

STATE OF SOUTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30,

2023

Prepared by the Comptroller General's Office

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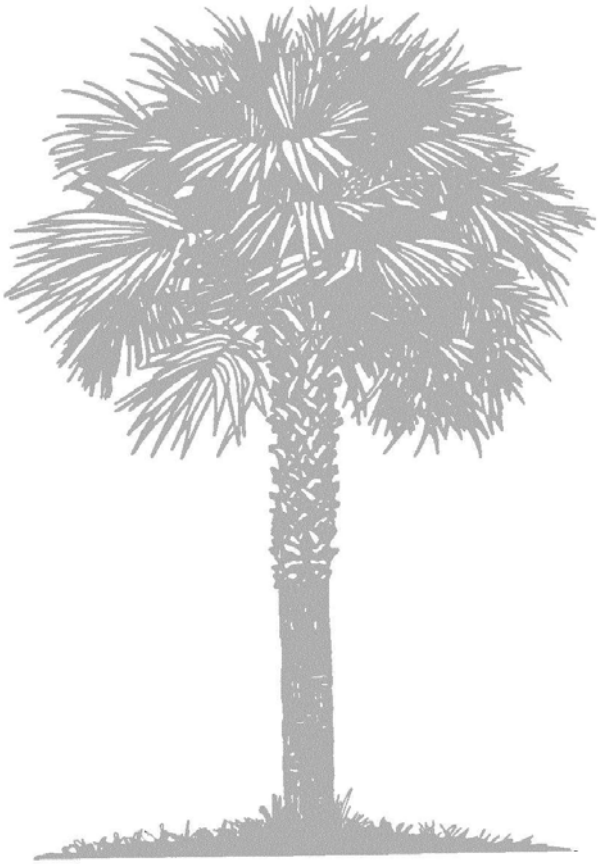
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Introductory Section



Letter of Transmittal
Certificate of Achievement
Principal State Officials
Organizational Chart

State of South Carolina
Office of Comptroller General

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Columbia, South Carolina 29201

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E-Mail: cgoffice@cg.sc.gov

BRIAN J. GAINES
COMPTROLLER GENERAL

December 20, 2023

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, 2023. 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, 2023. 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 263 – 269 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 192-194.

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.

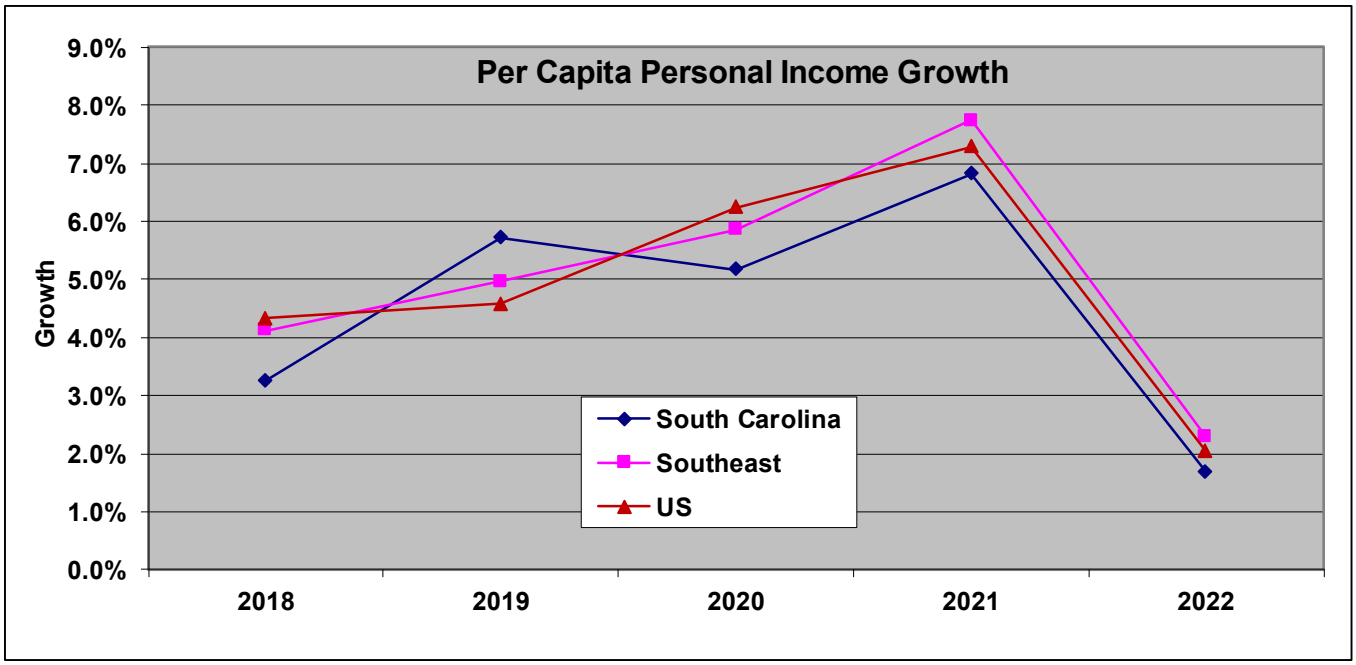
During the year ended June 30, 2023, total non-farm employment in the State increased by 89,800 (or 4.1%) to 2,304,100. Industry sector gains during that period were as follows: Education and Health Services (25,100); Professional and Business Services (15,100); Leisure and Hospitality (14,300); Construction (8,800); Financial Activities (7,300); Mining, Logging, Information, and Other Services (6,100); Trade, Transportation, and Utilities (5,600); Government (4,600); and Manufacturing (2,900).

South Carolina's unemployment rate was 3.1% in June 2023, which decreased from the June 2022 rate of 3.2%. The State's unemployment rate was 2.9% in October 2023, the most recent month available. In comparison, the U.S. unemployment rate was 3.6% in June 2023 and 3.9% in October 2023.

The South Carolina Leading Index (SCLI) decreased by 0.62 points from June 2022 to June 2023 to 102.37. 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 July 2023 at 102.01, the most recent month available.

The number of real estate closings decreased by 13.0% between June 2022 and June 2023 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 2.6% between June 2022 and June 2023. In addition, the number of residential building permits decreased by 9.4% compared to a year ago and the dollar amount of those permits decreased by 6.7% between June 2022 and June 2023.

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. In 2022, a voter referendum decided to increase the General Reserve to 7% of total General Fund revenues by 0.5% annual increments starting in fiscal year 2024. Additionally, the State is required to annually fund a 2% Capital Reserve for the latest completed fiscal year to be used for capital improvements, debt retirement, or other nonrecurring purposes appropriated by the General Assembly. In 2022 voters increased the annual required Capital Reserve to 3% starting in fiscal year 2024.

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 2023.

The State ended fiscal year 2023 with a positive budgetary-basis General Fund fund balance after reservation of $6.846 billion, which was made up of legislatively-approved agency carryover appropriations of $4.051 billion, the Contingency Reserve of $23.716 million, the General Reserve of $575.285 million, the Capital Reserve of $209.194 million, and an unassigned surplus of $1.986 billion.

MAJOR INITIATIVES

The State continues to fund programs related to job creation. In calendar year 2022 the State committed $19.192 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 Scout Motors Inc. to Richland County, Envision AESC to Florence County, Redwood Materials to Berkeley County, and Tin Thanh Group Americas to Allendale County. Scout Motors Inc. is expected to create 4,000 jobs, Envision AESC is expected to create over 1,100 jobs, Redwood Materials is expected to create 1,500 jobs, and Tin Thanh Group Americas is expected to create 1,031 jobs in the coming years.

South Carolina's job creation and capital investment from manufacturers have experienced steady growth since the end of the 2007 - 2009 recession. In 2022 alone, the State attracted more than $10.27 billion in new capital investment from manufacturing companies, which resulted in the creation of more than 14,083 jobs.

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 $31.5 billion in 2022, which is an increase of over 6.0% from 2021. In 2022, South Carolina ranked 19th 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. 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. The project was fully completed in December 2022, making Charleston 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 $295.880 billion in 2022. Between 2021 and 2022, real GDP grew 2.4%, compared to the southeast states' average growth of 2.6% during that period.

With our cost of living 6.3% 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 2022 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 second in its Top States for Doing Business 2023 survey. In this 2023 survey, South Carolina ranked first in the nation in the available real estate, site readiness programs, and speed of project permitting categories.

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, 2022. This was the thirty-fifth 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.

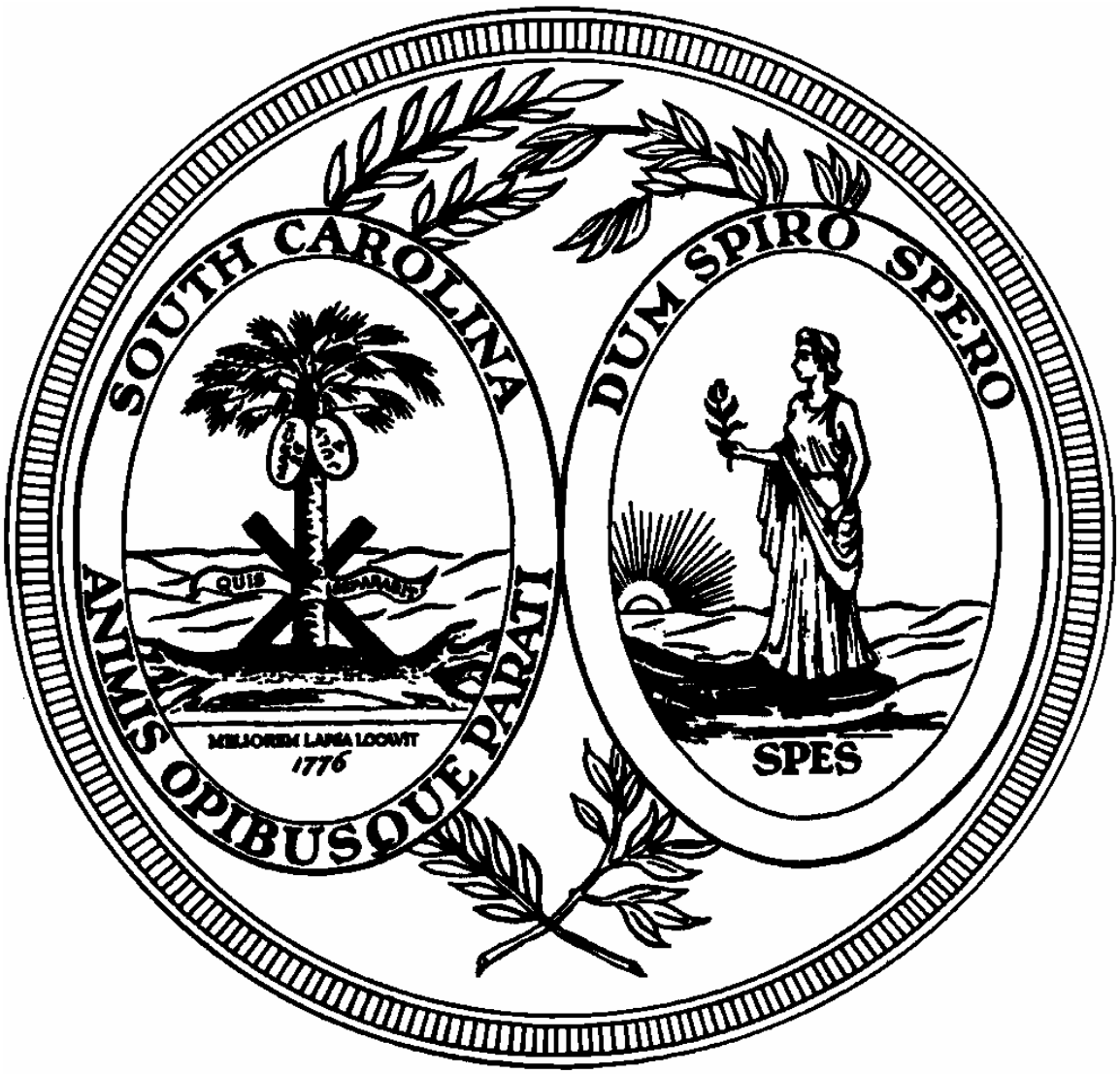
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility to be awarded a Certificate of Achievement.

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,



Brian J. Gaines
Comptroller General


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

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, 2022

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, Jr., State Treasurer
Brian J. Gaines, Comptroller General
Harvey S. Peeler, Jr., Chairman, Senate Finance Committee
Bruce W. Bannister, Chairman, House Ways and Means Committee

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

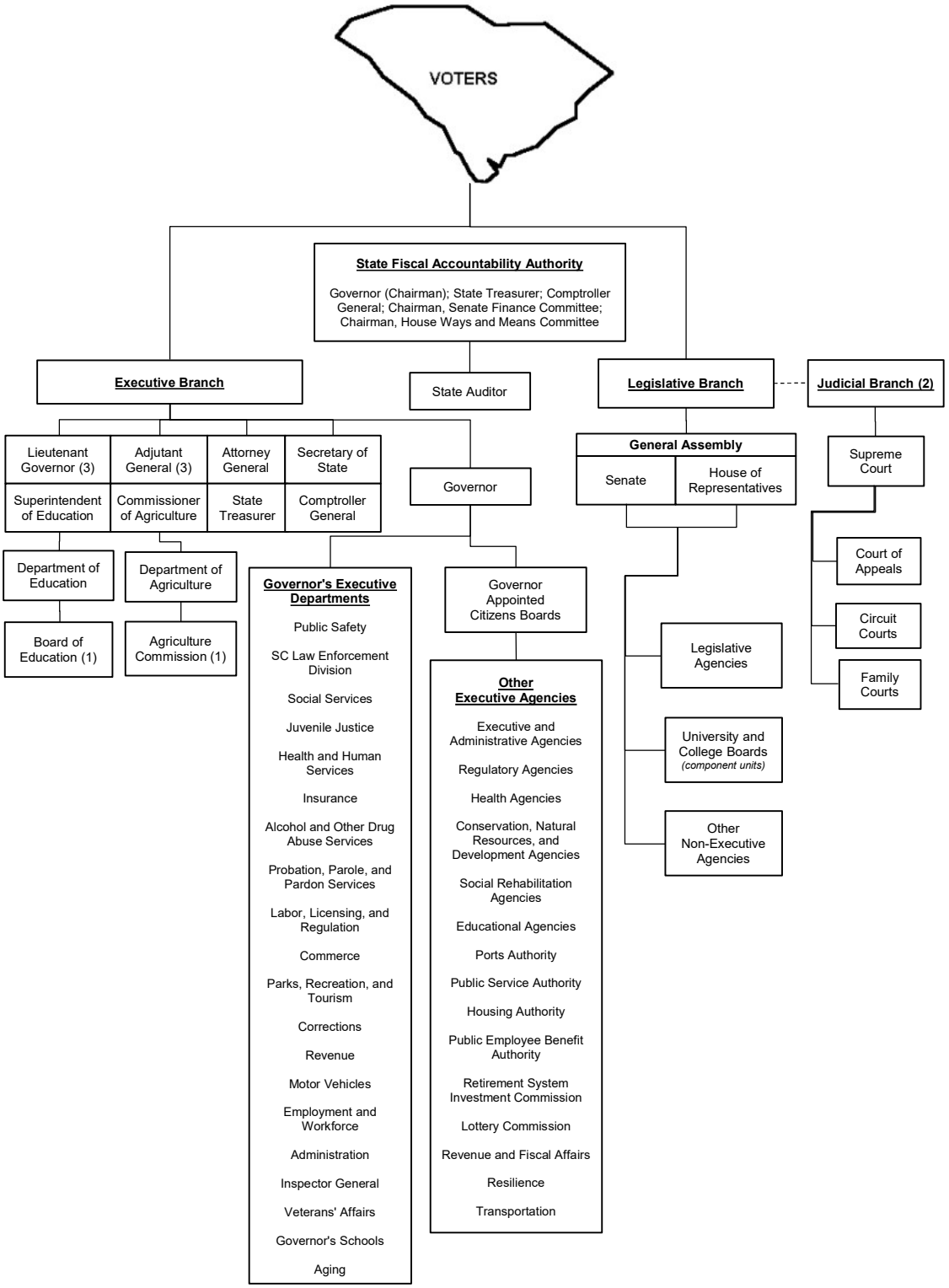
JUDICIAL

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, 2023 and December 20, 2023.

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

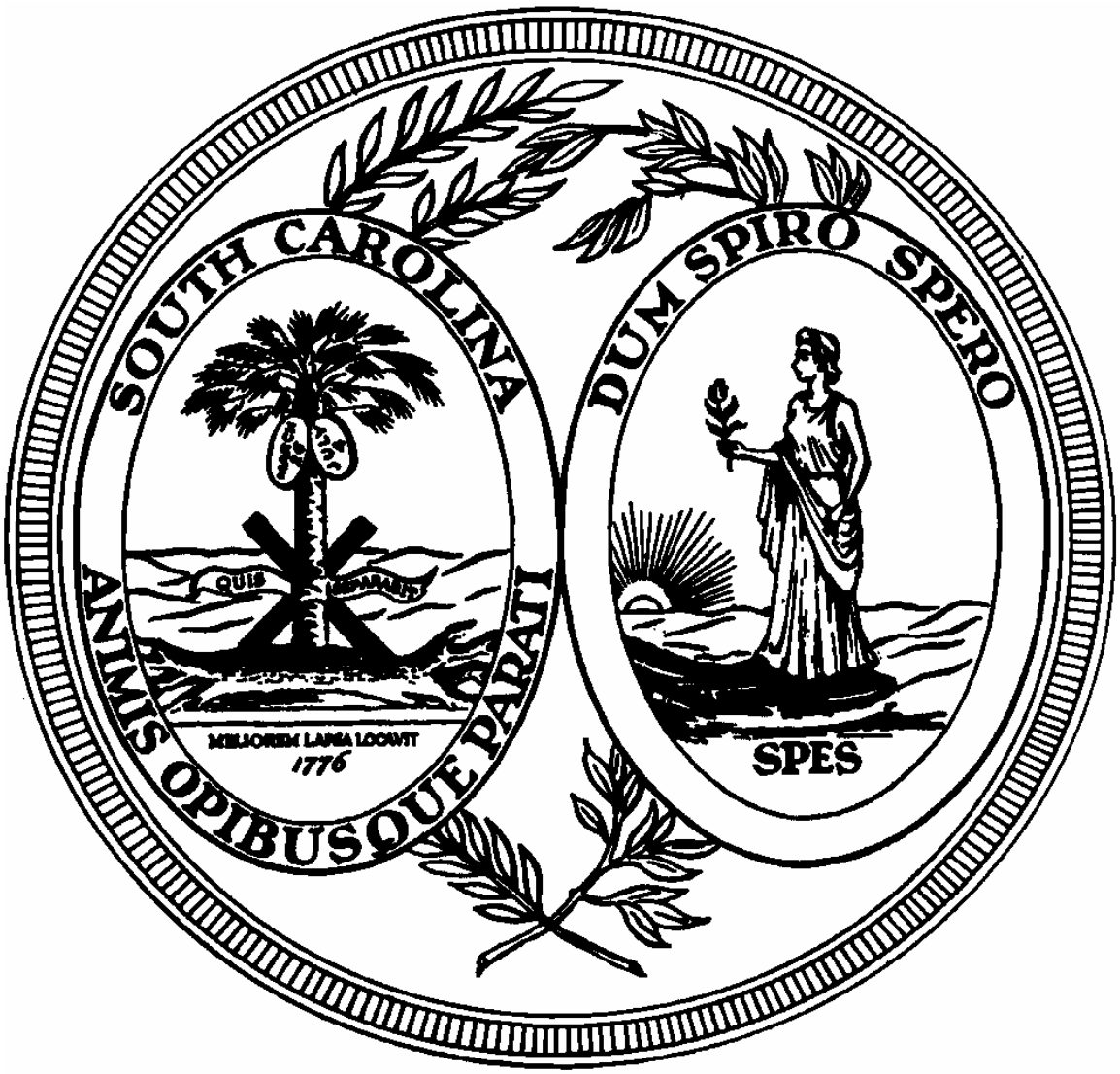
Organizational Chart



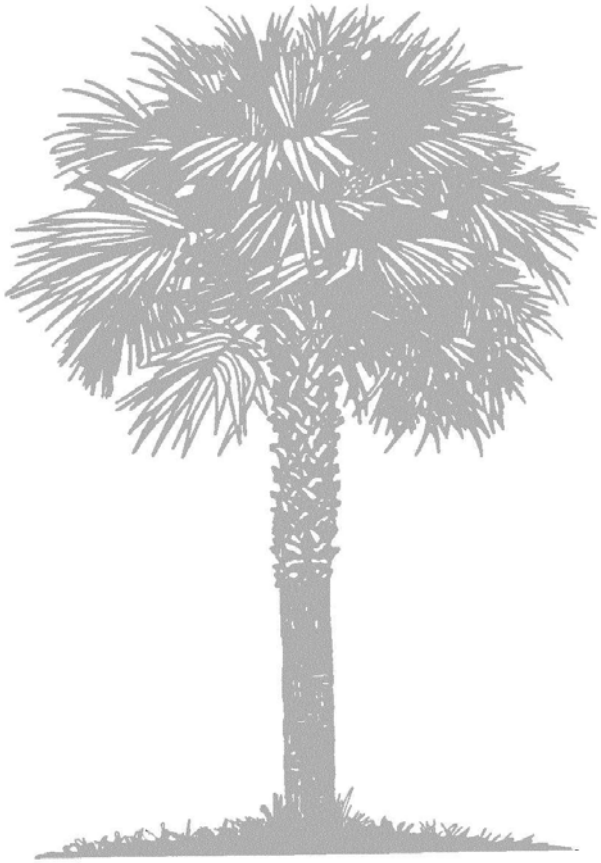
(1) Both the Board of Education and Agriculture Commission consist of 16 members elected by the legislative delegations of each judicial district plus an at-large member appointed by the Governor and either the Superintendent of Education or Commissioner of Agriculture.

(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
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QUIS SEPARABIT
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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, 2023, 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 join 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, 2023, 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 opinions, 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 the South Carolina Office of the State Auditor Separately		Percentage Audited by Other Auditors	
	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue
Government-Wide						
Governmental Activities	-	-	0.04%	0.03%	49.67%	18.37%
Business-type Activities	-	-	-	-	89.64%	85.12%
Component Units	28.17%	24.60%	-	-	70.56%	70.97%
Fund Statements						
Governmental Funds	-	-	0.04%	0.03%	18.02%	7.64%
Enterprise Funds	-	-	-	-	89.64%	85.12%
Internal service Funds	-	-	-	-	89.72%	96.29%
Fiduciary Funds	-	-	0.10%	0.19%	99.52%	98.39%

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

Basis for Opinions

We conducted our joint 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 joint 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.*

Emphasis of Matter

As discussed in Note 15, the 2022 financial statements have been restated (1) for the implementation of GASB Statement No. 96, *Subscription Based Technology Arrangements*, and (2) to correct errors. 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 joint 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 joint 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 joint 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 other auditors have applied certain limited procedures to the required supplementary information in accordance with 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 joint 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 by us and other auditors. In our opinion based on our joint 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 joint 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.

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

Other Reporting Required by *Government Auditing Standards*

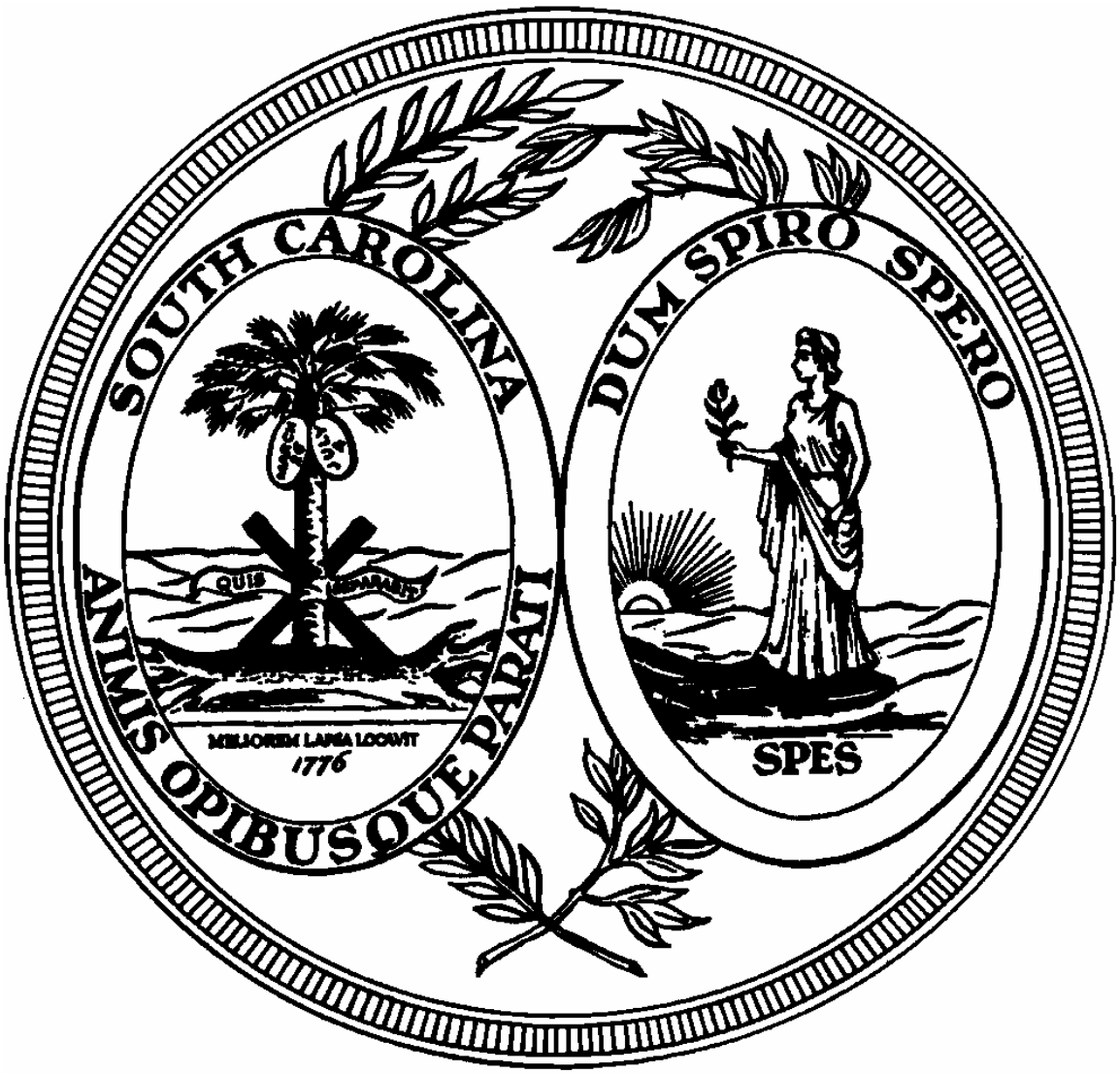
In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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
December 20, 2023

Clifton Larson Allen LLP

Baltimore, Maryland
December 20, 2023


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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, 2023. 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 186 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 194, 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 187 through 219 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 221 through 269 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
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)	2023-2022
Assets							
Current and other assets	$27,808,871	$ 26,074,811	$2,120,578	$ 1,937,866	$29,929,449	$ 28,012,677	6.8%
Capital and lease assets	20,717,751	19,958,693	361,058	319,113	21,078,809	20,277,806	4.0%
Total assets	**48,526,622**	**46,033,504**	**2,481,636**	**2,256,979**	**51,008,258**	**48,290,483**	**5.6%**
Deferred Outflows of Resources	**1,638,755**	**1,882,840**	**11,584**	**15,574**	**1,650,339**	**1,898,414**	**(13.1%)**
Liabilities							
Long-term liabilities	9,902,622	10,847,081	266,394	248,271	10,169,016	11,095,352	(8.3%)
Other liabilities	7,992,606	7,597,584	154,553	156,269	8,147,159	7,753,853	5.1%
Total liabilities	**17,895,228**	**18,444,665**	**420,947**	**404,540**	**18,316,175**	**18,849,205**	**(2.8%)**
Deferred Inflows of Resources	**1,875,015**	**1,157,681**	**14,569**	**10,892**	**1,889,584**	**1,168,573**	**61.7%**
Net Position							
Net investment in capital assets	18,942,599	18,048,684	349,988	307,828	19,292,587	18,356,512	5.1%
Restricted	10,489,505	11,054,061	1,723,151	1,588,210	12,212,656	12,642,271	(3.4%)
Unrestricted	963,030	(900,381)	(15,435)	(38,917)	947,595	(939,298)	200.9%
Total net position	**$30,395,134**	**$ 28,202,364**	**$2,057,704**	**$ 1,857,121**	**$32,452,838**	**$ 30,059,485**	**8.0%**

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 balance of $947.595 million at June 30, 2023. This represents an increase of net position of $1.887 billion over the prior year. Most of this increase resulted from a $2.049 billion increase in operating grants and contributions. Increases in federal grant monies related to the COVID pandemic and federal stimulus monies to help keep the United States economy from declining contributed to this gain in revenues.

The State's *business-type activities* reported a deficit balance of ($15.435) million in unrestricted net position. This represents an increase of $23.482 million over the previous fiscal year. This resulted mostly from Palmetto Railways, a nonmajor enterprise fund, receiving $40.058 million in capital contributions related to a land purchase for an economic development project.

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
	2023	2022 (as restated)	2023	2022	2023	2022 (as restated)	2023-2022
Revenues							
Program revenues:							
Charges for services	$ 5,009,143	$ 4,443,641	$ 312,532	$ 376,738	$ 5,321,675	$ 4,820,379	10.4%
Operating grants and contributions	16,207,733	14,105,152	5,207	39,439	16,212,940	14,144,591	14.6%
Capital grants and contributions	1,066,190	941,283	42,557	36,159	1,108,747	977,442	13.4%
General revenues:							
Individual income tax	5,884,974	6,932,111	—	—	5,884,974	6,932,111	(15.1%)
Retail sales and use tax	7,423,406	7,092,123	—	—	7,423,406	7,092,123	4.7%
Other taxes	4,189,343	3,902,267	—	—	4,189,343	3,902,267	7.4%
Unrestricted grants and contributions	5	—	—	—	5	—	100.0%
Unrestricted investment income	422,478	(573,226)	42,053	10,944	464,531	(562,282)	(182.6%)
Tobacco legal settlement	75,499	88,544	—	—	75,499	88,544	(14.7%)
Opioid legal settlement	10,690	—	—	—	10,690	—	100.0%
Other	914,464	751,363	1,251	775	915,715	752,138	21.7%
Total revenues	**41,203,925**	**37,683,258**	**403,600**	**464,055**	**41,607,525**	**38,147,313**	**9.1%**
Expenses							
Governmental activities:							
General government	12,115,118	8,029,072	—	—	12,115,118	8,029,072	50.9%
Education	8,179,679	8,413,741	—	—	8,179,679	8,413,741	(2.8%)
Health and environment	10,734,583	9,775,171	—	—	10,734,583	9,775,171	9.8%
Social services	3,553,243	3,416,209	—	—	3,553,243	3,416,209	4.0%
Administration of justice	1,495,855	1,124,187	—	—	1,495,855	1,124,187	33.1%
Resources and economic development	982,370	618,983	—	—	982,370	618,983	58.7%
Transportation	1,979,406	1,467,938	—	—	1,979,406	1,467,938	34.8%
Other	10,539	8,423	—	—	10,539	8,423	25.1%
Business-type activities:							
Unemployment compensation benefits	—	—	92,888	69,049	92,888	69,049	34.5%
Second Injury Fund	—	—	20,279	13,915	20,279	13,915	45.7%
Other	—	—	50,212	51,553	50,212	51,553	(2.6%)
Total expenses	**39,050,793**	**32,853,724**	**163,379**	**134,517**	**39,214,172**	**32,988,241**	**18.9%**
Excess (deficiency) before transfers	**2,153,132**	**4,829,534**	**240,221**	**329,538**	**2,393,353**	**5,159,072**	**(53.6%)**
Net transfers	39,638	32,272	(39,638)	(32,272)	—	—	—
Change in net position	**2,192,770**	**4,861,806**	**200,583**	**297,266**	**2,393,353**	**5,159,072**	**(53.6%)**
Net position at beginning of year, as restated	28,202,364	23,452,192	1,857,121	1,559,855	30,059,485	25,012,047	20.2%
Restatements [a]	—	(111,634)	—	—	—	(111,634)	
Net position at beginning of year	**28,202,364**	**23,340,558**	**1,857,121**	**1,559,855**	**30,059,485**	**24,900,413**	**20.7%**
Net position, end of year	**$30,395,134**	**$28,202,364**	**$2,057,704**	**$1,857,121**	**$32,452,838**	**$30,059,485**	**8.0%**

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 $2.393 billion, or 8.0%, 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 $2.193 billion, or 7.8%. Revenue increased from last year by $3.521 billion, or 9.3%, which was mostly comprised of an increase of $727.677 million, or 4.0%, 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 $6.197 billion, or 18.9%, for the fiscal year ended June 30, 2023. 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, 2023, the State used $16.768 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 $39.638 million to the State's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2023 fiscal year:

- Individual income tax revenues decreased by $1.047 billion, or 15.1%, retail sales and use tax revenues increased by $331.283 million, or 4.7%, and other taxes revenues increased by $287.076 billion, or 7.4%. Overall tax collections decreased by $428.778 million, or 2.4%, during fiscal year 2023 as economic growth slowed largely due to increasing inflation.
- Operating grants and contributions increased by $2.103 billion, or 14.9%, 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 increased by $995.704 million, or 173.7%, from the previous fiscal year. This increase was attributed to the slowing of interest rate increases, as compared to the previous fiscal year, which curbed unrealized losses on investments. Additionally, higher interest rates led to higher investment earnings.
- General government expenses increased by $4.086 billion, or 50.9% over the prior year. The increase in general government expenses was mostly attributable to a $1.000 billion tax rebate distributed during fiscal year 2023 of up to $800 per taxpayer during the 2023 fiscal year.
- Education expenses decreased by $234.062 million, or 2.8% over the prior fiscal year. The decrease in education expenses was primarily due to additional State appropriations made in the previous fiscal year to school districts for teacher salary and per student funding increases. Additionally, the State's schools and higher education institutions spent $68.509 million more in supplemental appropriations during fiscal year 2022 as opposed to fiscal year 2023 related to supplemental appropriations granted during their respective previous fiscal years.
- Health and environment expenses increased by $959.412 million, or 9.8% over the previous fiscal year. These increases are attributed to increases in Medicaid and public assistance food payments over the previous year.
- Social services expenses increased by $137.034 million, or 4.0%, due to the increase in demand for services largely caused by sharply rising inflation within the nation's overall slowing economy.
- Transportation expenses increased by $511.468 million, or 34.8%. The increase in spending was primarily a result of increased revenues from the 2-cent per year gas tax increase for road projects and maintenance.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2023

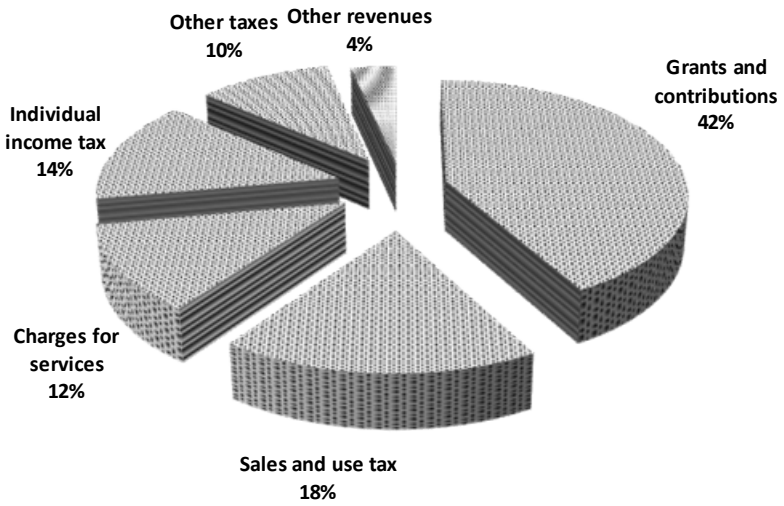
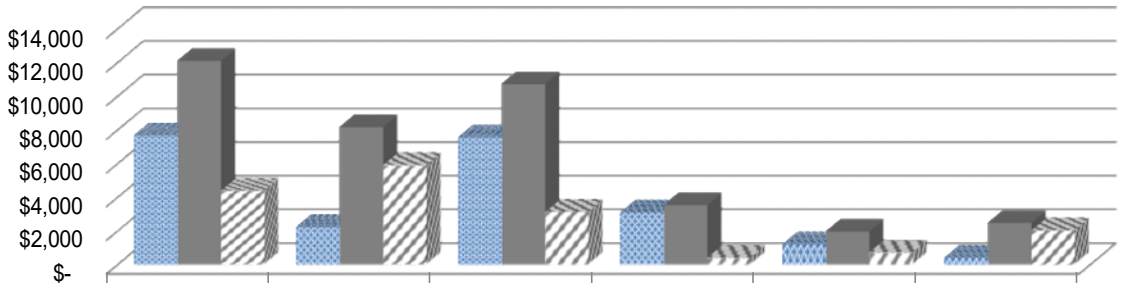


Exhibit 4
Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2023
(In Millions)



	General Government	Education	Health and Environment	Social Services	Transportation	Other
Revenues	$7,697	$2,247	$7,582	$3,110	$1,219	$428
Expenses	$12,115	$8,180	$10,735	$3,553	$1,979	$2,489
Net Cost	$4,418	$5,933	$3,153	$443	$760	$2,061

Business-type Activities

The net position of the State's business-type activities increased by $200.583 million, or 10.8%.

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, 2023 was $1.692 billion, which was an increase of $150.311 million, or 9.8%, 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, 2023 was $31.547 million, which was a decrease of $15.370 million, or 32.8%, from last year.

