	—	83,460	—	—	12,167
—	—	—	11,340	—	—	—	18,737	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	252	—	—	17,515	—	—	—	—	—	1,440
(3,037)	(36,180)	(13,243)	(54,361)	(123,155)	(27,742)	(17,804)	(163,071)	(12,599)	(30,748)	(43,376)
$ 18,326	**$ 631**	**$ (8,252)**	**$ (9,815)**	**$ 25,588**	**$ 88,574**	**$ 6,183**	**$ 14,493**	**$ (4,318)**	**$ (10,192)**	**$ 26,745**

Continued on Next Page

Combining Statement of Net Position (Continued)

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2022
(Expressed in Thousands)

	Spartanburg Community College	Tri-county Technical College	Trident Technical College	Williamsburg Technical College	York Technical College	Connector 2000	South Carolina Education Assistance Authority
ASSETS							
Cash and cash equivalents	$ 20,265	$ 68,167	$ 86,834	$ 12,405	$ 29,276	$ 1,370	$ 41,258
Investments	8,007	29,472	—	87	17,721	—	—
Invested securities lending collateral	—	—	—	—	—	—	4,308
Receivables, net:							
Accounts	3,169	1,072	6,564	784	330	—	39,911
Contributions	67	207	—	—	417	—	—
Accrued interest	—	—	—	—	—	—	594
Student accounts	1,103	281	8,592	46	—	—	—
Loans and notes	—	—	—	—	1,246	—	10,760
Leases	14	—	—	—	629	—	—
Due from Federal government and other grantors	1,519	1,277	2,446	230	2,719	—	—
Due from primary government	278	1,339	3,664	26	433	—	—
Inventories	704	178	672	110	—	109	—
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	15,607	71,335
Investments	—	—	—	7	—	—	—
Loans receivable	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Prepaid items	344	502	—	216	—	51	—
Other assets	—	274	1,199	—	33	105,744	—
Leased assets-amortizable, net	90	—	—	—	252	—	—
Capital assets-nondepreciable	5,983	7,476	8,887	127	2,640	—	—
Capital assets-depreciable, net	59,937	67,173	136,827	1,439	37,843	295	—
Total assets	101,480	177,418	255,685	15,477	93,539	123,176	168,166
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	—	—	—	—	—	—
Pension related	6,297	6,966	12,178	1,153	5,136	—	—
Other post-employment benefits related	12,448	13,797	23,829	2,208	10,090	—	—
Total deferred outflows of resources	$ 18,745	$ 20,763	$ 36,007	$ 3,361	$ 15,226	$ —	$ —
LIABILITIES							
Accounts payable	$ 1,651	$ 2,473	$ 2,010	$ 64	$ 1,778	$ 101	$ 4,917
Accrued salaries and related expenses	591	84	951	—	211	—	—
Accrued interest payable	10	—	5	—	—	—	—
Retainages payable	—	105	5	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	—	—	—	—	173	—
Unearned revenues and deferred credits	3,374	4,988	12,492	2,662	4,810	874	—
Deposits	—	—	—	—	—	—	—
Amounts held in custody for others	—	—	—	—	—	—	—
Securities lending collateral	—	—	—	—	—	—	4,308
Liabilities payable from restricted assets	—	—	—	—	7	—	—
Other liabilities	65	—	53	—	—	—	—
Long-term liabilities:							
Due within one year	598	1,891	1,093	23	540	11,826	—
Due in more than one year	85,068	113,029	175,642	14,751	71,852	222,122	—
Total liabilities	91,357	122,570	192,251	17,500	79,198	235,096	9,225
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	—
Pension related	5,824	6,053	18,448	1,149	6,319	—	—
Other post-employment benefits related	2,539	2,573	13,987	580	4,530	—	—
Lease related	14	—	—	—	624	—	—
Total deferred inflows of resources	$ 8,377	$ 8,626	$ 32,435	$ 1,729	$ 11,473	$ —	$ —
NET POSITION							
Net investment in capital assets	65,431	53,037	145,047	1,566	40,481	(6,144)	—
Restricted:							
Expendable:							
Education	6,275	14,970	—	—	—	—	—
Transportation	—	—	—	—	—	2,781	—
Capital projects	4,452	—	26,869	—	—	—	—
Debt service	(8)	—	—	—	—	—	—
Loan programs	—	—	—	—	—	—	66,513
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	—	17,065	—	7	—	—	—
Unrestricted	(55,659)	(18,087)	(104,910)	(1,964)	(22,387)	(108,557)	92,428
Total net position (deficit)	**$ 20,491**	**$ 66,985**	**$ 67,006**	**$ (391)**	**$ 18,094**	**$ (111,920)**	**$ 158,941**

Exhibit G-1

South Carolina Jobs-Economic Development Authority	South Carolina Research Authority	Patriots Point Development Authority	South Carolina Medical Malpractice Association	South Carolina First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
$ 30,017	$ 6,855	$ 12,129	$ 9,196	$ 22,059	$ 2,724	$ 909,500
4,859	51,647	—	9,724	—	2,497	493,894
—	—	470	—	44	—	19,569
3,398	303	610	2,446	189	11	127,781
—	644	—	—	—	—	20,445
—	—	—	52	—	—	1,847
—	—	—	—	—	—	52,952
750	294	—	—	—	—	23,093
—	18,887	29,780	—	—	—	61,251
—	—	—	—	2,291	1,539	69,768
—	—	—	—	1,892	2,102	21,215
—	—	266	—	—	—	8,107
—	—	499	—	—	—	545,059
—	—	—	—	—	—	559,556
—	—	—	—	—	—	2,287
—	—	—	—	—	—	4,494
—	23	9	—	872	51	17,548
—	86	—	938	—	17	110,304
—	5,618	—	—	1,006	—	23,936
—	6,688	4,476	—	—	—	328,767
—	26,731	11,130	40	—	8	1,985,217
39,024	117,776	59,369	22,396	28,353	8,949	5,386,590
—	—	—	—	—	—	1,588
137	—	1,051	—	1,875	—	194,815
261	—	2,055	—	2,594	—	399,720
$ 398	$ —	$ 3,106	$ —	$ 4,469	$ —	$ 596,123
$ —	$ 61	$ 25	$ 177	$ 83	$ 1,490	$ 67,751
—	222	395	—	—	—	48,148
—	—	—	—	—	—	4,723
—	—	—	—	—	—	3,085
—	—	—	—	—	658	658
—	—	7,875	—	53	—	16,660
28,777	678	266	8,497	140	379	155,970
—	—	—	—	—	—	8,337
—	—	—	73	—	—	9,070
—	—	470	—	44	—	19,569
—	—	—	—	—	—	1,561
80	178	—	—	513	177	14,662
11	1,430	219	16,000	444	—	87,299
1,326	16,142	14,460	82,839	14,194	82	3,738,650
30,194	18,711	23,710	107,586	15,471	2,786	4,176,143
—	—	—	—	—	—	120
—	—	—	—	—	—	32
95	—	2,127	—	1,399	—	241,647
45	—	1,672	—	2,378	—	178,318
—	17,761	29,258	—	—	—	59,472
$ 140	$ 17,761	$ 33,057	$ —	$ 3,777	$ —	$ 479,589
—	22,662	8,106	—	11	8	1,658,110
—	—	—	—	24,191	—	462,782
—	—	—	—	—	—	2,781
—	—	—	—	—	—	392,380
—	—	—	—	—	—	49,170
—	—	—	—	—	—	66,513
3,300	13,627	—	2,328	—	1,007	20,262
—	—	—	—	—	—	280,201
5,788	45,015	(2,398)	(87,518)	(10,628)	5,148	(1,605,218)
$ 9,088	**$ 81,304**	**$ 5,708**	**$ (85,190)**	**$ 13,574**	**$ 6,163**	**$ 1,326,981**

Combining Statement of Activities

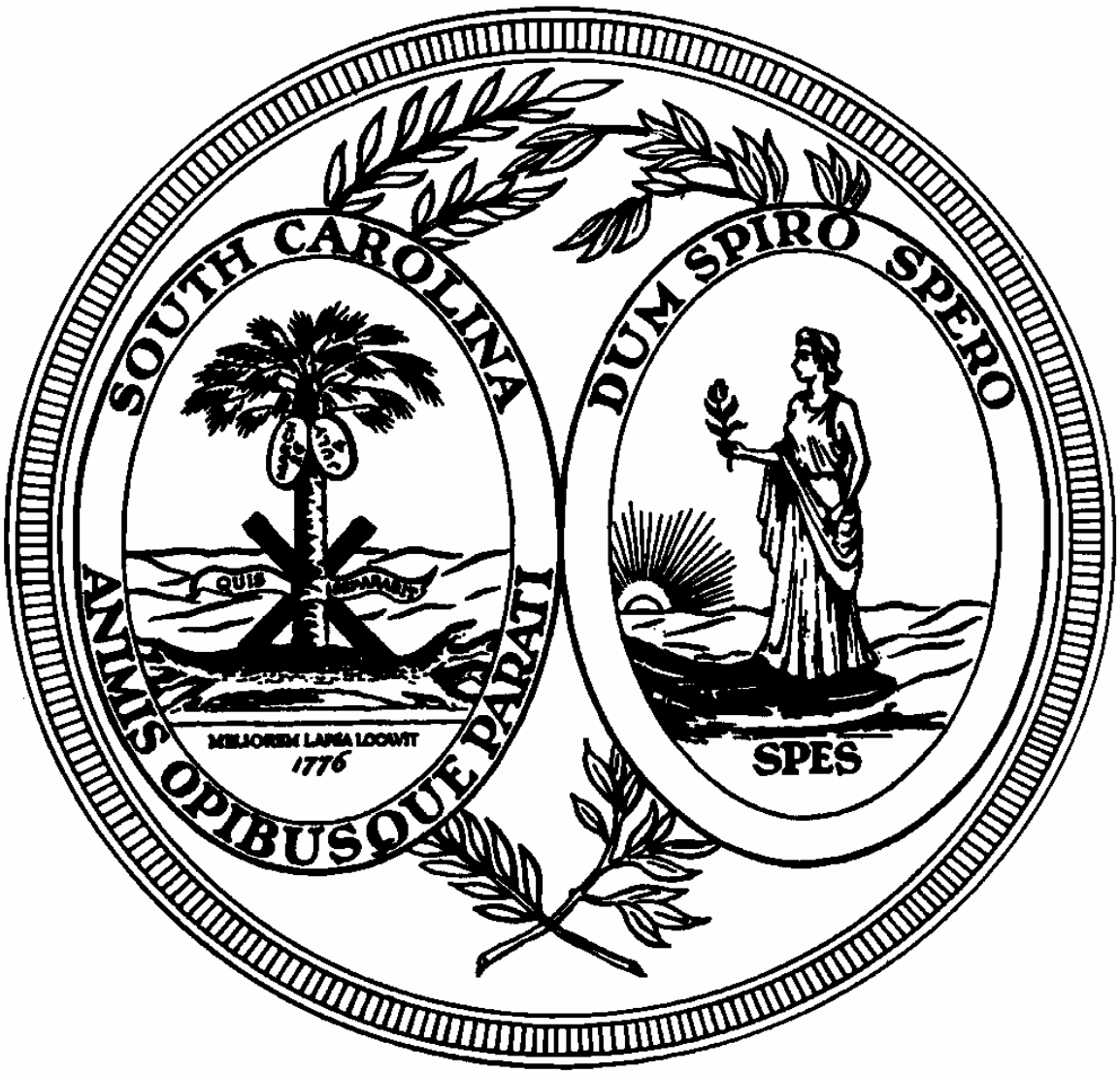
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2022
(Expressed in Thousands)