Operating revenues of the Unemployment Compensation Fund decreased by $87.072 billion, or 26.2%, and operating expenses for the payment of unemployment compensation benefits increased by $23.839 million, or 34.5%, during the 2023 fiscal year. The decreases in operating revenues resulted directly from the declining assessments and federal grants related to the national COVID-19 pandemic response ending. However, as the nationwide economy started to slow during the 2023 fiscal year, unemployment benefit expenses have grown during that time. Additionally, operating expenses for the Second Injury Fund have increased by $6.364 million, or 45.7%, and operating revenues for the payment of Second Injury Fund claims remained at a low level during the 2023 fiscal year due to the Second Injury Fund's closure plan that took effect in fiscal year 2019. The operating expenses of the Second Injury Fund increased due to a new and revised actuarial report on its claims.

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, 2023.

Exhibit 5
Governmental Fund Balances
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 141,250	$ 56,482	$ —	$ 9,880	$ 12,183	$ 219,795
Restricted	1,580,428	905,614	2,414,469	2,572,514	1,311,636	8,784,661
Committed	—	36,844	—	—	60,975	97,819
Assigned	722,535	—	—	—	2,282	724,817
Unassigned	8,602,152	(3,334)	—	—	(199,682)	8,399,136
Totals	**$11,046,365**	**$ 995,606**	**$ 2,414,469**	**$ 2,582,394**	**$ 1,187,394**	**$18,226,228**
Change from prior year	**$ 412,286**	**$ 149,614**	**$ 101,947**	**$ 654,043**	**$ (107,590)**	**$ 1,210,300**
Percentage change	**3.9%**	**17.7%**	**4.4%**	**33.9%**	**(8.3%)**	**7.1%**

At June 30, 2023, total ending fund balance for the State's governmental funds was $18.226 billion, which represents an increase of $1.210 billion, or 7.1%, from the prior year. This total contains an *unassigned* fund balance of $8.399 billion. The total also includes $8.602 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 48.2% 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. Decreases in the current fiscal year were experienced in individual income tax of $1.047 billion, or 15.2%, while increases in retail sales and use tax of $0.237 million, or 4.2%; and other taxes of $9.511 million, or 1.2%, were experienced from the prior year. These revenues grew due to improving consumer sentiment that existed for most of the 2023 fiscal year, but this was stymied by higher interest rates during the same period of time. General Fund expenditures, which increased by $3.187 billion, or 25.8%, 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 increased due to a $1.000 billion tax rebate distributed during fiscal year 2023 of up to $800 per taxpayer.

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 2023 fiscal year, the total fund balance increased by $149.614 million, or 17.7%, from the prior year. The increase in fund balance was primarily the result of an increase in federal grant funding of $2.056 billion, or 15.4% over the previous fiscal year. The increase in federal funding was related to the previous 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 $101.947 million, or 4.4%, during the 2023 fiscal year, leaving a balance of $2.414 billion at the end of the fiscal year. The increase in fund balance was mostly the result of interest income increasing by $110.604 million, or 190.9%, from the previous year's $57.936 million loss.

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 $654.043 million, or 33.9%, during the 2023 fiscal year, leaving a balance of $2.582 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 $107.590 million, or 8.3%, decrease in fund balance during the 2023 fiscal year was primarily the result of a $197.957 million, or 104.5%, decrease in the Capital Projects Fund balance. The decrease can be attributed a $282.264 million, or 240.6% increase in its capital outlay expenditures. These expenditures increased largely because of a $92.602 million increase in CARES Act capital outlay expenditures over the previous fiscal year. Additionally, capital outlay related to other federal grants increased by $104.924 million over the 2022 fiscal year.

Proprietary Funds

Exhibit 6 shows the components of the net position for the State's various proprietary funds at June 30, 2023.

Exhibit 6
Proprietary Fund Net Position
For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Enterprise Funds				Internal
Fund Net Position	**Unemployment Compensation**	**Second Injury**	**Nonmajor Enterprise**	**Total Enterprise**	**Service Funds**
Net investment in capital assets	$ —	$ —	$ 349,988	$ 349,988	$ 90,703
Restricted, expendable	1,691,604	31,547	—	1,723,151	662,413
Unrestricted	—	—	(15,435)	(15,435)	(2,443)
Totals	**$ 1,691,604**	**$ 31,547**	**$ 334,553**	**$ 2,057,704**	**$ 750,673**
Change from prior year	**$ 150,311**	**$ (15,370)**	**$ 65,642**	**$ 200,583**	**$ 64,143**
Percentage change	**9.8%**	**(32.8%)**	**24.4%**	**10.8%**	**9.3%**

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 $150.311 million, or 9.8%, over the prior year. As stated on page 29, the reasons for this slower net position growth were mostly due to the Unemployment Compensation Fund benefits and claims expenses increasing by $23.839 million as a result of the nationwide economy beginning to slow during the 2023 fiscal year, while its operating revenues fell by $87.072 million during the same period because of the national COVID-19 pandemic response ending during that time.

The net position of the *Second Injury Fund*, a major enterprise fund, decreased by $15.370 million, or 32.8%, 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 $65.642 million, or 24.4%, over the prior year. As stated on page 26, the increase in the State's *nonmajor enterprise funds'* net position was primarily due to the Palmetto Railways receiving $40.058 million in capital contributions related to economic development.

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 an increase to their net position of $64.143 million, or 9.3%, in the 2023 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. $36.700 million, or 57.2%, of the increase in the State's *internal service funds'* net position can be attributed to the increase in the State's Employee Insurance Fund's operating revenues increasing by $409.812 million, while its benefits and claims paid only increased by $267.322 million from the previous fiscal year.

Budgetary General Fund Highlights

Estimated revenues for the 2023 fiscal year were $11.663 billion. Actual revenues at June 30, 2023, were $663.384 million, or 5.7%, over the estimated revenue used in the fiscal year 2023 budget appropriations act. This also represented an decrease in collections over the prior year of $678.263 million, or 5.2%. Individual income and sales tax collections are the fund's major revenue sources. Individual income tax collections ended the year under the adjusted estimate by $40.457 million and sales tax collections ended the year over the adjusted estimate by $155.503 million.

Actual expenditures were $560.910 million less than actual revenues. Also, expenditures were kept $4.059 billion under fiscal year 2023 adjusted appropriations. In addition, $6.638 million 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 2023 was highly unpredictable with rising inflation and stock market volatility during the fiscal year.

Based on the above results of operations, fiscal year 2023 ended with a budgetary surplus, which resulted in a budgetary General Fund balance after reservation of $6.846 billion.

See the *Required Supplementary Information* section on pages 187 through 194 of this report for a detailed budgetary comparison schedule.

Capital Assets, Lease Assets, and Debt Administration

Capital Assets

At the end of the 2023 fiscal year, the State had $21.079 billion invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of $801.003 million, or 4.0%, 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
	2023	2022 (as Restated)	2023	2022	2023	2022 (as Restated)	2023-2022
Land and improvements	$ 2,558,746	$ 2,444,811	$ 229,938	$ 187,060	$ 2,788,684	$ 2,631,871	6.0%
Infrastructure	11,608,996	11,646,488	—	—	11,608,996	11,646,488	(0.3%)
Buildings and improvements	977,336	914,574	10,052	10,524	987,388	925,098	6.7%
Vehicles	334,531	281,323	49	497	334,580	281,820	18.7%
Machinery and equipment	242,267	219,499	3,236	3,670	245,503	223,169	10.0%
Works of art and historical treasures	1,448	3,236	—	—	1,448	3,236	(55.3%)
Construction in progress	4,771,853	4,162,152	117,783	117,362	4,889,636	4,279,514	14.3%
Intangible assets	3,388	75,741	—	—	3,388	75,741	(95.5%)
Leased land and improvements	141,298	122,419	—	—	141,298	122,419	15.4%
Subscription assets	77,888	88,450	—	—	77,888	88,450	(11.9%)
Total	**$ 20,717,751**	**$19,958,693**	**$ 361,058**	**$ 319,113**	**$21,078,809**	**$ 20,277,806**	**4.0%**

Growth in capital asset investment occurred mostly in infrastructure and construction in progress. The Department of Transportation converted $201.106 million of previous and current year construction in progress into infrastructure and added a net of $839.491 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.

See Note 6 in the notes to the financial statements on page 103 of this report for additional information on the State's capital assets.

Debt Outstanding

At June 30, 2023, the State had $1.605 billion in bonds and notes outstanding - a decrease of $141.993 million, or 8.1%, 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
	2023	2022	2023	2022	2023	2022	2023-2022
Backed by the State:							
General obligation bonds.....	$ 141,344	$ 193,969	$ —	$ —	$ 141,344	$ 193,969	(27.1%)
Backed by Specific Revenues:							
Revenue bonds and notes.....	71,755	100,206	11,070	11,285	82,825	111,491	(25.7%)
Infrastructure Bank bonds.....	1,381,137	1,441,839	—	—	1,381,137	1,441,839	(4.2%)
Total.....	**$1,594,236**	**$1,736,014**	**$ 11,070**	**$ 11,285**	**$1,605,306**	**$1,747,299**	**(8.1%)**

The repayment of principal on outstanding debt exceeded issuances of debt, resulting in a decrease in debt outstanding for governmental activities of $141.778 million, or 8.2%. 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, 2023, 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, 2023, 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: $130.920 million for highway bonds, $749.795 million for general obligation bonds (excluding institution and highway bonds), $60.737 million for economic development bonds, and $60.165 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements on page 137 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 $522.987 million balance at June 30, 2023, which was $64.025 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 currently defines full funding as 5.0% of the Budgetary General Fund's revenues of the prior fiscal year. In 2022, voters decided to increase the full funding threshold of the Budgetary General Fund to 7.0% by 0.5% increments starting in fiscal year 2024.

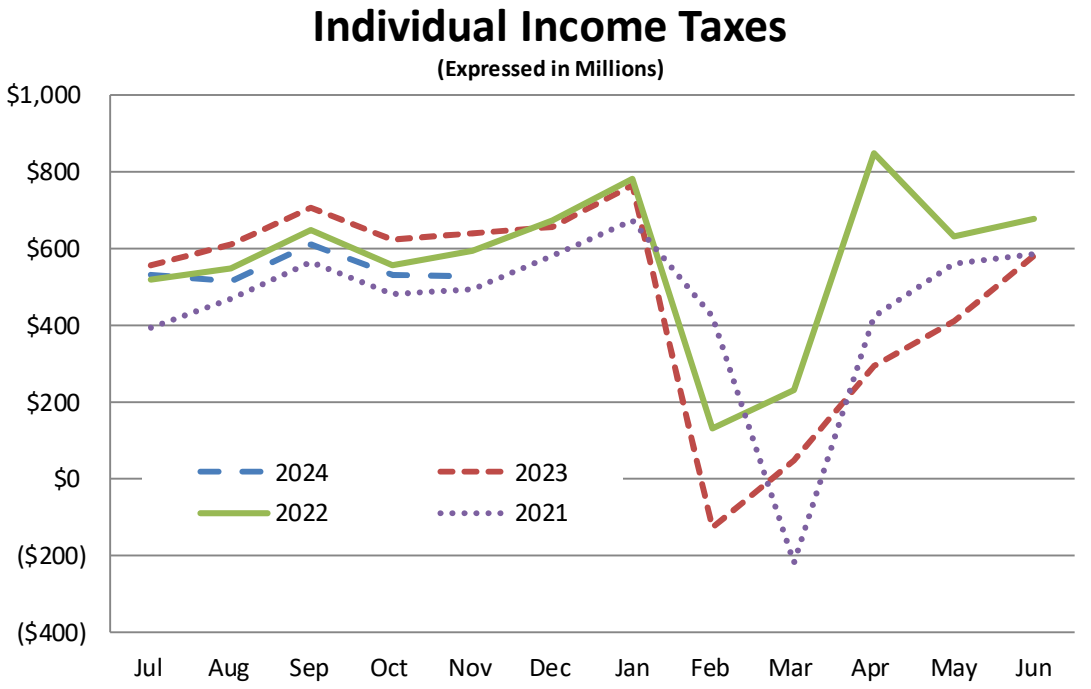
Forecasted Budgetary General Fund Revenues for Fiscal Year 2024

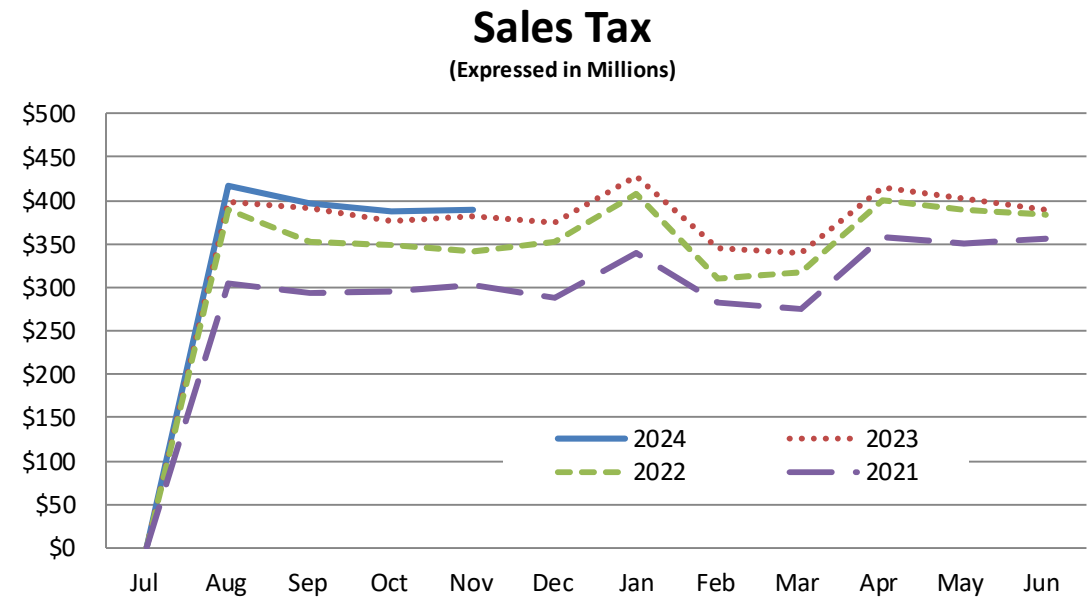
In May 2023, the State Board of Economic Advisors (BEA) forecast that there would be $12.559 billion of budgetary General Fund revenues for fiscal year 2024, which was $232.505 million, or 1.9%, more than actual corresponding revenues collected in fiscal year 2023. In November 2023, the BEA increased its 2024 fiscal year forecast another $326.854 million. As

a result, forecasted Budgetary General Fund revenues for fiscal year 2024 are currently $559.359 million, or 4.5%, above actual revenue collections in fiscal year 2023.

Economic Conditions

Budgetary General Fund revenues for the first five months of fiscal year 2024 were $5.065 billion (net of $795.943 million to the tax relief trust fund), which was a decrease of $392.421 million, or 7.2%, compared to the same period for fiscal year 2023. Total individual income taxes collected have decreased by $419.484 million, or 13.4%, compared to the same period in the prior year. Sales taxes have increased by $41.891 million, or 2.7%, over the first four months of fiscal year 2023.

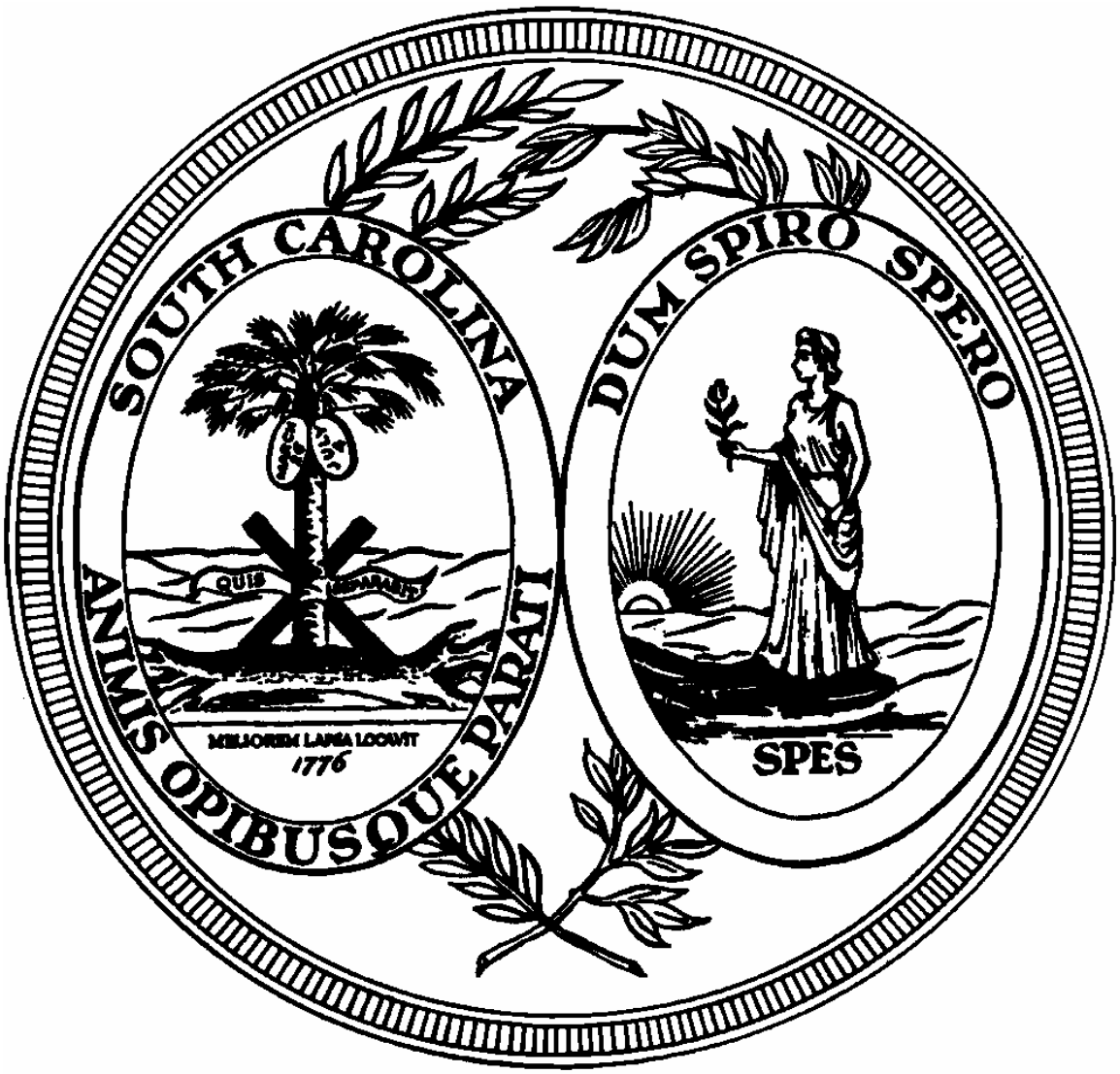




Requests for Information

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
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BASIC
FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2023
(Expressed in Thousands)

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 5,323,396	$ 1,779,729	$ 7,103,125	$ 4,218,835
Investments	14,834,596	230,534	15,065,130	2,576,138
Invested securities lending collateral	746,728	6,643	753,371	67,872
Receivables, net:				
Accounts	781,773	57,378	839,151	826,070
Contributions	1,009	—	1,009	161,492
Participants	—	2	2	—
Accrued interest	169,274	5,273	174,547	24,851
Income taxes	1,249,190	—	1,249,190	—
Sales and other taxes	1,091,343	—	1,091,343	—
Student accounts	126	—	126	68,792
Patient accounts	18,410	—	18,410	540,240
Loans and notes	808,298	—	808,298	27,600
Assessments	—	91,623	91,623	—
Leases	13,095	731	13,826	140,552
Due from Federal government and other grantors	1,453,680	—	1,453,680	202,721
Internal balances	53,661	(53,661)	—	—
Due from component units	130,311	—	130,311	—
Due from primary government	—	—	—	79,571
Inventories	88,384	1,873	90,257	403,035
Restricted assets:				
Cash and cash equivalents	907,708	12	907,720	1,805,293
Investments	—	—	—	2,640,065
Accounts receivable	8,000	—	8,000	76,943
Loans receivable	—	—	—	1,165,316
Other	49,804	—	49,804	377,456
Prepaid items	79,619	441	80,060	53,348
Other assets	466	—	466	416,939
Regulatory assets	—	—	—	3,678,645
Other regulatory assets	—	—	—	733,062
Investment in joint venture	—	—	—	26,057
Capital assets-nondepreciable	7,289,072	342,002	7,631,074	2,621,536
Capital assets-depreciable, net	13,428,679	19,056	13,447,735	11,886,594
Total assets	$ 48,526,622	$ 2,481,636	$ 51,008,258	$ 34,819,023
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	$ —	$ —	$ —	$ 25,621
Deferred amount on refunding	25,736	—	25,736	243,526
Asset retirement obligation	—	—	—	638,709
Pension related	631,329	3,974	635,303	910,897
Other post-employment benefits related	981,690	7,610	989,300	1,610,878
Total deferred outflows	$ 1,638,755	$ 11,584	$ 1,650,339	$ 3,429,631
LIABILITIES				
Accounts payable	$ 967,729	$ 3,385	$ 971,114	$ 668,955
Accrued salaries and related expenses	201,325	2,041	203,366	344,979
Accrued interest payable	1	115	116	99,717
Retainages payable	3,160	97	3,257	20,131
Tax refunds payable	1,122,985	64,874	1,187,859	—
Payables-aid to individuals/families	26,961	—	26,961	—
Prizes payable	—	—	—	20,466
Unemployment benefits payable	—	4,373	4,373	—
Intergovernmental payables	967,047	72,447	1,039,494	534
Due to component units	77,390	—	77,390	—
Due to primary government	—	—	—	130,311
Asset retirement obligation	—	—	—	630,526
Unearned revenues	2,907,660	266	2,907,926	313,718
Deposits	34,596	300	34,896	20,123
Amounts held in custody for others	—	—	—	33,877
Securities lending collateral	746,728	6,643	753,371	67,872
Liabilities payable from restricted assets:				
Accrued interest payable	15,050	—	15,050	—
Other	—	—	—	30,001
Other liabilities	921,974	12	921,986	830,184
Long-term liabilities:				
Due within one year	1,061,275	20,321	1,081,596	617,749
Due in more than one year	8,841,347	246,073	9,087,420	23,583,709
Total liabilities	$ 17,895,228	$ 420,947	$ 18,316,175	$ 27,412,852

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	$ —	$ —	$ —	$ 207,449
Deferred gain on refunding	—	—	—	2,556
Deferred nuclear decommissioning costs	—	—	—	204,486
Deferred service concession arrangement receipts	—	—	—	9,733
Deferred nonexchange revenues	22,777	—	22,777	37
Deferred public-private partnership receipts	—	—	—	6,607
Deferred public-public partnership receipts	107,784	—	107,784	—
Toshiba settlement	—	—	—	241,976
Pension related	238,381	1,930	240,311	128,337
Other post-employment benefits related	1,492,747	12,015	1,504,762	1,941,480
Lease related	13,326	624	13,950	137,031
Total deferred inflows	$ 1,875,015	$ 14,569	$ 1,889,584	$ 2,879,692
NET POSITION				
Net investment in capital assets	$ 18,942,599	$ 349,988	$ 19,292,587	$ 6,615,646
Restricted:				
Expendable:				
General government	2,332,154	—	2,332,154	—
Education	714,615	—	714,615	1,797,086
Health	1,519,814	—	1,519,814	—
Transportation	4,046,640	—	4,046,640	3,176
Capital projects	—	—	—	1,420,750
Debt service	857,957	—	857,957	309,503
Loan programs	—	—	—	402,636
Insurance programs	662,413	31,547	693,960	—
Administration of justice	47,559	—	47,559	—
Economic development	44,320	—	44,320	—
Social programs	44,238	—	44,238	—
Unemployment compensation benefits	—	1,691,604	1,691,604	—
Other	—	—	—	22,974
Nonexpendable:				
Education	11,642	—	11,642	1,376,757
Other	208,153	—	208,153	—
Unrestricted	963,030	(15,435)	947,595	(3,992,418)
Total net position	**$ 30,395,134**	**$ 2,057,704**	**$ 32,452,838**	**$ 7,956,110**

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

Statement of Activities

For the Fiscal Year Ended June 30, 2023
(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	$ 12,309,745	$ 4,197,779	$ 3,446,091	$ 52,723	$ (4,613,152)
Education	8,179,679	42,292	2,203,948	430	(5,933,009)
Health and environment	10,734,583	266,570	7,291,073	24,282	(3,152,658)
Social services	3,553,243	19,355	3,020,901	69,701	(443,286)
Administration of justice	1,495,855	66,647	123,545	562	(1,305,101)
Resources and economic development	982,370	110,596	121,783	5,172	(744,819)
Transportation	1,784,779	305,904	392	913,320	(565,163)
Unallocated interest expense	10,539	—	—	—	(10,539)
Total governmental activities	**39,050,793**	**5,009,143**	**16,207,733**	**1,066,190**	**(16,767,727)**
Business-type activities:					
Unemployment compensation benefits	92,888	240,576	5,148	—	152,836
Second Injury	20,279	—	—	—	(20,279)
Other enterprise activities	50,212	71,956	59	42,557	64,360
Total business-type activities	**163,379**	**312,532**	**5,207**	**42,557**	**196,917**
Total primary government	**$ 39,214,172**	**$ 5,321,675**	**$ 16,212,940**	**$ 1,108,747**	**$ (16,570,810)**
Component units:					
Public Service Authority	1,961,892	1,941,005	6,751	—	(14,136)
Medical University of South Carolina	4,941,161	4,395,611	308,876	25,292	(211,382)
University of South Carolina	1,595,258	1,190,875	207,239	120,565	(76,579)
Clemson University	1,303,789	1,065,979	239,299	71,598	73,087
State Ports Authority	398,151	448,508	13,132	62,236	125,725
Housing Authority	572,198	134,043	451,447	—	13,292
Lottery Commission	2,406,350	2,406,348	169	—	167
Nonmajor component units	2,169,855	1,269,021	498,278	171,611	(230,945)
Total component units	**$ 15,348,654**	**$ 12,851,390**	**$ 1,725,191**	**$ 451,302**	**$ (320,771)**

Exhibit A-2

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position:				
Net revenues (expenses)	$ (16,767,727)	$ 196,917	$ (16,570,810)	$ (320,771)
General revenues:				
Taxes:				
Individual income	5,884,974	—	5,884,974	—
Retail sales and use	7,423,406	—	7,423,406	—
Corporate income	1,219,636	—	1,219,636	—
Gas and motor vehicle	1,540,962	—	1,540,962	—
Insurance	265,952	—	265,952	—
Hospital	266,298	—	266,298	—
Other	896,495	—	896,495	—
Total taxes	17,497,723	—	17,497,723	—
Unrestricted grants and contributions	5	—	5	—
Unrestricted investment income	422,478	42,053	464,531	—
State Appropriations	—	—	—	1,219,733
Tobacco legal settlement	75,499	—	75,499	—
Opioid legal settlement	10,690	—	10,690	—
Other revenues	914,464	1,251	915,715	—
Additions to endowments	—	—	—	46,735
Transfers–internal activities	39,638	(39,638)	—	—
Total general revenues, additions to endowments, and transfers	**18,960,497**	**3,666**	**18,964,163**	**1,266,468**
Change in net position	**2,192,770**	**200,583**	**2,393,353**	**945,697**
Net position at beginning of year, as restated	**28,202,364**	**1,857,121**	**30,059,485**	**7,010,413**
Net position at end of year	**$ 30,395,134**	**$ 2,057,704**	**$ 32,452,838**	**$ 7,956,110**

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

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2023
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure
ASSETS			
Cash and cash equivalents	$ —	$ 546,636	$ 159,395
Investments	11,007,258	1,846,867	543,884
Invested securities lending collateral	492,055	62,486	46,613
Receivables, net:			
Accounts	138,015	280,359	1,822
Contributions	260	749	—
Accrued interest	125,705	15,870	10,086
Income taxes	1,249,190	—	—
Sales and other taxes	909,929	1,820	—
Student accounts	126	—	—
Patient accounts	16,164	2,246	—
Loans and notes	38,569	—	762,987
Leases	8,200	4,867	—
Due from Federal government and other grantors	10,343	1,289,905	7,798
Due from other funds	68,422	17,967	26,074
Due from component units	53,036	189	4,000
Interfund receivables	51,157	6,750	81,944
Inventories	32,157	48,066	—
Restricted assets:			
Cash and cash equivalents	16,385	—	891,323
Accounts receivable, net	—	—	8,000
Other	—	—	13,304
Prepaid items	26,405	8,416	—
Other assets	150	—	—
Total assets	**$ 14,243,526**	**$ 4,133,193**	**$ 2,557,230**
LIABILITIES			
Accounts payable	289,071	440,657	4,307
Accrued salaries and related expenditures	134,448	37,874	111
Retainages payable	41	1,242	—
Tax refunds payable	1,122,979	—	—
Payable–aid to individuals/families	8,068	18,893	—
Intergovernmental payables	75,767	516,925	33,341
Due to other funds	294,539	57,321	363
Due to component units	31,670	17,773	—
Interfund payables	6,750	249	—
Unearned revenues	25,124	1,917,457	10,311
Deposits	—	—	32,715
Securities lending collateral	492,055	62,486	46,613
Other liabilities	673,039	11,727	—
Total liabilities	**3,153,551**	**3,082,604**	**127,761**
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	12,970	49,548	15,000
Deferred nonexchange revenues	22,777	—	—
Lease related	7,863	5,435	—
Total deferred inflows of resources	**43,610**	**54,983**	**15,000**
FUND BALANCES			
Nonspendable	141,250	56,482	—
Restricted	1,580,428	905,614	2,414,469
Committed	—	36,844	—
Assigned	722,535	—	—
Unassigned	8,602,152	(3,334)	—
Total fund balances	**11,046,365**	**995,606**	**2,414,469**
Total liabilities, deferred inflows and fund balances	**$ 14,243,526**	**$ 4,133,193**	**$ 2,557,230**

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

Exhibit B-1

Department of Transportation Special Revenue	Nonmajor Governmental Funds	Totals
$ 3,038,673	$ 581,061	$ 4,325,765
—	878,169	14,276,178
82,664	29,786	713,604
35,529	38	455,763
—	—	1,009
—	10,444	162,105
—	—	1,249,190
7,139	172,455	1,091,343
—	—	126
—	—	18,410
4,305	2,437	808,298
—	—	13,067
144,780	854	1,453,680
184,874	46,072	343,409
42	55,559	112,826
—	—	139,851
4,294	—	84,517
—	—	907,708
—	—	8,000
—	36,500	49,804
5,383	541	40,745
203	—	353
$ 3,507,886	**$ 1,813,916**	**$ 26,255,751**
210,583	10,202	954,820
24,860	396	197,689
—	1,877	3,160
—	6	1,122,985
—	—	26,961
—	340,942	966,975
1,639	18,778	372,640
—	27,947	77,390
81,944	—	88,943
521,928	193,893	2,668,713
1,872	—	34,587
82,664	29,786	713,604
—	—	684,766
925,490	**623,827**	**7,913,233**
2	2,695	80,215
—	—	22,777
—	—	13,298
2	**2,695**	**116,290**
9,880	12,183	219,795
2,572,514	1,311,636	8,784,661
—	60,975	97,819
—	2,282	724,817
—	(199,682)	8,399,136
2,582,394	**1,187,394**	**18,226,228**
$ 3,507,886	**$ 1,813,916**	**$ 26,255,751**

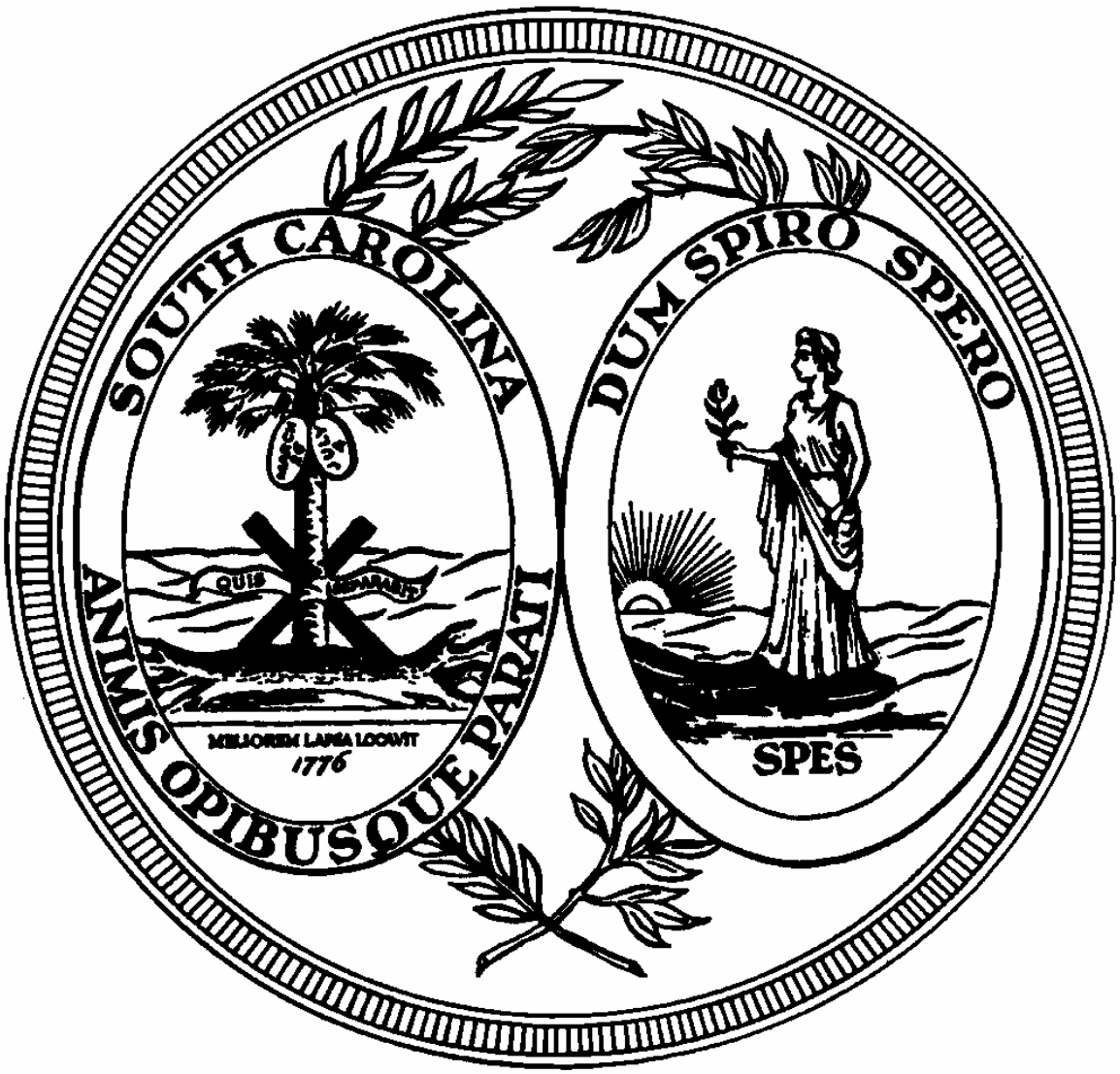
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit B-1a

June 30, 2023
(Expressed in Thousands)

Total fund balances–governmental funds		**$ 18,226,228**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital and lease assets used in governmental activities are not considered current financial resources and therefore are not reported in the funds:		
Non-depreciable capital assets	$ 7,277,971	
Depreciable capital assets	21,186,330	
Accumulated depreciation	(8,073,746)	
Total capital assets		20,390,555
Non-amortizable lease and subscription assets	3,709	
Amortizable lease and subscription assets	307,489	
Accumulated amortization	(92,012)	
Total Lease assets		219,186
Deferred outflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred loss on refunding bonds		25,736
Pension and OPEB contributions made after the measurement date		502,216
Difference between expected and actual retirement plan experience		102,087
Net difference between projected and actual earnings on investments		31,733
Changes in proportion and differences between contributions and proportionate share of plan contributions		172,734
Changes in assumptions		779,840
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		(283,251)
Changes in proportion and differences between contributions and proportionate share of plan contributions		(502,491)
Changes in assumptions		(921,624)
Deferred public-public partnership receipts		(107,784)
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		80,215
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		750,673
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	(1,556,804)	
Notes payable	(37,290)	
Accrued interest on bonds	(15,050)	
Leases and Subscriptions Payable	(189,487)	
Net pension liability	(3,903,541)	
Net OPEB liability	(2,868,330)	
Compensated absences	(229,325)	
Policy claims	(31,733)	
Other	(239,359)	
Total long-term liabilities		(9,070,919)
Net position of governmental activities		**$ 30,395,134**

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


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Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	General Fund	Departmental Program Services
Revenues:		
Taxes:		
Individual income	$ 5,862,074	$ —
Retail sales and use	5,817,004	9,439
Corporate income	1,219,636	—
Gas and motor vehicle	—	—
Insurance	265,396	556
Hospital	266,298	—
Other	816,613	65,756
Licenses, fees, and permits	382,111	56,169
Interest and other investment income	335,554	(37,120)
Federal	61,277	15,381,486
Local and private grants	5,980	55,625
Departmental services	575,145	119,610
Contributions	21,304	43,091
Fines and penalties	72,242	12,406
Tobacco legal settlement	—	—
Opioid legal settlement	—	—
Other	382,856	409,996
Total revenues	**16,083,490**	**16,117,014**
Expenditures:		
Current:		
General government	2,300,230	2,281,589
Education	986,813	269,505
Health and environment	3,152,766	7,655,353
Social services	384,676	3,035,292
Administration of justice	1,263,981	47,008
Resources and economic development	295,430	86,633
Transportation	255,487	2,276
Capital outlay	81,022	88,688
Debt service:		
Principal retirement	92,318	23,762
Interest and fiscal charges	12,147	1,804
Intergovernmental	6,707,032	2,535,149
Total expenditures	**15,531,902**	**16,027,059**
Excess of revenues over (under) expenditures	**551,588**	**89,955**
Other financing sources (uses):		
Bonds and notes issued	1,009	—
Leases and subscriptions issued	47,531	14,795
Transfers in	510,513	73,003
Transfers out	(698,355)	(28,139)
Total other financing sources (uses)	**(139,302)**	**59,659**
Net change in fund balances	**412,286**	**149,614**
Fund balances at beginning of year, as restated	**10,634,079**	**845,992**
Fund balances at end of year	**$ 11,046,365**	**$ 995,606**