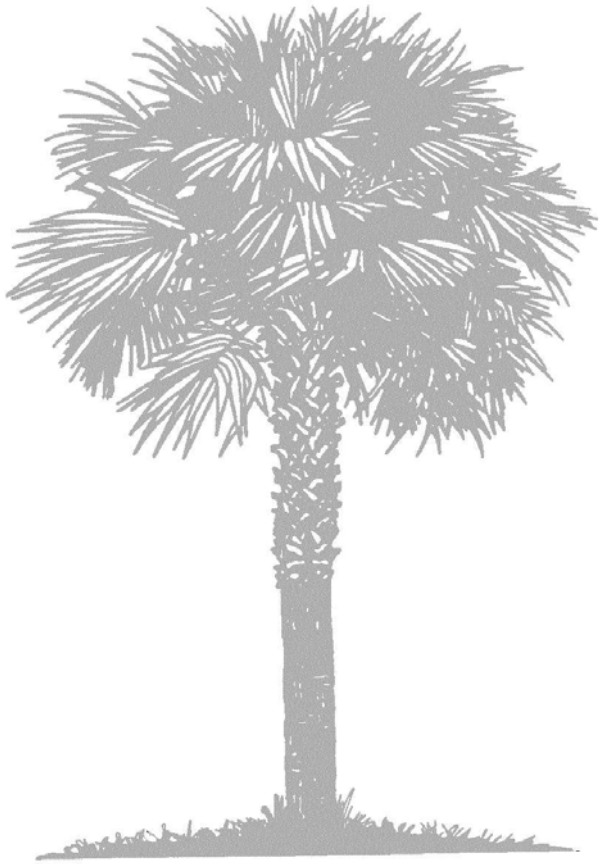
		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
The Citadel	$ 151,426	$ 95,837	$ 77,059	$ 247
Coastal Carolina University	257,154	197,669	40,797	34,440
College of Charleston	292,475	251,105	33,548	112
Francis Marion University	80,981	43,761	23,716	52,958
Lander University	86,151	45,936	611	19,752
South Carolina State University	110,792	73,097	821	8,625
Winthrop University	142,030	88,967	41,016	4,464
Aiken Technical College	28,273	17,233	6,126	552
Central Carolina Technical College	38,721	13,082	20,014	956
Denmark Technical College	17,343	7,173	9,586	—
Florence- Darlington Technical College	47,703	19,640	24,202	1,437
Greenville Technical College	131,800	59,453	50,737	4,450
Horry- Georgetown Technical College	84,322	32,872	32,126	8,048
Technical College of the Lowcountry	25,931	9,853	17,124	1,509
Midlands Technical College	113,324	59,318	44,422	4,203
Northeastern Technical College	16,543	7,842	3,539	152
Orangeburg- Calhoun Technical College	29,773	8,580	14,097	823
Piedmont Technical College	58,813	21,975	26,204	1,325
Spartanburg Community College	69,146	37,258	19,755	3,115
Tri-county Technical College	72,421	32,306	21,814	3,200
Trident Technical College	122,597	69,273	42,375	1,303
Williamsburg Technical College	10,160	3,020	4,771	64
York Technical College	53,208	25,670	15,375	746
Connector 2000	23,457	14,194	12	—
South Carolina Education Assistance Authority	866	2,063	1,537	—
South Carolina Jobs- Economic Development Authority	1,006	1,368	133	—
South Carolina Research Authority	17,136	7,768	8,327	—
Patriots Point Development Authority	9,611	12,733	1,599	415
South Carolina Medical Malpractice Association	21,748	33,312	(154)	—
South Carolina First Steps to School Readiness Board of Trustees	51,855	—	11,415	—
Children's Trust Fund of S.C., Inc.	15,870	—	16,824	—
Totals	**$ 2,182,636**	**$ 1,292,358**	**$ 609,528**	**$ 152,896**

Exhibit G-2

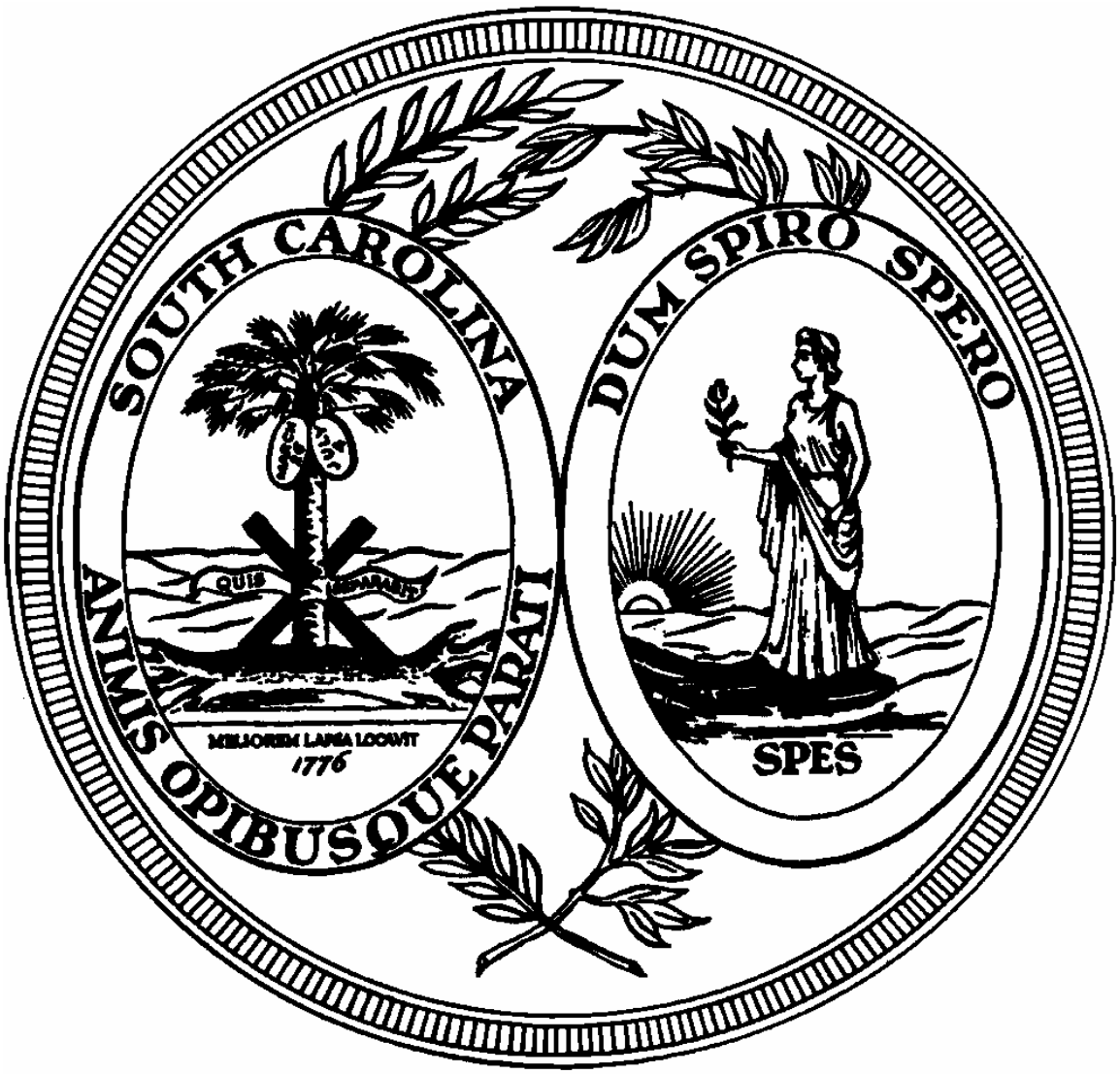
Net Revenue (Expenses)	Additions to Endowments	State Appropriations	Net Position (Deficit) Beginning (as Restated)	Net Position (Deficit) Ending
$ 21,717	$ —	$ 13,760	$ 418,737	$ 454,214
15,752	—	20,186	55,530	91,468
(7,710)	1,109	34,601	190,728	218,728
39,454	—	21,201	38,838	99,493
(19,852)	—	11,789	4,371	(3,692)
(28,249)	—	31,317	52,990	56,058
(7,583)	1,660	22,867	(4,048)	12,896
(4,362)	—	5,439	17,249	18,326
(4,669)	—	7,366	(2,066)	631
(584)	—	2,160	(9,828)	(8,252)
(2,424)	—	10,811	(18,202)	(9,815)
(17,160)	—	20,732	22,016	25,588
(11,276)	—	13,165	86,685	88,574
2,555	—	3,501	127	6,183
(5,381)	—	22,400	(2,526)	14,493
(5,010)	—	3,804	(3,112)	(4,318)
(6,273)	—	5,895	(9,814)	(10,192)
(9,309)	—	10,450	25,604	26,745
(9,018)	—	11,975	17,534	20,491
(15,101)	—	12,977	69,109	66,985
(9,646)	—	23,611	53,041	67,006
(2,305)	—	2,698	(784)	(391)
(11,417)	—	9,164	20,347	18,094
(9,251)	—	—	(102,669)	(111,920)
2,734	—	—	156,207	158,941
495	—	—	8,593	9,088
(1,041)	—	—	82,345	81,304
5,136	—	—	572	5,708
11,410	—	—	(96,600)	(85,190)
(40,440)	—	51,542	2,472	13,574
954	—	—	5,209	6,163
$ (127,854)	**$ 2,769**	**$ 373,411**	**$ 1,078,655**	**$ 1,326,981**


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
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Statistical Section (Unaudited)



This section presents certain economic and social data and financial trends over a ten-year period.


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
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Statistical Section

This section of the Annual Comprehensive Financial Report provides additional information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State of South Carolina's overall financial health.

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Financial Trends 270

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

Revenue Capacity 280

These schedules contain information to help the reader assess the State's most significant revenue sources, the personal income tax and the retail sales tax.

Debt Capacity 286

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Demographic and Economic Information 295

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Information 300

These schedules contain service and capital asset data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the State's Annual Comprehensive Financial Report for the relevant fiscal year.

Net Position by Component

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	2021 (as restated)	2020 (as restated)	2019 (as restated)
Governmental activities				
Net Investment in capital assets.....	$ 18,048,684	$ 17,534,618	$ 16,902,032	$ 16,039,329
Restricted.....	11,054,061	9,497,442	9,612,909	6,064,521
Unrestricted.....	(788,747)	(3,579,868)	(6,665,401)	(4,155,814)
Total governmental activities net position.....	**$ 28,313,998**	**$ 23,452,192**	**$ 19,849,540**	**$ 17,948,036**
Business-type activities				
Net Investment in capital assets.....	$ 307,828	$ 312,603	$ 282,806	$ 221,494
Restricted.....	1,588,210	1,366,066	1,721,780	1,226,011
Unrestricted.....	(38,917)	(118,814)	(418,052)	(87,385)
Total business-type activities net position.....	**$ 1,857,121**	**$ 1,559,855**	**$ 1,586,534**	**$ 1,360,120**
Primary government				
Net Investment in capital assets.....	$ 18,356,512	$ 17,847,221	$ 17,184,838	$ 16,260,823
Restricted.....	12,642,271	10,863,508	11,334,689	7,290,532
Unrestricted.....	(827,664)	(3,698,682)	(7,083,453)	(4,243,199)
Total primary government net position.....	**$ 30,171,119**	**$ 25,012,047**	**$ 21,436,074**	**$ 19,308,156**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenses and related net position balances. Amounts for fiscal years prior to 2020 have not been restated.

For fiscal years 2018 and 2019 (December 31, 2018 year-ends), the State implemented GASB Statement No. 75 (GASB 75). The implementation resulted in the restatement of prior year OPEB-related expenses and related net position balances. Amounts for fiscal years prior to 2017 have not been restated.

For fiscal years 2015 and 2016 (December 31, 2015 year-ends), the State implemented GASB Statement No. 68 (GASB 68). The implementation resulted in the restatement of prior year pension-related expenses and related net position balances. Amounts for fiscal years prior to 2014 have not been restated.

Note: Certain fiscal year data has been restated for consistency.

Source: South Carolina Comptroller General's Office

Table 1

Ended June 30						
2018 (as restated)	**2017 (as restated)**	**2016 (as restated)**	**2015 (as restated)**	**2014 (as restated)**	**2013 (as restated)**
$ 15,079,318	$ 14,133,938	$ 13,088,862	$ 12,667,605	$ 11,892,515	$ 11,455,604
6,068,437	8,204,123	6,691,147	6,062,068	5,488,629	5,323,431
(5,046,197)	(7,294,264)	(2,878,202)	(3,140,966)	(2,332,335)	155,569
$ 16,101,558	**$ 15,043,797**	**$ 16,901,807**	**$ 15,588,707**	**$ 15,048,809**	**$ 16,934,604**
$ 218,157	$ 216,697	$ 203,351	$ 146,739	$ 124,223	$ 72,497
1,023,083	792,899	584,700	337,834	185,732	56
(86,254)	(94,601)	(177,149)	(251,392)	(413,206)	(541,375)
$ 1,154,986	**$ 914,995**	**$ 610,902**	**$ 233,181**	**$ (103,251)**	**$ (468,822)**
$ 15,297,475	$ 14,350,635	$ 13,292,213	$ 12,814,344	$ 12,016,738	$ 11,528,101
7,091,520	8,997,022	7,275,847	6,399,902	5,674,361	5,323,487
(5,132,451)	(7,388,865)	(3,055,351)	(3,392,358)	(2,745,541)	(385,806)
$ 17,256,544	**$ 15,958,792**	**$ 17,512,709**	**$ 15,821,888**	**$ 14,945,558**	**$ 16,465,782**

Changes in Net Position

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	2021 (as restated)	2020 (as restated)	2019 (as restated)
Expenses				
Governmental activities:				
General government	$ 8,029,072	$ 9,116,325	$ 7,062,723	$ 6,770,781
Education	8,413,741	6,526,062	5,823,500	5,424,392
Health and environment	9,775,171	9,182,050	8,752,266	8,388,809
Social services	3,416,209	2,454,063	1,783,094	1,602,776
Administration of justice	1,124,187	1,105,209	1,108,837	1,013,459
Resources and economic development	618,983	497,983	486,458	473,221
Transportation	1,467,938	1,723,643	1,755,784	1,524,598
Unallocated interest expense	8,423	8,135	10,888	18,211
Total governmental activities expenses	**32,853,724**	**30,613,470**	**26,783,550**	**25,216,247**
Business-type activities:				
Unemployment compensation benefits	69,049	3,595,804	3,038,557	149,581
Second injury fund benefits	13,915	1,205	1,484	12,085
Other	51,553	106,315	56,490	64,908
Total business-type activities expenses	**134,517**	**3,703,324**	**3,096,531**	**226,574**
Total primary government expenses	**32,988,241**	**34,316,794**	**29,880,081**	**25,442,821**
Program Revenues				
Governmental activities:				
Charges for services:				
General government	3,874,192	3,761,937	3,501,970	3,227,055
Other activities	569,449	659,294	661,031	628,071
Operating grants and contributions	14,105,152	13,306,491	9,677,634	8,711,747
Capital grants and contributions	941,283	707,650	905,754	673,255
Total governmental activities program revenues	**19,490,076**	**18,435,372**	**14,746,389**	**13,240,128**
Business-type activities:				
Charges for services:				
Unemployment compensation benefits	307,371	256,970	292,409	342,263
Second injury fund benefits	—	443	—	16
Other activities	69,367	68,252	52,065	51,908
Operating grants and contributions	39,439	2,969,920	2,377,360	5,497
Capital grants and contributions	36,159	20,966	53,113	—
Total business-type activities program revenues	**452,336**	**3,316,551**	**2,774,947**	**399,684**
Total primary government activities program revenues	**19,942,412**	**21,751,923**	**17,521,336**	**13,639,812**
Net Revenues (Expenses)				
Governmental activities	(13,363,648)	(12,178,098)	(12,037,161)	(11,976,119)
Business-type activities	317,819	(386,773)	(321,584)	173,110
Total primary government net revenues (expense)	**(13,045,829)**	**(12,564,871)**	**(12,358,745)**	**(11,803,009)**

Table 2

Ended June 30

2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)	2014 (as restated)	2013 (as restated)
$ 6,945,339	$ 5,510,027	$ 4,699,668	$ 5,352,363	$ 5,381,542	$ 5,307,714
5,237,599	5,127,099	5,053,077	4,843,569	4,250,751	4,243,014
8,156,138	8,156,599	7,683,019	7,832,147	7,071,800	6,403,284
1,695,379	1,766,719	1,832,743	1,821,016	1,977,904	2,087,077
986,839	938,748	883,458	873,450	830,536	719,891
393,825	485,420	463,892	390,322	334,899	321,759
1,620,125	1,575,808	1,324,421	1,260,982	1,193,543	1,063,103
18,335	25,865	23,537	33,322	36,896	44,451
25,053,579	**23,586,285**	**21,963,815**	**22,407,171**	**21,077,871**	**20,190,293**
182,537	199,409	208,710	226,470	342,741	616,064
285	600	27	7,461	2,547	52,656
60,142	52,900	45,855	55,325	35,194	54,061
242,964	**252,909**	**254,592**	**289,256**	**380,482**	**722,781**
25,296,543	**23,839,194**	**22,218,407**	**22,696,427**	**21,458,353**	**20,913,074**
3,055,388	2,797,733	2,732,909	2,592,512	2,426,885	2,327,752
672,590	608,357	543,485	657,266	790,717	551,319
9,253,825	9,127,975	8,823,007	8,388,996	7,661,223	7,328,281
977,834	813,622	582,940	680,842	806,657	716,702
13,959,637	**13,347,687**	**12,682,341**	**12,319,616**	**11,685,482**	**10,924,054**
344,552	385,759	422,479	442,545	507,907	467,256
60,291	59,848	59,874	60,000	60,043	1,520
53,758	51,405	46,759	44,208	45,815	42,790
5,660	22,708	11,909	14,335	90,107	323,321
—	18,998	39,480	12,567	210	3
464,261	**538,718**	**580,501**	**573,655**	**704,082**	**834,890**
14,423,898	**13,886,405**	**13,262,842**	**12,893,271**	**12,389,564**	**11,758,944**
(11,093,942)	(10,238,598)	(9,281,474)	(10,087,555)	(9,392,389)	(9,266,239)
221,297	285,809	325,909	284,399	323,600	112,109
(10,872,645)	**(9,952,789)**	**(8,955,565)**	**(9,803,156)**	**(9,068,789)**	**(9,154,130)**