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
$ 22,900	$ —	$ —	$ 5,884,974
—	—	1,596,963	7,423,406
—	—	—	1,219,636
—	1,540,962	—	1,540,962
—	—	—	265,952
—	—	—	266,298
—	—	5,128	887,497
159,054	—	69,898	667,232
52,668	27,820	23,185	402,107
22,495	865,847	128,235	16,459,340
1,997	—	—	63,602
424	146,351	42,099	883,629
50,044	—	598,416	712,855
—	—	8,215	92,863
—	—	75,499	75,499
—	—	10,690	10,690
355	4,858	36,607	834,672
309,937	**2,585,838**	**2,594,935**	**37,691,214**
4	—	290,838	4,872,661
—	—	522,570	1,778,888
—	—	32,359	10,840,478
—	—	114	3,420,082
—	—	4,147	1,315,136
1,889	—	244	384,196
1,063	1,175,326	—	1,434,152
43	861,363	212,437	1,243,553
54,982	15,960	826	187,848
53,254	880	133	68,218
102,964	(3,564)	1,706,826	11,048,407
214,199	**2,049,965**	**2,770,494**	**36,593,619**
95,738	**535,873**	**(175,559)**	**1,097,595**
—	—	—	1,009
43	—	697	63,066
6,166	123,515	597,997	1,311,194
—	(5,345)	(530,725)	(1,262,564)
6,209	**118,170**	**67,969**	**112,705**
101,947	**654,043**	**(107,590)**	**1,210,300**
2,312,522	**1,928,351**	**1,294,984**	**17,015,928**
$ 2,414,469	**$ 2,582,394**	**$ 1,187,394**	**$ 18,226,228**

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, 2023
(Expressed in Thousands)

Net change in fund balances–total governmental funds		**$ 1,210,300**
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	$ 1,243,553	
Depreciation and amortization expense	(536,238)	
Excess of capital outlay over depreciation expense		707,315
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		56,131
Loss on disposals of capital assets are reported as an expense in the Statement of Activities		(25,869)
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 and notes issued	(1,009)	
Leases and subscriptions cancelled	2,657	
Leases and subscriptions issued	(63,066)	
Bonds, notes, and leases issued		(61,418)
Losses on bond refundings and hedging portion of derivatives are considered deferred outflows of resources in the Statement of Net Position		(2,709)
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	187,848	
Total long-term debt repayment		187,848
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		64,143
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 unavailable revenues		9,511

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		(818,830)
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	$ (2,388)	
Unamortized bond premiums and discounts	18,061	
Net pension liability	(312,948)	
Net OPEB liability	1,211,209	
Compensated absences payable	(19,257)	
Policy claims payable	(5,886)	
Other long-term liabilities	(22,443)	
Total additional expenses		866,348
Change in net position of governmental activities		**$ 2,192,770**

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

Statement of Net Position

PROPRIETARY FUNDS

June 30, 2023
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,691,084	$ 993	$ 87,652	$ 1,779,729	$ 997,631
Investments	—	199,488	31,046	230,534	4,550
Invested securities lending collateral	356	6,256	31	6,643	33,124
Receivables, net:					
Accounts	50,616	3	6,759	57,378	325,975
Participants	—	—	2	2	—
Accrued interest	162	5,100	11	5,273	7,169
Assessments	91,623	—	—	91,623	—
Leases	—	—	298	298	9
Due from other funds	—	—	2	2	32,892
Due from component units	—	—	—	—	17,485
Inventories	—	—	1,873	1,873	4,101
Restricted assets:					
Prepaid items	—	—	441	441	38,706
Total current assets	1,833,841	211,840	128,115	2,173,796	1,461,642
Long-term assets:					
Investments	—	—	—	—	553,868
Receivables, net:					
Accounts	—	—	—	—	35
Leases	—	—	433	433	19
Restricted assets:					
Cash and cash equivalents	—	—	12	12	—
Prepaid items	—	—	—	—	168
Other long-term assets	—	—	—	—	113
Non-depreciable capital assets	—	—	342,002	342,002	7,392
Depreciable capital assets, net	—	—	19,056	19,056	100,618
Total long-term assets	—	—	361,503	361,503	662,213
Total assets	**1,833,841**	**211,840**	**489,618**	**2,535,299**	**2,123,855**
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	—	—	3,974	3,974	9,859
Other post-employment benefits related	—	—	7,610	7,610	14,550
Total deferred outflows of resources	**$ —**	**$ —**	**$ 11,584**	**$ 11,584**	**$ 24,409**

Exhibit B-3

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
LIABILITIES					
Current liabilities:					
Accounts payable	$ 131	$ —	$ 3,254	$ 3,385	$ 12,909
Accrued salaries and related expenses	—	—	2,041	2,041	3,636
Accrued interest payable	—	—	115	115	1
Retainages payable	—	—	97	97	—
Tax refunds payable	64,874	—	—	64,874	—
Unemployment benefits payable	4,373	—	—	4,373	—
Intergovernmental payables	72,446	—	1	72,447	72
Interfund payables	—	—	51,000	51,000	—
Tuition benefits payable	—	—	7,994	7,994	—
Policy claims	—	11,031	—	11,031	729,781
Due to other funds	57	75	2,531	2,663	1,000
Unearned revenues	—	—	266	266	238,947
Deposits	—	—	300	300	9
Securities lending collateral	356	6,256	31	6,643	33,124
Notes payable	—	—	—	—	142
Revenue bonds payable	—	—	225	225	—
Leases payable	—	—	—	—	5,756
Compensated absences payable	—	—	1,071	1,071	2,350
Other current liabilities	—	—	12	12	2,487
Total current liabilities	142,237	17,362	68,938	228,537	1,030,214
Long-term liabilities:					
Tuition benefits payable	—	—	18,649	18,649	—
Policy claims	—	162,931	—	162,931	234,422
Interfund payables	—	—	—	—	142
Notes payable	—	—	6,500	6,500	—
Revenue bonds payable	—	—	4,345	4,345	—
Leases payable	—	—	—	—	11,409
Compensated absences payable	—	—	737	737	1,440
Other long-term liabilities	—	—	—	—	147
Net pension liability	—	—	29,477	29,477	53,606
Net OPEB liability	—	—	23,434	23,434	42,421
Total long-term liabilities	—	162,931	83,142	246,073	343,587
Total liabilities	**142,237**	**180,293**	**152,080**	**474,610**	**1,373,801**
DEFERRED INFLOWS OF RESOURCES					
Pension related	—	—	1,930	1,930	2,488
Other post-employment benefits related	—	—	12,015	12,015	21,274
Lease related	—	—	624	624	28
Total deferred inflows of resources	**$ —**	**$ —**	**$ 14,569**	**$ 14,569**	**$ 23,790**

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, 2023
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
NET POSITION					
Net investment in capital assets	$ —	$ —	$ 349,988	$ 349,988	$ 90,703
Restricted:					
Expendable:					
Unemployment compensation benefits	1,691,604	—	—	1,691,604	—
Insurance programs	—	31,547	—	31,547	662,413
Unrestricted	—	—	(15,435)	(15,435)	(2,443)
Total net position	**$ 1,691,604**	**$ 31,547**	**$ 334,553**	**$ 2,057,704**	**$ 750,673**

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

Exhibit B-4

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Operating revenues:					
Assessments	$ 236,673	$ —	$ —	$ 236,673	$ —
Charges for services	—	—	52,352	52,352	3,474,128
Contributions	—	—	59	59	—
Licenses, fees, and permits	—	—	19,451	19,451	293
Federal operating grants and contracts	5,148	—	—	5,148	—
Other operating revenues	3,903	—	153	4,056	785,015
Total operating revenues	**245,724**	**—**	**72,015**	**317,739**	**4,259,436**
Operating expenses:					
General operations and administration	—	—	45,773	45,773	477,669
Benefits and claims	92,888	20,279	—	113,167	3,723,722
Tuition plan disbursements	—	—	7,800	7,800	—
Depreciation and amortization	—	—	1,731	1,731	24,288
Other operating expenses	—	—	127	127	367
Total operating expenses	**92,888**	**20,279**	**55,431**	**168,598**	**4,226,046**
Operating income (loss)	**152,836**	**(20,279)**	**16,584**	**149,141**	**33,390**
Nonoperating revenues (expenses):					
Interest income	26,652	5,134	10,438	42,224	20,371
Capital Contributions	—	—	40,065	40,065	5
Interest expense	—	—	(171)	(171)	(771)
Net other nonoperating revenues	—	—	1,251	1,251	13,101
Gains (Losses) on sale of capital assets	—	—	5,219	5,219	(151)
Total nonoperating revenues, net	**26,652**	**5,134**	**56,802**	**88,588**	**32,555**
Income (losses) before transfers	**179,488**	**(15,145)**	**73,386**	**237,729**	**65,945**
Transfers and contributions:					
Federal capital grants and contracts	—	—	2,492	2,492	—
Transfers in	—	—	—	—	9,360
Transfers out	(29,177)	(225)	(10,236)	(39,638)	(11,162)
Change in net position	**150,311**	**(15,370)**	**65,642**	**200,583**	**64,143**
Net position at beginning of year	1,541,293	46,917	268,911	1,857,121	686,530
Net position at end of year	**$ 1,691,604**	**$ 31,547**	**$ 334,553**	**$ 2,057,704**	**$ 750,673**

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, 2023
(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	$ —	$ —	$ 72,828	$ 72,828	$ 4,017,706
Assessments received	278,768	216	—	278,984	—
Grants received	5,460	—	—	5,460	—
Tuition plan contributions received	—	—	189	189	—
Internal activity–payments from other funds	—	—	—	—	219,679
Other operating cash receipts	—	12,626	761	13,387	25,727
Claims and benefits paid	(58,206)	(25,117)	(17,189)	(100,512)	(167,268)
Payments to suppliers for goods and services	—	—	(28,073)	(28,073)	(3,899,681)
Payments to employees	—	—	(25,561)	(25,561)	(63,092)
Capital grants and gifts received	—	—	40,058	40,058	—
Other operating cash payments	—	—	(722)	(722)	(8,082)
Net cash provided by (used in) operating activities	**226,022**	**(12,275)**	**42,291**	**256,038**	**124,989**
Cash flows from noncapital financing activities:					
Receipt of interest from other funds	—	—	—	—	60
Rental income cash receipts	—	—	5,108	5,108	—
Industrial development costs	—	—	(355)	(355)	—
Transfers in	—	—	—	—	9,360
Transfers out	(29,177)	(225)	(10,236)	(39,638)	(11,162)
Net cash used in noncapital financing activities	**(29,177)**	**(225)**	**(5,483)**	**(34,885)**	**(1,742)**

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	$ —	$ —	$ (45,520)	$ (45,520)	$ (45,918)
Proceeds from capital grants	—	—	2,492	2,492	—
Proceeds from issuance of capital debt	—	—	—	—	18,191
Principal payments on capital debt	—	—	(118)	(118)	(8,016)
Interest payments on capital debt	—	—	(195)	(195)	(3,827)
Proceeds from sale or disposal of capital assets	—	—	3,694	3,694	8,341
Net cash used in capital and related financing activities	**—**	**—**	**(39,647)**	**(39,647)**	**(31,229)**
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	11,499	—	6,659	18,158	89,264
Purchase of investments	—	(2,574)	(5)	(2,579)	(104,687)
Interest and dividends on investments	26,652	5,134	10,433	42,219	21,988
Realized loss on investments	—	—	—	—	10,758
Net cash provided by investing activities	**38,151**	**2,560**	**17,087**	**57,798**	**17,323**
Net increase (decrease) in cash and cash equivalents	**234,996**	**(9,940)**	**14,248**	**239,304**	**109,341**
Cash and cash equivalents at beginning of year	**1,456,088**	**10,933**	**73,416**	**1,540,437**	**888,290**
Cash and cash equivalents at end of year	**$ 1,691,084**	**$ 993**	**$ 87,664**	**$ 1,779,741**	**$ 997,631**

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

Continued on Next Page

Statement of Cash Flows

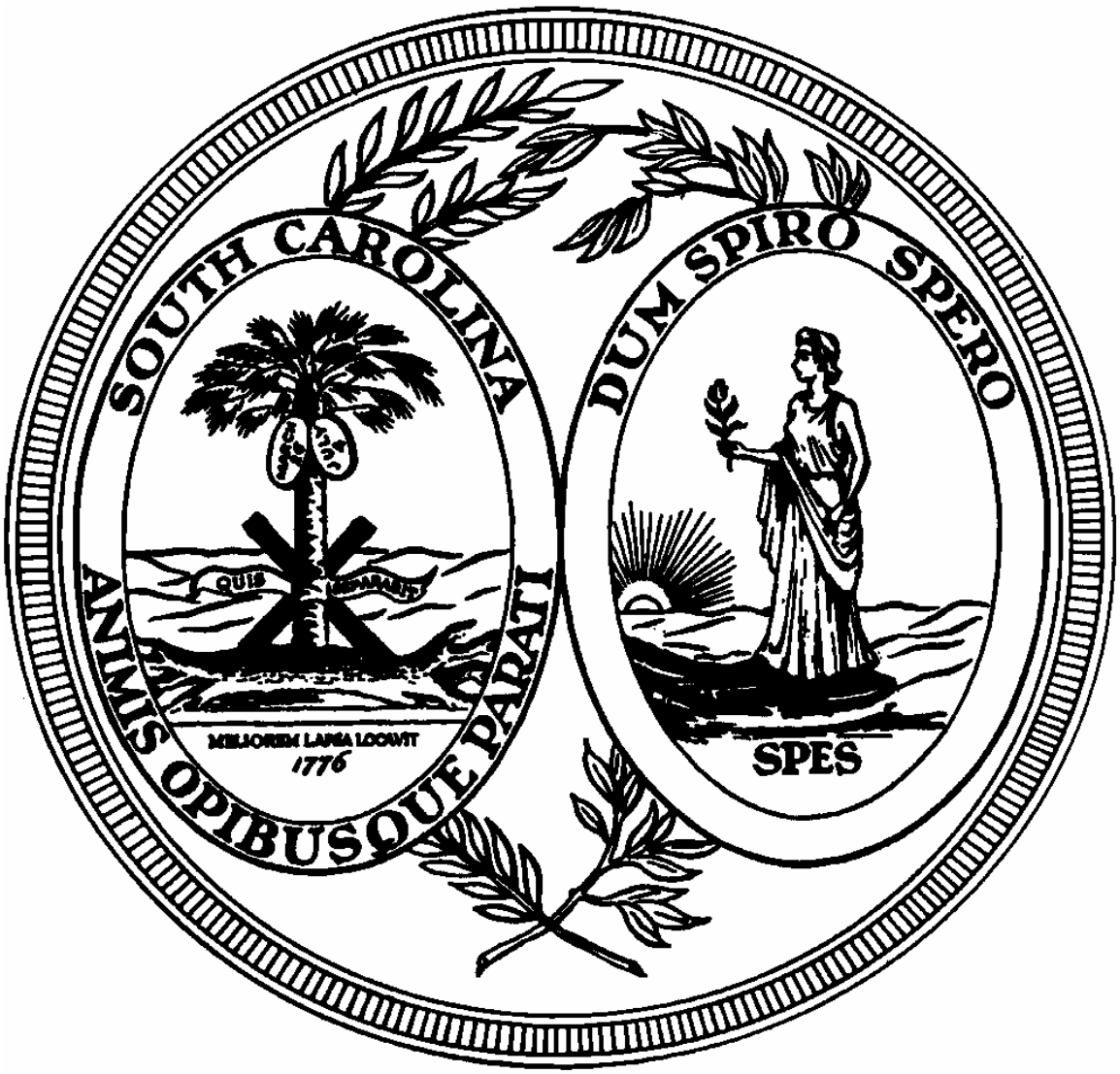
Exhibit B-5

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2023
(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)	$ 152,836	$ (20,279)	$ 16,584	$ 149,141	$ 33,390
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	1,731	1,731	24,288
Realized gains (losses) on sale of assets	—	—	(3)	(3)	(151)
Interest and dividends on investments and interfund loans	—	—	9	9	—
Other nonoperating revenues	—	—	40,097	40,097	18,974
Other nonoperating expenses	—	—	—	—	(1,329)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable, net	$ 38,190	$ 215	$ 943	$ 39,348	$ (37,211)
Due from Federal government and other grantors	312	—	—	312	—
Due from other funds	—	—	(4)	(4)	(6,643)
Inventories	—	—	275	275	(1,136)
Other assets	—	—	42	42	(7,821)
Deferred outflows	—	—	2,669	2,669	1,517
Accounts payable	(676)	69	(1,163)	(1,770)	4,400
Accrued salaries and related expenses	—	—	(445)	(445)	(71)
Tax refunds payable	4,989	—	—	4,989	—
Unemployment benefits payable	3,817	—	—	3,817	—
Tuition benefits payable	—	—	(9,388)	(9,388)	—
Policy claims	—	7,720	—	7,720	79,995
Due to other funds	26,554	—	1,902	28,456	(1,519)
Unearned revenues	—	—	266	266	36,040
Compensated absences payable	—	—	(140)	(140)	162
Other liabilities	—	—	(16,373)	(16,373)	(29,091)
Deferred inflows	—	—	5,289	5,289	11,195
Net cash provided by (used in) operating activities	**$ 226,022**	**$ (12,275)**	**$ 42,291**	**$ 256,038**	**$ 124,989**
Noncash capital, investing, and financing activities:					
Disposal of capital assets	$ —	—	$ —	$ —	$ 15,524
Decrease in fair value of investments	—	—	2,651	2,651	(14,855)
Total noncash capital, investing, and financing activities	**$ —**	**$ —**	**$ 2,651**	**$ 2,651**	**$ 669**

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


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Statement of Fiduciary Net Position

Exhibit B-6

FIDUCIARY FUNDS

June 30, 2023
(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	$ 2,806,983	$ 4,643,824	$ 53,753	$ 214,807
Receivables, net:				
Accounts	—	—	—	9,934
Contributions	394,590	—	—	—
Accrued interest	42,288	30,199	7,701	—
Unsettled investment sales	226,916	—	4,959	—
Other investment receivables	532	—	—	—
Total receivables	664,326	30,199	12,660	9,934
Due from other trust funds	85,985	—	—	—
Investments, at fair value:				
Short term investments	143,603	—	—	8,721
Debt-domestic	3,175,979	3,614,267	—	—
Equity-international	17,738,048	—	—	—
Alternatives	18,931,963	—	—	—
Financial and other	211,188	3,551,091	5,778,602	—
Total investments	40,200,781	7,165,358	5,778,602	8,721
Invested securities lending collateral	54,133	—	1,636	296
Interfund receivables	—	—	—	234
Capital assets, net	1,794	—	3,874	—
Total assets	**43,814,002**	**11,839,381**	**5,850,525**	**233,992**
LIABILITIES				
Accounts payable	3,140	—	4,928	129,981
Accounts payable–unsettled investment purchases	910,165	—	7,942	—
Policy claims	719	—	—	—
Due to other trust funds	85,985	—	—	—
Due to component units	—	—	—	2,181
Intergovernmental payables	—	—	—	35,006
Deposits	—	—	—	2,132
Amounts held in custody for others	—	—	—	16,104
Securities lending collateral	99,857	—	1,636	296
Due to participants	—	—	—	2
Other liabilities	20,418	—	—	623
Total liabilities	**1,120,284**	**—**	**14,506**	**186,325**
NET POSITION				
Restricted for:				
Pension benefits	41,003,020	—	—	—
Other post-employment benefits	1,690,698	—	—	—
External investment pool participants	—	11,839,381	—	—
Individuals, organizations, and other governments	—	—	5,836,019	47,667
Total net position	**$ 42,693,718**	**$ 11,839,381**	**$ 5,836,019**	**$ 47,667**

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, 2023
(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	$ —	$ —	$ 33	$ 373
Contributions:				
Employer	3,116,152	—	—	—
Employee	1,219,382	—	—	—
Non-employer	106,451	—	—	—
Deposits from pool participants	—	18,937,656	—	—
Tuition plan deposits	—	—	352	—
Other	—	—	124,453	4,250
Total contributions	4,441,985	18,937,656	124,805	4,250
Opioid legal settlement	—	—	52,121	—
Taxes:				
Retail sales and use	—	—	—	389,294
Other	—	—	—	4
Total taxes	—	—	—	389,298
Investment income:				
Interest income and net appreciation (depletion) in investments	3,249,928	455,457	503,849	175
Securities lending income	791	53	—	—
Total investment income (loss)	3,250,719	455,510	503,849	175
Less investment expense:				
Investment expense	476,403	—	—	—
Securities lending expense	13	—	—	—
Net investment income (loss)	2,774,303	455,510	503,849	175
Assets moved between pension trust funds	2,446	—	—	—
Total additions	**7,218,734**	**19,393,166**	**680,808**	**394,096**
Deductions:				
Regular retirement benefits	3,816,094	—	—	—
Supplemental retirement benefits	188	—	—	—
Deferred retirement benefits	342	—	—	—
Refunds of retirement contributions to members	171,196	—	—	—
Death benefit claims	29,363	—	—	—
Accidental death benefits	2,021	—	—	—
Other post-employment benefits	580,367	—	—	—
Withdrawals, pool participants	—	17,136,434	—	—
Distributions to pool participants	—	445,435	—	—
Depreciation	191	—	—	—
Administrative expense	21,347	5,506	16,814	481
Other expenses	—	—	1,326	395,595
Assets moved between pension trust funds	2,446	—	—	—
Transfers out	—	—	—	7,190
Total deductions	**4,623,555**	**17,587,375**	**18,140**	**403,266**
Change in net position	**2,595,179**	**1,805,791**	**662,668**	**(9,170)**
Net position, beginning	**40,098,539**	**10,033,590**	**5,173,351**	**56,837**
Net position at end of year	**$ 42,693,718**	**$ 11,839,381**	**$ 5,836,019**	**$ 47,667**

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

Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2023

(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	$ 299,284	$ 719,718	$ 1,012,453	$ 751,848	$ 451,637
Investments	163,567	1,283,986	590,443	4,767	2,927
Invested securities lending collateral	—	1,454	14,046	20,594	10,604
Receivables, net:					
Accounts	220,458	38,810	126,413	66,332	57,436
Contributions	—	18,846	30,964	72,428	—
Accrued interest	2,357	1,815	5,545	6,864	4,206
Student accounts	—	1,780	12,058	—	—
Patient accounts	—	540,240	—	—	—
Loans and notes	—	162	8,630	9	—
Leases	—	1,891	55,482	488	19,775
Due from Federal government and other grantors	—	52,403	39,052	46,310	—
Due from primary government	—	15,014	6,181	20,628	—
Inventories	372,400	—	3,181	2,486	11,737
Restricted assets:					
Cash and cash equivalents	53,548	139,931	453,205	451,571	85,732
Investments	583,295	903	15,330	1,073,056	—
Accounts receivable	—	—	—	76,837	—
Loans receivable	—	11,234	6,139	1,712	—
Other	—	362,536	—	9,757	—
Prepaid items	5,320	5,638	2,943	15,686	7,075
Other assets	278,932	6,197	2,189	738	2,257
Regulatory asset	3,678,645	—	—	—	—
Other regulatory assets	733,062	—	—	—	—
Investment in joint venture	26,057	—	—	—	—
Capital assets-nondepreciable	400,574	277,631	356,085	275,498	926,561
Capital assets-depreciable, net	4,507,045	1,542,365	1,229,119	1,400,994	1,094,785
Total assets	$ 11,324,544	$ 5,022,554	$ 3,969,458	$ 4,298,603	$ 2,674,732
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	$ 25,621	$ —	$ —	$ —	$ —
Unamortized loss on refunded and defeased debt	185,440	16,239	14,217	2,781	23,595
Asset retirement obligation	638,709	—	—	—	—
Pension related	25,689	404,102	131,800	100,470	58,707
Other post-employment benefits related	57,539	691,669	275,499	208,001	17,714
Total deferred outflows of resources	$ 932,998	$ 1,112,010	$ 421,516	$ 311,252	$ 100,016
LIABILITIES					
Accounts payable	$ 203,057	$ 276,568	$ 23,159	$ 46,106	$ 27,009
Accrued salaries and related expenses	12,211	211,469	32,955	32,814	7,941
Accrued interest payable	40,456	19,688	5,304	6,484	22,764
Retainages payable	3,781	2,072	1,882	5,216	846
Prizes payable	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—
Due to primary government	—	136	7,411	6,472	54,000
Asset retirement obligation	630,526	—	—	—	—
Unearned revenues	—	25,830	45,994	64,928	779
Deposits	—	—	2,680	8,122	—
Amounts held in custody for others	—	—	23,930	418	—
Securities lending collateral	—	1,454	14,046	20,594	10,604
Liabilities payable from restricted assets:					
Other	—	—	—	—	—
Other liabilities	445,760	139,958	11,578	143,790	32,455
Long-term liabilities:					
Due within one year	42,663	162,244	85,676	59,230	39,486
Due in more than one year	8,106,497	4,456,447	2,671,783	2,243,796	1,649,195
Total liabilities	$ 9,484,951	$ 5,295,866	$ 2,926,398	$ 2,637,970	$ 1,845,079
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	$ 207,449	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—
Deferred nuclear decommissioning costs	204,486	—	—	—	—
Deferred service concession arrangement receipts	—	—	9,733	—	—
Deferred nonexchange revenues	—	—	—	—	—
Deferred public-private partnership receipts	—	—	—	—	—
Toshiba settlement	241,976	—	—	—	—
Pension related	18,135	13,791	19,799	3,907	835
Other post-employment benefits related	7,334	639,119	421,743	270,608	28,700
Lease related	—	1,891	53,766	942	19,320
Total deferred inflows of resources	$ 679,380	$ 654,801	$ 505,041	$ 275,457	$ 48,855
NET POSITION					
Net investment in capital assets	$ 1,940,194	$ 588,448	$ 844,729	$ 918,785	$ 575,583
Restricted:					
Expendable:					
Education	—	550,563	239,326	505,607	—
Transportation	—	—	—	—	—
Capital projects	—	210,156	368,557	308,148	—
Debt service	20,698	6,861	2,302	9,629	41,109
Loan programs	—	—	—	—	—
Other	—	—	—	—	—
Nonexpendable:					
Education	—	212,372	444,967	451,568	—
Unrestricted	132,319	(1,384,503)	(940,346)	(497,309)	264,122
Total net position	**$ 2,093,211**	**$ 183,897**	**$ 959,535**	**$ 1,696,428**	**$ 880,814**

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

Exhibit C-1

Housing Authority	Lottery Commission	Nonmajor Component Units	Total
$ 14,581	$ 34,422	$ 934,892	$ 4,218,835
—	—	530,448	2,576,138
6,623	—	14,551	67,872
88	57,160	259,373	826,070
—	—	39,254	161,492
1,049	—	3,015	24,851
—	—	54,954	68,792
—	—	—	540,240
6,923	—	11,876	27,600
—	—	62,916	140,552
1,370	—	63,586	202,721
2,438	—	35,310	79,571
—	5,221	8,010	403,035
106,039	486	514,781	1,805,293
445,121	—	522,360	2,640,065
106	—	—	76,943
1,142,912	—	3,319	1,165,316
3,655	—	1,508	377,456
—	—	16,686	53,348
11,478	7,964	107,184	416,939
—	—	—	3,678,645
—	—	—	733,062
—	—	—	26,057
—	—	385,187	2,621,536
5,266	21,905	2,085,115	11,886,594
$ 1,747,649	$ 127,158	$ 5,654,325	$ 34,819,023
$ —	$ —	$ —	$ 25,621
—	—	1,254	243,526
—	—	—	638,709
2,530	2,368	185,231	910,897
4,079	4,044	352,333	1,610,878
$ 6,609	$ 6,412	$ 538,818	$ 3,429,631
$ —	$ 2,290	$ 90,766	$ 668,955
1,156	—	46,433	344,979
—	—	5,021	99,717
—	—	6,334	20,131
—	20,466	—	20,466
—	—	534	534
—	48,659	13,633	130,311
—	—	—	630,526
1,646	1,077	173,464	313,718
—	—	9,321	20,123
—	—	9,529	33,877
6,623	—	14,551	67,872
28,874	—	1,127	30,001
44,486	2,066	10,091	830,184
115,868	5,297	107,285	617,749
1,004,787	47,170	3,404,034	23,583,709
$ 1,203,440	$ 127,025	$ 3,892,123	$ 27,412,852
$ —	$ —	$ —	$ 207,449
2,556	—	—	2,556
—	—	—	204,486
—	—	—	9,733
—	—	37	37
—	—	6,607	6,607
—	—	—	241,976
144	552	71,174	128,337
5,637	5,876	562,463	1,941,480
—	—	61,112	137,031
$ 8,337	$ 6,428	$ 701,393	$ 2,879,692
$ 854	$ —	$ 1,747,053	$ 6,615,646
—	—	501,590	1,797,086
—	—	3,176	3,176
—	—	533,889	1,420,750
178,273	—	50,631	309,503
336,961	—	65,675	402,636
—	486	22,488	22,974
—	—	267,850	1,376,757
26,393	(369)	(1,592,725)	(3,992,418)
$ 542,481	**$ 117**	**$ 1,599,627**	**$ 7,956,110**

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Public Service Authority	$ 1,961,892	$ 1,941,005	$ 6,751	$ —
Medical University of South Carolina	4,941,161	4,395,611	308,876	25,292
University of South Carolina	1,595,258	1,190,875	207,239	120,565
Clemson University	1,303,789	1,065,979	239,299	71,598
State Ports Authority	398,151	448,508	13,132	62,236
Housing Authority	572,198	134,043	451,447	—
Lottery Commission	2,406,350	2,406,348	169	—
Nonmajor component units	2,169,855	1,269,021	498,278	171,611
Totals	**$ 15,348,654**	**$ 12,851,390**	**$ 1,725,191**	**$ 451,302**

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
$ (14,136)	$ —	$ —	$ 2,107,347	$ 2,093,211
(211,382)	1,333	263,220	130,726	183,897
(76,579)	14,454	288,777	732,883	959,535
73,087	27,938	180,211	1,415,192	1,696,428
125,725	—	—	755,089	880,814
13,292	—	—	529,189	542,481
167	—	—	(50)	117
(230,945)	3,010	487,525	1,340,037	1,599,627
$ (320,771)	**$ 46,735**	**$ 1,219,733**	**$ 7,010,413**	**$ 7,956,110**

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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, 2023.

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.

South Carolina Opioid Recovery Fund

The South Carolina Opioid Recovery Fund, a blended component unit accounted for as a nonmajor governmental fund, has a fiscal year ended December 31, 2022. The South Carolina Opioid Recovery Fund (SCORF) was created by Act No. 222 of the Acts and Joint Resolutions of the General Assembly of the State of South Carolina, Regular Session of 2022, as codified at Section 11-58- (South Carolina Opioid Recovery Act) of the South Carolina Code of Laws 1976, as amended (the Act), as an instrumentality of the State. The Act was created in response to the South Carolina Opioid Settlement Allocation Agreement (Agreement) which was executed between the State of South Carolina, through its Attorney General, and the Political Subdivisions within the State separately engaged in litigation against a number of entities and individuals in the opioid supply chain. The Act created the SCORF Board to administer and distribute settlement funds directed to the SCORF. The SCORF is comprised of certain opioid-related settlements entered into by the State of South Carolina and its participating political subdivisions. The SCORF means the account or accounts with the State Treasurer created pursuant to this chapter to receive funds obtained through settlement with or judgment against certain companies that market, promote, distribute, dispense, or supply opioids. These funds are to be administered pursuant to this chapter and expended only for the purposes provided in this chapter. The funds are not general fund revenue of the State and must be kept by the State Treasurer in a distinct and separate unbudgeted trust and agency fund apart from the general fund. *The SCORF Board is not a party to the settlement.*

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, 2022. 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

South Carolina Opioid Recovery Fund Board
1201 Main Street, Suite 420
Columbia, SC 29201
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, 2023. 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, 2022. 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, 2022.

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, 2022. 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, 2022.

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* is 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, 2023.

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 $3.679 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.

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. Subscription-Based Information Technology Arrangements

Subscription-based information technology arrangements (SBITA) are included in the statement of net position as capital assets and subscription liabilities. SBITA represent the State's right to use subscription-based information technology. SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term.

q. 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.

r. 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, 2023, $1.265 billion was reported as restricted net position because of restrictions imposed by enabling legislation.

s. 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.

t. 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.

u. 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, 2023, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 91, *Conduit Debt Obligations,* provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* is intended to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).

Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended.

Statement No. 99, *Omnibus 2022,* is intended to extend of the use of LIBOR, improve accounting for public-private partnerships, subscription-based information technology agreements, and the classification and reporting of derivative instruments. The remaining portions of Statement No. 99, which relate 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 were implemented in fiscal year 2022, 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, 2023:

Capital Projects	$ (8,903)
Canteen	(650)
Other Enterprise	(8,970)
Prison Industries	(23)
Component units:	
Denmark Technical College	(9,052)
Florence- Darlington Technical College	(500)
Northeastern Technical College	(8,025)
Orangeburg- Calhoun Technical College	(9,442)
Connector 2000	(120,118)
South Carolina Medical Malpractice Association	(81,083)

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 to the notes for the fiscal year ended June 30, 2023 (amounts expressed in thousands):

Statements		Notes				
Current Assets			Note 4	Note 19	Non-Major DCUs*	Total
Cash and Cash Equivalents	$19,041,327	Cash On Hand	$ 259	$ 444	$ 186	$ 889
Investments	70,240,862	Carrying Value of Cash	3,338,526	790,549	456,763	4,585,838
Securities Lending	877,308	Securities Lending and Investments	86,074,608	4,272,210	1,132,898	91,479,716
Long Term Investments	553,868					
Restricted Asset						
Cash and Cash Equivalents	2,713,013					
Investments	2,640,065					
	$96,066,443		**$89,413,393**	**$ 5,063,203**	**$ 1,589,847**	**$96,066,443**

**Non-Major Discretely Presented Component Units (DCUs) 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, 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 those 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 bank failure, deposits or collateral securities that are in the possession of a third party may not be recovered. 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, 2023 was $2.767 billion and the bank balance was $2.691 billion. As of June 30, 2023, the reported amount of the primary government's deposits outside of the State Treasurer was $425.648 million and the bank balance was $426.220 million. Of the $13.948 million bank balance exposed to custodial credit risk, $9.754 million was uninsured and uncollateralized and $4.194 million was uninsured and uncollateralized with securities held by the pledging financial institution. As of June 30, 2023 cash on hand was $259 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 includes the primary government's Other Post-Employment Benefit Trust Funds, which are described separately 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 and certain State political subdivisions, certificates of deposit, collateralized repurchase agreements, certain corporate bonds, and commercial paper. Substantially all of the primary government'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 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 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 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 primary government had the following recurring fair value measurements as of June 30, 2023 (amounts expressed in thousands):

Investments by Fair Value Level	At 6/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S. treasuries	$ 15,833,508	$ 15,833,508	$ —	$ —
U.S. agencies	220,337	—	220,337	—
Mortgage backed obligations	901,849	901,849	—	—
Common stock	42,018	42,018	—	—
Other equity securities	3,018,455	3,011,507	6,948	—
Corporate bonds	8,727,466	100,026	8,627,440	—
Municipal bonds	270	—	270	—
Repurchase agreements	2,461,953	552,601	1,909,352	
Asset backed securities	—	—	—	—
Commercial paper	7,891,635	7,205,220	686,415	—
Money market mutual funds	818,898	818,898	—	—
Bond mutual funds	1,945,910	1,944,204	1,706	—
Other	2,893,889	—	2,893,379	510
Total investments by fair value level	$ 44,756,188	$ 30,409,831	$ 14,345,847	$ 510

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the value of the investments or collateral securities that are in the possession of an outside party may not be recovered. Securities are registered in the name of the State and are held by the State's third-party investment custodian, Bank of New York Mellon. The State Treasurer uses only primary broker dealers that are insured through the Securities Investors Protection Corporation and have authority to hold public investments. All trading activity must be in full and strict compliance with the State Treasurer's Comprehensive Investment Plan and State law. The State Treasurer invests in a variety of instruments including obligations of the United States and its agencies, certain corporate obligations, State chartered savings and loan associations, and collateralized repurchase agreements. All investments are required to be insured, registered, or held by the State or its agent in the name of the State Treasurer as custodian.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holders of its securities. 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 as of June 30, 2023 were rated by Standard and Poor's and are presented below at fair value (amounts expressed in thousands):

Investment Type and Fair Value	AAA	AA	A / A1/ A2	BBB	BB	Not Rated	Total
U.S. agencies	$ —	$ 220,337	$ —	$ —	$ —	$ —	$ 220,337
Mortgage backed obligations	900,071	—	1,778	—	—	—	901,849
Corporate bonds	21,860	583,087	3,731,876	4,389,140	1,503	—	8,727,466
Municipal bonds	31	198	41	—	—	—	270
Repurchase agreements	—	—	—	—	—	2,461,953	2,461,953
Commercial paper	—	5,584,190	676,445	1,536,455	—	94,545	7,891,635
Money market mutual funds	3	—	—	—	—	—	3
Bond mutual funds	—	675	78	—	—	953	1,706
Other	—	166	22	393	—	2,817,674	2,818,255
Totals	**$ 921,965**	**$ 6,388,653**	**$ 4,410,240**	**$ 5,925,988**	**$ 1,503**	**$ 5,375,125**	**$23,023,474**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment 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. As of June 30, 2023, the State Treasurer had no investments that exceeded the 5% threshold for any single issuer.