Continued on Next Page

Changes in Net Position (Continued)

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	2021 (as restated)	2020 (as restated)	2019 (as restated)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Individual income	$ 6,932,111	$ 5,584,914	$ 5,045,819	$ 4,835,821
Retail sales and use	7,092,123	6,106,578	5,167,804	5,004,470
Corporate income	1,048,315	573,618	362,569	396,207
Gas and motor vehicle	1,427,195	1,406,817	1,263,560	1,198,220
Insurance	236,704	224,996	215,722	204,755
Hospital	266,581	258,970	268,702	261,448
Other	923,472	837,842	760,619	731,276
Unrestricted grants and contributions	—	—	40	14
Unrestricted investment income	(573,226)	71,582	470,543	365,453
Loss on termination of hedge accounting	—	—	—	—
Tobacco legal settlement	88,544	88,349	71,750	80,723
Other revenues	751,363	927,258	594,187	723,194
Transfers	32,272	(310,364)	(472,328)	21,016
Total governmental activities	**18,225,454**	**15,770,560**	**13,748,987**	**13,822,597**
Business-type activities:				
Unrestricted investment income	10,944	48,517	55,291	48,530
Other revenues	775	1,213	2,618	4,510
Transfers	(32,272)	310,364	472,328	(21,016)
Total business-type activities	**(20,553)**	**360,094**	**530,237**	**32,024**
Total primary government	**18,204,901**	**16,130,654**	**14,279,224**	**13,854,621**
Change in Net Position				
Governmental activities	4,861,806	3,592,462	1,711,826	1,846,478
Business-type activities	297,266	(26,679)	208,653	205,134
Total primary government	**$ 5,159,072**	**$ 3,565,783**	**$ 1,920,479**	**$ 2,051,612**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenses and related net position balances. Prior year amounts have not been restated.

For fiscal years 2018 and 2019, the State implemented GASB Statement No. 75 (GASB 75). The implementation resulted in the restatement of prior year OPEB-related expenses and related net position balances. Amounts for fiscal years prior to 2017 have not been restated.

For fiscal years 2015 and 2016 (December 31, 2015 year-ends), the State implemented GASB Statement No. 68 (GASB 68). The implementation resulted in the restatement of prior year pension-related expenses. Prior year amounts have not been restated.

Source: South Carolina Comptroller General's Office

Table 2

Ended June 30

2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)	2014 (as restated)	2013 (as restated)
$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532	$ 3,479,143
4,688,789	4,436,958	4,279,959	4,357,672	4,178,102	3,988,918
404,164	340,327	408,297	377,329	327,809	390,527
1,084,630	883,891	698,090	666,772	636,216	557,209
191,016	168,974	156,766	152,314	138,037	139,240
260,715	267,235	265,689	263,557	262,962	263,435
711,502	661,573	666,017	645,783	601,692	568,040
38	—	90	1	1	159
160,636	191,486	109,748	67,343	120,171	68,899
—	—	—	—	—	—
81,605	73,533	71,119	70,419	109,113	73,326
150,635	154,778	53,026	280,491	684,412	587,729
9,201	2,559	918	3,972	(47,900)	(60,968)
12,151,703	**11,324,531**	**10,594,574**	**10,627,453**	**10,433,147**	**10,055,657**
34,132	22,777	28,952	16,306	26,107	8,632
4,545	1,802	8,946	3,141	204	85
(9,201)	(2,559)	(918)	(3,972)	47,900	60,968
29,476	**22,020**	**36,980**	**15,475**	**74,211**	**69,685**
12,181,179	**11,346,551**	**10,631,554**	**10,642,928**	**10,507,358**	**10,125,342**
1,057,761	1,085,933	1,313,100	539,898	1,040,758	789,418
250,773	307,829	362,889	299,874	397,811	181,794
$ 1,308,534	**$ 1,393,762**	**$ 1,675,989**	**$ 839,772**	**$ 1,438,569**	**$ 971,212**

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	2021 (as restated)	2020 (as restated)	2019 (as restated)
General Fund				
Non-spendable	$ 146,639	$ 138,407	$ 129,273	$ 125,746
Restricted	1,619,684	1,343,636	923,224	1,194,858
Committed	826,611	627,935	507,269	520,128
Assigned	540,030	371,923	263,888	187,427
Unassigned, previously unreserved	7,501,115	4,618,659	2,313,771	1,514,263
Total General Fund	**10,634,079**	**7,100,560**	**4,137,425**	**3,542,422**
All other governmental funds				
Non-spendable	70,381	98,882	64,805	739,642
Restricted	6,995,798	5,914,801	6,230,230	3,566,039
Committed	90,058	486,210	598,891	559,507
Assigned	392,701	93,093	351,797	155,657
Unassigned, previously unreserved	(1,167,089)	(1,375,076)	(2,346,309)	(560,631)
Total all other governmental funds	**6,381,849**	**5,217,910**	**4,899,414**	**4,460,214**
Total fund balances, governmental funds	**$ 17,015,928**	**$ 12,318,470**	**$ 9,036,839**	**$ 8,002,636**

Note: Certain fiscal year data has been restated for consistency.

Source: South Carolina Comptroller General's Office

Table 3

Ended June 30					
2018 (as restated)	**2017 (as restated)**	**2016 (as restated)**	**2015 (as restated)**	**2014 (as restated)**	**2013 (as restated)**
$ 128,937	$ 120,194	$ 94,624	$ 74,743	$ 68,128	67,717
1,134,704	604,959	530,698	502,620	359,073	337,687
505,425	2,137,028	1,142,072	976,846	967,245	650,545
252,357	397,688	416,089	369,967	444,630	996,539
718,728	(366,853)	742,823	614,028	930,500	368,413
2,740,151	**2,893,016**	**2,926,306**	**2,538,204**	**2,769,576**	**2,420,901**
33,767	35,322	24,897	800,713	775,675	771,168
4,253,086	3,796,996	3,652,234	2,581,099	2,624,909	2,045,302
496,120	588,668	465,712	475,586	346,688	166,205
22,572	11,099	5,311	6,842	5,387	156,918
(678,731)	(672,008)	(608,503)	(656,236)	(748,859)	(366,066)
4,126,814	**3,760,077**	**3,539,651**	**3,208,004**	**3,003,800**	**2,773,527**
$ 6,866,965	**$ 6,653,093**	**$ 6,465,957**	**$ 5,746,208**	**$ 5,773,376**	**$ 5,194,428**

Changes in Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	2021 (as restated)	2020 (as restated)	2019 (as restated)
Revenues				
Taxes:				
Individual income	$ 6,932,111	$ 5,584,914	$ 5,045,819	$ 4,835,821
Retail sales and use	7,092,123	6,106,578	5,167,804	5,004,470
Corporate Income	1,048,315	573,618	362,569	396,207
Gas and motor vehicle	1,427,195	1,406,817	1,263,560	1,198,220
Insurance	236,704	224,996	215,722	204,755
Hospital	266,581	258,970	268,702	261,448
Other	923,472	837,842	760,619	731,276
Licenses, fees, and permits	595,752	603,099	508,433	467,948
Interest and other investment income	(517,736)	54,138	403,451	312,458
Federal	14,406,853	12,867,888	9,958,601	8,789,089
Local and private grants	81,194	83,565	53,146	63,530
Departmental services	960,907	1,048,142	1,032,295	1,054,200
Contributions	654,027	645,413	577,733	653,431
Fines and penalties	83,201	122,392	71,298	80,891
Tobacco legal settlement	88,544	88,349	71,750	80,723
Other	668,582	1,327,382	521,833	633,051
Total revenues	**34,947,825**	**31,834,103**	**26,283,335**	**24,767,518**
Expenditures				
Current:				
General government	1,753,169	2,720,549	1,447,876	1,556,005
Education	2,483,057	2,141,270	1,911,522	1,695,689
Health and environment	10,577,094	9,933,636	9,466,722	9,023,319
Social services	3,254,723	2,302,577	1,698,573	1,561,488
Administration of justice	980,160	949,634	941,907	913,852
Resources and economic development	313,617	287,260	298,390	257,093
Transportation	1,232,267	1,278,257	1,230,733	1,071,197
Capital outlay	924,331	932,849	1,178,586	1,003,394
Debt service:				
Principal retirement	196,810	197,956	157,123	181,319
Interest and fiscal charges	85,576	81,966	109,800	102,464
Intergovernmental	8,613,205	7,369,274	6,551,933	6,301,993
Total expenditures	**30,414,009**	**28,195,228**	**24,993,165**	**23,667,813**
Excess of revenues over (under) expenditures	**4,533,816**	**3,638,875**	**1,290,170**	**1,099,705**
Other financing sources (uses)				
Bonds and notes issued	25,860	6,672	22,133	2,857
Refunding bonds issued	370,445	92,905	179,030	350,375
Premiums on bonds issued	103,641	11,813	43,973	—
Termination payment to SWAP counterparties	—	(73,199)	—	—
Leases issued	20,523	5,786	1,122	1,854
Payments to refunded bond escrow agent	(407,480)	(103,588)	(224,858)	(350,375)
Redemption of refunded bonds	—	—	—	—
Transfers in	827,208	240,692	548,590	178,116
Transfers out	(776,555)	(538,325)	(1,017,217)	(146,861)
Total other financing sources (uses)	**163,642**	**(357,244)**	**(447,227)**	**35,966**
Net change in fund balances	**$ 4,697,458**	**$ 3,281,631**	**$ 842,943**	**$ 1,135,671**
Debt service as a percentage of noncapital expenditures	**1.0%**	**1.0%**	**1.1%**	**1.3%**