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 30 years. At June 30, 2023, the maturities of the securities that will mature were limited according to the following segmented time distribution (amounts 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	$ 15,819,676	$ —	$ 5,345,260	$ 9,970,204	$ 473,293	$ 30,919
U.S. agencies	220,337	—	471	17,908	17,326	184,632
Corporate bonds	8,610,769	—	1,285,268	6,704,655	553,181	67,665
Repurchase agreements	1,909,352	—	1,909,352	—	—	—
Commercial paper	686,415	—	686,415	—	—	—
Money market funds	4	4	—	—	—	—
Other	75,000	—	75,000	—	—	—
Totals	**$ 27,321,553**	**$ 4**	**$ 9,301,766**	**$ 16,692,767**	**$1,043,800**	**$ 283,216**

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, 2023, agencies within the State's primary government that manage their own investments had the following investments with maturities disclosed by investment category and segmented time distribution (amounts expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Does Not Mature	Less than 1	1 - 5	6 - 10
U.S. treasuries	$ 13,832	$ —	$ 343	$ 13,489	$ —
Mortgage backed obligations	901,849	—	900,071	1,778	—
Common stock	42,018	42,018	—	—	—
Other equity securities	3,018,455	3,018,455	—	—	—
Corporate bonds	116,697	—	100,026	16,671	—
Municipal bonds	270	—	—	—	270
Repurchase agreements	552,601	—	552,601	—	—
Commercial paper	7,205,220	—	7,205,220	—	—
Money market funds	818,894	818,894	—	—	—
Bond mutual funds	1,945,910	1,945,910	—	—	—
Other	2,818,889	16,240	2,802,068	581	—
Totals	**$ 17,434,635**	**$ 5,841,517**	**$ 11,560,329**	**$ 32,519**	**$ 270**

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 securities lending 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, equities, and other securities 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, 2023. At June 30, 2023, 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. The State or the borrower can terminate all securities loans on demand and there are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2023, the State experienced no losses on its securities lending transactions because of borrower defaults.

For the fiscal year ended June 30, 2023, the State received primarily cash collateral for its loaned securities. The fair value of the required collateral must meet or exceed 102% 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, 2023, 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, 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.

As of June 30, 2023, the fair value of securities on loan was $741.130 million and was primarily composed of U.S. Governments securities with the remainder in other equities.. The associated fair value of the invested collateral was $756.532 million, of which $755.303 million was invested in overnight repurchase agreements.

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, 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 $250,000 and any amounts in excess of $250,000 are uninsured and uncollateralized. The Retirement System Investment Commission (RSIC), a separate state agency that has exclusive authority for investing and managing all assets held in trust for the Systems, has a formal Counterparty Policy which covers policies and procedures related to oversight and management of Counterparty Risk, including the custodial bank. To monitor custodial credit risk, the credit quality of financial institutions at which deposits are held are periodically reviewed using internal analysis and rating agencies' reports.

As of June 30, 2023, the carrying amount of the Systems' deposits was $145.882 million and the bank balance was $108.2 million.

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the value of the investments or collateral securities that are in the possession of an outside party may not be recovered. 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 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 three-level 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 and the classifications are as follows: 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 directly or indirectly observable for an asset, and level 3 inputs are unobservable inputs for an asset. Fair value of certain investments that do not have a readily determinable fair value is established using net asset value as a practicable expedient and is not categorized according to the fair value hierarchy.

The Systems had the following recurring fair value measurements as of June 30, 2023 (amounts expressed in thousands):

Investments by Fair Value Level	At 6/30/2023	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)	$ 2,545,169	$ 2,545,169	$ —	$ —
Repurchase Agreements	7,400	—	7,400	—
Commercial Paper	36,787	—	36,787	—
Certificates of Deposit	17,963	—	17,963	—
U. S. Treasury Bills	104,585	104,585	—	—
Total Short Term Investments	2,711,904	2,649,754	62,150	—
Equity Allocation				
Global Public Equity				
Common Stocks	1,129,909	1,129,909	—	—
Real Estate Investment Trusts	390,746	390,746	—	—
Preferred	6,496	2,196	4,300	—
Total Global Public Equity	1,527,151	1,522,851	4,300	—
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	61,322	61,322	—	—
U.S. Government Agencies	155,848	—	155,848	—
Mortgage Backed				
Government National Mortgage Association	14,322	—	14,322	—
Federal National Mortgage Association	55,194	—	55,194	—
Federal Home Loan Mortgage Association (Multiclass)	1,319	—	1,319	—
Collateralized Mortgage Obligations	822	—	822	—
Municipals	9,948	—	9,948	—
Corporate				
Corporate Bonds	512,271	3,050	328,526	180,695
Convertible Bonds	1,433	—	1,433	—
Asset Backed Securities	219,207	—	219,207	—
Private Placements	823,096	—	823,096	—
Total Fixed Income	1,854,782	64,372	1,609,715	180,695
Total Investments by Fair Value Level	$ 6,093,837	$ 4,236,977	$ 1,676,165	$ 180,695

(continued)

Recurring fair value measurements as of June 30, 2023, continued (amounts expressed in thousands):

Fair value of investments measured at net asset value (NAV)		
Global Equity Common Stocks	$	16,168,390
Investment Grade Bonds		42,305
Emerging Debt		27,856
Hedge Funds		5,016,591
Private Equity		5,569,486
Private Debt		3,735,063
Private Real Estate		3,397,721
Private Infrastructure		1,213,102
Total investments measured at NAV		35,170,514
Total investments measured at fair value	$	41,264,351

			Fair Value Measurements Using	
Investment derivative instruments	**At 6/30/2023**		**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Equity Investments				
Swaps - Equity	$	42,507	$ —	$ 42,507
Fixed Income Investments				
Options - Fixed Income		(1,422)	—	(1,422)
Futures - Fixed Income		(44,778)	(44,778)	—
Swaps - Fixed Income		3,632	—	3,632
Total investment derivative instruments	$	(61)	$ (44,778)	$ 44,717
Total Invested Assets	$	41,264,290		

For investments measured at NAV (amounts in thousands):

	Fair Value at 6/30/2023		**Unfunded Commitments[1]**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Global Equity Common Stocks	$	16,168,390	$ —	Daily/Monthly	5 - 30 days
Investment Grade Bonds		42,305	—	1 year	1 day
Emerging Debt		27,856	—	Daily/Monthly	10 - 15 days
Hedge Funds		5,016,591	—	Monthly/Quarterly	2 - 90 days
Private Equity		5,569,486	2,508,098	Illiquid	Illiquid
Private Debt		3,735,063	2,323,065	Illiquid	Illiquid
Private Real Estate		3,397,721	947,664	Illiquid	Illiquid
Private Infrastructure		1,213,102	299,761	Illiquid	Illiquid
Total investments measured at the NAV	$	35,170,514	$ 6,078,588		

[1] *For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £50,377, €189,391 and AUD $38,748 that have been converted to USD.*

Global Equity Funds. This investment type includes seven 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 one year. There is no redemption fee charged.

Hedge Funds. This investment type includes 29 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 24 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 if adequate notice is provided, but it is common for funds to have the 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 133 funds that consist of 63 investments in limited partnerships, 40 investments in co-investment funds, 17 investments on 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 ten 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 54 funds that consist of 38 investments in limited partnerships, 14 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 ten 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 33 funds that consist of 27 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 ten 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 15 funds that consist of nine investments in limited partnerships and six investments in co-investment funds. 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 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, 2023, are noted below (amounts expressed 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)	$ 2,545,169	$ —	$ 2,545,169	0.08
Repurchase Agreements	7,400	—	7,400	0.01
Invested Securities Lending Collateral	1,725	—	1,725	0.01
Commercial Paper	36,787	—	36,787	0.29
Certificates of Deposit	17,963	—	17,963	0.32
U. S. Treasury Bills	104,585	—	104,585	0.43
Total Short Term Investments	2,713,629	—	2,713,629	
Global Public Equity				
Preferred	6,496	1	6,495	10.78
Total Equity Investments	6,496	1	6,495	
Fixed Income Allocation				
U.S. Government:				
U.S. Government Treasuries	61,322	—	61,322	11.20
U.S. Government Agencies	155,848	—	155,848	3.52
Mortgage Backed:				
Government National Mortgage Association	14,322	3,344	10,978	4.57
Federal National Mortgage Association	55,194	—	55,194	5.06
Federal Home Loan Mortgage Association (Multiclass)	1,319	—	1,319	1.92
Collateralized Mortgage Obligations	822	—	822	1.97
Municipals	9,948	—	9,948	3.79
Corporate:				
Corporate Bonds	512,271	247,367	264,904	2.78
Convertible Bonds	1,433	—	1,433	2.70
Asset Backed Securities	219,207	22,841	196,366	0.24
Private Placements	823,096	106,425	716,671	1.76
Investment Grade Bonds	42,305	—	42,305	5.75
Emerging Debt	27,856	—	27,856	5.46
Options - Fixed Income	(1,422)	97	(1,519)	62.29
Futures - Fixed Income	(44,778)	—	(44,778)	1.31
Swaps - Fixed Income	3,632	(431)	4,063	19.12
Total Fixed Income	1,882,375	379,643	1,502,732	
Mixed Credit Hedge Fund Allocation				
Mixed Credit Hedge Funds	7,950	—	7,950	0.01
Total Mixed Credit Hedge Funds	7,950	—	7,950	
Total Invested Assets	**$ 4,610,450**	**$ 379,644**	**$ 4,230,806**	
Total Portfolio Effective Duration (option adjusted duration)				**1.02**

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holders of its securities. 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 consultant and staff of RSIC. The Systems' fixed income investments at June 30, 2023 were rated by Moody's and are presented below at fair value (amounts expressed in thousands):

Investment Type	AAA	AA	A	BAA	BA	B	CAA	CA	C	NR[1]	TOTAL
Short Term Investments[2]											
Short Term Investment Funds (U. S. Regulated)	$ 2,545,169	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,545,169
Repurchase Agreements	—	—	—	—	—	—	—	—	—	7,400	7,400
Invested Securities Lending Collateral	—	—	—	—	—	—	—	—	—	1,725	1,725
Commercial Paper	—	23,581	—	13,206	—	—	—	—	—	—	36,787
Certificates of Deposit	—	11,415	2,588	—	—	—	—	—	—	3,960	17,963
Global Public Equity											
Preferred	—	—	—	4,005	1,676	—	—	—	—	815	6,496
Fixed Income Allocation[2]											
Mortgage Backed:											
Federal National Mortgage Association	55,194	—	—	—	—	—	—	—	—	—	55,194
Federal Home Loan Mortgage Association (Multiclass)	1,319	—	—	—	—	—	—	—	—	—	1,319
Collateralized Mortgage Obligations	822	—	—	—	—	—	—	—	—	—	822
Municipals	1,018	5,536	184	—	—	—	—	—	—	3,210	9,948
Corporate:											
Corporate Bonds	11,273	3,454	49,330	67,455	34,594	34,316	11,762	2,077	794	297,216	512,271
Convertible Corporate Bonds	—	—	—	—	—	—	—	—	—	1,433	1,433
Asset Backed Securities	11,946	22,244	27,531	68,460	22,466	1,847	4,148	18,225	1,328	41,012	219,207
Private Placements	44,410	50,330	71,365	74,521	86,632	58,838	12,926	2,313	57	421,704	823,096
Investment Grade Bonds	—	—	—	—	—	—	—	—	—	42,305	42,305
Emerging Debt	—	—	—	—	—	—	—	—	—	27,856	27,856
Options - Fixed Income	—	—	—	—	—	—	—	—	—	(1,422)	(1,422)
Futures - Fixed Income	—	—	—	—	—	—	—	—	—	(44,778)	(44,778)
Swaps - Fixed Income	—	—	—	—	—	—	—	—	—	3,632	3,632
Totals	**$ 2,671,151**	**$ 116,560**	**$ 150,998**	**$ 227,647**	**$ 145,368**	**$ 95,001**	**$ 28,836**	**$ 22,615**	**$ 2,179**	**$ 806,068**	**$ 4,266,423**

[1] *NR represents securities that were either not rated, rated by S&P but not by Moody's, 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 $336.1 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. Concentration of credit risk shall not apply to the obligations of the U.S. Government and Federal Agencies. Concentration limits are outlined in the investment guidelines of each individual portfolio within domestic fixed income and monitored by the investment managers. As of June 30, 2023, there is no single issuer exposure within the portfolio that comprises 5% 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, 2023 (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Private Debt	Preferred Infrastructure	Fixed Income	Equity	Total
Australian Dollar	$ (515)	$ (24,964)	$ —	$ 5,734	$ —	$ 27,254	$ 1,154	$ 6,436	$ 15,099
Canadian Dollar	157	(2,337)	—	—	—	—	1,824	21,033	20,677
Chinese Yuan Renminbi	—	(26)	—	—	—	—	—	—	(26)
Danish Krone	31	—	—	—	—	—	—	2,277	2,308
Euro Currency	1,611	(222,245)	53	172,994	9,672	145,212	204,531	27,669	339,497
Hong Kong Dollar	8	(41)	—	—	—	—	—	7,081	7,048
Indian Rupee	—	1,957	—	—	—	—	—	—	1,957
Indonesian Rupiah	—	68	—	—	—	—	—	—	68
Israeli Shekel	—	33	—	—	—	—	—	—	33
Japanese Yen	(356)	833	—	—	—	—	1,281	2,075	3,833
Mexican Peso	322	—	—	—	—	—	—	—	322
New Taiwan Dollar	—	(4)	—	—	—	—	—	—	(4)
New Zealand Dollar	10	—	—	—	—	—	—	—	10
Norwegian Krone	9	—	—	—	—	—	—	—	9
Peruvian Sol	—	(17)	—	—	—	—	—	—	(17)
Pound Sterling	(213)	(64,553)	—	58,155	9,811	—	19,490	12,242	34,932
Singapore Dollar	—	(1,162)	—	—	—	—	—	2,168	1,006
South African Rand	1	—	—	—	—	—	—	—	1
Swedish Krona	4	—	—	—	—	—	—	—	4
Swiss Franc	12	—	—	—	—	—	—	—	12
Totals	**$ 1,081**	**$ (312,458)**	**$ 53**	**$ 236,883**	**$ 19,483**	**$ 172,466**	**$ 228,280**	**$ 80,981**	**$ 426,769**

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 $58.5 million and $114.1 million, respectively, were held in trust by the clearing brokers on June 30, 2023. The Systems' derivatives 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.

RSIC works with their overlay provider to utilize derivatives primarily to facilitate changes to the asset allocation of the total plan and take advantage of 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, 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, 2023 (amounts expressed in thousands):

	Changes in Fair Value	
	Classification	Gain/(Loss)
Futures Contracts	Net depreciation	$ (20,133)
Forward Contracts	Net depreciation	(10,024)
Swaps	Net appreciation	125,601
Options	Net depreciation	(448)

	Fair Value			
	Forward Contracts	Futures	Options	Swaps
Cash & Cash Equivalents	$ (2,698)	$ —	$ —	$ —
Fixed Income	—	(44,778)	(1,422)	3,632
Global Public Equity	—	—	—	42,507
Totals	**$ (2,698)**	**$ (44,778)**	**$ (1,422)**	**$ 46,139**

At June 30, 2023, the Systems had the following exposure via futures contracts (amounts expressed in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value[1]	Fair Value
EURO-BUND FUTURE (EUX)	September 2023	Short	(43)	$ (6,274)	$ 59
EURO-BUXL 30Y BND FUTURE (EUX)	September 2023	Short	(3)	(457)	(7)
US 10YR ULTRA FUTURE (CBT)	September 2023	Short	(56)	(6,633)	50
US LONG BOND FUTURE (CBT)	September 2023	Long	8,906	1,130,227	(762)
US LONG BOND FUTURE (CBT)	September 2023	Long	19	2,411	2
US 10YR NOTE FUTURE (CBT)	September 2023	Long	9,231	1,036,324	(18,487)
US 10YR NOTE FUTURE (CBT)	September 2023	Long	56	6,287	(108)
US 5YR TREAS NTS FUTURE (CBT)	September 2023	Long	37	3,963	(81)
US 5YR TREAS NTS FUTURE (CBT)	September 2023	Long	18,545	1,986,054	(38,552)
US 2YR NOTE FUTURE (CBT)	September 2023	Long	12	2,440	(24)
US ULTRA BOND (CBT)	September 2023	Long	9,943	1,354,423	13,087
US ULTRA BOND (CBT)	September 2023	Long	36	4,904	45
Totals				**$ 5,513,669**	**$ (44,778)**

[1] *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, 2023, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Bank of America	$ 41,773	$ (20)	12.56%
Bank of New York Mellon	134,874	(1,684)	40.57%
Barclays Bank PLC	1,562	(17)	0.48%
BNP Paribas Securities Corporation	140	3	0.04%
Citibank NA	2,502	(29)	0.75%
Goldman Sachs Bank USA/New York NY	2,571	(23)	0.77%
Goldman Sachs International	2,028	(10)	0.61%
HSBC Bank PLC	12,422	101	3.74%
HSBC Bank USA NA/New York NY	29,296	71	8.81%
JPMorgan Chase Bank NA	95,915	(995)	28.85%
Morgan Stanley & Co International PLC	855	(64)	0.26%
Morgan Stanley Capital Services LLC	161	4	0.05%
Nomura Securities International	1,603	11	0.48%
Royal Bank of Canada	838	(6)	0.25%
Standard Chartered Bank	777	8	0.23%
Toronto-Dominion Bank	496	(30)	0.15%
UBS AG/Stamford CT	4,650	(18)	1.40%
Totals	**$ 332,463**	**$ (2,698)**	**100.00%**

Swaps

The Systems 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 seek 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 do 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, 2023, for currency forwards, swap agreements, and options subject to credit risk (amounts expressed in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aa1	$ (20)	$ (296)	$ 14	$ (302)
Aa2	(2,608)	—	(4)	(2,612)
Aa3	(103)	(39)	(74)	(216)
A1	22	42,507	(1,355)	41,174
A3	11	—	(3)	8
Total subject to credit risk	(2,698)	42,172	(1,422)	38,052
Centrally cleared:				
Chicago Mercantile Exchange	—	2,906	—	2,906
Intercontinental Exchange	—	(150)	—	(150)
LCH Ltd	—	1,211	—	1,211
Total not subject to credit risk	—	3,967	—	3,967
Totals	**$ (2,698)**	**$ 46,139**	**$ (1,422)**	**$ 42,019**

At June 30, 2023, the Systems held swaps as shown in the tables below (amounts expressed in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value[1]	Gain (Loss) Since Trade
Goldman Sachs International	MSCI ACWI Proxy	Variable	Fixed	9/29/2023	$ 750,346	$ 42,507	$ 129,155
					$ 750,346	**$ 42,507**	**$ 129,155**

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value[1]
Bank of America	Credit Default Swaps	Variable	Fixed	12/20/2026	$ 3,400	$ (121)
Bank of America	Cleared Credit Default Swaps	Fixed	Variable	6/20/2028	6,300	(175)
Morgan Stanley Capital Services	Credit Default Swaps	Variable	Fixed	12/20/2026	1,100	(39)
					$ 10,800	**$ (335)**
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Fixed	Variable	Various	$ 16,500	$ 2,906
Intercontinental Exchange Holdings	Cleared Credit Default Swaps	Fixed/Variable	Fixed/Variable	Various	44,448	(150)
LCH Ltd	Cleared Interest Rate Swaps	Fixed/Variable	Fixed/Variable	Various	97,453	1,211
					$ 158,401	**$ 3,967**

[1] *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, 2023, the Systems had the following option positions (amounts expressed in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
PUT JUL 23 003.650 ED 070623	CCP OIS R SOFR P 3.65%	July 2023	(200,000)	$ (1)
CALL JUL 23 003.200 ED 070623	CCP OIS R SOFR P 3.2%	July 2023	(200,000)	(1)
PUT JUL 23 003.650 ED 070623	CCP OIS R SOFR P 3.65%	July 2023	(200,000)	(1)
CALL JUL 23 003.200 ED 070623	CCP OIS R SOFR P 3.2%	July 2023	(200,000)	(1)
PUT JUL 23 003.750 ED 071023	CCP OIS R SOFR P 3.75000%	July 2023	(200,000)	(1)
CALL JUL 23 003.300 ED 071023	CCP OIS R SOFR P 3.30000%	July 2023	(200,000)	(1)
PUT JUL 23 003.750 ED 071023	CCP OIS R SOFR P 3.75000%	July 2023	(200,000)	(1)
CALL JUL 23 003.300 ED 071023	CCP OIS R SOFR P 3.30000%	July 2023	(200,000)	(1)
PUT JUL 23 003.370 ED 071023	CCP OIS R SOFR P 3.37%	July 2023	(200,000)	(1)
CALL JUL 23 003.070 ED 071023	CCP OIS R SOFR P 3.07%	July 2023	(200,000)	(1)
PUT JUL 23 003.360 ED 071423	CCP OIS R SOFR P 3.36000%	July 2023	(100,000)	(1)
CALL JUL 23 003.060 ED 071423	CCP OIS R SOFR P 3.06000%	July 2023	(100,000)	(1)
PUT JUL 23 003.650 ED 072023	CCP OIS R SOFR P 3.65000%	July 2023	(400,000)	(1)
CALL JUL 23 003.250 ED 072023	CCP OIS R SOFR P 3.25000%	July 2023	(400,000)	(1)
PUT JUL 23 003.670 ED 072423	CCP OIS P SOFR R 3.67%	July 2023	(200,000)	(1)
CALL JUL 23 003.270 ED 072423	CCP OIS R SOFR P 3.27%	July 2023	(200,000)	(1)
PUT JUL 23 003.670 ED 072423	CCP OIS R SOFR P 3.67000%	July 2023	(200,000)	(1)
CALL JUL 23 003.270 ED 072423	CCP OIS R SOFR P 3.27000%	July 2023	(200,000)	(1)
PUT JUL 23 003.660 ED 072623	CCP OIS R SOFR P 3.66000%	July 2023	(200,000)	(1)
CALL JUL 23 003.260 ED 072623	CCP OIS R SOFR P 3.26000%	July 2023	(200,000)	(1)
PUT JUL 23 003.780 ED 07/31/23	CCP OIS P SOFR R 3.78000%	July 2023	(300,000)	(1)
CALL JUL 23 003.380 ED 7/31/23	CCP OIS R SOFR P 3.38000%	July 2023	(300,000)	(1)
PUT AUG 23 003.730 ED 080123	CCP OIS P SOFR R 3.73%	August 2023	(200,000)	(1)
CALL AUG 23 003.330 ED 080123	CCP OIS R SOFR P 3.33%	August 2023	(200,000)	(1)
PUT SEP 23 004.715 ED 091123	CCP OIS R SOFR P 4.71500%	September 2023	(10,100,000)	(28)
PUT SEP 23 003.750 ED 091123	CCP OIS R SOFR P 3.75000%	September 2023	10,100,000	76
PUT SEP 23 004.715 ED 091123	CCP OIS R SOFR P 4.71500%	September 2023	(9,900,000)	(28)
PUT SEP 23 004.233 ED 091123	CCP OIS R SOFR P 4.23250%	September 2023	(10,100,000)	(47)
PUT SEP 23 003.750 ED 091223	CCP OIS R SOFR P 3.75000%	September 2023	10,600,000	85
PUT SEP 23 004.250 ED 091223	CCP OIS R SOFR P 4.25000%	September 2023	(10,600,000)	(53)
PUT SEP 23 004.750 ED 091223	CCP OIS R SOFR P 4.75000%	September 2023	(10,600,000)	(32)
PUT SEP 23 004.200 ED 090623	CCP OIS R SOFR P 4.20%	September 2023	1,000,000	10
PUT SEP 23 090.000 ED 092023	CDX BP CDX.NA.IG.40.V1	September 2023	16,700,000	10
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)
CALL DEC 23 000.200 ED 121923	CMS -0.2 2Y-10 CAP	December 2023	17,350,000	13
CALL DEC 23 000.200 ED 121923	CMS -0.2 2Y-10 CAP	December 2023	8,550,000	7
CALL DEC 23 000.002 ED 121923	CMS -0.2 2Y-10 CAP	December 2023	18,700,000	14
CALL DEC 23 000.200 ED 121923	CMS -0.2 2Y-10 CAP	December 2023	17,400,000	14
PUT MAR 24 005.100 ED 030424	CCP OIS R SOFR P 5.10000%	March 2024	(6,700,000)	(19)
PUT MAR 24 003.850 ED 030424	CCP OIS R SOFR P 3.85%	March 2024	800,000	19
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)
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 JUN 24 000.100 ED 062024	CMS 0.1 2Y-10 CAP	June 2024	17,250,000	28
CALL JUN 24 000.100 ED 062024	CMS 0.1 2Y-10 CAP	June 2024	8,650,000	14
CALL JUN 24 000.001 ED 062024	CMS 0.1 2Y-10 CAP	June 2024	18,700,000	31
CALL JUN 24 000.100 ED 062024	CMS 0.1 2Y-10 CAP	June 2024	17,400,000	30
Total **Fixed Income**				**(1,422)**

Alternative Investments

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

Private equity, private debt, private real estate, and private infrastructure investments are typically 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 the 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.

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

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, private real estate, and private infrastructure investments. As of June 30, 2023, the Systems' commitments, including commitments within Strategic Partnerships, are shown in the following table (amounts expressed in thousands):

Limited Partnerships USD	Total Commitment	Amount Funded To Date	Remaining Unfunded Commitment
Private Equity	$ 7,950,345	$ 5,738,708	$ 2,211,637
Private Debt	7,594,140	5,271,075	2,323,065
Private Real Estate	5,041,042	4,093,378	947,664
Private Infrastructure	1,175,000	875,239	299,761
Totals	$ 21,760,527	$ 15,978,400	$ 5,782,127
Limited Partnerships EUR			
Private Equity	€ 353,109	€ 163,718	€ 189,391
Private Debt	8,000	8,000	—
Private Infrastructure	125,000	125,000	—
Totals	€ 486,109	€ 296,718	€ 189,391
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	£ 24,623	£ 50,377
Private Debt	7,000	7,000	—
Private Infrastructure	22,000	22,000	—
Totals	£ 104,000	£ 53,623	£ 50,377

Securities Lending

The Retirement Systems' investment portfolio currently participates in a securities lending program, managed by BNYM ("Securities Lending Program"), whereby securities are loaned for the purpose of generating additional income. BNYM 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 as well as collecting cash and non-cash collateral. 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 of $1.00, which is determined by dividing the fair value of the assets by the cost of those assets.

RSIC's policy requires that the maximum amount of securities that may be on loan is 65% 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, 2023, included U. S. Government securities, U. S. Government agencies, Corporate bonds, Non-U. S. Sovereign debt, and Global equities. The contractual agreement between 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 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, 2023, the fair value of securities on loan was $44.96 million. The fair value of the invested cash collateral was $1.73 million. Securities lending obligations were $46.32 million with an unrealized loss in invested cash collateral of $44.59 million. The gross securities lending revenue for the fiscal year was $656 thousand, a decrease from $1.5 million in the prior year.

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 three days. At June 30, 2023, 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, 2023:

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Securities lent for cash collateral:						
Corporate bonds	$ 17,404	$ 3,247	$ 22	$ 110	$ 19	$ 20,802
Global Public Equity	20,212	3,771	25	128	21	24,157
Totals	**$ 37,616**	**$ 7,018**	**$ 47**	**$ 238**	**$ 40**	**$ 44,959**
Securities lent for non-cash collateral:						
U.S Government Securities	$ 1,722	$ 321	$ 2	$ 11	$ 2	$ 2,058
Global Public Equity	219,297	40,911	275	1,386	233	262,102
Totals	**$ 221,019**	**$ 41,232**	**$ 277**	**$ 1,397**	**$ 235**	**$ 264,160**
Cash collateral invested as follows:						
Repurchase agreements	$ 1,443	$ 269	$ 2	$ 9	$ 2	$ 1,725
Totals	**$ 1,443**	**$ 269**	**$ 2**	**$ 9**	**$ 2**	**$ 1,725**
Securities received as collateral:						
U.S Government Securities	$ 9,691	$ 1,808	$ 12	$ 61	$ 10	$ 11,582
U.S Government Agencies	2	1	—	-	-	3
Global Public Equity	203,434	37,951	256	1,286	216	243,143
Global Fixed Income	27,283	5,090	34	172	29	32,608
Totals	**$ 240,410**	**$ 44,850**	**$ 302**	**$ 1,519**	**$ 255**	**$ 287,336**

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 bank failure, deposits may not be recovered. All deposits under the control of the State Treasurer are fully insured or collateralized. As of June 30, 2023, the Trusts' deposits were collateralized with securities held by the pledging financial institutions' trust department or agent, but not in the Trusts' name.

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the value of the investments or collateral securities that are in the possession of an outside party may not be recovered. The Trusts' investments that are exposed to custodial credit risk include investment securities that are uninsured, not registered in the name of the Trusts, and held by a counterparty.

Fair Value Measurements

The Trusts categorize fair value measurements within the three-level 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 and the classifications are as follows: 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 directly or indirectly observable for an asset, and level 3 inputs are unobservable inputs for an asset. The Trusts have the following recurring fair value measurements as of June 30, 2023 (amounts expressed in thousands):

		Fair Value Measurements Using	
Investments by Fair Value Level	**At 6/30/2023**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Collateralized mortgage-backed obligations	$ 17,481	$ —	$ 17,481
U.S. agencies	909,962	893,037	16,925
Corporate bonds	366,161	—	366,161
Financial paper	211,188	—	211,188
Repurchase agreements	90,769	14,819	75,950
Total Investments at Fair Value	$ 1,595,561	$ 907,856	$ 687,705

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the holders of its 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. As of June 30, 2023, the Trusts' investments were rated by Moody's and are presented below at fair value (amounts expressed in thousands):

Investment Type	AAA / AA	A/A2/A3	BAA/BA/BBB	P-1/P-2	Not Rated
Collateralized mortgage-backed obligations	$ 17,481	$ —	$ —	$ —	$ —
U.S. agencies	909,962	—	—	—	—
Corporate bonds	23,106	86,283	252,972	—	3,800
Financial paper	—	143,596	67,592	—	—
Repurchase agreements	14,818	996	2,501	72,454	—
Totals	**$ 965,367**	**$ 230,875**	**$ 323,065**	**$ 72,454**	**$ 3,800**

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 30 years. At June 30, 2023, the Trusts had the following investments with maturies disclosed by investment category and segmented time distribution (amounts expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Collateralized mortgage-backed obligations	$ 17,481	$ —	$ 1	$ 5	$ 17,475
U.S. agencies	909,962	24,085	557,963	312,007	15,907
Corporate bonds	366,161	27,100	183,382	147,099	8,580
Financial paper	211,188	3,626	119,121	67,887	20,554
Repurchase agreements	90,769	90,769	—	—	—
Totals	**$ 1,595,561**	**$ 145,580**	**$ 860,467**	**$ 526,998**	**$ 62,516**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment 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%, 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, 2023. 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, 2023:

	Amount
Securities lent for cash collateral:	
U.S. Government Securities	$ 36,679
Corporate Bonds	15,729
Total	**$ 52,408**
Cash collateral invested as follows:	
Repurchase agreements	$ 37,421
U.S. Government Securities	1,972
Corporate Bonds	14,136
Total	**$ 53,529**

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, 2023, 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	$ 130,642	$ —	$ —	$ —	$ —	$ 130,642
Sales and other taxes	90,138	—	—	1	9,418	99,557
Patient accounts	3,497	—	—	—	—	3,497
Other	16,970	17,475	202	451	—	35,098
Total allowances for uncollectibles	**$ 241,247**	**$ 17,475**	**$ 202**	**$ 452**	**$ 9,418**	**$ 268,794**

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, 2023 were as follows:

	Business-type Activities (Enterprise Funds)	
Allowances related to	Unemployment Compensation Benefits	Second Injury
Assessments	$ 101,254	$ —
Other	179,749	883
Total allowances for uncollectibles	**$ 281,003**	**$ 883**

Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) on June 30, 2023, were as follows:

	Governmental Activities						
	Governmental Funds						
Net Long-term Receivables	General	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
Accounts	$ 43,796	$ 62,679	$ 832	$ —	$ —	$ 35	$ 107,342
Patient accounts	2,996	2,067	—	—	—	—	5,063
Loans and notes	31,381	—	715,798	73	2,099	—	749,351
Leases	7,478	3,593	—	—	—	19	11,090
Accounts receivable—restricted	—	—	8,000	—	—	—	8,000
Total long-term receivables, net	**$ 85,651**	**$ 68,339**	**$ 724,630**	**$ 73**	**$ 2,099**	**$ 54**	**$ 880,846**

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, 2023, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	$ 3,972	$ —	$ 3,972
Federal grants	49,548	2,115,303	2,164,851
Contributions	26,695	532,244	558,939
Departmental services	—	21,166	21,166
Total unearned revenues	$ 80,215	2,668,713	$ 2,748,928
Internal service funds		238,947	
Total governmental activities		$ 2,907,660	

NOTE 6: CAPITAL ASSETS

The primary government's capital asset activity for the fiscal year ended June 30, 2023 was as follows (expressed in thousands):

	Beginning Balances July 1, 2022 (as restated)	Increases	Decreases	Ending Balances June 30, 2023
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 2,397,936	$ 116,288	$ (1,635)	$ 2,512,589
Construction in progress	4,162,152	947,288	(337,587)	4,771,853
Works of art and historical treasures	2,572	48	(1,776)	844
Intangibles	47	30	-	77
Lease assets not being amortized:				
Land and improvements	2,602	2	(2,604)	-
Construction in progress	-	3,709	-	3,709
Total capital assets not being depreciated or amortized	6,565,309	1,067,365	(343,602)	7,289,072
Capital assets being depreciated:				
Land improvements	122,418	1,986	-	124,404
Infrastructure (road and bridge network)	16,582,028	201,332	(4,117)	16,779,243
Buildings and improvements	2,308,032	124,765	(6,749)	2,426,048
Vehicles	1,005,077	112,762	(24,362)	1,093,477
Machinery and equipment	756,556	80,685	(60,357)	776,884
Works of art and historical treasures	1,507	-	-	1,507
Intangibles	341,293	12,247	(32,850)	320,690
Lease assets being amortized:				
Land and improvements	2	2,604	-	2,606
Buildings and improvements	135,556	56,958	(13,258)	179,256
Machinery and equipment	15,197	2,423	(477)	17,143
Subscription assets	88,450	20,064	(30)	108,484
Total capital assets being depreciated or amortized	21,356,116	615,826	(142,200)	21,829,742
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(75,543)	(2,704)	-	(78,247)
Infrastructure (road and bridge network)	(4,935,540)	(238,621)	3,914	(5,170,247)
Buildings and improvements	(1,393,458)	(56,049)	795	(1,448,712)
Vehicles	(723,754)	(58,847)	23,655	(758,946)
Machinery and equipment	(537,057)	(52,987)	55,427	(534,617)
Works of art and historical treasures	(843)	(60)	-	(903)
Intangibles	(265,599)	(84,657)	32,877	(317,379)
Lease assets being amortized:				
Land and improvements	(1)	(1,378)	-	(1,379)
Buildings and improvements	(25,746)	(31,477)	5,013	(52,210)
Machinery and equipment	(5,191)	(3,142)	506	(7,827)
Subscription assets	-	(30,604)	8	(30,596)
Total accumulated depreciation and amortization	(7,962,732)	(560,526)	122,195	(8,401,063)
Total capital assets being depreciated or amortized, net	13,393,384	55,300	(20,005)	13,428,679
Governmental activities capital assets, net	**$ 19,958,693**	**$ 1,122,665**	**$ (363,607)**	**$ 20,717,751**

	Beginning Balances July 1, 2022	Increases	Decreases	Ending Balances June 30, 2023
Business-type activities:				
Capital assets not being depreciated:				
Land and improvements	$ 181,620	$ 44,421	$ (1,822)	$ 224,219
Construction in progress	117,362	5,966	(5,545)	117,783
Total capital assets not being depreciated	298,982	50,387	(7,367)	342,002
Capital assets being depreciated:				
Land improvements	7,034	355	(357)	7,032
Buildings and improvements	16,692	154	-	16,846
Vehicles	1,741	-	(6)	1,735
Machinery and equipment	11,869	169	(6)	12,032
Total capital assets being depreciated	37,336	678	(369)	37,645
Less accumulated depreciation for:				
Land improvements	(1,594)	(60)	341	(1,313)
Buildings and improvements	(6,168)	(626)	-	(6,794)
Vehicles	(1,244)	(448)	6	(1,686)
Machinery and equipment	(8,199)	(597)	-	(8,796)
Total accumulated depreciation	(17,205)	(1,731)	347	(18,589)
Total capital assets being depreciated, net	20,131	(1,053)	(22)	19,056
Business-type activities capital assets, net	**$ 319,113**	**$ 49,334**	**$ (7,389)**	**$ 361,058**

The following is a summary of governmental activities depreciation and amortization expense by function for the fiscal year ended June 30, 2023 (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	$ 41,725	$ 23,720	$ 65,445
Education	39,139	-	39,139
Health and environment	41,673	-	41,673
Social services	67,182	-	67,182
Administration of justice	43,416	568	43,984
Resources and economic development	36,356	-	36,356
Transportation	266,747	-	266,747
Total depreciation and amortization expense	**$ 536,238**	**$ 24,288**	**$ 560,526**

At June 30, 2023, the primary government had outstanding commitments totaling $2.807 billion for construction of capital projects, $104.375 million for significant permanent improvement projects, $16.585 million for software development projects, and $42.424 million for subscription-based information technology arrangements. Permanent improvement projects are projects to renovate and/or repair existing facilities and will not be capitalized as State assets upon completion.