Source: South Carolina Comptroller General's Office

Table 4

Ended June 30

2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)	2014 (as restated)	2013 (as restated)
$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532	$ 3,480,213
4,688,789	4,436,958	4,279,959	4,357,672	4,178,102	3,961,867
404,164	340,327	408,297	377,329	327,809	390,527
1,084,630	883,891	698,090	666,772	636,216	557,209
191,016	168,974	156,766	152,314	138,037	139,240
260,715	267,235	265,689	263,557	262,962	263,435
711,502	661,573	666,017	645,783	601,692	591,992
517,788	552,790	614,339	588,594	543,558	500,684
144,282	150,870	99,540	47,926	99,575	50,674
8,944,281	8,934,219	8,311,023	8,434,117	7,812,816	7,464,240
66,549	70,056	62,100	57,977	57,589	51,766
956,978	927,982	841,391	808,512	950,754	776,895
589,190	503,409	531,825	448,014	433,931	390,124
167,951	165,561	180,244	187,524	146,722	131,236
81,605	73,533	71,119	70,419	109,113	73,326
638,490	562,690	468,076	338,467	741,857	523,672
23,856,702	**22,843,285**	**21,539,330**	**21,186,777**	**20,463,265**	**19,347,100**
814,105	824,115	751,950	771,349	788,764	667,014
1,607,334	1,238,466	1,174,474	1,072,535	948,256	993,001
8,820,524	8,563,572	8,112,805	8,090,340	7,323,555	6,646,790
1,673,808	1,740,666	1,816,736	1,802,517	1,978,585	2,075,475
891,487	845,291	805,266	814,443	798,031	698,055
313,600	270,276	246,680	221,858	203,834	178,789
1,149,333	1,138,392	708,010	910,575	725,869	862,916
1,012,966	985,878	656,003	599,316	702,651	454,053
254,783	261,033	261,979	278,729	270,081	270,223
126,883	127,391	161,055	171,106	183,008	201,304
7,027,182	6,726,753	6,168,555	6,509,788	6,043,436	5,763,966
23,692,005	**22,721,833**	**20,863,513**	**21,242,556**	**19,966,070**	**18,811,586**
164,697	**121,452**	**675,817**	**(55,779)**	**497,195**	**535,514**
15,065	51,103	115,370	18,110	100,235	—
188,725	213,595	573,505	—	86,575	424,910
30,041	22,464	44,852	3,070	30,389	53,560
—	—	—	—	—	—
1,847	47	411	—	7,466	—
(203,580)	(229,205)	(692,095)	—	(101,062)	(476,620)
—	—	—	—	—	—
380,842	449,624	851,955	270,402	808,132	431,827
(363,765)	(441,944)	(850,066)	(262,971)	(849,982)	(484,200)
49,175	**65,684**	**43,932**	**28,611**	**81,753**	**(50,523)**
$ 213,872	**$ 187,136**	**$ 719,749**	**$ (27,168)**	**$ 578,948**	**$ 484,991**
1.7%	**1.8%**	**2.1%**	**2.2%**	**2.4%**	**2.6%**

Personal Income by Industry

Last Ten Calendar Years
(expressed in millions)

Sources	Calendar Year 2021	2020	2019
Farm earnings	$ 447	$ 301	$ 166
Agricultural services, forestry, fishing, and other	537	472	433
Mining	182	170	185
Construction	11,532	10,464	10,327
Manufacturing	21,543	20,072	20,825
Transportation and public utilities	7,288	6,789	6,615
Wholesale trade	7,405	6,854	6,617
Retail trade	11,712	10,605	10,030
Finance, insurance, and real estate	13,488	12,599	11,616
Services	62,615	55,763	55,926
Federal government, civilian	3,941	3,889	3,652
Military	3,390	3,314	3,160
State and local government	22,813	22,494	22,103
Other [a]	103,107	97,214	82,345
Total personal income	**$ 270,000**	**$ 251,000**	**$ 234,000**
Average effective rate [b]	[c]	2.0%	2.0%

Information has been updated when modifications are provided by the Federal Government Sources.

[a] Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.

[b] The total direct tax rate for personal income is not available. Average effective rate equals total personal income tax liability divided by total personal income.

[c] Information not yet available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Table 5

2018	2017	2016	2015	2014	2013	2012
$ 149	$ 300	$ 188	$ 219	$ 240	$ 743	$ 477
437	407	388	375	344	301	297
160	160	121	104	80	77	78
9,654	9,324	8,192	7,438	6,905	6,228	5,783
20,019	19,062	18,311	17,913	16,984	15,862	15,189
6,248	5,918	5,657	5,441	5,031	4,704	4,421
6,314	6,124	5,799	5,714	5,348	4,998	4,837
9,713	9,256	8,950	8,646	8,277	7,995	7,645
10,035	10,514	10,034	9,721	8,721	8,285	9,504
53,716	50,284	47,182	45,157	42,862	40,194	38,527
3,496	3,331	3,219	3,125	2,981	2,941	2,913
3,090	3,230	3,409	3,591	3,535	3,631	3,694
21,270	20,354	19,720	19,135	18,481	17,752	16,987
78,699	74,736	70,830	67,421	63,211	58,289	58,648
$ 223,000	**$ 213,000**	**$ 202,000**	**$ 194,000**	**$ 183,000**	**$ 172,000**	**$ 169,000**
1.9%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%

Taxable Sales by Industry

Last Ten Fiscal Years
(expressed in millions)

Sources	For the Fiscal Year 2022	2021	2020	2019
Retail trade	$ 55,772	$ 50,075	$ 44,445	$ 44,641
Services	16,440	14,255	12,808	13,045
Transportation, communication, and utilities	10,371	10,359	10,089	9,951
Wholesale trade	4,924	4,034	3,655	3,448
Other	21,913	16,412	11,281	8,590
Total taxable sales [a]	**$ 109,420**	**$ 95,135**	**$ 82,278**	**$ 79,675**

Percent Distribution of Taxable Sales by Industry

Last Ten Fiscal Years

Sources	For the Fiscal Year 2022	2021	2020	2019
Retail trade	51.0%	52.6%	54.0%	56.0%
Services	15.0%	15.0%	15.6%	16.4%
Transportation, communication, and utilities	9.5%	10.9%	12.3%	12.5%
Wholesale trade	4.5%	4.2%	4.4%	4.3%
Other	20.0%	17.3%	13.7%	10.8%
Total taxable sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sales tax rate [a]	**6.0%**	**6.0%**	**6.0%**	**6.0%**

[a] Excludes the 2% accommodations tax and the local option sales tax; includes the 5% retail sales tax and 1% Education Improvement Act sales tax.

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not presented. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenues.

Note: Effective 2011 the Department of Revenue ceased collection of data using SIC with a change to NAICS coding.

Source: South Carolina Department of Revenue

Table 6

Ended June 30					
2018	2017	2016	2015	2014	2013
$ 43,852	$ 42,980	$ 48,777	$ 45,579	$ 42,828	$ 40,817
12,534	11,773	12,479	11,661	10,957	10,443
10,093	10,206	5,379	5,027	4,724	4,502
3,234	3,033	3,132	2,927	2,751	2,621
5,955	7,344	1,711	1,599	1,502	1,432
$ 75,668	**$ 75,336**	**$ 71,478**	**$ 66,793**	**$ 62,762**	**$ 59,815**

Table 7

Ended June 30					
2018	2017	2016	2015	2014	2013
58.0%	57.1%	68.2%	68.2%	68.2%	68.2%
16.6%	15.6%	17.5%	17.5%	17.5%	17.5%
13.3%	13.5%	7.5%	7.5%	7.5%	7.5%
4.3%	4.0%	4.4%	4.4%	4.4%	4.4%
7.8%	9.8%	2.4%	2.4%	2.4%	2.4%
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
6.0%	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**

Personal Income Tax Rates

Table 8

Last Ten Calendar Years

Tax Year	Tax Rates	Number of Brackets	Income Brackets		Average Effective Rate[a]
			Low	High	
2021	0.0% - 7.0%	6	3,110	15,560	b
2020	0.0% - 7.0%	6	3,070	15,400	2.0%
2019	0.0% - 7.0%	6	3,030	15,150	2.0%
2018	0.0% - 7.0%	6	2,970	14,860	1.9%
2017	0.0% - 7.0%	6	2,930	14,670	1.9%
2016	0.0% - 7.0%	6	2,920	14,600	1.9%
2015	0.0% - 7.0%	6	2,910	14,550	1.8%
2014	0.0% – 7.0%	6	2,880	14,400	1.8%
2013	0.0% – 7.0%	6	2,850	14,250	1.8%
2012	0.0% – 7.0%	6	2,800	14,000	1.8%

[a] The total direct tax rate for personal income is not presented. Average effective rate equals total personal income tax liability divided by total personal income.

[b] Not yet available.

Note: The legislature can raise the sales or income tax rates by legislation; no vote of the populace is required. The State's personal income tax brackets are adjusted each year for inflation.

Source: South Carolina Department of Revenue

Personal Income Tax Filers and Liability by Income Level

Table 9

Calendar Years 2020 and 2011
(dollars, except income level, expressed in thousands)

2020 [a]

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	188,106	7.3%	$ 2,622,950	53.2%
$75,001 - $100,000	105,445	4.1%	541,387	11.0%
$50,001 - $75,000	187,360	7.3%	663,103	13.4%
$25,001 - $50,000	373,895	14.5%	714,287	14.5%
$10,001 - $25,000	402,091	15.6%	257,986	5.2%
$10,000 and lower	1,314,931	51.2%	132,681	2.7%
Total	**2,571,828**	**100.0%**	**$ 4,932,394**	**100.0%**

2011

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	86,923	4.2%	$ 1,109,018	39.3%
$75,001 - $100,000	67,102	3.3%	349,961	12.4%
$50,001 - $75,000	138,259	6.7%	493,789	17.5%
$25,001 - $50,000	291,192	14.1%	564,562	20.0%
$10,001 - $25,000	343,252	16.6%	238,746	8.5%
$10,000 and lower	1,135,120	55.1%	62,985	2.3%
Total	**2,061,848**	**100.0%**	**$ 2,819,061**	**100.0%**

[a] Information for 2021 not yet available.

Note: Due to confidentiality issues, the names of the largest personal income tax payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's individual income tax revenues.

Source: South Carolina Department of Revenue

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(expressed in thousands unless otherwise indicated)

	For the Fiscal Year			
	2022	**2021**	**2020**	**2019**
Governmental Activities				
General obligation bonds	$ 193,969	$ 265,229	$ 368,747	$ 457,555
Limited obligation bonds	—	—	—	—
Infrastructure Bank bonds	1,441,839	1,472,319	1,558,524	1,645,007
Revenue bonds	35,887	37,348	38,704	39,964
Notes payable	64,319	64,678	89,670	94,384
Leases	113,990	120,969	2,267	2,488
Total governmental activities	1,850,004	1,960,543	2,057,912	2,239,398
Business-Type Activities				
Revenue bonds	4,785	4,990	5,185	5,375
Notes payable	6,500	6,500	6,500	6,500
Total business-type activities	11,285	11,490	11,685	11,875
Total primary government	**$1,861,289**	**$1,972,033**	**$2,069,597**	**$2,251,273**
Debt as a percentage of personal income	0.7%	0.8%	0.9%	1.0%
Debt per capita expressed in actual dollars	[a]	$ 380	$ 403	$ 443

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

For fiscal year 2021-22, the State implemented GASB Statement No. 87 (GASB 87). The leases balances prior to fiscal year 2020-21 are not restated and were previously limited to capital leases only.

[a] Not yet available.

Source: South Carolina Comptroller General's Office

Table 10

Ended June 30					
2018	**2017**	**2016**	**2015**	**2014**	**2013**
$ 564,811	$ 756,172	$ 962,196	$1,126,138	$1,320,532	$1,376,697
—	—	—	185	919	2,408
1,729,005	1,788,232	1,854,451	1,942,456	2,016,518	2,003,486
41,109	44,270	14,144	17,680	21,072	24,318
105,045	86,971	66,875	61,185	68,265	77,126
1,745	1,871	3,395	4,493	6,004	349
2,441,715	2,677,516	2,901,061	3,152,137	3,433,310	3,484,384
5,555	5,730	5,895	6,055	6,210	6,360
6,500	—	—	—	—	—
12,055	5,730	5,895	6,055	6,210	6,360
$2,453,770	**$2,683,246**	**$2,906,956**	**$3,158,192**	**$3,439,520**	**$3,490,744**
1.2%	1.3%	1.5%	1.7%	2.0%	2.1%
$ 489	$ 540	$ 592	$ 651	$ 718	$ 736

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(expressed in thousands unless otherwise indicated)

	For the Fiscal Year			
	2022	**2021**	**2020**	**2019**
Governmental Activities				
Capital improvement bonds	$ —	$ —	$ —	$ —
State highway bonds	12,419	27,749	69,852	109,839
State school facilities bonds	—	—	—	—
Infrastructure Bank bonds	21,245	24,595	27,649	30,746
State economic development bonds	126,833	170,924	206,967	230,095
Research university infrastructure bonds	21,087	25,784	44,538	63,654
Air carrier hub terminal facilities bonds	12,385	16,177	19,741	23,221
Total governmental activities	193,969	265,229	368,747	457,555
Total primary government	**$ 193,969**	**$ 265,229**	**$ 368,747**	**$ 457,555**
Debt as a percentage of personal income	[a]	0.1%	0.2%	0.2%
Debt per capita expressed in actual dollars	[a]	$ 51	$ 72	$ 90

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

[a] Not yet available.

Source: South Carolina Comptroller General's Office

Table 11

Ended June 30 2018	2017	2016	2015	2014	2013
$ 8,698	$ 26,564	$ 55,629	$ 99,296	$ 148,642	$ 191,926
162,628	213,686	263,083	311,034	358,484	390,046
—	9,021	31,500	76,909	143,868	204,120
33,725	36,630	39,326	42,061	44,533	44,052
251,837	342,669	426,280	427,646	436,379	356,623
81,348	97,783	113,410	133,165	149,609	147,989
26,575	29,819	32,968	36,027	39,017	41,941
564,811	756,172	962,196	1,126,138	1,320,532	1,376,697
$ 564,811	**$ 756,172**	**$ 962,196**	**$ 1,126,138**	**$ 1,320,532**	**$ 1,376,697**
0.3%	0.4%	0.5%	0.6%	0.8%	0.8%
$ 112	$ 152	$ 196	$ 232	$ 276	$ 290

Computation of Legal Debt Margin

June 30, 2022
(Expressed in Thousands)

Section 57-11-240 of the South Carolina Code of Laws and Article X, Section 13 of the South Carolina Constitution state that highway bonds may be issued if such bonds are additionally secured by a pledge of revenues designated by the General Assembly for State highway purposes from taxes or licenses imposed for using the public highways of the State. The maximum annual debt service on all highway bonds shall not exceed fifteen percent of the proceeds received from the designated revenues for the fiscal year next preceding.

Section 11-51-50 of the South Carolina Code of Laws states that the issuance of general obligation bonds of the State must be limited so that the maximum annual debt service on all general obligation bonds of the State (excluding highway bonds, State institution bonds, tax anticipation notes, and bond anticipation notes) may not exceed six percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

Section 11-41-60 states that the maximum annual debt service on economic development bonds may not exceed one-half of one percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

Section 11-51-50 also states that the maximum annual debt service on research university infrastructure bonds may not exceed one-half of one percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

HIGHWAY BONDS	
2020-2021 Budgetary General Fund revenues pledged for highway bonds	$ 12,128
2020-2021 other revenues pledged for highway bonds	803,749
2020-2021 revenues pledged for highway bonds	815,877
15% of 2020-2021 revenues pledged for highway bonds	122,382
Less: maximum annual debt service for highway bonds [a]	10,732
Legal debt service margin at June 30, 2022--highway bonds	**$ 111,650**
GENERAL OBLIGATION BONDS (EXCLUDING INSTITUTION BONDS, HIGHWAY BONDS, AND ANTICIPATION NOTES)[f]	
2020-2021 Budgetary General Fund revenues	$ 10,459,722
Less: 2020-2021 Budgetary General Fund revenues pledged for highway bonds [e]	12,128
2020-2021 net Budgetary General Fund revenues	10,447,594
6% of 2020-2021 net Budgetary General Fund revenues	626,856
Less: maximum annual debt service for general obligation bonds excluding institution and highway bonds and bond anticipation notes [b]	29,798
Legal debt service margin at June 30, 2022--general obligation bonds excluding institution and highway bonds and bond anticipation notes	**$ 597,058**

Table 12

ECONOMIC DEVELOPMENT BONDS[g]	
2020-2021 Budgetary General Fund revenues	$ 10,459,722
Less: 2020-2021 Budgetary General Fund revenues pledged for highway bonds[e]	12,128
2020-2021 net Budgetary General Fund revenues	10,447,594
0.5% of 2020-2021 net Budgetary General Fund revenues	52,238
Less: maximum annual debt service for economic development bonds[d]	4,229
Legal debt service margin at June 30, 2022--economic development bonds	**$ 48,009**
RESEARCH UNIVERSITY INFRASTRUCTURE BONDS	
2020-2021 Budgetary General Fund revenues	$ 10,459,722
Less: 2020-2021 Budgetary General Fund revenues pledged for highway bonds[e]	12,128
2020-2021 net Budgetary General Fund revenues	10,447,594
0.5% of 2020-2021 net Budgetary General Fund revenues	52,238
Less: maximum annual debt service for research university infrastructure bonds[c]	4,801
Legal debt service margin at June 30, 2022--research university infrastructure bonds	**$ 47,437**

[a] As of June 30, 2022, the maximum annual debt service will occur in the fiscal year ending June 30, 2023.

[b] As of June 30, 2022, the maximum annual debt service will occur in the fiscal year ending June 30, 2024.

[c] As of June 30, 2022, the maximum annual debt service will occur in the fiscal year ending June 30, 2025.

[d] As of June 30, 2022, the maximum annual debt service will occur in the fiscal year ending June 30, 2028.

[e] For the fiscal year ended June 30, 2022, there were no net Budgetary General Fund revenues pledged for State institution bonds and anticipation notes.

[f] During the fiscal year ended June 30, 2010, the State issued $50 million of Air Carrier Hub Terminal Facilities bonds under the provisions of Section 55-11-520 of the South Carolina Code of Laws. Section 55-11-520(A) states that no more than $50 million of Air Carrier Hub Terminal Facilities bonds may be outstanding at any time.

[g] During the fiscal year ended June 30, 2010, the State issued $170 million of Economic Development bonds, during the fiscal year ended June 30, 2014, the State issued an additional $85 million of Economic Development bonds, during the fiscal year ended June 30, 2015, the State issued an additional $18.11 million of Economic Development bonds, which, based on the provisions of Section 11-41-60 of the South Carolina Code of Laws, are not subject to the limitation on maximum annual debt service. The $170 million, $85 million, and $18.11 million bond issues have been excluded from the debt service limit calculations.