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, 2023:

	SCRS	PORS	GARS	JSRS	SCNG
Active Contributing Members	200,989	26,606	72	160	12,047
Retirees and Beneficiaries Currently Receiving Benefits	150,856	20,840	337	224	5,097
Terminated Members Entitled to But Not Yet Receiving Benefits	216,511	21,195	29	6	1,511
Total Membership	568,356	68,641	438	390	18,655

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, 2023, 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, 2023, were as follows:

Plan	Rate
SCRS	17.56%
PORS	20.24%
JSRS	62.94%

Contributions to SCRS, PORS, and JSRS from the State were $259.762 million, $90.439 million, and $20.164 million, respectively, for the year ended June 30, 2023. The GARS employer contribution of $6.308 million was actuarily determined and included incidental death benefits. The State contributed $5.290 million to fund, which was $1.306 million more than the SCNG actuarially-determined employer contribution for the year ended June 30, 2023. 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, 2023, the State reported $2.918 billion and $759.998 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, 2021 actuarial valuations, using membership data as of July 1, 2021, projected forward to June 30, 2022, and financial information of the pension trust funds as of June 30, 2022, 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, 2022, the State's SCRS proportion was 12.03%, which was a decrease of 0.44% from its proportion measured as of June 30, 2021. The State's PORS proportion of the net pension liability at June 30, 2021 was 25.34%, which was a decrease of 1.23% from its proportion measured as of June 30, 2021.

The State's JSRS, GARS, and SCNG net pension liabilities were also measured by actuarial valuations as of July 1, 2021, using membership data as of July 1, 2021, projected forward to June 30, 2022, and financial information of the pension trust funds as of June 30, 2022, using generally accepted actuarial procedures. The State assumes 100% of the JSRS, GARS, and SCNG liabilities.

For the year ended June 30, 2023, the State recognized pension expenses of $244.821 million for SCRS, $74.029 million for PORS, $48.954 million for JSRS, $1.789 million for GARS, and $2.849 million for SCNG, making the State's total pension expense $372.442 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 $13.665 billion (or 56.37% of the total net SCRS pension liability) at June 30, 2023, with related pension expenses of approximately $1.147 billion for the year ended June 30, 2023. Likewise, the State's effective share of the PORS net pension liability was approximately $777.901 million at June 30, 2023 (or 25.94% of the total net PORS pension liability), with related pension expenses of approximately $75.773 million for the year ended June 30, 2023. 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, 2023, 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	$ 259,762	$ 90,439	$ 20,164	$ 6,308	$ 5,290	$ 381,963
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	60,183	7,643	—	—	—	67,826
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	4,500	2,295	875	394	654	8,718
Differences Between Expected and Actual Experience	25,348	12,751	2,591	—	160	40,850
Changes in Assumptions	93,571	31,649	8,058	—	2,668	135,946
Total	$ 443,364	$ 144,777	$ 31,688	$ 6,702	$ 8,772	$ 635,303
Deferred Inflows of Resources						
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 154,526	$ 54,390	$ —	$ —	$ —	$ 208,916
Differences Between Expected and Actual Experience	12,712	15,024	188	—	3,471	31,395
Total	$ 167,238	$ 69,414	$ 188	$ —	$ 3,471	$ 240,311

$381.963 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, 2024. 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
2024	$ 9,583	$ (8,130)	$ 6,671	$ 125	$ 186	$ 8,435
2025	5,732	(5,513)	3,844	22	101	4,186
2026	(10,197)	12,630	(3,186)	(572)	(398)	(1,723)
2027	11,246	(14,063)	4,007	819	687	2,696
2028	—	—	—	—	8	8
Thereafter	—	—	—	—	(573)	(573)
	$ 16,364	$ (15,076)	$ 11,336	$ 394	$ 11	$ 13,029

The total pension liabilities in the July 1, 2021 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, 2021.

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, 2022 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%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	12.0%		
Real Estate	9.0%	4.12%	0.37%
Infrastructure (Private)	3.0%	5.88%	0.18%
Total Expected Real Return	**100.0%**		4.79%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			**7.04%**

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	$ 9,515	$ 275	$ 791
Interest	30,554	4,815	4,654
Difference Between Actual and Expected Experience	(249)	(420)	(59)
Benefit Payments	(26,099)	(6,348)	(4,607)
Net Change in Total Pension Liability	13,721	(1,678)	779
Total Pension Liability at June 30, 2022	444,782	71,825	68,388
Total Pension Liability at June 30, 2023 (a)	$458,503	$ 70,147	$ 69,167
Plan Fiduciary Net Position			
Contributions - Employer	$ 19,577	$ 6,279	$ 5,290
Contributions - Nonemployer	2,900	—	—
Contributions - Member	3,012	164	—
Retirement Benefits	(26,089)	(6,332)	(4,607)
Death Benefits	(10)	(16)	—
Net Investment Income (Loss)	(5,202)	(1,045)	(878)
Administrative Expense	(114)	(23)	(22)
Other	(83)	(206)	—
Net Change in Plan Fiduciary Net Position	(6,009)	(1,179)	(217)
Plan Fiduciary Net Position at June 30, 2022	212,683	43,655	39,784
Plan Fiduciary Net Position at June 30, 2023 (b)	$206,674	$ 42,476	$ 39,567
Net Pension Liability at June 30, 2023 (a) - (b)	$251,829	$ 27,671	$ 29,600

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	$3,740,629	$ 2,917,526	$2,233,224
PORS	1,059,771	759,998	514,605
JSRS	303,832	251,829	208,411
GARS	33,741	27,671	22,437
SCNG	38,427	29,600	22,405

e. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2023, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	SCNG	Totals
Receivables:						
Contributions	$ 348,225	$ 45,162	$ 5	$ 1,194	$ 4	$ 394,590
Accrued interest	27,000	5,090	46	198	57	32,391
Unsettled investment sales	189,858	35,419	238	1,199	202	226,916
Other investment receivables	445	83	1	3	—	532
Total receivables	**$ 565,528**	**$ 85,754**	**$ 290**	**$ 2,594**	**$ 263**	**$ 654,429**
Due from other fiduciary funds	**$ —**	**$ 307**	**$ —**	**$ —**	**$ —**	**$ 307**
Investments and invested securities lending collateral:						
Short-term securities and opportunistic	$ 120,151	$ 22,415	$ 150	$ 760	$ 127	$ 143,603
Fixed income	1,574,960	293,815	1,975	9,952	1,673	1,882,375
Equity-international	14,841,207	2,768,688	18,614	93,779	15,760	17,738,048
Alternatives	15,840,140	2,955,043	19,866	100,092	16,822	18,931,963
Invested securities lending collateral	1,443	269	2	9	2	1,725
Total investments	**$32,377,901**	**$ 6,040,230**	**$ 40,607**	**$ 204,592**	**$ 34,384**	**$38,697,714**

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, 2023, $214 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, which is a defined contribution plan. 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 (12.41%) 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, 2023 is as follows (expressed in thousands):

Covered payroll	$ 2,014,276
Employee contributions to providers	181,285
Employer contributions to providers	100,714

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 2023. The IBD sets the employer contribution rate based on a pay-as-you-go basis. The State paid $600.559 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2023. 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, 2023.

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, 2023, the State reported a liability of $2.932 billion for its proportionate share of the SCRHITF net OPEB liability and reported a liability of $1.937 million for its proportionate share of the LTDITF net OPEB liability. The net OPEB liabilities were measured as of June 30, 2022, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2021. At June 30, 2023, the State's proportion of the SCRHITF net OPEB liability was 19.28% and the State's proportion of the LTDITF net OPEB liability was 16.71%, based on its statutory contribution requirements. These proportions decreased by 0.79% and by 0.97%, 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 $11.477 billion (or 75.45% of the total net SCRHITF OPEB liability) at June 30, 2023, with related OPEB expenses of approximately $662.481 million for the year ended June 30, 2023. Likewise, the State's effective share of the LTDITF net OPEB liability was approximately $7.404 million at June 30, 2023 (or 63.90% of the total net LTDITF OPEB liability), with related OPEB expenses of approximately $6.134 million for the year ended June 30, 2023. 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 $138.040 million for SCRHITF and $1.600 million for LTDITF, for a total OPEB expense of $139.640 million for the year ended June 30, 2023. At June 30, 2023, 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	$ 128,939	$ 1,264	$ 130,203
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	110,407	11	110,418
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	23,044	640	23,684
Differences Between Expected and Actual Experience	62,948	513	63,461
Changes in Assumptions	661,147	387	661,534
Total	$ 986,485	$ 2,815	$ 989,300
Deferred Inflows of Resources			
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 303,659	$ 102	$ 303,761
Differences Between Expected and Actual Experience	257,825	344	258,169
Changes in Assumptions	942,557	275	942,832
Total	$ 1,504,041	$ 721	$ 1,504,762

$130.203 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, 2024. 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
2024	$ (105,498)	$ 135
2025	(71,771)	92
2026	(58,838)	76
2027	(73,536)	94
2028	(146,912)	189
Thereafter	(189,940)	244
	$ (646,495)	$ 830

The total OPEB liabilities in the June 30, 2021 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, 2021.

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%	0.95%	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			**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 3.69% (updated from 1.92% in the 2022 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 3.69% (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 3.41% (updated from 2.48% in the 2022 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 3.69% (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 3.41%. 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 2034. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2034, 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 (2.69% for SCRHITF and 2.41% for LTDITF) or 1.00% higher (4.69% for SCRHITF and 4.41% for LTDITF) than the current discount rates:

Plan	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
SCRHITF	$3,466,796	$ 2,932,247	$2,502,673

Plan	1% Decrease (2.41%)	Current Discount Rate (3.41%)	1% Increase (4.41%)
LTDITF	$ 2,246	$ 1,938	$ 1,640

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	$2,411,480	$ 2,932,247	$3,540,395

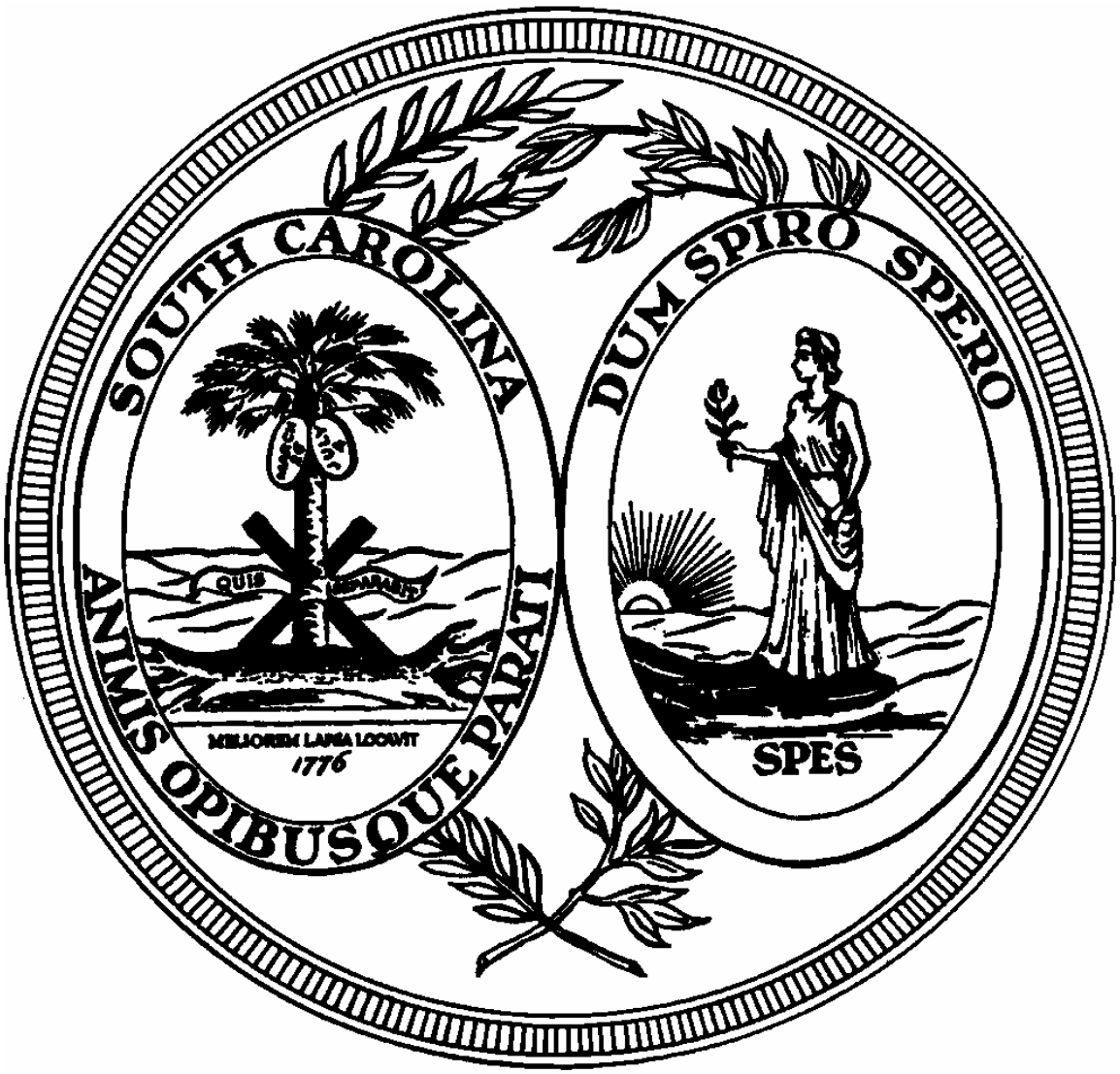
Complete financial statements for the OPEB plans and the trust funds may be obtained by contacting:

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, 2023, for the OPEB plans administered by the Insurance Benefits Division were as follows:

	SCRHITF	LTDITF	Totals
Receivables:			
Accrued interest	**$ 9,656**	**$ 241**	**$ 9,897**
Due from other fiduciary funds	**$ 85,678**	**$ —**	**$ 85,678**
Investments and invested securities lending collateral:			
Domestic debt instruments	$1,266,325	$ 27,279	$1,293,604
Financial paper	206,678	4,510	211,188
Invested securities lending collateral	51,679	729	52,408
Total investments	**$1,524,682**	**$ 32,518**	**$1,557,200**


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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, 2023 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	$ —	$ —	$ —	$ —	$ —	$ 25,621
Deferred amount on refunding	25,736	—	25,736	—	25,736	243,526
Asset retirement obligation	—	—	—	—	—	638,709
Pensions:						
State contributions subsequent to the measurement date	374,706	4,948	379,654	2,309	381,963	471,765
Change in proportion and differences between employer contributions and proportionate share of plan contributions	64,953	2,531	67,484	342	67,826	206,208
Net differences between projected and actual earnings on pension plan investments	8,575	91	8,666	52	8,718	6,334
Differences between expected and actual experience	40,049	513	40,562	288	40,850	46,936
Changes in assumptions	133,187	1,776	134,963	983	135,946	179,654
OPEB:						
State contributions subsequent to the measurement date	127,510	1,837	129,347	856	130,203	195,039
Change in proportion and differences between employer contributions and proportionate share of plan contributions	107,781	1,859	109,640	778	110,418	274,282
Net differences between projected and actual earnings on OPEB plan investments	23,158	339	23,497	187	23,684	56,572
Differences between expected and actual experience	62,038	918	62,956	505	63,461	96,404
Changes in assumptions	646,653	9,597	656,250	5,284	661,534	988,581
Total	$ 1,614,346	$ 24,409	$ 1,638,755	$ 11,584	$ 1,650,339	$ 3,429,631
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ —	$ —	$ 207,449
Deferred gain on refunding	—	—	—	—	—	2,556
Deferred nuclear decommissioning costs	—	—	—	—	—	204,486
Deferred service concession arrangement receipts	—	—	—	—	—	9,733
Deferred nonexchange revenues	22,777	—	22,777	—	22,777	37
Deferred public-private partnership receipts	—	—	—	—	—	6,607
Deferred public-public partnership receipts	107,784	—	107,784	—	107,784	—
Toshiba Settlement	—	—	—	—	—	241,976
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	205,008	2,166	207,174	1,742	208,916	97,992
Net differences between projected and actual earnings on pension plan investments	—	—	—	—	—	766
Differences between expected and actual experience	30,885	322	31,207	188	31,395	24,529
Changes in Assumptions	—	—	—	—	—	5,050
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	297,483	3,854	301,337	2,424	303,761	194,910
Net differences between projected and actual earnings on OPEB plan investments	—	—	—	—	—	—
Differences between expected and actual experience	252,366	3,742	256,108	2,061	258,169	385,388
Changes in assumptions	921,624	13,678	935,302	7,530	942,832	1,361,182
Lease related	13,298	28	13,326	624	13,950	137,031
Total	$ 1,851,225	$ 23,790	$ 1,875,015	$ 14,569	$ 1,889,584	$ 2,879,692

Details of all enterprise fund deferred outflows of resources and deferred inflows of resources at June 30, 2023 are as follows (expressed in thousands):

	Canteen	Palmetto Railways	Other Enterprise	Total
Deferred Outflows of Resources				
Pensions:				
State contributions subsequent to the measurement date	$ 243	$ 524	$ 1,542	$ 2,309
Change in proportion and differences between employer contributions and proportionate share of plan contributions	46	4	292	342
Net differences between projected and actual earnings on pension plan investments	5	17	30	52
Differences between expected and actual experience	26	94	168	288
Changes in assumptions	87	345	551	983
OPEB:				
State contributions subsequent to the measurement date	90	193	573	856
Change in proportion and differences between employer contributions and proportionate share of plan contributions	76	217	485	778
Net differences between projected and actual earnings on OPEB plan investments	16	67	104	187
Differences between expected and actual experience	44	182	279	505
Changes in assumptions	459	1,917	2,908	5,284
Total	$ 1,092	$ 3,560	$ 6,932	$ 11,584
Deferred Inflows of Resources				
Pensions:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 145	$ 675	$ 922	$ 1,742
Differences between expected and actual experience	19	47	122	188
OPEB:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	211	875	1,338	2,424
Differences between expected and actual experience	179	747	1,135	2,061
Changes in assumptions	653	2,733	4,144	7,530
Lease related	—	—	624	624
Total	$ 1,207	$ 5,077	$ 8,285	$ 14,569

Details of all internal service fund deferred outflows of resources and deferred inflows of resources at June 30, 2023 are as follows (expressed in thousands):

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Motor Pool
Deferred Outflows of Resources					
Pensions:					
State contributions subsequent to the measurement date	$ 412	$ 1,329	$ 558	$ 1,938	$ 166
Change in proportion and differences between employer contributions and proportionate share of plan contributions	10	1,668	352	367	31
Net differences between projected and actual earnings on pension plan investments	8	22	10	38	3
Differences between expected and actual experience	45	126	54	211	18
Changes in assumptions	165	465	200	692	59
OPEB:					
State contributions subsequent to the measurement date	157	487	207	721	62
Change in proportion and differences between employer contributions and proportionate share of plan contributions	28	—	999	609	52
Net differences between projected and actual earnings on OPEB plan investments	32	89	39	131	11
Differences between expected and actual experience	88	244	106	351	30
Changes in assumptions	924	2,560	1,117	3,655	313
Total	$ 1,869	$ 6,990	$ 3,642	$ 8,713	$ 745
Deferred Inflows of Resources					
Pensions:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 50	$ —	$ 532	$ 1,159	$ 99
Net differences between projected and actual earnings on pension plan investments	—	—	—	—	—
Differences between expected and actual experience	22	63	27	154	13
OPEB:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	200	534	822	1,681	144
Differences between expected and actual experience	360	998	435	1,426	122
Changes in assumptions	1,317	3,649	1,592	5,209	446
Lease related	—	—	—	—	—
Total	$ 1,949	$ 5,244	$ 3,408	$ 9,629	$ 824

Prison Industries	Other Internal Service	Total
$ 545	$ —	$ 4,948
103	—	2,531
10	—	91
59	—	513
195	—	1,776
203	—	1,837
171	—	1,859
37	—	339
99	—	918
1,028	—	9,597
$ 2,450	$ —	$ 24,409
$ 326	$ —	$ 2,166
—	—	—
43	—	322
473	—	3,854
401	—	3,742
1,465	—	13,678
—	28	28
$ 2,708	$ 28	$ 23,790

Details of all discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2023 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	$ 25,621	$ —	$ —	$ —	$ —	$ —
Deferred amount on refunding	185,440	16,239	14,217	2,781	23,595	—
Asset retirement obligation	638,709	—	—	—	—	—
Pensions:						
State contributions subsequent to the measurement date	11,534	173,124	87,460	65,470	16,477	1,526
Change in proportion and differences between employer contributions and proportionate share of plan contributions	771	150,112	537	4,071	34,680	341
Net differences between projected and actual earnings on pension plan investments	1,307	—	1,609	1,137	276	24
Differences between expected and actual experience	2,591	15,650	9,061	6,400	1,551	136
Changes in assumptions	9,486	65,216	33,133	23,392	5,723	503
OPEB:						
State contributions subsequent to the measurement date	9,113	69,445	38,651	28,629	2,056	536
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	232,471	5,333	13,528	—	396
Net differences between projected and actual earnings on OPEB plan investments	20,817	12,226	7,144	5,206	2,070	97
Differences between expected and actual experience	5,754	32,998	19,502	14,027	—	265
Changes in assumptions	21,855	344,529	204,869	146,611	13,588	2,785
Total	$ 932,998	$ 1,112,010	$ 421,516	$ 311,252	$ 100,016	$ 6,609
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ 207,449	$ —	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—	2,556
Deferred nuclear decommissioning costs	204,486	—	—	—	—	—
Deferred service concession arrangement receipts	—	—	9,733	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Deferred public-private partnership receipts	—	—	—	—	—	—
Toshiba Settlement	241,976	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	16,455	—	15,077	566	54	76
Net differences between projected and actual earnings on pension plan investments	—	637	—	—	—	—
Differences between expected and actual experience	1,680	8,104	4,722	3,341	781	68
Changes in assumptions	—	5,050	—	—	—	—
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	13,623	49,780	4,431	—	581
Differences between expected and actual experience	5,564	134,438	79,893	57,203	9,749	1,086
Changes in assumptions	1,770	491,058	292,070	208,974	18,951	3,970
Lease related	—	1,891	53,766	942	19,320	—
Total	$ 679,380	$ 654,801	$ 505,041	$ 275,457	$ 48,855	$ 8,337

Lottery Commission	Nonmajor Component Units	Total
$ —	$ —	$ 25,621
—	1,254	243,526
—	—	638,709
1,465	114,709	471,765
208	15,488	206,208
25	1,956	6,334
143	11,404	46,936
527	41,674	179,654
530	46,079	195,039
274	22,280	274,282
100	8,912	56,572
273	23,585	96,404
2,867	251,477	988,581
$ 6,412	$ 538,818	$ 3,429,631
$ —	$ —	$ 207,449
—	—	2,556
—	—	204,486
—	—	9,733
—	37	37
—	6,607	6,607
—	—	241,976
479	65,285	97,992
—	129	766
73	5,760	24,529
—	—	5,050
671	125,824	194,910
1,118	96,337	385,388
4,087	340,302	1,361,182
—	61,112	137,031
$ 6,428	$ 701,393	$ 2,879,692

Details of all nonmajor discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2023 are as follows (expressed in thousands):

	The Citadel	Coastal Carolina University	College of Charleston	Francis Marion University	Lander University
Deferred Outflows of Resources					
Deferred amount on refunding	$ —	$ 108	$ 263	$ —	$ —
Pensions:					
State contributions subsequent to the measurement date	4,788	15,162	17,041	5,238	4,853
Change in proportion and differences between employer contributions and proportionate share of plan contributions	57	5,703	39	17	3,684
Net differences between projected and actual earnings on pension plan investments	140	267	272	90	84
Differences between expected and actual experience	789	1,503	1,534	507	475
Changes in assumptions	2,874	5,460	5,601	1,854	1,725
OPEB:					
State contributions subsequent to the measurement date	3,230	6,577	6,725	2,125	1,872
Change in proportion and differences between employer contributions and proportionate share of plan contributions	749	11,379	1,232	—	—
Net Differences between projected and actual earnings on OPEB plan investments	628	1,202	1,274	403	367
Differences between expected and actual experience	1,692	3,230	3,429	1,083	985
Changes in assumptions	17,684	33,733	35,826	11,304	15,289
Total	$ 32,631	$ 84,324	$ 73,236	$ 22,621	$ 29,334
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	5,877	—	730	—
Pensions:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,246	10,426	8,756	2,929	10
Net differences between projected and actual earnings on pension plan investments	—	—	—	—	—
Differences between expected and actual experience	417	804	805	264	254
OPEB:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	4,827	19,227	16,765	4,996	—
Differences between expected and actual experience	6,900	13,162	13,979	4,411	4,012
Changes in assumptions	25,206	48,079	51,064	16,112	14,680
Lease related	432	—	2,487	—	24
Total	$ 41,028	$ 97,575	$ 93,856	$ 29,442	$ 18,980

South Carolina State University	Winthrop University	Aiken Technical College	Central Carolina Technical College	Denmark Technical College
$ —	$ 594	$ —	$ —	$ —
5,722	7,244	1,481	2,192	821
60	413	—	25	454
87	136	25	41	12
492	765	141	229	68
1,793	2,803	520	841	246
1,559	3,198	571	813	300
902	93	47	112	322
367	617	105	166	47
985	1,658	286	446	128
10,282	17,313	3,001	4,650	1,344
$ 22,249	$ 34,834	$ 6,177	$ 9,515	$ 3,742
$ —	$ 37	$ —	$ —	$ —
—	—	—	—	—
1,772	6,182	365	2,170	202
—	—	—	—	—
260	395	71	117	36
2,623	11,548	1,069	2,583	962
4,012	6,756	1,170	1,814	524
14,654	24,676	4,279	6,627	1,916
—	—	—	—	—
$ 23,321	$ 49,594	$ 6,954	$ 13,311	$ 3,640

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	Florence-Darlington Technical College	Greenville Technical College	Horry-Georgetown Technical College	Technical College of the Lowcountry	Midlands Technical College
Deferred Outflows of Resources					
Deferred amount on refunding	$ 188	$ —	$ —	$ —	$ 101
Pensions:					
State contributions subsequent to the measurement date	2,381	7,572	4,151	1,478	7,492
Change in proportion and differences between employer contributions and proportionate share of plan contributions	12	195	10	239	2
Net differences between projected and actual earnings on pension plan investments	46	131	71	28	129
Differences between expected and actual experience	261	736	399	158	729
Changes in assumptions	964	2,694	1,469	584	2,673
OPEB:					
State contributions subsequent to the measurement date	959	2,934	1,680	679	2,777
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	115	320	404	—
Net Differences between projected and actual earnings on OPEB plan investments	192	553	301	117	520
Differences between expected and actual experience	515	1,488	810	318	1,420
Changes in assumptions	5,382	15,539	8,460	3,343	14,913
Total	$ 10,900	$ 31,957	$ 17,671	$ 7,348	$ 30,756
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	—	—	—	—
Pensions:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,963	4,003	693	602	6,692
Net differences between projected and actual earnings on pension plan investments	—	—	—	—	—
Differences between expected and actual experience	131	382	202	79	375
OPEB:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	7,207	7,331	12,056	956	11,535
Differences between expected and actual experience	2,100	6,063	3,301	1,304	5,815
Changes in assumptions	7,671	22,147	1,018	4,766	21,260
Lease related	6	12,064	—	—	—
Total	$ 21,078	$ 51,990	$ 17,270	$ 7,707	$ 45,677

Northeastern Technical College	Orangeburg-Calhoun Technical College	Piedmont Technical College	Spartanburg Community College	Tri-County Technical College	Trident Technical College
$ —	$ —	$ —	$ —	$ —	$ —
830	2,016	3,345	4,045	4,086	7,546
766	155	286	1,526	150	96
16	35	58	—	71	128
93	199	328	385	397	718
343	724	1,199	1,413	1,446	2,619
353	726	1,222	1,538	1,560	2,734
1,050	12	728	1,980	640	—
67	137	229	284	295	511
184	373	625	764	792	1,395
1,930	3,915	6,564	7,973	8,263	14,655
$ 5,632	$ 8,292	$ 14,584	$ 19,908	$ 17,700	$ 30,402
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
13	536	960	162	633	7,766
—	—	—	129	—	—
47	105	172	—	210	378
81	1,509	1,411	178	832	11,490
753	1,527	2,560	3,111	3,224	5,715
2,752	5,581	9,358	11,364	11,776	20,893
—	—	—	—	—	—
$ 3,646	$ 9,258	$ 14,461	$ 14,944	$ 16,675	$ 46,242

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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	666	3,111	68	—	635
Change in proportion and differences between employer contributions and proportionate share of plan contributions	41	52	29	—	1
Net differences between projected and actual earnings on pension plan investments	12	53	1	—	10
Differences between expected and actual experience	66	296	5	—	58
Changes in assumptions	241	1,084	18	—	215
OPEB:					
State contributions subsequent to the measurement date	251	1,167	24	—	240
Change in proportion and differences between employer contributions and proportionate share of plan contributions	214	60	65	106	68
Net Differences between projected and actual earnings on OPEB plan investments	45	219	3	173	41
Differences between expected and actual experience	124	589	9	13	111
Changes in assumptions	1,301	6,152	97	—	1,170
Total	$ 2,961	$ 12,783	$ 319	$ 292	$ 2,549
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	—	—	—	—
Pensions:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	93	1,848	80	—	1,173
Net differences between projected and actual earnings on pension plan investments	—	—	—	—	—
Differences between expected and actual experience	34	154	2	—	29
OPEB:					
Change in proportion and differences between employer contributions and proportionate share of plan contributions	154	3,422	91	—	1,537
Differences between expected and actual experience	507	2,401	38	178	456
Changes in assumptions	1,854	8,772	139	2	1,669
Lease related	—	377	—	16,967	28,755
Total	$ 2,642	$ 16,974	$ 350	$ 17,147	$ 33,619

South Carolina First Steps to School Readiness Board of Trustees	Total
$ —	$ 1,254
745	114,709
1,476	15,488
13	1,956
73	11,404
271	41,674
265	46,079
1,682	22,280
49	8,912
133	23,585
1,394	251,477
$ 6,101	$ 538,818
$ —	$ 37
—	6,607
10	65,285
—	129
37	5,760
1,434	125,824
544	96,337
1,987	340,302
—	61,112
$ 4,012	$ 701,393

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
2023	$ 331,230	$ 118,492	$ (95,356)	$ 354,366
2022	333,664	109,682	(112,116)	331,230

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, 2023 the IRF had no reinsurance recoverable receivables, but had expenses of $62.991 million in reinsurance premiums for the 2023 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
2023	$ 271,272	$ 3,524,543	$(3,476,363)	$ 319,452
2022	244,966	3,266,758	(3,240,452)	271,272

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
2023	$ 281,706	$ 58,165	$ (49,486)	$ 290,385
2022	223,419	108,982	(50,695)	281,706

The Fund has entered into a reinsurance agreement to reduce its exposure to catastrophic losses on insured events. Losses in excess of $2.000 million are covered up to limits of statutory liability; the Fund retains the risk for the first $2.000 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, 2023 the Fund had a balance of $881 thousand in reinsurance recoverable receivables and had expenses of $3.072 million in reinsurance premiums for the 2023 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
2023	$ 25,847	$ 14,358	$ (8,472)	$ 31,733
2022	28,680	2,038	(4,871)	25,847

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
2023	$ 166,243	$ 20,277	$ (12,558)	$ 173,962
2022	180,158	-	(13,915)	166,243

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 AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

a. Leases Receivable

The State leases buildings and equipment to third parties with various terms and interest rates. As of June 30, 2023, the State's governmental activities receivables for lease payments totaled $13.095 million and its business-type activities receivables for lease payments totaled $731 thousand. Governmental activities leases receivable are held primarily by the General Fund and the Departmental Program Services Fund and business-type leases receivable 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, 2023, the balance of the governmental activities deferred inflow of resources was $13.326 million and the balance of the State's business-type activities deferred inflow of resources was $624 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, 2023 (expressed in thousands):

	Governmental Activities		Business-Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 2,005	$ 572	$ 298	$ 5
2025	2,078	488	253	1
2026	2,147	387	180	—
2027	1,464	281	—	—
2028	717	207	—	—
2029-2033	2,883	667	—	—
2034-2038	1,635	161	—	—
2039-2040	166	5	—	—
Total lease receivable	**$ 13,095**	**$ 2,768**	**$ 731**	**$ 6**

	Governmental Activities		Business-Type Activities	
Asset Type	Current	Noncurrent	Current	Noncurrent
Land	$ 1,343	$ 3,966	$ —	$ —
Land Improvements (Depreciable)	5	2	—	—
Buildings and Improvements	66	326	298	433
Equipment	591	6,796	—	—
	$ 2,005	**$ 11,090**	**$ 298**	**$ 433**

For the fiscal year ended June 30, 2023, the State's governmental activities recognized $2.280 million in lease revenue and $305 thousand in related interest income and the State's business-type activities recognized $624 thousand in lease revenue and $8 thousand in related interest income.

b. Leases Payable

The primary government routinely leases various land, facilities, and equipment instead of purchasing assets. These lease contracts, at times, included variable payments, residual value guarantees or termination penalties that were 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, 2023, the State recognized expenses for the lease variable payments related to index changes and payments based on performance of $4.185 million. There were no residual guarantee or termination payments expensed for the fiscal year ended June 30, 2023.

The following is a schedule by fiscal year of principal and interest payments due for leases payable as of June 30, 2023 (expressed in thousands):

	Governmental Activities	
Fiscal Year Ending June 30	Principal	Interest
2024	$ 29,998	$ 2,907
2025	26,653	2,267
2026	21,803	1,749
2027	17,855	1,026
2028	10,955	1,179
2029-2033	24,955	1,752
Total lease liabilities	**$ 132,219**	**$ 10,880**

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

	Governmental Activities	
Fiscal Year Ending June 30	Annual Payment	Interest Rate
Land	$ 4,860 - $ 600,000	0.53% - 10.42%
Buildings and Improvements	1,235 - 2,601,044	0.01% - 8.00%
Equipment	209 - 785,556	0.52% - 10.26%

c. Subscriptions Payable

The primary government has entered into various subscription-based information technology arrangements (SBITA). These software licensing contracts, at times, included variable payments or termination penalties that were not known or certain to be exercised at the time of the subscription liability valuation. These are recognized as expenses in the period that they occur. For the fiscal year ended, June 30, 2023, the State recognized expense for SBITA variable payments related to payments based on usage of $51 thousand. There were no termination payments expensed for the fiscal year ended June 30, 2023.

The following is a schedule by fiscal year of principal and interest payments due for subscriptions payable as of June 30, 2023 (expressed in thousands):

	Governmental Activities	
Fiscal Year Ending June 30	Principal	Interest
2024	$ 33,318	$ 2,841
2025	28,646	1,329
2026	7,829	477
2027	4,524	159
2028	86	7
2029-2033	30	2
Total subscription liabilities	**$ 74,433**	**$ 4,815**

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

	Governmental Activities	
Fiscal Year Ending June 30	Annual Payment	Interest Rate
SBITA	$ 17,616 - $ 11,200,058	3.25% - 8.25%

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, 2023, were (net of unamortized premiums/discounts, expressed in thousands):

Governmental Activities:	
Infrastructure Bank bonds, 2.50% to 5.00%, maturing serially through 2028	$ 17,764
State economic development bonds, 3.00% to 5.00%, maturing serially through 2029	99,091
Research university infrastructure bonds, 3.00% to 5.00%, maturing serially through 2029	16,085
Air carrier hub terminal facilities bonds, 1.00%, maturing serially through 2025	8,404
Totals—primary government	**$ 141,344**

At June 30, 2023, $6.344 million of capital improvement bonds, $106.000 million of State highway bonds, $362.732 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, 2023, future debt service requirements for general obligation bonds for the primary government were (expressed in thousands):

	Governmental Activities	
Year Ending June 30	**Principal**	**Interest**
2024	$ 54,990	$ 4,768
2025	34,785	2,442
2026	7,985	1,050
2027	8,345	740
2028	7,650	471
2029	5,440	150
Total debt service requirements	**119,195**	**$ 9,621**
Unamortized premiums	22,149	
Total principal outstanding	**$ 141,344**	

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, 2023, was $130.920 million for highway bonds, $749.795 million for general obligation bonds excluding institution and highway bonds, $60.737 million for economic development bonds, and $60.165 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, 2023, 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	$ 1,381,137	$ —
Department of Mental Health bonds, 3.25% to 5.00%, maturing through 2038	34,323	—
Department of Social Services note, 2.94%, maturing through 2024	—	194
Department of Corrections note, 2.62%, maturing through 2024	—	142
Judicial Department note, 0.89%, maturing through 2026	—	2,737
Department of Parks, Recreation and Tourism notes, 0.94% to 1.45%, maturing through 2026	—	1,171
Department of Probation, Parole and Pardon note, 2.59%, maturing through 2026	—	264
Department of Education notes, 0.72% to 0.87%, maturing through 2027	—	22,264
Department of Commerce note, 3.63%, maturing through 2027	—	1,009
Department of Public Safety note, 1.87%, maturing through 2030	—	6,217
Department of Transportation note, 3.04%, maturing through 2032	—	3,434
Totals—governmental activities	**1,415,460**	**37,432**
Business-Type Activities:		
Nonmajor enterprise fund bonds, 0.43%, maturing through 2038	$ 4,570	$ —
Palmetto Railways note, 4.28%, maturing through 2047	—	6,500
Totals—business-type activities	**4,570**	**6,500**
Totals—primary government	**$ 1,420,030**	**$ 43,932**

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	$117.002 million
General purpose for the debt	Provide financial assistance for major transportation projects for DOT
Term of commitment	FY 2041
% of revenue stream pledged	87.46%
Pledged revenue recognized	$465.710 million
Principal & interest paid	$108.190 million

Debt Service Requirements

At June 30, 2023, 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**
2024	$ 69,602	$ 51,686	$ 225	$ 7
2025	72,238	48,510	235	7
2026	81,440	45,088	245	6
2027	84,220	41,485	255	6
2028	77,949	37,988	265	5
2029-2033	472,398	131,358	1,495	21
2034-2038	250,320	49,180	1,850	9
2039-2043	119,105	9,127	—	—
2044-2047	—	—	6,500	5,163
Total debt service requirements	**1,227,272**	**$ 414,422**	**11,070**	**$ 5,224**
Net unamortized premiums	225,620		—	
Total principal outstanding	**$ 1,452,892**		**$ 11,070**	

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, 2023, in governmental functions for these entities as follows (expressed in thousands):

	Amount
Transportation.....	$ 47,424
Total allocated interest expense.	**$ 47,424**

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, 2023, 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, 2023, there was an arbitrage rebate liability associated with the State's Local Government Infrastructure Fund (a major governmental fund) of $2.471 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 per Section 59-109 of the South Carolina Code of Laws. 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, 2023, the outstanding balance of bonds issued was $57.439 million with varying final maturities extending to December 1, 2042.

NOTE 13: CHANGES IN LIABILITIES

Changes in major classes of long-term liabilities for the fiscal year ended June 30, 2023, were (expressed in thousands):

	Balances at July 1, 2022 (as restated)	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Primary Government:					
Governmental Activities					
Policy claims	$ 910,055	$ 3,715,558	$ (3,629,677)	$ 995,936	$ 736,294
Notes payable	64,319	1,009	(27,896)	37,432	9,842
General obligation bonds payable	162,650	—	(43,455)	119,195	54,990
Unamortized discounts and premiums	31,319	—	(9,170)	22,149	—
Total general obligation bonds payable	193,969	—	(52,625)	141,344	54,990
Infrastructure Bank bonds payable	1,211,730	—	(52,040)	1,159,690	58,360
Unamortized discounts and premiums	230,109	—	(8,662)	221,447	—
Total Infrastructure Bank bonds	1,441,839	—	(60,702)	1,381,137	58,360
Revenue bonds payable	31,485	—	(1,335)	30,150	1,400
Unamortized discounts and premiums	4,402	—	(229)	4,173	—
Total revenue bonds payable	35,887	—	(1,564)	34,323	1,400
Subscriptions payable	88,450	20,034	(34,051)	74,433	33,318
Leases payable	113,990	57,831	(39,602)	132,219	29,998
Compensated absences payable	213,696	158,714	(139,295)	233,115	134,759
Net pension liability	3,640,907	316,240	—	3,957,147	—
Net other post-employment benefit liability	4,141,043	1,369	(1,231,661)	2,910,751	—
Judgments and contingencies payable	1,211	1,103	—	2,314	2,314
Arbitrage payable	1,715	1,716	(960)	2,471	—
Total long-term liabilities	$ 10,847,081	$ 4,273,574	$ (5,218,033)	$ 9,902,622	$ 1,061,275

For compensated absences, the General Fund normally liquidates approximately 68%, Departmental Program Services approximately 17%, and the Department of Transportation Special Revenue approximately 12%. The remaining 3% 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 80%, 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, 2022	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Primary Government:					
Business-type Activities					
Policy claims	$ 166,243	$ 20,277	$ (12,558)	$ 173,962	$ 11,031
Notes payable	6,500	—	—	6,500	—
Revenue bonds payable	4,785	—	(215)	4,570	225
Tuition benefits payable	36,032	—	(9,389)	26,643	7,994
Compensated absences payable	1,948	1,236	(1,376)	1,808	1,071
Net pension liability	30,892	—	(1,415)	29,477	—
Net other post-employment benefit liability	37,903	8	(14,477)	23,434	—
Total long-term liabilities	$ 284,303	$ 21,521	$ (39,430)	$ 266,394	$ 20,321

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, 2023, 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	32,157	48,066	—	4,294	—	84,517
Prepaid items	26,405	8,416	—	5,383	541	40,745
Other assets	150	—	—	203	—	353
Long-term loans and notes receivable	31,381	—	—	—	—	31,381
Endowments	—	—	—	—	11,642	11,642
Total Non-spendable	141,250	56,482	—	9,880	12,183	219,795
Restricted:						
Primary and Secondary Education	576,344	—	—	—	115,834	692,178
Health, Human Services and Environment	81,731	735,470	—	—	292,712	1,109,913
Transportation	—	25,831	1,455,095	2,565,375	—	4,046,301
Debt Service	—	—	857,957	—	—	857,957
General Government	922,353	144,313	101,417	7,139	903,090	2,078,312
Total Restricted	1,580,428	905,614	2,414,469	2,572,514	1,311,636	8,784,661
Committed:						
General Government	—	14,852	—	—	60,975	75,827
Primary and Secondary Education	—	21,992	—	—	—	21,992
Total Committed	—	36,844	—	—	60,975	97,819
Assigned:						
Primary and Secondary Education	—	—	—	—	445	445
Health, Human Services and Environment	409,725	—	—	—	176	409,901
General Government	177,211	—	—	—	804	178,015
Administration of Justice	47,559	—	—	—	—	47,559
Economic Development	44,320	—	—	—	—	44,320
Transportation	339	—	—	—	—	339
Social Programs	43,381	—	—	—	857	44,238
Total Assigned	722,535	—	—	—	2,282	724,817
Unassigned	8,602,152	(3,334)	—	—	(199,682)	8,399,136
Total Fund Balances	**$ 11,046,365**	**$ 995,606**	**$ 2,414,469**	**$ 2,582,394**	**$ 1,187,394**	**$ 18,226,228**

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, 2023, 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):

	7/1/2022 Fund Equity as Previously Reported	Implementation of GASBs 94 and 96	Error Correction	7/1/2022 Fund Equity as Restated
Primary Government				
Governmental Funds:				
General Fund	$10,634,079	$ —	$ —	$10,634,079
Departmental Program Services	845,992	—	—	845,992
Local Government Infrastructure	2,312,522	—	—	2,312,522
Department of Transportation Special Revenue	1,928,351	—	—	1,928,351
Other Nonmajor Governmental Funds	1,294,984	—	—	1,294,984
Total Governmental Funds	17,015,928	—	—	17,015,928
Internal Service Funds	686,530	—	—	686,530
Government-wide:				
Capital assets	19,786,965	85,199	—	19,872,164
Net deferred outflows and inflows	803,073	(111,634)	—	691,439
Long-term liabilities	(9,978,498)	(85,199)	—	(10,063,697)
Total Government-wide	10,611,540	(111,634)	—	10,499,906
Total Governmental Activities	28,313,998	(111,634)	—	28,202,364
Business-type Activities - Enterprise Funds:				
Unemployment Compensation Fund	1,541,293	—	—	1,541,293
Second Injury Fund	46,917	—	—	46,917
Other nonmajor enterprise funds	268,911	—	—	268,911
Total Business-type Activities - Enterprise Funds	1,857,121	—	—	1,857,121
Total Primary Government	$30,171,119	$ (111,634)	$ —	$30,059,485
Fiduciary Funds				
Pension and Other Post-Employment Trust	40,098,539	—	—	40,098,539
Investment Trust Local Government Investment Pool	10,033,590	—	—	10,033,590
Private Purpose Trust	5,173,351	—	—	5,173,351
Custodial Funds	56,837	—	—	56,837
Total Fiduciary Funds	55,362,317	—	—	55,362,317
Component Units				
Public Service Authority	$ 2,107,347	$ —	$ —	$ 2,107,347
MUSC	130,726	—	—	130,726
USC	732,883	—	—	732,883
Clemson University	1,412,637	2,555	—	1,415,192
State Ports Authority	754,754	335	—	755,089
Housing Authority	529,189	—	—	529,189
Lottery Commission	576	(626)	—	(50)
Nonmajor component units	1,326,981	67	12,989	1,340,037
Total Component Units	$ 6,995,093	$ 2,331	$ 12,989	$ 7,010,413

During the fiscal year ended June 30, 2023, the State implemented GASBs 94 and 96. This resulted in a change in accounting principle which resulted in the restatements of beginning fund equity detailed above.

Also during fiscal year 2023, Lander University, a nonmajor discretely presented component unit, discovered it had not accrued for certain receivables and had incorrectly accrued for unearned revenue in the previous fiscal year. The $17.128 million understatement was recognized as a prior period adjustment in fiscal year 2023. Additionally, the South Carolina Education Assistance Authority, a nonmajor discretely presented component unit, discovered that it had incorrectly been recognizing its cash and cash equivalents at cost rather than fair value. The $4.139 million overstatement was also recognized as a prior period adjustment in fiscal year 2023.

NOTE 16: INTERFUND AND INTRAFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2023 (expressed in thousands):

Funds	Due From	Due To
General Fund		
Departmental Program Services	55,820	17,433
Local Government Infrastructure	245	14,790
Department of Transportation Special Revenue Fund	355	184,874
Nonmajor governmental funds	8,703	46,024
Internal service	737	31,416
Unemployment Compensation	57	—
Nonmajor enterprise funds	2,505	2
	68,422	294,539
Departmental Program Services		
General Fund	17,433	55,820
Local Government Infrastructure	118	—
Nonmajor Governmental	73	48
Second Injury	75	—
Other Enterprise	18	—
Internal service	250	1,453
	17,967	57,321
Local Government Infrastructure		
General Fund	14,790	245
Departmental Program Services	—	118
Nonmajor Governmental	10,000	—
Department of Transportation Special Revenue Fund	1,284	—
	26,074	363
Department of Transportation Special Revenue Fund		
General Fund	184,874	355
Local Government Infrastructure	—	1,284
	184,874	1,639
Nonmajor Governmental Funds		
General Fund	46,024	8,703
Departmental Program Services	48	73
Local Government Infrastructure	—	10,000
Internal service	—	2
	46,072	18,778
Internal Service		
General Fund	31,416	737
Departmental Program Services	1,453	250
Nonmajor governmental funds	2	—
Internal service	13	13
Nonmajor enterprise funds	8	—
	32,892	1,000
Second Injury		
Departmental Program Services	—	75
Unemployment Compensation		
General Fund	—	57
Nonmajor Enterprise Funds		
General Fund	2	2,505
Departmental Program Services	—	18
Internal service	—	8
	2	2,531
Fiduciary		
Fiduciary	85,985	85,985
	85,985	85,985
Totals	**$ 462,288**	**$ 462,288**

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	$ 6,750	$ 15
Nonmajor enterprise funds	51,000	—	—
Internal service	142	—	142
	51,157	6,750	157
Departmental Program Services			
General Fund	6,750	15	4,050
Custodial funds	—	234	—
	6,750	249	4,050
Local Government Infrastructure			
Department of Transportation Special Revenue	81,944	—	—
Department of Transportation Special Revenue Fund			
Local Government Infrastructure	—	81,944	—
Nonmajor Enterprise Funds			
General Fund	—	51,000	—
Internal Service			
General Fund	—	142	—
Custodial Funds			
Departmental Program Services	234	—	234
Totals	**$ 140,085**	**$ 140,085**	**$ 4,441**

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:

- $81.944 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, 2023 (expressed in thousands):

Funds	Transfers In	Transfers Out
General Fund		
Departmental Program Services	$ 15,856	$ 53,537
Local Government Infrastructure	—	6,166
Department of Transportation	5,345	123,515
Nonmajor governmental funds	451,302	508,881
Unemployment Compensation Benefits	29,177	—
Nonmajor enterprise funds	7,500	—
Internal service	691	6,256
Custodial funds	642	—
	510,513	698,355
Departmental Program Services		
General Fund	53,537	15,856
Nonmajor governmental funds	1,866	11,668
Second Injury	225	—
Nonmajor enterprise funds	2,637	—
Internal service	8,190	615
Custodial funds	6,548	—
	73,003	28,139
Local Government Infrastructure		
General Fund	6,166	—
Department of Transportation		
General Fund	123,515	5,345
Nonmajor Governmental Funds		
General Fund	508,881	451,302
Departmental Program Services	11,668	1,866
Nonmajor governmental funds	77,448	77,448
Internal Service	—	109
	597,997	530,725
Unemployment Compensation Benefits		
General Fund	—	29,177
Second Injury Fund		
Departmental Program Services	—	225
Nonmajor Enterprise Funds		
General Fund	—	7,500
Department Program Services	—	2,637
Internal Service	—	99
	—	10,236
Internal Service		
General Fund	6,256	691
Department Program Services	615	8,190
Nonmajor governmental funds	109	—
Nonmajor enterprise funds	99	—
Internal Service	2,281	2,281
	9,360	11,162
Custodial Funds		
General Fund	—	642
Department Program Services	—	6,548
Custodial funds	2,446	2,446
	2,446	9,636
Totals	**$ 1,323,000**	**$ 1,323,000**

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, 2023 (expressed in thousands):

Funds	Due From	Due To
General Fund		
MUSC	$ —	$ 12,531
USC	144	1,248
Clemson University	139	1,264
Housing Authority	—	2,438
Ports Authority	50,000	—
Nonmajor discretely presented component units	2,753	14,189
	53,036	31,670
Departmental Program Services		
MUSC	—	2,482
USC	189	4,434
Clemson University	—	2,904
Nonmajor discretely presented component units	—	7,953
	189	17,773
Department of Transportation Special Revenue Fund		
Nonmajor discretely presented component units	42	—
	42	—
Local Government Infrastructure Fund		
Ports Authority	4,000	—
	4,000	—
Nonmajor Governmental Funds		
USC	—	499
Clemson University	—	16,460
Lottery Commission	48,659	—
Nonmajor discretely presented component units	6,900	10,988
	55,559	27,947
Internal Service		
MUSC	136	—
USC	7,078	—
Clemson University	6,333	—
Nonmajor discretely presented component units	3,938	—
	17,485	—
Governmental activities total	**130,311**	**77,390**
Fiduciary Funds		
MUSC	—	1
Nonmajor discretely presented component units	—	2,180
	—	2,181
Fiduciary funds total	—	**2,181**
Primary Government total	**130,311**	**79,571**
MUSC		
General Fund	12,531	—
Departmental Program Services	2,482	—
Fiduciary Funds	1	—
Internal service	—	136
	15,014	136
USC		
General Fund	1,248	144
Departmental Program Services	4,434	189
Nonmajor governmental funds	499	—
Internal service	—	7,078
	6,181	7,411
Clemson University		
General Fund	1,264	139
Departmental Program Services	2,904	—
Nonmajor governmental funds	16,460	—
Internal service	—	6,333
	20,628	6,472
Housing Authority		
General Fund	2,438	—
Ports Authority		
General Fund	—	50,000
Local Government Infratructure Fund	—	4,000
	—	54,000
Lottery Commission		
Departmental Program Services	—	48,659
Nonmajor Discretely Presented Component Units		
General Fund	14,189	2,753
Departmental Program Services	7,953	—
Department of Transportation Special Revenue Fund	—	42
Nonmajor governmental funds	10,988	6,900
Custodial Funds	2,180	—
Internal service	—	3,938
	35,310	13,633
Discretely presented component units total	**79,571**	**130,311**
Totals	**$209,882**	**$209,882**

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, 2023, the Educational Television Endowment of South Carolina, Inc., disbursed $8.870 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 $1.643 million at June 30, 2023.

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, 2023, the Authority entered various transactions with SLC. Approximate amounts within the Authority that represent these transactions include: accounts receivable from SLC $47.885 million; program revenue from SLC $588 thousand; reimbursements to SLC for administrative costs $62 thousand; and payable to SLC $5 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 $100.000 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 restored the takings case, but the defendants have moved to stay the case while another appeal is considered. The court has not ruled on the stay motion. 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 $7.000 million and $53.771 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 assistance in the form of grants and entitlement revenues. Entitlement to this assistance is generally contingent upon compliance with terms and conditions of the grant agreements and applicable federal regulations. Nearly all federal grants received by the State are subject to compliance audits. Any questioned costs identified during these audits may result in disallowances that may become liabilities for the State. The State records a liability for pending disallowances when the loss is probable and reasonably estimable or once a settlement agreement between the State and the federal grantor has been reached. As of June 30, 2023, the State's governmental activities recognized a liability for pending disallowances of $2.314 million. While additional liabilities resulting from disallowances may exist, there is no indication that these liabilities would have a material impact on the State's financial statements.

c. Commitments to Provide Grants and Other Financial Assistance

As of June 30, 2023, 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 $650 million remaining on agreements with various counties to provide financial assistance for highway and transportation facilities projects.
- The Department of Commerce has $1.934 billion 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, $103.159 million will be funded by federal grants.
- The Office of Regulatory Staff has $277 thousand for energy efficiency improvement projects. Federal grants will fund $277 thousand of this commitment.
- The Division of Aeronautics has $60.778 million for grants made to municipal and county airports for capital improvements.
- The State Board for Technical and Comprehensive Education has $12.527 million to provide training for new and expanding business and industry in the State.
- The Department of Public Safety has $19.961 million for pass-through grants to various local governments and not-for-profit entities, of which $7.162 million will be funded by federal grants.
- The South Carolina Law Enforcement Division has $12.668 million for grant program activities and pass-through grants to subrecipients, of which $12.668 million will be funded by federal grants.
- The South Carolina Judicial Department has $3.569 million outstanding commitments related to vendor service contracts.
- The South Carolina Attorney General's Office has $13.185 million for pass-through grants to subrecipients, of which $12.926 million will be funded by federal grants.
- The South Carolina Department of Revenue has $27.213 million outstanding commitments for vendor contracts related to services for paper check and return processing.
- The Rural Infrastructure Authority has $1.702 billion for loans to municipalities, counties, special purpose and public service districts and public works commissions for constructing and improving rural infrastructure facilities, of which $1.504 billion will be funded by federal grants.
- The Department of Health and Environmental Control has $2.352 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 $157.962 million in outstanding commitments for internet broadband infrastructure development, of which $154.502 million will be funded by federal grants.

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 $6.481 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 2023, the budgeted $3.981 million operating funds have been placed in care of the trustee. The balances in these two accounts at June 30, 2023 were $3.025 million for capital improvements and $4.016 million for operating expenditures.

NOTE 19: DISCRETELY PRESENTED COMPONENT UNITS

a. Deposits and Investments

Deposits

As of June 30, 2023, the reported amount of the major discretely presented component units' deposits held outside of the State Treasurer was $790.550 million and the bank balance was $763.123 million. Of the $711.577 million bank balance exposed to custodial credit risk, $241.034 million was uninsured and uncollateralized, $71.673 million was uninsured and collateralized with securities held by the pledging financial institution, and $398.871 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, 2023, cash on hand was $444 thousand.

Investments

The following investments disclosure pertains to investments held outside of the State Treasurer.

Fair Value

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 had the following recurring fair value measurements as of June 30, 2023 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2023	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. treasuries	$ 755,730	$ 85,431	$ 670,299	$ —
U.S. agencies	709,734	—	709,734	—
Mortgage backed obligations	79,602	24,386	55,216	—
Common stock	22,453	22,453	—	—
Other equity securities	857,300	857,300	—	—
Corporate bonds	57,153	19,315	37,838	—
Repurchase agreements	100,000	—	100,000	—
Asset backed securities	270	270	—	—
Money market mutual funds	171,214	171,214	—	—
Bond mutual funds	265,104	241,987	23,117	—
Other	313,963	241,723	—	72,240
Total investments by fair value level	$ 3,332,523	$ 1,664,079	$ 1,596,204	$ 72,240

Fair value of investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds (1)	$ 209,703	$ —	Monthly to Annually	30-120 days
Private partnerships -equity and real assets (2)	729,984	221,320	N/A	N/A
Total investments measured at the NAV	$ 939,687	$ 221,320		
Total investments measured at fair value	$ 4,272,210			

(1) 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.

The University Medical Associates of MUSC owns shares in hedge funds that use multiple investing strategies in order to diversity risks and reduce volatility. One of the these hedge fund's composite portfolio includes investments in US real estate funds. Two other hedge funds invest in both equities and in fixed income securities in foreign markets.

The Clemson University Foundation's hedge funds include investments which seek to generate superior risk adjusted returns through a range of investment strategies. In addition to lock-up periods, some investments include early redemption fees or "gates" which limit the percentage of the investments that can be redeemed at one time.

(2) Private partnerships – equity and real assets. 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.

The Clemson University Foundation owns 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.

The MUSC Foundation holds ownership positions in a variety of investments where the legal vehicle is some form of limited partnership (LP) or limited liability corporation (LLC). These LPs and LLCs can be found in most of the Foundation's investment categories, ranging from liquid to illiquid strategies. The more liquid strategies include long-only equity and diversifying strategies (e.g., long/short equity, credit, and multi-strategy hedge funds). The illiquid investments include venture capital, buyout, real estate, natural resources, distressed, and private credit funds.

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 value of investments or collateral securities that are in possession of the outside party will not be recovered. At June 30, 2023, the State's major discretely presented component units had $1.201 million of investments that were exposed to custodial credit risk, with all of the exposure relating to uninsured and unregistered investments that were held by a counterparty's trust department or agent.

Credit Risk

At fiscal year-end, Clemson University, the Housing Authority, the Medical University of South Carolina, the Public Service Authority, and the State Ports 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 Housing Authority, the Medical University of South Carolina, the Public Service Authority, the State Ports 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	$ 709,734	$ —	$ —	$ —	$ —	$ —
Mortgage backed obligations	42,422	—	—	—	—	12,794
Corporate bonds	28,517	1,503	4,162	10,533	—	—
Repurchase agreements	100,000	—	—	—	—	—
Money market mutual funds	129,496	—	—	—	33	30,102
Bond mutual funds	5,303	903	—	—	450	258,448
Other	—	2,279	—	—	45	346,796
Totals	**$ 1,015,472**	**$ 4,685**	**$ 4,162**	**$ 10,533**	**$ 528**	**$ 648,140**

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's major discretely presented component units may have interest rate risk policies that differ from those of the State Treasurer. At June 30, 2023, the major discretely presented component units had the following investments with maturities disclosed by investment category and segmented time distribution (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	$ 755,730	$ —	$ 426,926	$ 300,168	$ 12,775	$ 15,861
U.S. agencies	709,734	—	441,607	95,274	85,910	86,943
Mortgage backed obligations	79,602	—	—	66,808	143	12,651
Common Stock	194,786	194,786	—	—	—	—
Other equity securities	1,236,743	1,236,743	—	—	—	—
Corporate bonds	64,029	—	28,517	21,300	14,212	—
Repurchase agreements	100,000	—	100,000	—	—	—
Asset backed securities	34,509	—	—	34,509	—	—
Money market mutual funds	171,214	171,214	—	—	—	—
Bond mutual funds	265,104	265,104	—	—	—	—
Other	660,759	419,036	—	241,723	—	—
Totals	**$ 4,272,210**	**$ 2,286,883**	**$ 997,050**	**$ 759,782**	**$ 113,040**	**$ 115,455**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investments in a single issuer.

For the fiscal year ended December 31, 2022, the Public Service Authority, a major discretely presented component unit, had 29.11% of its total investments with two issuers: 17.61% with the Federal Home Loan Bank and 11.50% with the Federal Farm Credit Bank.

The Medical University Hospital Authority is a discretely presented component unit of the Medical University of South Carolina, which is a major discretely presented component unit of the State. As of June 30, 2023, the Medical University Hospital Authority had 66.60% of its total investments with two issuers: 37.30% with the Federal Home Loan Bank and 29.30% with the Federal Farm Credit 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, and other 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, 2023. At June 30, 2023, 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. The State or the borrower can terminate all securities loans on demand and there are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2023, the State experienced no losses on its securities lending transactions because of borrower defaults.

For the fiscal year ended June 30, 2023, the State received primarily cash as collateral for its loaned securities. The fair value of the required collateral must meet or exceed 102% 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, 2023, 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, 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 fair value of the required collateral must meet or exceed 102% 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, 2023, 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, 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.

As of June 30, 2023, the fair value of securities on loan were $66.597 million and was primarily composed of U.S. Government securities with the remainder in other equities. The associated fair value of the invested collateral was $68.063 million, of which $67.872 million was invested in overnight repurchase agreements.

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, 2022	Increases	Decreases	Ending Balances December 31, 2022
Public Service Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 182,537	$ 4,211	$ (547)	$ 186,201
Construction in progress	331,065	171,228	(287,920)	214,373
Total capital assets not being depreciated	513,602	175,439	(288,467)	400,574
Capital assets being depreciated:				
Buildings and improvements (utility plant)	8,702,125	253,641	(68,072)	8,887,694
Vehicles	73,848	4,942	—	78,790
Machinery and equipment	52,501	5,543	—	58,044
Intangibles	89,495	19,553	(144)	108,904
Total capital assets being depreciated	8,917,969	283,679	(68,216)	9,133,432
Less accumulated depreciation for:				
Buildings and improvements (utility plant)	(4,260,104)	(205,922)	23,828	(4,442,198)
Vehicles	(43,425)	(5,554)	—	(48,979)
Machinery and equipment	(38,796)	(3,863)	—	(42,659)
Intangibles	(86,046)	(6,505)	—	(92,551)
Total accumulated depreciation	(4,428,371)	(221,844)	23,828	(4,626,387)
Total capital assets being depreciated, net	4,489,598	61,835	(44,388)	4,507,045
Public Service Authority capital assets, net	**$ 5,003,200**	**$ 237,274**	**$ (332,855)**	**$ 4,907,619**

	Beginning Balances July 1, 2022 (as Restated)	Increases	Decreases	Ending Balances June 30, 2023
State Ports Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 716,971	$ 63,159	$ (2,269)	$ 777,861
Construction in progress	75,065	128,242	(54,607)	148,700
Total capital assets not being depreciated	792,036	191,401	(56,876)	926,561
Capital assets being depreciated:				
Land improvements	733,385	6,627	(2,957)	737,055
Buildings and improvements	694,476	15,243	(8,791)	700,928
Machinery and equipment	436,716	28,085	(4,140)	460,661
Lease assets being amortized:				
Land and improvements	48	138	(186)	—
Buildings and improvements	394	388	(394)	388
Machinery and equipment	377	14,243	(348)	14,272
Subscription assets	2,064	1,261	—	3,325
Total capital assets being depreciated or amortized	1,867,460	65,985	(16,816)	1,916,629
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(319,117)	(35,838)	2,647	(352,308)
Buildings and improvements	(239,431)	(22,835)	8,209	(254,057)
Machinery and equipment	(192,616)	(24,763)	3,905	(213,474)
Lease assets being amortized:				
Land and improvements	(34)	(18)	52	—
Buildings and improvements	(230)	(203)	393	(40)
Machinery and equipment	(186)	(954)	177	(963)
Subscription assets	(140)	(862)	—	(1,002)
Total accumulated depreciation and amortization	(751,754)	(85,473)	15,383	(821,844)
Total capital assets being depreciated or amortized, net	1,115,706	(19,488)	(1,433)	1,094,785
State Ports Authority capital assets, net	**$ 1,907,742**	**$ 171,913**	**$ (58,309)**	**$ 2,021,346**

	Beginning Balances July 1, 2022 (as restated)	Increases	Decreases	Ending Balances June 30, 2023
Clemson University:				
Capital assets not being depreciated:				
Land and improvements	$ 43,478	$ 212	$ (151)	$ 43,539
Construction in progress	75,151	174,664	(17,856)	231,959
Total capital assets not being depreciated	118,629	174,876	(18,007)	275,498
Capital assets being depreciated:				
Buildings and improvements	1,679,962	14,809	(252)	1,694,519
Vehicles	22,977	4,514	(711)	26,780
Machinery and equipment	570,802	33,616	(14,018)	590,400
Intangibles	24,283	—	—	24,283
Lease assets being amortized:				
Buildings and improvements	20,616	3,036	(329)	23,323
Machinery and equipment	1,939	836	(532)	2,243
Subscription assets	36,631	14,925	—	51,556
Total capital assets being depreciated or amortized	2,357,210	71,736	(15,842)	2,413,104
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Buildings and improvements	(574,148)	(40,179)	246	(614,081)
Vehicles	(18,301)	(2,732)	708	(20,325)
Machinery and equipment	(317,077)	(30,970)	12,978	(335,069)
Intangibles	(24,284)	—	—	(24,284)
Lease assets being amortized:				
Buildings and improvements	(2,616)	(2,594)	120	(5,090)
Machinery and equipment	(669)	(907)	531	(1,045)
Subscription assets	—	(12,216)	—	(12,216)
Total accumulated depreciation and amortization	(937,095)	(89,598)	14,583	(1,012,110)
Total capital assets being depreciated or amortized, net	1,420,115	(17,862)	(1,259)	1,400,994
Clemson University capital assets, net	**$ 1,538,744**	**$ 157,014**	**$ (19,266)**	**$ 1,676,492**

	Beginning Balances July 1, 2022 (as restated)	Increases	Decreases	Ending Balances June 30, 2023
Medical University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 134,132	$ —	$ (366)	$ 133,766
Construction in progress	131,896	92,051	(80,270)	143,677
Works of art and historical treasures	1,807	—	(1,619)	188
Total capital assets not being depreciated	267,835	92,051	(82,255)	277,631
Capital assets being depreciated:				
Land improvements	13,331	2,763	(47)	16,047
Buildings and improvements	2,184,725	52,238	(500)	2,236,463
Vehicles	10,317	464	—	10,781
Machinery and equipment	612,218	73,934	(57,675)	628,477
Intangibles	108,179	13,960	(455)	121,684
Lease assets being amortized:				
Land improvements	2,036	—	—	2,036
Buildings and improvements	226,387	62,190	(13,777)	274,800
Machinery and equipment	54,508	58,796	(574)	112,730
Subscription assets	—	51,666	—	51,666
Total capital assets being depreciated or amortized	3,211,701	316,011	(73,028)	3,454,684
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(10,178)	(349)	47	(10,480)
Buildings and improvements	(1,155,104)	(95,243)	392	(1,249,955)
Vehicles	(5,360)	(1,158)	140	(6,378)
Machinery and equipment	(414,879)	(55,640)	14,646	(455,873)
Intangibles	(82,883)	(8,399)	262	(91,020)
Lease assets being amortized:				
Land improvements	(74)	(74)	—	(148)
Buildings and improvements	(32,753)	(38,482)	9,005	(62,230)
Machinery and equipment	(13,002)	(16,610)	574	(29,038)
Subscription assets	—	(7,197)	—	(7,197)
Total accumulated depreciation and amortization	(1,714,233)	(223,152)	25,066	(1,912,319)
Total capital assets being depreciated or amortized, net	1,497,468	92,859	(47,962)	1,542,365
MUSC capital assets, net	**$ 1,765,303**	**$ 184,910**	**$ (130,217)**	**$ 1,819,996**

	Beginning Balances July 1, 2022	Increases	Decreases	Ending Balances June 30, 2023
University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 96,527	$ 1,356	$ (13)	$ 97,870
Construction in progress	124,561	102,215	(24,116)	202,660
Works of art and historical treasures	53,183	2,372	—	55,555
Total capital assets not being depreciated	274,271	105,943	(24,129)	356,085
Capital assets being depreciated:				
Land improvements	110,488	—	—	110,488
Buildings and improvements	2,021,216	24,813	—	2,046,029
Vehicles	17,840	1,544	(1,010)	18,374
Machinery and equipment	239,032	19,945	(10,917)	248,060
Intangibles	93,704	1,166	(969)	93,901
Lease assets being amortized:				
Land improvements	775	—	(89)	686
Buildings and improvements	40,174	3,852	(1,979)	42,047
Machinery and equipment	364	—	—	364
Subscription assets	—	19,449	—	19,449
Total capital assets being depreciated or amortized	2,523,593	70,769	(14,964)	2,579,398
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(60,885)	(4,133)	—	(65,018)
Buildings and improvements	(943,612)	(48,178)	—	(991,790)
Vehicles	(14,061)	(1,252)	707	(14,606)
Machinery and equipment	(173,603)	(15,361)	9,806	(179,158)
Intangibles	(67,337)	(7,330)	969	(73,698)
Lease assets being amortized:				
Land improvements	(241)	(152)	89	(304)
Buildings and improvements	(9,640)	(9,792)	1,798	(17,634)
Machinery and equipment	(107)	(107)	—	(214)
Subscription assets	—	(7,857)	—	(7,857)
Total accumulated depreciation and amortization	(1,269,486)	(94,162)	13,369	(1,350,279)
Total capital assets being depreciated or amortized, net	1,254,107	(23,393)	(1,595)	1,229,119
USC capital assets, net	**$ 1,528,378**	**$ 82,550**	**$ (25,724)**	**$ 1,585,204**

	Beginning Balances July 1, 2022 (as restated)	Increases	Decreases	Ending Balances June 30, 2023
Lottery Commission:				
Capital assets being depreciated:				
Buildings and improvements	$ 1,457	$ 6	$ —	$ 1,463
Vehicles	440	41	—	481
Machinery and equipment	4,596	98	—	4,694
Intangibles	556	—	—	556
Lease assets being amortized:				
Buildings and improvements	2,362	—	—	2,362
Subscription assets	29,066	—	—	29,066
Total capital assets being depreciated or amortized	38,477	145	—	38,622
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Buildings and improvements	(1,303)	(28)	—	(1,331)
Vehicles	(306)	(4)	—	(310)
Machinery and equipment	(4,015)	(228)	—	(4,243)
Intangibles	(556)	—	—	(556)
Lease assets being amortized:				
Buildings and improvements	(1,179)	(590)	—	(1,769)
Subscription assets	(4,254)	(4,254)	—	(8,508)
Total accumulated depreciation and amortization	(11,613)	(5,104)	—	(16,717)
Lottery Commission capital assets, net	**$ 26,864**	**$ (4,959)**	**$ —**	**$ 21,905**

	Beginning Balances July 1, 2022	Increases	Decreases	Ending Balances June 30, 2023
Housing Authority:				
Capital assets being depreciated:				
Machinery and equipment	$ 3,065	$ 189	$ —	$ 3,254
Lease assets being amortized:				
Buildings and improvements	2,360	4,244	—	6,604
Machinery and equipment	—	56	—	56
Total capital assets being depreciated or amortized	5,425	4,489	—	9,914
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Machinery and equipment	(1,963)	(436)	—	(2,399)
Lease assets being amortized:				
Buildings and improvements	(1,910)	(336)	—	(2,246)
Machinery and equipment	—	(3)	—	(3)
Total accumulated depreciation and amortization	(3,873)	(775)	—	(4,648)
Housing Authority capital assets, net	**$ 1,552**	**$ 3,714**	**$ —**	**$ 5,266**

During the fiscal year ended June 30, 2023, depreciation and amortization expense for capital assets was charged to the major discretely presented component units as follows (expressed in thousands):

	Depreciation and Amortization Expense
Public Service Authority	$ 221,844
State Ports Authority	85,473
Clemson University	89,598
MUSC	223,152
USC	94,162
Lottery Commission	5,104
Housing Authority	775

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

	Outstanding Construction Commitments
Public Service Authority	$ 30,573
State Ports Authority	333,036
MUSC	22,133
USC	295,092
Clemson University	131,930

c. Insurance Activities

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 2022. 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 2022, 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, 2022. There have been no third-party claims for environmental damages for 2022.

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 $13.660 billion by the Price-Anderson Indemnification Act. The $13.660 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 $20.50 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), $1.060 billion primary 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 $5.500 million for the primary policy and $1.300 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, 2022.