Source: South Carolina Comptroller General's Office

Legal Debt Margin Information

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2022	**2021**	**2020**	**2019**
State Highway Bonds				
Debt service limitation	$ 122,382	$ 114,737	$ 115,049	$ 108,261
Debt service applicable to limit	10,732	13,900	39,452	39,452
Legal debt margin at June 30	**$ 111,650**	**$ 100,837**	**$ 75,597**	**$ 68,809**
Legal debt margin as a percentage of debt service limitation	**91.2%**	**87.9%**	**65.7%**	**63.6%**
General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes				
Debt service limitation	$ 626,856	$ 550,095	$ 527,560	$ 486,794
Debt service applicable to limit	29,798	29,798	42,392	44,785
Legal debt margin at June 30	**$ 597,058**	**$ 520,297**	**$ 485,168**	**$ 442,009**
Legal debt margin as a percentage of debt service limitation	**95.2%**	**94.6%**	**92.0%**	**90.8%**
Economic Development Bonds				
Debt service limitation	$ 52,238	$ 45,841	$ 43,963	$ 40,566
Debt service applicable to limit	4,229	4,229	4,229	4,489
Legal debt margin at June 30	**$ 48,009**	**$ 41,612**	**$ 39,734**	**$ 36,077**
Legal debt margin as a percentage of debt service limitation	**91.9%**	**90.8%**	**90.4%**	**88.9%**
Research University Infrastructure Bonds				
Debt service limitation	$ 52,238	$ 45,841	$ 43,963	$ 40,566
Debt service applicable to limit	4,801	4,801	17,274	19,375
Legal debt margin at June 30	**$ 47,437**	**$ 41,040**	**$ 26,689**	**$ 21,191**
Legal debt margin as a percentage of debt service limitation	**90.8%**	**89.5%**	**60.7%**	**52.2%**

Source: South Carolina Comptroller General's Office

Table 13

Ended June 30					
2018	**2017**	**2016**	**2015**	**2014**	**2013**
$ 105,579	$ 104,142	$ 99,210	$ 96,244	$ 93,314	$ 95,326
53,171	53,915	54,646	56,534	57,365	57,717
$ 52,408	**$ 50,227**	**$ 44,564**	**$ 39,710**	**$ 35,949**	**$ 37,609**
49.6%	**48.2%**	**44.9%**	**41.3%**	**38.5%**	**39.5%**
$ 454,285	$ 440,260	$ 416,987	$ 392,469	$ 382,796	$ 350,844
52,936	83,191	111,150	141,006	175,354	173,992
$ 401,349	**$ 357,069**	**$ 305,837**	**$ 251,463**	**$ 207,442**	**$ 176,852**
88.3%	**81.1%**	**73.3%**	**64.1%**	**54.2%**	**50.4%**
$ 37,857	$ 36,688	$ 34,749	$ 32,706	$ 31,900	$ 29,237
4,489	17,678	22,771	24,473	24,493	24,521
$ 33,368	**$ 19,010**	**$ 11,978**	**$ 8,233**	**$ 7,407**	**$ 4,716**
88.1%	**51.8%**	**34.5%**	**25.2%**	**23.2%**	**16.1%**
$ 37,857	$ 36,688	$ 34,749	$ 32,706	$ 31,900	$ 29,237
19,375	19,375	19,375	21,521	21,663	20,452
$ 18,482	**$ 17,313**	**$ 15,374**	**$ 11,185**	**$ 10,237**	**$ 8,785**
48.8%	**47.2%**	**44.2%**	**34.2%**	**32.1%**	**30.0%**

Pledged Revenue Coverage

Table 14

Last Ten Fiscal Years
(expressed in thousands)

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
Department of Administration—Revenue Bonds					
2022	$ —	$ —	$ —	$ —	N/A
2021	—	—	—	—	N/A
2020	—	—	—	—	N/A
2019	—	—	—	—	N/A
2018	2,373	2,260	113	2,373	1.00
2017	2,376	2,155	221	2,376	1.00
2016	2,379	2,055	324	2,379	1.00
2015	2,387	1,965	422	2,387	1.00
2014	2,385	1,870	515	2,385	1.00
2013	2,384	1,780	604	2,384	1.00
Infrastructure Bank Bonds					
2022	$ 131,723	$ 84,585	$ 51,770	$ 136,355	0.97
2021	179,455	80,330	60,551	140,881	1.27
2020	223,293	77,185	64,446	141,631	1.58
2019	221,151	78,135	74,884	153,019	1.45
2018	230,447	79,744	74,222	153,966	1.50
2017	236,635	60,754	80,734	141,488	1.67
2016	288,284	78,125	87,548	165,673	1.74
2015	219,487	67,125	89,129	156,254	1.40
2014	208,256	71,550	92,522	164,072	1.27
2013	212,078	60,730	95,789	156,519	1.35

Demographic Statistics

Table 15

Last Ten Calendar Years

Year	Population at July 1 [a]	Per Capita Income [b]	Average Annual Unemployment Rate [c]
2021	5,190,705	$ 52,074	4.0%
2020	5,130,729	48,838	6.0%
2019	5,077,543	46,173	2.8%
2018	5,021,059	44,326	3.4%
2017	4,965,753	42,819	4.2%
2016	4,910,768	41,178	4.9%
2015	4,852,678	40,053	5.9%
2014	4,792,246	38,152	6.3%
2013	4,740,306	36,204	7.4%
2012	4,701,074	35,989	9.0%

Information has been updated when modifications are provided by the Federal Government Sources.

[a] Source: U.S. Census Bureau

[b] Source: U.S. Department of Commerce, Bureau of Economic Statistics

[c] Source: U.S. Department of Commerce, Bureau of Economic Statistics

Employment by Industry

Table 16

Latest Completed Calendar Year and Nine Years Prior

Sources	2021 Number of Employees	2021 Percent of Total	2012 Number of Employees	2012 Percent of Total
Services	919,515	41.4%	783,869	40.3%
State and local	318,404	14.3%	308,323	15.8%
Retail trade	253,746	11.4%	228,066	11.7%
Manufacturing	249,943	11.2%	221,519	11.4%
Finance, insurance, and real estate	111,414	5.0%	95,432	4.9%
Construction	106,880	4.8%	79,761	4.1%
Transportation and public utilities	89,454	4.0%	62,285	3.2%
Wholesale trade	74,783	3.4%	65,939	3.4%
Military	47,846	2.2%	54,216	2.8%
Federal government, civilian	36,174	1.6%	32,991	1.7%
Farming	5,617	0.3%	6,839	0.4%
Agricultural services, forestry, fishing, and other	6,926	0.3%	6,778	0.3%
Mining	1,958	0.1%	1,194	0.1%
Total wage and salary employment	**2,222,660**	**100.0%**	**1,947,212**	**100.0%**

Note: Pursuant to the provisions of Section 41-29-150 of the South Carolina Code of Laws, the number of employees for individual companies within the State is not available. The categories presented are intended to provide alternative information regarding the principal employers within the State.

Source: U.S. Department of Commerce, Bureau of Economic Statistics

Ten Largest Employers

Table 17

Latest Completed Calendar Year and Nine Years Prior
(Listed alphabetically)

2021	2012
BMW Manufacturing Corporation	Bi-Lo, Inc.
Food Lion LLC	Blue Cross/Blue Shield of South Carolina
Greenville County School District	Greenville County School District
Hospital Authority of MUSC	Greenville Hospital System
Michelin North America, Inc.	Michelin North America, Inc.
Publix Super Markets, Inc.	Palmetto Health Alliance, Inc.
Spartanburg Regional Medical Center	U.S. Department of Defense
U.S. Department of Defense	U.S. Postal Service
Upstate Affiliate Organization	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Note: Pursuant to the provisions of Section 41-29-150 of the South Carolina Code of Laws, the number o employees for individual companies within the State is not available. The employers are instead listed alphabetically rather than in order of size.

Source: South Carolina Department of Employment and Workforce

Primary Government Employees by Function

Last Ten Fiscal Years

Function	Permanent Employees			
	2022	2021	2020	2019
General government	5,876	5,954	6,011	5,977
Education	2,664	2,720	2,787	2,800
Health and environment	8,709	9,203	10,112	9,982
Social services	4,564	4,510	4,673	4,416
Administration of justice	7,277	7,786	8,424	8,425
Resources and economic development	1,801	1,752	1,782	1,744
Transportation	3,534	3,793	4,135	4,236
Other	72	74	78	86
Totals	**34,497**	**35,792**	**38,002**	**37,666**

Source: South Carolina Comptroller General's Office

Table 18

as of June 30					
2018	**2017**	**2016**	**2015**	**2014**	**2013**
6,265	6,243	6,102	6,068	6,023	5,748
2,898	2,974	2,898	2,857	2,773	2,717
9,818	9,493	9,489	9,741	9,683	9,675
4,062	3,730	3,675	3,438	3,294	3,222
8,755	8,659	8,578	8,886	9,205	9,261
1,742	1,630	1,607	1,612	1,525	1,477
4,342	4,530	4,602	4,361	4,291	4,417
81	82	76	66	56	66
37,963	**37,341**	**37,027**	**37,029**	**36,850**	**36,583**

Operating Indicators by Function

Last Ten Fiscal Years

	For the Fiscal Year			
	2022	2021	2020	2019
General government				
Individual income tax returns processed	2,517,836	2,812,397	2,284,026	2,424,308
Corporate income tax returns processed	135,746	147,433	136,102	136,143
Department of Motor Vehicles transactions	45,855,228	18,970,964	15,599,029	15,744,086
Workers' compensation cases reviewed	57,986	58,327	66,825	65,827
Education				
Per pupil spending	15,535*	15,242*	14,487	14,060
Public school enrollment	781,231	766,819	787,069	781,493
Average operating miles per school bus	14,291	15,142	11,845	14,800
State Museum visitors	79,604	58,168	141,718	170,907
Health and environment				
Medicaid eligible participants	1,568,318	1,456,437	1,449,935	1,436,247
Women, Infant and Children (WIC) participants	87,508	86,521	85,242	86,354
Community mental health center clients	59,687	50,000	50,000	57,559
Social services				
Average food stamp households per month	302,461	292,308	275,382	264,179
Child Protective Services investigations	36,749	34,756	33,188	37,951
Administration of justice				
Adult prison average daily population	15,437	15,315	17,196	18,541
Juvenile facility average daily population	287	394	396	413
Resources and economic development				
Dept of Commerce capital investment projects	153	126	129	162
Welcome Center visitors	5,450,885	1,995,469	2,540,977	4,692,510
Hunting and fishing licenses processed	915,380	1,007,094	949,088	831,193
Transportation				
Miles of surface repairs	117,762	137,489	140,566	173,578
Miles of roadway inspections	434,889	437,389	400,097	360,112
Unemployment compensation benefits				
Initial claims	87,592	265,652	739,569	128,980
Total benefit weeks claimed	869,077	3,575,435	3,284,932	802,474
Tuition prepayment program				
Individual accounts	1,806	2,046	2,374	2,707
Insurance claims processing				
Second Injury Fund claims paid	894	959	1,147	1,256
Other				
Public railway carloads (calendar year)	115,093	98,919	101,282	104,010

* Estimated spending

Source: South Carolina Comptroller General's Office

Table 19

Ended June 30					
2018	**2017**	**2016**	**2015**	**2014**	**2013**
2,433,317	3,058,609	2,995,483	2,582,598	2,514,090	2,444,843
133,959	126,000	129,511	212,072	209,677	208,208
15,447,021	14,681,110	14,113,064	13,401,505	12,767,033	11,541,043
67,255	64,802	63,480	63,164	63,541	53,683
13,601	13,043	12,368	12,007	11,634	11,429
774,004	769,130	760,500	753,485	742,325	731,679
14,400	14,600	14,798	14,715	14,862	16,041
208,300	161,335	161,372	181,284	127,943	143,199
1,424,134	1,413,345	1,424,039	1,336,550	1,246,546	1,162,210
109,864	101,563	107,257	114,562	112,131	125,368
84,528	82,560	82,241	80,792	78,825	89,510
345,511	342,551	371,331	382,054	403,281	415,475
38,099	26,347	24,980	19,784	14,606	11,924
19,097	20,105	20,593	20,948	21,581	22,152
435	514	534	560	523	508
157	132	150	146	127	151
3,232,816	2,954,241	3,018,376	2,054,310	2,001,594	2,046,582
845,333	875,912	918,677	995,773	962,561	938,736
143,334	139,399	171,818	160,674	166,174	150,859
349,335	364,882	198,161	178,761	354,953	341,907
139,336	114,951	159,186	179,984	225,420	264,447
863,828	964,485	1,197,550	956,586	1,365,992	1,787,530
5,317	5,486	5,575	5,662	5,758	5,841
1,380	1,336	1,567	1,759	1,964	2,190
106,490	135,267	133,147	117,550	122,475	105,775

Capital Assets by Function

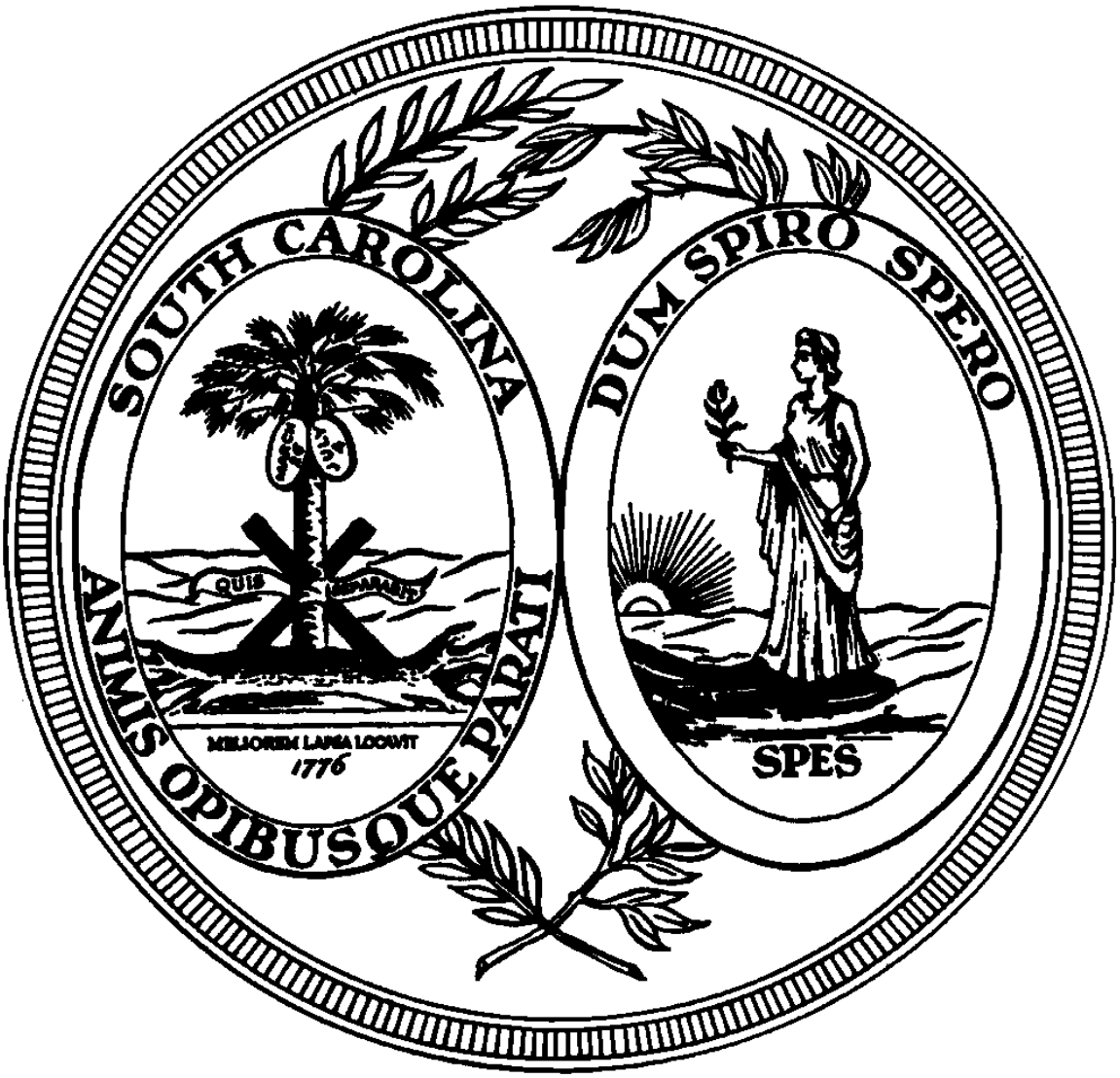
Last Ten Fiscal Years

	For the Fiscal Year			
	2022	2021	2020	2019
General government				
Buildings and facilities	42	42	41	41
State armories	56	56	56	56
Fleet vehicles	3,543	3,350	3,769	3,617
Motor vehicle district offices	66	66	66	66
Education				
School buses	5,653	5,689	5,643	5,684
Television transmitters	10	10	10	10
Vocational training/client centers	34	34	34	34
Health and environment				
Mental health buildings	113	117	113	115
Community mental health centers	70	71	70	70
Special needs centers and homes	10	10	10	10
Social services				
Buildings and facilities	63	63	65	65
Administration of justice				
Adult correctional institutions	21	21	21	21
Juvenile correctional facilities	5	5	5	5
Highway patrol district offices	7	7	6	6
Highway patrol vehicles	1,414	1,459	1,586	1,703
Resources and economic development				
Acres of State parks	92,995	92,816	92,495	92,259
Acres of State forests	94,462	94,462	94,462	94,462
State parks and historical sites	54	54	53	53
State farmers' markets	3	3	3	3
DNR vehicles and boats	1,801	1,777	1,669	1,863
Transportation				
Miles of State highways (calendar year)	41,295	41,297	41,299	41,315
Weigh stations	9	9	8	8
Traffic cameras	547	537	517	485
Miles of cable median barriers	502	502	476	476
Other				
Rail yards	4	4	4	4
State-owned locomotives	12	12	12	12

Source: South Carolina Comptroller General's Office

Table 20

Ended June 30					
2018	2017	2016	2015	2014	2013
44	45	49	49	49	46
59	57	57	58	59	66
3,607	3,325	3,000	3,029	3,093	2,991
66	67	67	66	66	67
5,681	5,671	5,617	5,776	5,640	5,705
11	11	11	11	11	11
34	34	35	35	35	35
127	139	141	144	149	148
71	68	64	64	64	51
10	10	10	10	10	10
65	67	69	69	69	65
21	23	23	24	25	26
5	5	5	5	5	5
6	6	6	6	6	6
1,628	1,551	1,442	1,442	1,351	1,050
91,144	86,445	86,445	86,445	86,445	86,370
94,462	94,462	94,462	94,462	94,245	94,215
53	53	53	53	53	53
3	3	3	3	3	3
1,732	1,753	1,645	1,169	1,292	1,081
41,330	41,358	41,377	41,391	41,414	41,432
8	8	8	8	8	8
447	379	359	360	360	360
490	490	490	480	480	480
4	3	3	3	3	3
12	12	12	10	10	10



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was $311.00; 100 copies were printed at a cost of $3.11 each.