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
2022	$ 1,589	$ 1,501	$ (406)	$ 2,684
2021	1,554	1,166	(1,131)	1,589

d. Leases and Subscriptions

Leases Receivable

The State Ports Authority leases buildings to third parties with various terms and interest rates. As of June 30, 2023, the Ports Authority's receivables for lease payments totaled $19.775 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the State Ports Authority's lease-related deferred inflow of resources was $19.320 million. For the fiscal year ended June 30, 2023, the Ports Authority recognized $3.995 million in lease revenue and $682 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, 2023 (expressed in thousands):

	State Ports Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**
2024	$ 3,728	$ 654
2025	2,898	529
2026	2,314	436
2027	2,425	344
2028	2,058	257
2029-2033	3,951	567
2034-2038	715	293
2039-2043	493	218
2044-2048	573	138
Thereafter	620	114
Total	**$ 19,775**	**$ 3,550**

Clemson University leases buildings to third parties with various terms and interest rates. As of June 30, 2023, Clemson University's receivables for lease payments totaled $488 thousand. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the Clemson University's lease-related deferred inflow of resources was $942 thousand. For the fiscal year ended June 30, 2023, Clemson University recognized $538 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, 2023 (expressed in thousands):

	Clemson University	
Fiscal Year Ending June 30	**Principal**	**Interest**
2024	$ 389	$ 1
2025	99	—
Total	**$ 488**	**$ 1**

The Medical University of South Carolina leases buildings to third parties with various terms and interest rates. As of June 30, 2023, the Medical University of South Carolina's receivables for lease payments totaled $1.891 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the Medical University of South Carolina's lease-related deferred inflow of resources was $1.891 million. For the fiscal year ended June 30, 2023, 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, 2023 (expressed in thousands):

	Medical University of South Carolina	
Fiscal Year Ending June 30	**Principal**	**Interest**
2024	$ 844	$ 8
2025	244	6
2026	245	5
2027	247	3
2028	249	1
2029-2033	62	—
Total	**$ 1,891**	**$ 23**

The University of South Carolina leases land and buildings to third parties with various terms and interest rates. As of June 30, 2023, the University of South Carolina's receivables for lease payments totaled $55.482 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the University of South Carolina's lease-related deferred inflow of resources was $53.766 million. For the fiscal year ended June 30, 2023, the University of South Carolina recognized $2.965 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 University of South Carolina as of June 30, 2023 (expressed in thousands):

	University of South Carolina	
Fiscal Year Ending June 30	**Principal**	**Interest**
2024	$ 1,155	$ 2,240
2025	1,196	2,189
2026	1,255	2,135
2027	1,339	2,078
2028	1,403	2,017
2029-2033	8,168	9,048
2034-2038	6,258	7,309
2039-2043	8,111	5,390
Thereafter	26,597	18,726
Total	**$ 55,482**	**$ 51,132**

Leases and Subscriptions Payable

The State's major discretely presented component units lease land, office facilities, equipment, and other assets The related lease principal and interest payments recorded at June 30, 2023 for the State's major discretely presented component units are as follows (expressed in thousands):

	Medical University of South Carolina		University of South Carolina	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 45,151	$ 9,464	$ 10,828	$ 1,324
2025	39,421	8,554	3,605	1,056
2026	35,677	7,621	2,809	874
2027	29,207	6,477	2,528	721
2028	31,170	7,095	1,889	594
2029-2033	42,728	9,359	7,306	1,790
2034-2038	19,011	5,343	3,271	310
2039-2043	15,398	4,577	14	1
Thereafter	13,212	5,685	—	—
Total lease liabilities	**$ 270,975**	**$ 64,175**	**$ 32,250**	**$ 6,670**

	Clemson University		State Ports Authority	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 4,063	$ 332	$ 7,618	$ 483
2025	3,549	258	5,913	125
2026	2,628	196	96	6
2027	1,183	152	94	2
2028	858	123	—	—
2029-2033	2,446	432	—	—
2034-2038	2,561	141	—	—
Total lease liabilities	**$ 17,288**	**$ 1,634**	**$ 13,721**	**$ 616**

	Lottery Commission		Housing Authority	
Fiscal Year Ending June 30	Principal	Interest	Principal	Interest
2024	$ 609	$ 6	$ 325	$ 118
2025	51	—	315	161
2026	—	—	343	148
2027	—	—	372	132
2028	—	—	390	116
2029-2033	—	—	2,471	308
2034-2038	—	—	196	2
Total lease liabilities	**$ 660**	**$ 6**	**$ 4,412**	**$ 985**

The State's major discretely presented component units have entered into various subscription-based information technology arrangements. The related subscription principal and interest payments recorded at June 30, 2023 for the State's major discretely presented component units are as follows (expressed in thousands):

	Medical University of South Carolina		University of South Carolina	
Fiscal Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 3,025	$ 209	$ 6,831	$ 211
2025	2,897	141	2,156	62
2026	2,927	112	618	15
2027	2,956	82	34	1
2028	1,385	36	—	—
2029-2033	1,302	14	—	—
Total subscription liabilities	**$ 14,492**	**$ 594**	**$ 9,639**	**$ 289**

	Clemson University		State Ports Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 9,749	$ 685	$ 820	$ 56
2025	9,325	474	479	26
2026	5,988	270	228	14
2027	2,412	130	235	7
2028	1,833	77	8	—
2029-2033	2,071	86	—	—
Total subscription liabilities	**$ 31,378**	**$ 1,722**	**$ 1,770**	**$ 103**

	Lottery Commission	
Fiscal Year Ending June 30	**Principal**	**Interest**
2024	$ 4,031	$ 1,047
2025	4,250	828
2026	4,480	598
2027	4,723	355
2028	4,131	101
Total subscription liabilities	**$ 21,615**	**$ 2,929**

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, 2023, were (net of unamortized premiums/discounts, expressed in thousands):

Clemson University institution bonds, 2.00% to 5.00%, maturing serially through 2042	$ 302,338
University of South Carolina institution bonds, 2.50% to 5.00%, maturing serially through 2037	115,540
Medical University of South Carolina institution bonds, 2.50% to 4.63%, maturing serially through 2040	44,780

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 Carolina	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
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	18,420	8,148	2,835	1,090
2029-2033	90,275	29,788	13,790	3,512
2034-2038	64,940	14,245	9,320	1,140
2039-2043	29,545	3,666	2,115	97
Total debt service requirements	**$ 268,930**	**$ 96,388**	**$ 38,945**	**$ 11,506**
Unamortized premiums	33,408		5,835	
Total principal outstanding	**$ 302,338**		**$ 44,780**	

	University of South Carolina	
Year Ending June 30	**Principal**	**Interest**
2024	$ 10,300	$ 4,252
2025	10,355	3,749
2026	10,915	3,232
2027	7,400	2,694
2028	7,760	2,332
2029-2033	38,330	6,823
2034-2037	19,325	1,226
Total debt service requirements	**$ 104,385**	**$ 24,308**
Unamortized premiums	11,155	
Total principal outstanding	**$ 115,540**	

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 $497.500 million were outstanding at June 30, 2023.

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, 2023 and December 31, 2022 (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 6.45%, maturing serially through 2056	$ 7,613,075	$ —
Clemson University bonds, 1.00% to 5.00%, maturing serially through 2053	500,170	40,233
University of South Carolina bonds and notes, 0.59% to 5.00%, maturing serially through 2052	622,948	638
Medical University of South Carolina bonds and notes, 2.25% to 5.00%, maturing serially through 2046	834,645	64,305
State Ports Authority bonds and notes, 0.92% to 5.25%, maturing serially through 2061	1,079,149	352,990
Housing Authority bonds, 0.25% to 5.50%, maturing serially through 2056	1,087,240	—

University Medical Associates

University Medical Associates of the Medical University of South Carolina (UMA) is a discretely presented component unit 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 Secured Overnight Financing Rate (SOFR). The interest rate swap agreement matures on July 1, 2037. The notional amount as of June 30, 2023 is $51.435 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 SOFR. The variable rate in effect at June 30, 2023 was 4.32%. The fair value of this swap, estimated using the zero-coupon method, was negative $1.260 million as of June 30, 2023. The negative fair value of the cash flow hedge swap has been recorded on the statement of net position. The decrease in the fair value of the cash flow hedge swap from June 30, 2023 of $1.920 million is recognized as investment loss in these financial statements.

As of June 30, 2023, 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
2024	$ 2,635	$ 1,998	$ (630)	$ 4,003
2025	2,745	1,879	(592)	4,032
2026	2,825	1,757	(554)	4,028
2027	2,925	1,631	(514)	4,042
2028	2,975	1,502	(473)	4,004
2029-2033	16,170	5,454	(1,719)	19,905
2034-2038	18,560	1,650	(520)	19,690
Totals	**$ 48,835**	**$ 15,871**	**$ (5,002)**	**$ 59,704**

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 Housing Authority ends June 30. At December 31, 2022, the carrying value of the Public Service Authority's debt was $6.886 billion while the fair value was approximately $6.700 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**
2023	$ 39,979	$ 337,191
2024	119,724	336,164
2025	330,743	330,994
2026	153,681	316,458
2027	153,058	309,503
2028-2032	989,902	1,430,798
2033-2037	1,144,868	1,192,327
2038-2042	1,106,942	918,439
2043-2047	1,240,683	634,406
2048-2052	1,260,266	317,119
2053-2056	565,905	51,813
Total debt service requirements	**$ 7,105,751**	**$ 6,175,212**
Unamortized discounts and premiums	507,324	
Total principal outstanding	**$ 7,613,075**	

	State Ports Authority		State Housing Authority	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2024	$ 30,796	$ 51,484	$ 114,955	$ 33,498
2025	44,168	50,379	23,620	36,061
2026	32,351	49,217	24,805	32,614
2027	33,552	48,079	20,165	31,856
2028	34,736	46,894	21,745	31,132
2029-2033	218,706	229,872	116,090	143,485
2034-2038	216,807	172,246	111,655	125,496
2039-2043	142,214	139,240	133,455	106,746
2044-2048	176,785	104,544	141,320	83,312
2049-2053	215,740	65,603	327,410	45,332
2054-2058	177,840	21,052	6,105	238
2059-2061	38,520	1,463	—	—
Total debt service requirements	**$ 1,362,215**	**$ 980,073**	**$ 1,041,325**	**$ 669,770**
Unamortized premiums and discounts	69,924		45,915	
Total principal outstanding	**$ 1,432,139**		**$ 1,087,240**	

Year Ending June 30	Clemson University Principal	Clemson University Interest	University of South Carolina Principal	University of South Carolina Interest
2024	$ 14,720	$ 19,328	$ 21,060	$ 24,330
2025	16,748	18,653	21,585	23,449
2026	14,955	17,955	21,721	22,514
2027	16,689	17,316	22,822	21,585
2028	16,486	16,596	21,557	20,466
2029-2033	93,379	72,989	120,788	85,495
2034-2038	112,790	55,158	115,965	56,182
2039-2043	123,480	33,525	78,385	31,861
2044-2048	81,845	10,780	63,035	15,334
2049-2053	23,210	2,250	36,170	3,126
Total debt service requirements	**$ 514,302**	**$ 264,550**	**$ 523,088**	**$ 304,342**
Unamortized discounts and premiums	26,101		100,498	
Total principal outstanding.....	**$ 540,403**		**$ 623,586**	

Year Ending June 30	Medical University of South Carolina Principal	Medical University of South Carolina Interest
2024	$ 82,338	$ 26,897
2025	50,246	24,598
2026	48,260	23,006
2027	49,838	21,427
2028	51,415	19,797
2029-2033	294,135	74,171
2034-2038	136,010	42,807
2039-2043	136,848	20,321
2044-2046	49,176	1,853
Total debt service requirements	**$ 898,266**	**$ 254,877**
Unamortized discounts and premiums	684	
Total principal outstanding.....	**$ 898,950**	

Defeased Bonds

At December 31, 2022, $189.261 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, 2023, the outstanding balance of bonds issued was $462.397 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, 2023, the outstanding balance of bonds issued after June 30, 1995, was $5.993 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, 2023 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The Public Service Authority has recorded a $118.246 million liability for commercial paper notes at its fiscal year ended December 31, 2022. The paper is issued for valid corporate purposes with terms not to exceed 120 days. The Authority has a $200.0 million revolving credit agreement to support the issuance of commercial paper. There were no borrowings under the agreement during 2022.

The University of South Carolina Educational Foundation, a discretely presented component unit of USC, has an unsecured revolving line of credit with a maximum borrowing limit of $20.0 million and bears interest at the Term SOFR (5.09% as of June 30, 2023) plus 1.0%. As of June 30, 2023, the line of credit had an outstanding balance of $3.153 million. Interest only payments are due monthly and the entire principal balance, along with any outstanding interest, is due on May 25, 2025.

f. Changes in Liabilities

	Balances at January 1, 2022	Increases	Decreases	Balances at December 31, 2022	Amounts Due Within One Year
Public Service Authority					
Policy claims	$ 1,589	$ 1,501	$ (406)	$ 2,684	$ 2,684
Revenue bonds payable	6,665,028	2,124,141	(1,683,418)	7,105,751	39,979
Unamortized discounts and premiums	407,565	195,558	(95,799)	507,324	—
Total revenue bonds payable	7,072,593	2,319,699	(1,779,217)	7,613,075	39,979
Compensated absences payable	21,333	3,599	(3,934)	20,998	—
Net pension liability	294,504	14,082	—	308,586	—
Net OPEB liability	189,328	14,489	—	203,817	—
Total long-term liabilities	$ 7,579,347	$ 2,353,370	$ (1,783,557)	$ 8,149,160	$ 42,663

	Balances at July 1, 2022 (as restated)	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
State Ports Authority					
Notes payable	$ 368,674	$ —	$ (15,684)	$ 352,990	$ 19,521
Revenue bonds payable	1,018,205	—	(8,980)	1,009,225	11,275
Unamortized discounts and premiums	72,540	—	(2,616)	69,924	—
Total revenue bonds payable	1,090,745	—	(11,596)	1,079,149	11,275
Leases payable	364	14,769	(1,412)	13,721	7,618
Subscription IT asset payable	1,580	987	(797)	1,770	820
Compensated absences payable	2,490	252	(158)	2,584	252
Net pension liability	119,759	58,629	—	178,388	—
Net OPEB liability	86,312	—	(26,233)	60,079	—
Total long-term liabilities	$ 1,669,924	$ 74,637	$ (55,880)	$ 1,688,681	$ 39,486

	Balances at July 1, 2022	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Housing Authority					
Revenue bonds payable	$ 765,620	$ 472,380	$ (196,675)	$ 1,041,325	$ 114,955
Unamortized discounts and premiums	39,652	8,640	(2,377)	45,915	—
Total revenue bonds payable	805,272	481,020	(199,052)	1,087,240	114,955
Compensated absences payable	879	980	(879)	980	588
Leases payable	446	4,305	(339)	4,412	325
Net pension liability	13,557	2,114	—	15,671	—
Net OPEB liability	16,385	—	(4,033)	12,352	—
Total long-term liabilities	$ 836,539	$ 488,419	$ (204,303)	$ 1,120,655	$ 115,868

	Balances at July 1, 2022 (as restated)	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Clemson University					
Notes payable	$ —	$ 40,233	$ —	$ 40,233	$ 325
General obligation bonds payable	284,625	—	(15,695)	268,930	15,260
Unamortized discounts and premiums	35,598	—	(2,190)	33,408	—
Total general obligation bonds payable	320,223	—	(17,885)	302,338	15,260
Revenue bonds payable	437,635	50,115	(13,681)	474,069	14,395
Unamortized discounts and premiums	24,011	3,399	(1,309)	26,101	—
Total revenue bonds	461,646	53,514	(14,990)	500,170	14,395
Leases payable	18,160	3,570	(4,442)	17,288	4,063
Subscription IT asset payable	34,076	14,624	(17,322)	31,378	9,749
Compensated absences payable	33,922	18,426	(16,931)	35,417	15,438
Net pension liability	646,105	79,829	—	725,934	—
Net OPEB liability	888,135	—	(237,867)	650,268	—
Total long-term liabilities	$ 2,402,267	$ 210,196	$ (309,437)	$ 2,303,026	$ 59,230

	Balances at July 1, 2022	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Medical University of South Carolina					
Notes payable	$ 70,063	$ —	$ (5,758)	$ 64,305	$ 37,696
General obligation bonds payable	41,985	—	(3,040)	38,945	3,170
Unamortized discounts and premiums	6,723	—	(888)	5,835	—
Total general obligation bonds payable	48,708	—	(3,928)	44,780	3,170
Revenue bonds payable	877,254	—	(43,293)	833,961	44,642
Unamortized discounts and premiums	880	—	(196)	684	—
Total revenue bonds	878,134	—	(43,489)	834,645	44,642
Leases payable	308,718	11,548	(49,291)	270,975	45,151
Subscription IT asset payable	—	14,948	(456)	14,492	3,025
Compensated absences payable	39,483	30,689	(28,733)	41,439	28,560
Net pension liability	1,504,225	315,244	—	1,819,469	—
Net OPEB liability	1,996,706	—	(468,120)	1,528,586	—
Total long-term liabilities	$ 4,846,037	$ 372,429	$ (599,775)	$ 4,618,691	$ 162,244

	Balances at July 1, 2022 (as restated)	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
Lottery Commission					
Compensated absences payable	$ 1,024	$ 714	$ (661)	$ 1,077	$ 657
Leases payable	1,247	—	(587)	660	609
Subscription IT asset payable	25,438	—	(3,823)	21,615	4,031
Net pension liability	15,165	1,234	—	16,399	—
Net OPEB liability	18,045	—	(5,329)	12,716	—
Total long-term liabilities	$ 60,919	$ 1,948	$ (10,400)	$ 52,467	$ 5,297

	Balances at July 1, 2022 (as restated)	Increases	Decreases	Balances at June 30, 2023	Amounts Due Within One Year
University of South Carolina					
Notes payable	$ 1,691	$ —	$ (1,053)	$ 638	$ 405
General obligation bonds payable	115,320	—	(10,935)	104,385	10,300
Unamortized discounts and premiums	12,823	—	(1,668)	11,155	—
Total general obligation bonds payable	128,143	—	(12,603)	115,540	10,300
Revenue bonds payable	539,160	—	(16,710)	522,450	20,655
Unamortized discounts and premiums	104,080	—	(3,582)	100,498	—
Total revenue bonds	643,240	—	(20,292)	622,948	20,655
Leases payable	39,312	4,082	(11,144)	32,250	10,828
Subscription IT asset payable	16,193	1,303	(7,857)	9,639	6,831
Compensated absences payable	36,803	36,672	(34,058)	39,417	36,657
Net pension liability	920,757	107,656	—	1,028,413	—
Net OPEB liability	1,267,111	—	(358,497)	908,614	—
Total long-term liabilities	$ 3,053,250	$ 149,713	$ (445,504)	$ 2,757,459	$ 85,676

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, 2023 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, 2022	Increases	Decreases	Balances at December 31, 2022
Public Service Authority				
Commercial paper notes	$ 120,832	$ 20,014	$ (22,600)	$ 118,246

	Balances at July 1, 2022	Increases	Decreases	Balances at June 30, 2023
Medical University of South Carolina				
Revenue anticipation notes	$ 80,000	$ —	$ (80,000)	$ —

	Balances at July 1, 2022	Increases	Decreases	Balances at June 30, 2023
University of South Carolina				
Line of credit	$ 5,438	$ 3,153	$ (5,438)	$ 3,153

g. 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, 2022, the trade guarantees are an amount not to exceed approximately $111.200 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 South Carolina Electric and Gas (became Dominion Energy on January 1, 2019), or SCE&G, are parties to a joint ownership agreement providing that the Authority and SCE&G own Unit 1 at the V.C. Summer Nuclear Station with undivided interests of 33.33% and 66.67%, respectively. SCE&G 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 SCE&G 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 SCE&G. On July 31, 2017 the Authority, along with SCE&G, 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 $17.700 million during the Authority's fiscal year ended December 31, 2022.

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, 2023.

Clemson University provided computer services and information systems development to other State agencies for a fee. These fees totaled $346 thousand and $30.459 million, respectively, for the fiscal year ended June 30, 2023.

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, 2022, as follows (expressed in thousands):

Customer	Revenue	Revenue
Central Electric Power Cooperative, Inc	$ 1,059,000	54%

No other customer accounted for more than 10% of the Authority's sales.

State Ports Authority

During the fiscal year ended June 30, 2023, of the State Ports Authority's total revenues, three customers accounted for approximately 13%, 13%, and 12% 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. In May 2022, the Ports Authority submitted notice to DHEC advising it that the Authority was withdrawing its permit application that was subject to the contested case proceeding. As a result of the notice, both parties jointly moved that the Court restore the case to the active docket and further stipulate to the dismissal of this contested case. In June 2022, the Court dismissed the case.

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. 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 appealed to the full NLRB board and the Ports Authority cross-appealed. On December 16, 2022, the three-member NLRB Board reversed the Administrative Law Judge's decision and ruled against the Ports Authority in a 2-1 decision. The Ports Authority appealed to the United States Court of Appeals for the Fourth Circuit on January 17, 2023. Oral argument was held before a three-judge panel of that Court on June 26, 2023, and on July 28, 2023, the panel ruled against the Ports Authority and affirmed the NLRB Board's decision in a 2-1 decision. The Ports Authority intends to continue to pursue legal recourse in this matter.

Purchase Commitments – Public Service Authority

At December 31, 2022, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling $381.854 million for coal. In addition, at December 31, 2022, the Authority had commitments for nuclear fuel and nuclear fuel conversion contracts of $77.000 million over the next nine years.

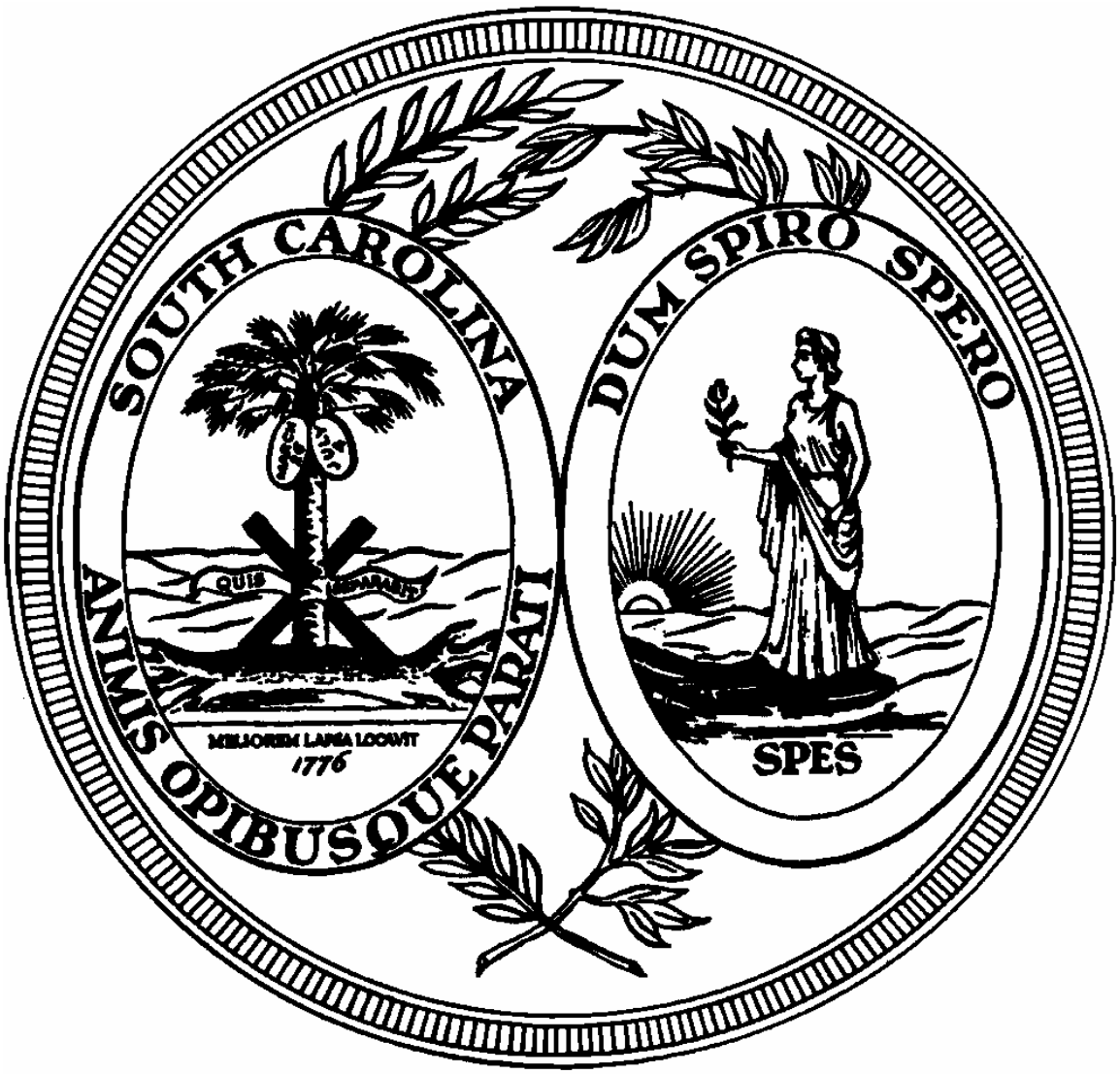
The Authority amended a service agreement to an approximate amount of $48.300 million. The agreement provides unplanned maintenance coverage, rotor replacement and auxiliary parts replacement in addition to a contract performance manager, initial spare parts, parts and services for specified planned maintenance outages, remote monitoring and diagnostics of the turbine generators and combustion tuning for the gas turbines. The contract term extends through 2027.

Purchase Commitments – Ports Authority

At June 30, 2023, the Ports Authority had construction commitments of approximately $333.036 million and non-construction commitments for property, plant and equipment of approximately $12.746 million.

Commitments to Provide Grants and Other Financial Assistance – The Housing Authority

The Housing Authority, a major discretely presented component unit, had commitments of $15.647 million from the Housing Trust Fund for affordable housing projects and developments as of June 30, 2023.


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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 have been recognized with corresponding expenditures or obligated to be expended before the December 31, 2021 deadline.

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, $2.493 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, $415.629 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 Activity

Subsequent to the fiscal year end, the State of South Carolina issued the following debt:

- On July 12, 2023, the University of South Carolina, a major discretely presented component unit, issued $20.015 million in higher education revenue refunding bonds, Series 2023.
- On August 29, 2023, the State Housing Authority, a major discretely presented component unit, issued $100.000 million in mortgage revenue bonds, Series 2023B.
- On October 13, 2023, the Medical University of South Carolina, a major discretely presented component unit, paid off its $33.000 million loan for the land and facilities for its Nexton Consolidated Service Center.
- As of November 30, 2023, the Public Service Authority, a major discretely presented component unit, borrowed an additional $219.600 million in its fiscal year ended December 31, 2023 in revolving credit and commercial paper agreements related to its Cook Exception Regulatory Asset.
- On December 14, 2023, the Public Service Authority, a major discretely presented component unit, defeased $62.600 million of its 2012 Taxable Improvement Series E, 2014 Taxable Refunding Series D, 2015 Tax-Exempt Refunding and Improvement Series A, and 2015 Tax-Exempt Refunding Series B Bonds.

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, 2023
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Regular sources				
Individual Income Tax	$ 4,879,896	$ 5,030,596	$ 4,990,139	$ (40,457)
Sales and Use Tax	3,852,456	4,504,576	4,660,079	155,503
Corporation Income Tax	560,448	782,083	1,262,222	480,139
Insurance Tax	345,761	352,379	366,246	13,867
Corporation License Tax	167,072	173,120	170,146	(2,974)
Documentary (Deed Stamp) Tax	102,878	118,042	123,218	5,176
Beer and Wine Tax	116,461	117,630	113,360	(4,270)
Alcoholic Liquors Tax	97,061	110,143	118,069	7,926
Other Source Revenues	16,581	15,383	25,673	10,290
Bank Tax	59,092	63,187	95,032	31,845
Earned on Investments	84,000	180,000	180,527	527
Admissions Tax	37,741	38,729	45,381	6,652
Security Dealer Fees	32,336	32,782	34,123	1,341
Tobacco Tax	27,693	29,070	27,765	(1,305)
Indirect Cost Recoveries	28,340	20,212	18,499	(1,713)
Public Service Authority Assessment	14,700	17,807	18,961	1,154
Unclaimed Property Fund Transfers	15,000	15,000	15,000	—
Business Filing Fees	10,839	12,315	12,608	293
Motor Vehicle Licenses	11,150	11,836	10,948	(888)
Workers' Compensation Insurance Tax	12,807	10,138	10,638	500
Private Rail Car Lines Tax	7,032	6,616	6,621	5
Uncashed Checks	—	—	—	—
Circuit and Family Court Fines	5,670	4,992	6,371	1,379
Record Search Fees	4,461	4,461	4,461	—
Purchasing Card Rebates	3,689	3,940	3,846	(94)
Parole and Probation Supervision Fees	3,393	3,393	3,393	—
Nursing Home Fees	3,174	3,092	3,129	37
Savings and Loan Tax	2,340	1,223	(326)	(1,549)
Aircraft Tax	—	—	—	—
Bingo Tax	—	—	—	—
Total revenues	**10,502,071**	**11,662,745**	**12,326,129**	**663,384**

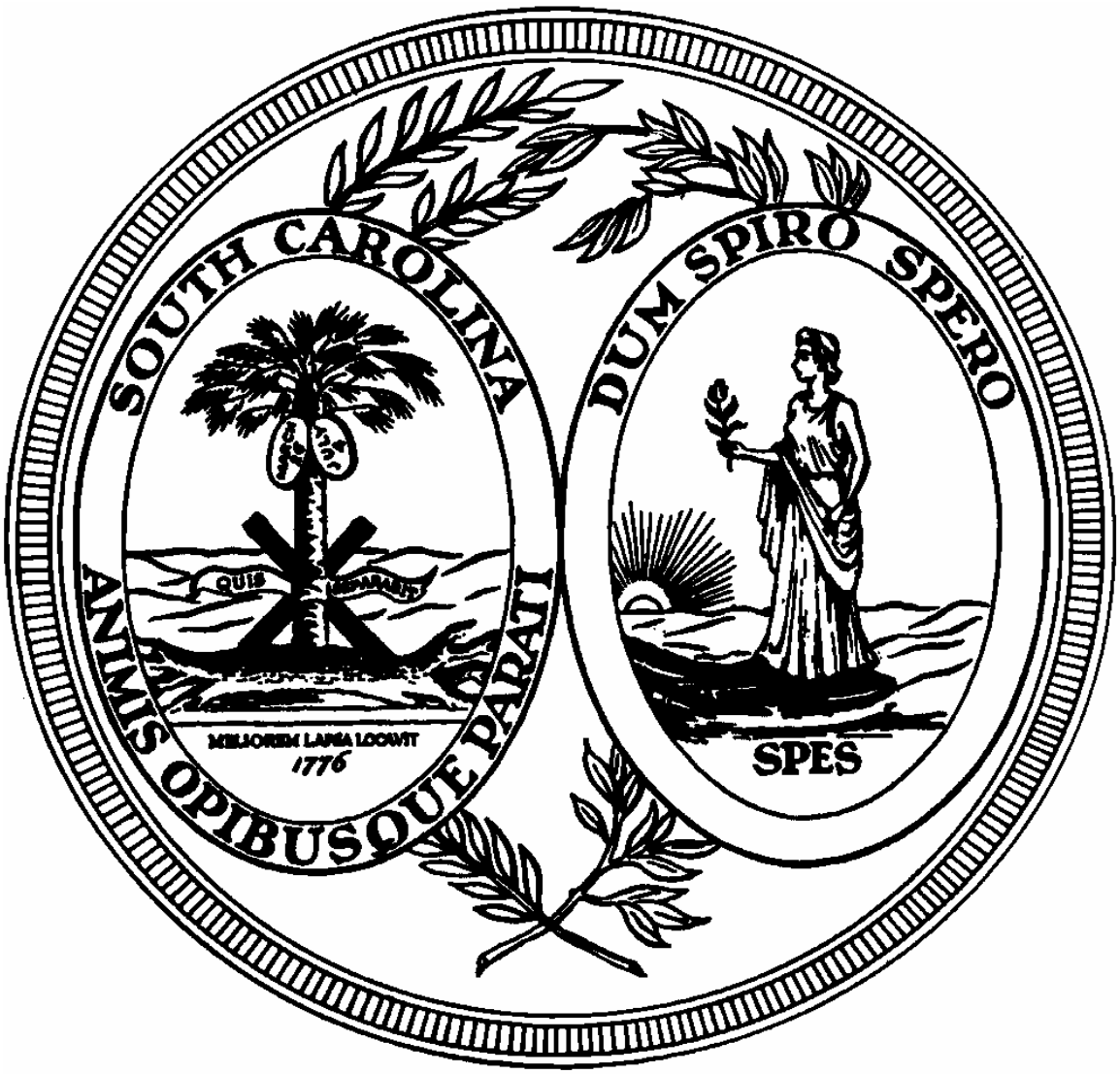
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Expenditures:				
Legislative	$ 35,607	$ 108,575	$ 69,402	$ 39,173
Judicial	171,673	144,318	125,496	18,822
Executive and administrative	359,639	865,595	504,104	361,491
Educational	4,744,652	6,010,799	5,243,378	767,421
Health	2,509,064	3,371,049	2,991,691	379,358
Social rehabilitation services	317,315	402,638	352,296	50,342
Correctional and public safety	740,093	1,453,802	1,297,280	156,522
Conservation, natural resources, and development	316,345	945,425	396,740	548,685
Regulatory	450,858	464,179	269,128	195,051
Transportation	4,947	6,691	5,644	1,047
Debt service	191,630	1,716,323	178,817	1,537,506
Aid to subdivisions	290,024	335,058	331,243	3,815
Total expenditures	**10,131,847**	**15,824,452**	**11,765,219**	**4,059,233**
Excess of revenues over (under) expenditures—budgetary basis	**370,224**	**(4,161,707)**	**560,910**	**4,722,617**
Fund balance, beginning — budgetary basis	**6,865,938**	**6,865,938**	**6,865,938**	**—**
Fund balance, ending — budgetary basis	**$ 7,236,162**	**$ 2,704,231**	**$ 7,426,848**	**$ 4,722,617**
Plus:				
Tax rebates remaining balance			**23,716**	
Litigation recovery account			**578,899**	
Less:				
Capital Reserve appropriation			**(183,584)**	
Taxpayer rebates			**(1,000,000)**	
Fund balance, ending — budgetary basis, after reservation			**$ 6,845,879**	

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, 2023
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Federal	$ —	$ —	$ —	$ —
Earmarked	7,465,563	7,572,776	5,896,723	(1,676,053)
Restricted	5,303,798	5,556,140	5,825,298	269,158
Total revenues	**12,769,361**	**13,128,916**	**11,722,021**	**(1,406,895)**
Expenditures:				
Legislative	2,793	9,307	8,109	1,198
Judicial	22,123	23,924	8,361	15,563
Executive and administrative	421,749	526,569	340,249	186,320
Educational	6,108,721	5,980,016	5,957,086	22,930
Health	2,114,320	2,156,075	1,159,541	996,534
Social rehabilitation services	154,627	166,793	2,763	164,030
Correctional and public safety	172,190	247,220	155,407	91,813
Conservation, natural resources, and development	246,282	279,643	188,266	91,377
Regulatory	189,285	1,173,346	1,119,754	53,592
Transportation	2,824,008	3,061,348	2,409,146	652,202
Total expenditures	**12,256,098**	**13,624,241**	**11,348,682**	**2,275,559**
Excess of revenues over (under) expenditures—budgetary basis	**513,263**	**(495,325)**	**373,339**	**868,664**
Fund balance at beginning of year—budgetary basis	**9,241,850**	**9,241,850**	**9,241,850**	**—**
Fund balance at end of year—budgetary basis	**$ 9,755,113**	**$ 8,746,525**	**$ 9,615,189**	**$ 868,664**

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 2022-23 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, but is accessible through the Comptroller General's website at: https://cg.sc.gov/financial-reports/annual-comprehensive-financial-reports-acfrs/fy-2022-2023.

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.

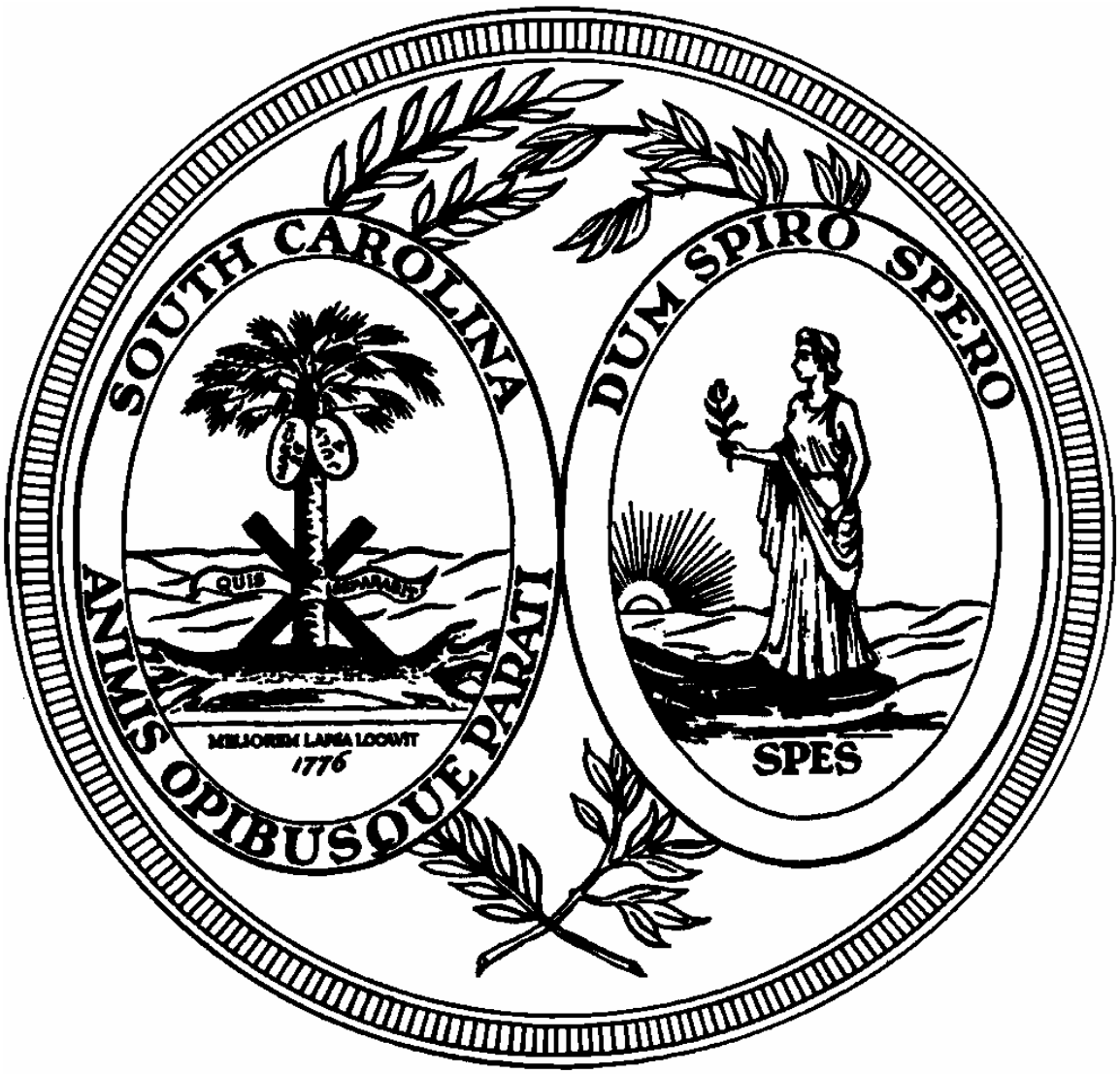
(iv) Certain non-cash activity, such as food stamp benefits, is recorded as revenue and expenditure in the fiscal year in which the resources are distributed to the beneficiaries.

(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, 2023, 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	$ 560,910	$ —	$ —	$ —
Perspective differences:				
Other Budgeted Funds net increase (decrease) allocated among the State's major governmental GAAP funds	(166,079)	64,724	8,892	—
Basis of accounting differences	2,790	77,703	93,055	654,043
Entity differences	14,665	7,187	—	—
Net increase (decrease) in fund balance—GAAP basis	**$ 412,286**	**$ 149,614**	**$ 101,947**	**$ 654,043**


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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, 2023
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina Retirement System	**2023**	**2022**	**2021**	**2020**
State's Proportion of the Net Pension Liability	12.03%	12.47%	12.54%	12.75%
State's Proportionate Share of the Net Pension Liability	$ 2,917,526	$ 2,699,303	$ 3,203,359	$ 2,910,713
State Covered Payroll	$ 1,183,193	$ 1,173,557	$ 1,133,366	$ 1,101,602
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	246.58%	230.01%	282.64%	264.23%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.10%	60.70%	50.70%	54.40%
PORS - South Carolina Police Officers Retirement System				
State's Proportion of the Net Pension Liability	25.34%	26.57%	27.46%	28.24%
State's Proportionate Share of the Net Pension Liability	$ 759,998	$ 683,623	$ 910,737	$ 809,373
State Covered Payroll	$ 354,014	$ 379,401	$ 370,843	$ 364,884
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	214.68%	180.18%	245.59%	221.82%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.40%	70.40%	58.80%	62.70%

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.

2019	2018	2017	2016	2015	2014
12.96%	13.05%	12.94%	12.87%	12.70%	12.70%
$ 2,905,027	$ 2,938,212	$ 2,763,455	$ 2,441,249	$ 2,185,979	$ 2,277,364
$ 1,079,349	$ 1,021,083	$ 954,763	$ 973,471	$ 958,913	$ 943,177
269.15%	287.75%	289.44%	250.78%	227.96%	241.46%
54.10%	53.30%	52.91%	56.99%	59.92%	56.39%
29.17%	28.97%	28.88%	30.05%	30.37%	30.37%
$ 826,613	$ 793,572	$ 732,637	$ 654,937	$ 581,343	$ 629,487
$ 337,092	$ 328,193	$ 316,491	$ 337,916	$ 338,025	$ 325,628
245.22%	241.80%	231.49%	193.82%	171.98%	193.31%
61.70%	60.90%	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, 2023
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina Retirement System

	2023	2022	2021	2020
Contractually Required Contribution	$ 259,762	$ 227,385	$ 209,454	$ 207,694
Contributions in Relation to the Contractually Required Contribution	(259,762)	(227,385)	(209,454)	(207,694)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 1,198,730	$ 1,183,193	$ 1,173,557	$ 1,133,366
Contributions as a Percentage of Covered Payroll	21.67%	19.22%	17.85%	18.33%

PORS - South Carolina Police Officers Retirement System

Contractually Required Contribution	$ 90,439	$ 73,378	$ 69,088	$ 71,887
Contributions in Relation to the Contractually Required Contribution	(90,439)	(73,378)	(69,088)	(71,887)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 363,341	$ 354,014	$ 379,401	$ 370,843
Contributions as a Percentage of Covered Payroll	24.89%	20.73%	18.21%	19.38%

2019	2018	2017	2016	2015	2014
$ 186,054	$ 168,903	$ 152,191	$ 131,856	$ 130,062	$ 122,348
(186,054)	(168,903)	(152,191)	(131,856)	(130,062)	(122,348)
$ —	$ —	$ —	$ —	$ —	$ —
$ 1,101,602	$ 1,079,349	$ 1,021,083	$ 954,763	$ 973,471	$ 958,913
16.89%	15.65%	14.90%	13.81%	13.36%	12.76%
$ 66,834	$ 61,790	$ 55,534	$ 50,546	$ 49,915	$ 46,907
(66,834)	(61,790)	(55,534)	(50,546)	(49,915)	(46,907)
$ —	$ —	$ —	$ —	$ —	$ —
$ 364,884	$ 337,092	$ 328,193	$ 316,491	$ 337,916	$ 338,025
18.32%	18.33%	16.92%	15.97%	14.77%	13.88%

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

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 6,308	$ 6,279	$ 5,956	$ 6,329	$ 5,804
Contributions in Relation to the Contractually Required Contribution	(6,308)	(6,279)	(5,956)	(6,329)	(5,804)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 1,204	$ 1,249	$ 1,570	$ 1,570	$ 1,866
Contributions as a Percentage of Covered Payroll	523.92%	502.72%	379.36%	403.12%	311.04%

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:	6 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	None
Investment Rate of Return:	7.00%, 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.

2018	2017	2016	2015	2014
$ 5,428	$ 4,539	$ 4,501	$ 4,275	$ 4,063
(5,428)	(4,539)	(4,501)	(4,275)	(4,063)
$ —	$ —	$ —	$ —	$ —
$ 1,961	$ 2,316	$ 2,338	$ 2,383	$ 2,688
276.80%	195.98%	192.51%	179.40%	151.15%

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

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	$ 275	$ 364	$ 358	$ 440	$ 464
Interest	4,815	4,937	5,003	5,149	5,200
Difference Between Actual and Expected Experience	(420)	379	60	(1,135)	138
Assumption Changes	—	1,386	—	—	—
Benefit Payments	(6,348)	(6,315)	(6,348)	(6,515)	(6,468)
Net Change in Total Pension Liability	(1,678)	751	(927)	(2,061)	(666)
Total Pension Liability - Beginning	71,825	71,074	72,001	74,062	74,728
Total Pension Liability - Ending (a)	$ 70,147	$ 71,825	$ 71,074	$ 72,001	$ 74,062
Plan Fiduciary Net Position					
Contributions - Employer	$ 6,279	$ 5,956	$ 6,329	$ 5,804	$ 5,428
Contributions - Member	164	184	222	162	287
Refunds of Contributions to Members	—	(77)	—	(17)	—
Retirement Benefits	(6,332)	(6,222)	(6,323)	(6,480)	(6,452)
Death Benefits	(16)	(16)	(25)	(18)	(16)
Net Investment Income (Loss)	(1,045)	9,444	(443)	1,887	2,376
Administrative Expense	(23)	(23)	(18)	(20)	(18)
Other	(206)	(45)	—	—	—
Net Change in Plan Fiduciary Net Position	(1,179)	9,201	(258)	1,318	1,605
Plan Fiduciary Net Position - Beginning	43,655	34,454	34,712	33,394	31,789
Plan Fiduciary Net Position - Ending (b)	$ 42,476	$ 43,655	$ 34,454	$ 34,712	$ 33,394
Net Pension Liability - Ending (a) - (b)	$ 27,671	$ 28,170	$ 36,620	$ 37,289	$ 40,668
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.55%	60.78%	48.48%	48.21%	45.09%
Covered Payroll	$ 1,249	$ 1,570	$ 1,570	$ 1,866	$ 1,961
Net Pension Liability as a Percentage of Covered Payroll	2215.45%	1794.27%	2332.48%	1998.34%	2073.84%

* - The State implemented GASB 68 in fiscal year 2015, which changed prior calculations of the total pension liabilities. As such, only the last nine years' information is available.

2018	2017	2016	2015
$ 488	$ 493	$ 553	$ 572
5,293	5,301	5,380	5,437
(348)	798	(294)	(2,585)
2,330	—	—	—
(6,737)	(6,656)	(6,660)	(6,861)
1,026	(64)	(1,021)	(3,437)
73,702	73,766	74,787	78,224
$ 74,728	$ 73,702	$ 73,766	$ 74,787
$ 4,539	$ 4,501	$ 4,275	$ 4,063
468	292	369	384
—	(22)	—	(41)
(6,678)	(6,625)	(6,639)	(6,799)
(59)	(9)	(21)	(20)
3,329	(266)	500	4,545
(17)	(18)	(18)	(17)
19	(147)	(18)	15
1,601	(2,294)	(1,552)	2,130
30,188	32,482	34,034	31,904
$ 31,789	$ 30,188	$ 32,482	$ 34,034
$ 42,939	$ 43,514	$ 41,284	$ 40,753
42.54%	40.96%	44.03%	45.51%
$ 2,316	$ 2,338	$ 2,383	$ 2,688
1854.02%	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

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 23,064	$ 22,477	$ 22,000	$ 21,998	$ 11,730
Contributions in Relation to the Contractually Required Contribution	(23,064)	(22,477)	(22,000)	(21,998)	(11,730)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 32,037	$ 31,104	$ 30,346	$ 30,346	$ 22,347
Contributions as a Percentage of Covered Payroll	71.99%	72.26%	72.50%	72.49%	52.49%

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:	26 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	3.00%
Investment Rate of Return:	7.00%, 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.

2018	2017	2016	2015	2014
$ 11,043	$ 10,534	$ 10,202	$ 10,109	$ 9,659
(11,043)	(10,534)	(10,202)	(10,109)	(9,659)
$ —	$ —	$ —	$ —	$ —
$ 22,347	$ 21,958	$ 21,267	$ 18,138	$ 20,407
49.42%	47.97%	47.97%	55.73%	47.33%

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

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	$ 9,515	$ 8,718	$ 8,919	$ 6,645	$ 6,521
Interest	30,554	29,199	28,154	21,737	21,271
Benefit Changes	—	—	—	—	—
Difference Between Actual and Expected Experience	(249)	4,000	3,262	80,801	(3,548)
Assumption Changes	—	17,439	—	—	—
Benefit Payments	(26,099)	(25,941)	(25,673)	(17,950)	(17,811)
Net Change in Total Pension Liability	13,721	33,415	14,662	91,233	6,433
Total Pension Liability - Beginning	444,782	411,367	396,705	305,472	299,039
Total Pension Liability - Ending (a)	$ 458,503	$ 444,782	$ 411,367	$ 396,705	$ 305,472
Plan Fiduciary Net Position					
Contributions - Employer	$ 19,577	$ 19,100	$ 19,098	$ 11,730	$ 11,043
Contributions - Nonemployer	2,900	2,900	2,900	—	—
Contributions - Member	3,012	3,587	4,966	2,840	3,016
Refunds of Contributions to Members	—	—	(182)	—	—
Retirement Benefits	(26,089)	(25,746)	(25,301)	(17,947)	(17,655)
Death Benefits	(10)	(195)	(190)	(3)	(156)
Net Investment Income (Loss)	(5,202)	47,659	(2,361)	9,183	11,723
Administrative Expense	(114)	(109)	(86)	(92)	(86)
Other	(83)	237	563	96	—
Net Change in Plan Fiduciary Net Position	(6,009)	47,433	(593)	5,807	7,885
Plan Fiduciary Net Position - Beginning	212,683	165,250	165,843	160,036	152,151
Plan Fiduciary Net Position - Ending (b)	$ 206,674	$ 212,683	$ 165,250	$ 165,843	$ 160,036
Net Pension Liability - Ending (a) - (b)	$ 251,829	$ 232,099	$ 246,117	$ 230,862	$ 145,436
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	45.08%	47.82%	40.17%	41.81%	52.39%
Covered Payroll	$ 31,104	$ 30,346	$ 30,346	$ 22,347	$ 22,347
Net Pension Liability as a Percentage of Covered Payroll	809.64%	764.84%	811.04%	1033.08%	650.81%

* - The State implemented GASB 68 in fiscal year 2015, which changed prior calculations of the total pension liabilities. As such, only the last nine years' information is available.

2018	2017	2016	2015
$ 6,186	$ 5,886	$ 5,760	$ 5,571
20,404	20,022	19,440	18,857
—	—	666	—
(995)	(3,085)	(1,138)	(3,240)
13,790	—	—	—
(18,602)	(17,191)	(16,836)	(16,684)
20,783	5,632	7,892	4,504
278,256	272,624	264,732	260,228
$ 299,039	$ 278,256	$ 272,624	$ 264,732
$ 10,534	$ 10,202	$ 10,109	$ 9,659
—	—	—	—
2,928	2,303	3,153	2,448
(629)	(60)	—	—
(17,679)	(16,989)	(16,832)	(16,675)
(293)	(143)	(4)	(10)
16,399	(871)	2,216	19,962
(79)	(75)	(71)	(68)
253	(3)	286	195
11,434	(5,636)	(1,143)	15,511
140,717	146,353	147,496	131,985
$ 152,151	$ 140,717	$ 146,353	$ 147,496
$ 146,888	$ 137,539	$ 126,271	$ 117,236
50.88%	50.57%	53.68%	55.72%
$ 21,958	$ 21,267	$ 18,138	$ 20,407
668.95%	646.72%	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

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 3,984	$ 4,405	$ 5,188	$ 5,262	$ 5,290
Contributions in Relation to the Contractually Required Contribution	(5,290)	(5,290)	(5,290)	(5,290)	(5,290)
Contribution Deficiency/(Excess)	$ (1,306)	$ (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:	15 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	N/A
Investment Rate of Return:	7.00%, 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.

2018	2017	2016	2015	2014
$ 4,814	$ 4,509	$ 4,570	$ 4,591	$ 4,586
(4,814)	(4,591)	(4,591)	(4,591)	(4,586)
$ —	$ (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	**2023**	**2022**	**2021**	**2020**	**2019**
Total Pension Liability					
Service Cost	$ 791	$ 696	$ 805	$ 786	$ 804
Interest	4,654	4,754	4,731	4,764	4,743
Difference Between Actual and Expected Experience	(59)	(960)	(627)	(1,501)	(767)
Assumption Changes	—	971	—	—	—
Benefit Payments	(4,607)	(4,574)	(4,514)	(4,534)	(4,411)
Net Change in Total Pension Liability	779	887	395	(485)	369
Total Pension Liability - Beginning	68,388	67,501	67,106	67,591	67,222
Total Pension Liability - Ending (a)	$ 69,167	$ 68,388	$ 67,501	$ 67,106	$ 67,591
Plan Fiduciary Net Position					
Contributions - Employer	$ 5,290	$ 5,290	$ 5,290	$ 5,290	$ 4,814
Retirement Benefits	(4,607)	(4,574)	(4,514)	(4,534)	(4,411)
Net Investment Income (Loss)	(878)	7,996	(352)	1,616	1,902
Administrative Expense	(22)	(20)	(15)	(16)	(14)
Net Change in Plan Fiduciary Net Position	(217)	8,692	409	2,356	2,291
Plan Fiduciary Net Position - Beginning	39,784	31,092	30,683	28,327	26,036
Plan Fiduciary Net Position - Ending (b)	$ 39,567	$ 39,784	$ 31,092	$ 30,683	$ 28,327
Net Pension Liability - Ending (a) - (b)	$ 29,600	$ 28,604	$ 36,409	$ 36,423	$ 39,264
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.21%	58.17%	46.06%	45.72%	41.91%
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 nine years' information is available.

2018	2017	2016	2015
$ 696	$ 689	$ 690	$ 697
4,589	4,594	4,481	4,417
(843)	(992)	612	(262)
4,161	—	—	—
(4,426)	(4,310)	(4,249)	(4,248)
4,177	(19)	1,534	604
63,045	63,064	61,530	60,926
$ 67,222	$ 63,045	$ 63,064	$ 61,530
$ 4,591	$ 4,591	$ 4,591	$ 4,586
(4,425)	(4,310)	(4,249)	(4,248)
2,533	(121)	313	2,806
(13)	(12)	(11)	(10)
2,686	148	644	3,134
23,350	23,202	22,558	19,424
$ 26,036	$ 23,350	$ 23,202	$ 22,558
$ 41,186	$ 39,695	$ 39,862	$ 38,972
38.73%	37.04%	36.79%	36.66%
N/A	N/A	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

	2023	2022	2021	2020
State's Proportion of the Net OPEB Liability	19.28%	20.07%	20.31%	20.73%
State's Proportionate Share of the Net OPEB Liability	$ 2,932,247	$ 4,178,384	$ 3,665,881	$ 3,134,761
State Covered Payroll	$ 2,103,956	$ 1,902,583	$ 1,919,893	$ 1,830,287
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.64%	7.48%	8.39%	8.44%

* - The State implemented GASB 75 in fiscal year 2018, which changed prior calculations of the total OPEB liabilities. As such, only the last seven years' information is available.

2019	2018	2017
20.92%	20.95%	20.95%
$ 2,964,579	$ 2,837,273	$ 3,030,783
$ 1,804,721	$ 1,767,564	$ 1,704,840
7.91%	7.60%	6.62%

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

	2023	2022	2021	2020
Contractually Required Contribution	$ 121,009	$ 112,594	$ 118,591	$ 146,271
Contributions in Relation to the Contractually Required Contribution	(121,009)	(112,594)	(118,591)	(146,271)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 2,103,956	$ 1,902,583	$ 1,919,893	$ 1,830,287
Contributions as a Percentage of Covered Payroll	5.75%	5.92%	6.18%	7.99%

2019	2018	2017	2016	2015	2014
$ 133,157	$ 102,826	$ 166,834	$ 157,065	$ 156,653	$ 163,194
(133,157)	(102,826)	(102,887)	(95,903)	(119,745)	(99,102)
$ —	$ —	$ 63,947	$ 61,162	$ 36,908	$ 64,092
$ 1,804,721	$ 1,767,564	$ 1,704,840	N/A	N/A	N/A
7.38%	5.82%	6.03%	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*

LTDITF - The Long Term Disability Insurance Trust Fund

	2023	2022	2021	2020	2019
State's Proportion of the Net OPEB Liability	16.71%	17.68%	17.91%	18.55%	21.98%
State's Proportionate Share of the Net OPEB Liability	$ 1,938	$ 562	$ 54	$ 365	$ 673
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	75.04%	92.84%	99.29%	95.17%	92.20%

* - The State implemented GASB 75 in fiscal year 2018, which changed prior calculations of the total OPEB liabilities. As such, only the last seven years' information is available.

	2018	2017
	21.71%	21.98%
	$ 394	$ 151
	95.29%	95.29%

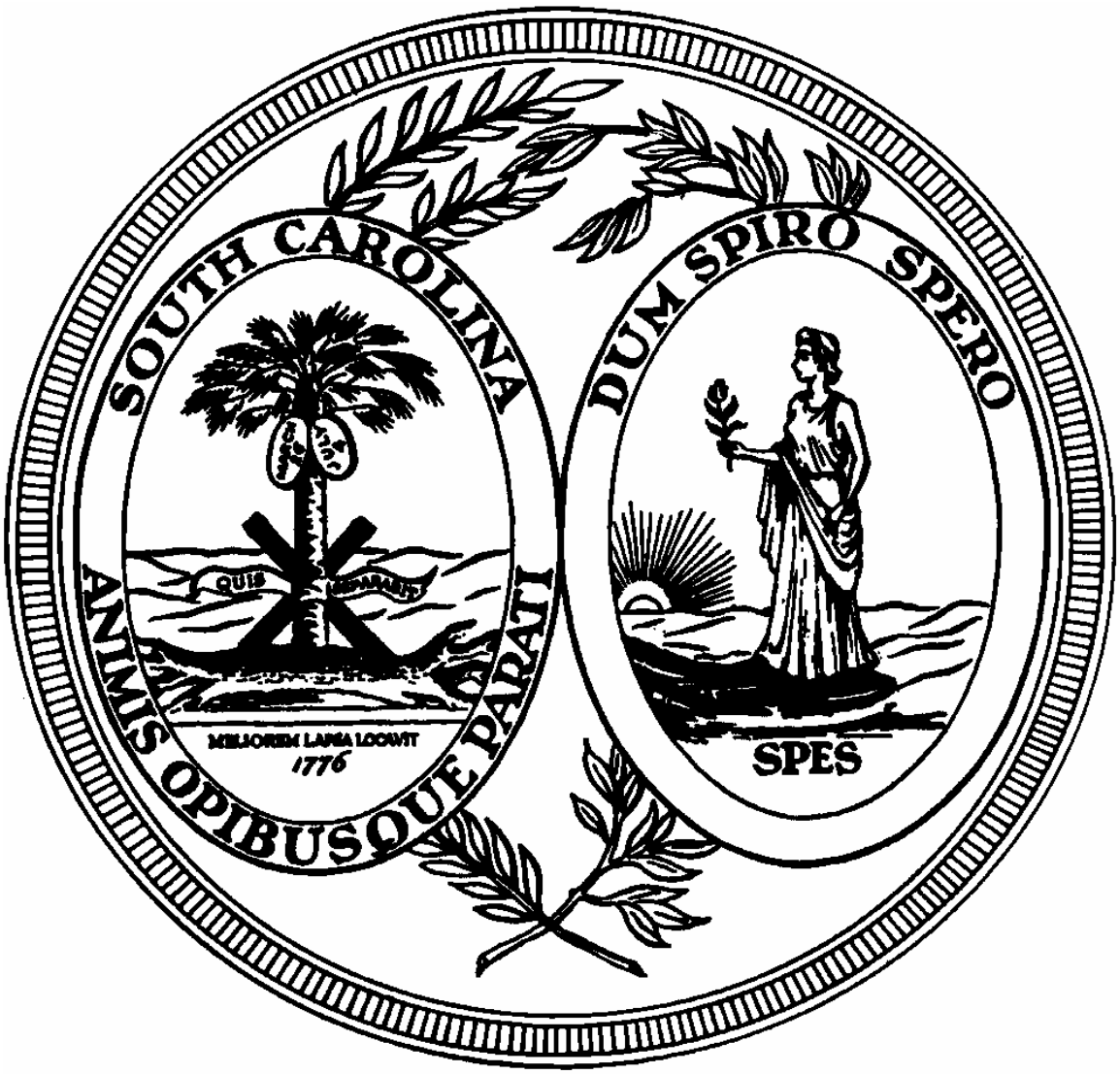
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's LTDITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2023	2022	2021	2020	2019
Contractually Required Contribution	$ 1,276	$ 1,339	$ 1,357	$ 1,402	$ 1,656
Contributions in Relation to the Contractually Required Contribution	(1,276)	(1,339)	(1,357)	(1,402)	(1,656)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —

2018	2017	2016	2015	2014
$ 1,976	$ 2,918	$ 2,845	$ 2,256	$ 1,574
(1,658)	(1,669)	(1,547)	(1,520)	(1,508)
$ 318	$ 1,249	$ 1,298	$ 736	$ 66


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

S U P P L E M E N T A R Y
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.

The *Discretionary Opioid Settlement Fund* accounts for certain funds in the South Carolina Opioid Recovery Fund that are distributed by the South Carolina Opioid Recovery Fund Board in its discretion to qualified applicants for approved abatement strategies.

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, 2023
(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	$ 19,775	$ 262,152	$ 16,112	$ 5,133	$ 13,181	$ 5,876
Investments	173,915	118,277	294,260	—	151,699	8,578
Invested securities lending collateral	5,898	4,011	9,977	—	5,145	291
Receivables, net:						
Accounts	—	—	—	—	—	—
Accrued interest	2,021	1,070	4,143	—	1,792	103
Sales and other taxes	275	171,042	—	—	—	610
Loans and notes	2,437	—	—	—	—	—
Due from Federal government and other grantors	—	—	—	—	—	—
Due from other funds	55	—	—	—	45,740	—
Due from component units	—	—	48,659	—	—	—
Restricted assets:						
Other	—	—	—	36,500	—	—
Prepaid items	—	—	527	—	—	3
Total assets	**$ 204,376**	**$ 556,552**	**$ 373,678**	**$ 41,633**	**$ 217,557**	**$ 15,461**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	1,770	1	2,775	23	—	103
Accrued salaries and related expenditures	73	—	73	—	—	23
Retainages payable	—	—	—	—	—	—
Tax refunds payable	6	—	—	—	—	—
Intergovernmental payables	887	335,782	9	—	—	—
Due to other funds	124	1,289	176	—	—	36
Due to component units	—	—	23,027	—	—	—
Unearned revenues	—	—	—	—	—	—
Securities lending collateral	5,898	4,011	9,977	—	5,145	291
Total liabilities	**8,758**	**341,083**	**36,037**	**23**	**5,145**	**453**
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	—	—	—	—	—	2,695
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**	**2,695**
Fund balances:						
Nonspendable	—	—	527	—	—	3
Restricted	195,618	215,469	337,114	41,610	396,215	12,219
Committed	—	—	—	—	3,361	—
Assigned	—	—	—	—	—	91
Unassigned	—	—	—	—	(187,164)	—
Total fund balances	**195,618**	**215,469**	**337,641**	**41,610**	**212,412**	**12,313**
Total liabilities and fund balances	**$ 204,376**	**$ 556,552**	**$ 373,678**	**$ 41,633**	**$ 217,557**	**$ 15,461**

Exhibit D-1

					PERMANENT				
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ 10,757	$ 81,290	$ 414,276	$ 164,326	$ 537	$ 1,367	$ 555	$ 2,459	$ 581,061
—	66,191	812,920	40,652	350	15,763	8,484	24,597	878,169
135	2,207	27,664	1,378	20	535	189	744	29,786
—	31	31	5	—	—	2	2	38
—	739	9,868	413	3	65	95	163	10,444
—	528	172,455	—	—	—	—	—	172,455
—	—	2,437	—	—	—	—	—	2,437
—	—	—	854	—	—	—	—	854
—	11	45,806	266	—	—	—	—	46,072
—	—	48,659	6,900	—	—	—	—	55,559
—	—	36,500	—	—	—	—	—	36,500
—	11	541	—	—	—	—	—	541
$ 10,892	**$ 151,008**	**$ 1,571,157**	**$ 214,794**	**$ 910**	**$ 17,730**	**$ 9,325**	**$ 27,965**	**$ 1,813,916**
$ —	928	5,600	4,599	—	—	3	3	10,202
6	216	391	—	—	—	5	5	396
—	—	—	1,877	—	—	—	—	1,877
—	—	6	—	—	—	—	—	6
—	4,264	340,942	—	—	—	—	—	340,942
—	104	1,729	17,030	—	—	19	19	18,778
—	—	23,027	4,920	—	—	—	—	27,947
—	—	—	193,893	—	—	—	—	193,893
135	2,207	27,664	1,378	20	535	189	744	29,786
141	**7,719**	**399,359**	**223,697**	**20**	**535**	**216**	**771**	**623,827**
—	—	2,695	—	—	—	—	—	2,695
—	**—**	**2,695**	**—**	**—**	**—**	**—**	**—**	**2,695**
—	11	541	—	568	7,895	3,179	11,642	12,183
9,514	84,710	1,292,469	3,615	322	9,300	5,930	15,552	1,311,636
—	57,614	60,975	—	—	—	—	—	60,975
1,237	954	2,282	—	—	—	—	—	2,282
—	—	(187,164)	(12,518)	—	—	—	—	(199,682)
10,751	**143,289**	**1,169,103**	**(8,903)**	**890**	**17,195**	**9,109**	**27,194**	**1,187,394**
$ 10,892	**$ 151,008**	**$ 1,571,157**	**$ 214,794**	**$ 910**	**$ 17,730**	**$ 9,325**	**$ 27,965**	**$ 1,813,916**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2023
(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:						
Retail sales and use	$ 3,113	$ 1,593,850	$ —	$ —	$ —	$ —
Other	9	—	—	—	—	—
Licenses, fees, and permits	5,894	—	—	—	—	44,229
Interest and other investment income	5,704	2,726	9,423	120	2,730	276
Federal	—	—	—	—	—	—
Departmental services	4,397	—	—	—	—	—
Contributions	—	—	598,259	—	—	—
Fines and penalties	—	—	—	—	1,907	—
Tobacco legal settlement	—	—	—	75,499	—	—
Opioid legal settlement	—	—	—	—	—	—
Other	2,773	—	18,090	—	—	(202)
Total revenues	**21,890**	**1,596,576**	**625,772**	**75,619**	**4,637**	**44,303**
Expenditures:						
Current:						
General government	1,822	—	12,500	2,047	5,150	43,986
Education	—	—	513,761	—	—	—
Health and environment	2,068	—	19	—	30,260	—
Social services	—	—	2	—	—	—
Administration of justice	—	—	1	—	—	—
Resources and economic development	—	—	—	—	—	—
Capital outlay	58	—	6,910	—	—	81
Debt service:						
Principal retirement	—	—	728	—	—	27
Interest and fiscal charges	—	—	108	—	—	1
Intergovernmental	6,815	1,630,938	25,557	—	—	—
Total expenditures	**10,763**	**1,630,938**	**559,586**	**2,047**	**35,410**	**44,095**
Excess of revenues over (under) expenditures	**11,127**	**(34,362)**	**66,186**	**73,572**	**(30,773)**	**208**
Other financing sources (uses):						
Leases	—	—	508	—	—	81
Transfers in	10,131	—	—	—	77,091	—
Transfers out	(524)	—	(30,993)	(77,092)	(2,028)	—
Total other financing sources (uses)	**9,607**	**—**	**(30,485)**	**(77,092)**	**75,063**	**81**
Net change in fund balances	**20,734**	**(34,362)**	**35,701**	**(3,520)**	**44,290**	**289**
Fund balances at beginning of year	**174,884**	**249,831**	**301,940**	**45,130**	**168,122**	**12,024**
Fund balances at end of year	**$ 195,618**	**$ 215,469**	**$ 337,641**	**$ 41,610**	**$ 212,412**	**$ 12,313**

Exhibit D-2

				PERMANENT				
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ —	$ —	$ 1,596,963	$ —	$ —	$ —	$ —	$ —	$ 1,596,963
—	5,119	5,128	—	—	—	—	—	5,128
—	18,924	69,047	—	—	—	851	851	69,898
73	1,865	22,917	175	6	143	(56)	93	23,185
—	466	466	127,769	—	—	—	—	128,235
—	37,622	42,019	80	—	—	—	—	42,099
—	117	598,376	—	39	—	1	40	598,416
—	6,308	8,215	—	—	—	—	—	8,215
—	—	75,499	—	—	—	—	—	75,499
10,690	—	10,690	—	—	—	—	—	10,690
—	—	20,661	2,768	112	13,066	—	13,178	36,607
10,763	**70,421**	**2,449,981**	**130,792**	**157**	**13,209**	**796**	**14,162**	**2,594,935**
—	30,704	96,209	194,627	2	—	—	2	290,838
—	—	513,761	—	—	8,809	—	8,809	522,570
12	—	32,359	—	—	—	—	—	32,359
—	—	2	—	112	—	—	112	114
—	4,146	4,147	—	—	—	—	—	4,147
—	72	72	—	—	—	172	172	244
—	123	7,172	205,265	—	—	—	—	212,437
—	71	826	—	—	—	—	—	826
—	2	111	22	—	—	—	—	133
—	43,516	1,706,826	—	—	—	—	—	1,706,826
12	**78,634**	**2,361,485**	**399,914**	**114**	**8,809**	**172**	**9,095**	**2,770,494**
10,751	**(8,213)**	**88,496**	**(269,122)**	**43**	**4,400**	**624**	**5,067**	**(175,559)**
—	108	697	—	—	—	—	—	697
—	20,491	107,713	490,284	—	—	—	—	597,997
—	(672)	(111,309)	(419,416)	—	—	—	—	(530,725)
—	**19,927**	**(2,899)**	**70,868**	**—**	**—**	**—**	**—**	**67,969**
10,751	**11,714**	**85,597**	**(198,254)**	**43**	**4,400**	**624**	**5,067**	**(107,590)**
—	**131,575**	**1,083,506**	**189,351**	**847**	**12,795**	**8,485**	**22,127**	**1,294,984**
$ 10,751	**$ 143,289**	**$ 1,169,103**	**$ (8,903)**	**$ 890**	**$ 17,195**	**$ 9,109**	**$ 27,194**	**$ 1,187,394**

General Reserve Fund Activity

Exhibit D-3

BUDGETARY GENERAL FUND

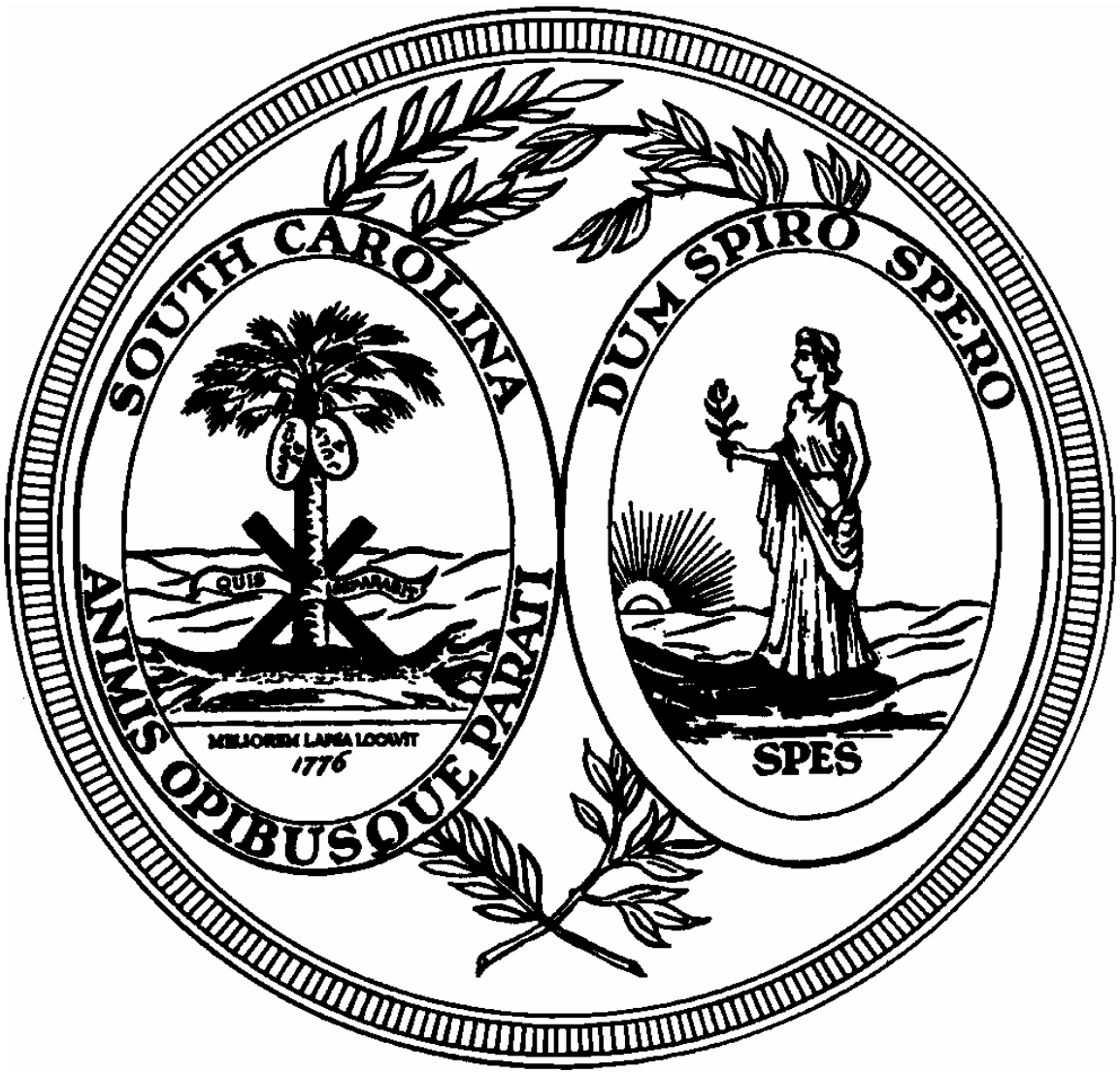
Last Ten Fiscal Years

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
2023	$ 458,961	$ 116,324	$ —	$ 575,285	$ 522,987	110%
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%


SOUTH CAROLINA
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1776
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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, 2023
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,701	$ 157	$ 60,639
Investments	—	31,011	—
Invested securities lending collateral	—	—	30
Receivables, net:			
Accounts	16	142	6,367
Participants	—	2	—
Accrued interest	—	—	11
Leases	—	—	—
Due from other funds	—	—	—
Inventories	1,395	—	478
Prepaid items	—	—	440
Total current assets	4,112	31,312	67,965
Long-term assets:			
Receivables, net:			
Leases	—	—	—
Restricted assets:			
Cash and cash equivalents	—	—	12
Non-depreciable capital assets	—	—	341,504
Depreciable capital assets, net	290	—	17,360
Total long-term assets	290	—	358,876
Total assets	**4,402**	**31,312**	**426,841**
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	407	—	984
Other post-employment benefits related	685	—	2,576
Total deferred outflows of resources	**$ 1,092**	**$ —**	**$ 3,560**

Exhibit E-1

Other Enterprise	Totals
$ 24,155	$ 87,652
35	31,046
1	31
234	6,759
—	2
—	11
298	298
2	2
—	1,873
1	441
24,726	128,115
433	433
—	12
498	342,002
1,406	19,056
2,337	361,503
27,063	**489,618**
2,583	3,974
4,349	7,610
$ 6,932	**$ 11,584**

Continued on Next Page

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2023
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
LIABILITIES			
Current liabilities:			
Accounts payable	$ 1	$ 8	$ 2,433
Accrued salaries and related expenses	128	—	930
Accrued interest payable	—	—	115
Retainages payable	—	—	97
Intergovernmental payables	—	—	—
Interfund payables	—	—	51,000
Tuition benefits payable	—	7,994	—
Due to other funds	63	—	—
Unearned revenues	—	—	266
Deposits	—	—	300
Securities lending collateral	—	—	30
Liabilities payable from restricted assets:			
Revenue bonds payable	—	—	225
Compensated absences payable	88	—	248
Other current liabilities	—	—	12
Total current liabilities	280	8,002	55,656
Long-term liabilities:			
Tuition benefits payable	—	18,649	—
Notes payable	—	—	6,500
Revenue bonds payable	—	—	4,345
Compensated absences payable	74	—	46
Net pension liability	2,549	—	10,764
Net OPEB liability	2,034	—	8,501
Total long-term liabilities	4,657	18,649	30,156
Total liabilities	**4,937**	**26,651**	**85,812**
DEFERRED INFLOWS OF RESOURCES			
Pension related	164	—	722
Other post-employment benefits related	1,043	—	4,355
Lease related	—	—	—
Total deferred inflows of resources	**1,207**	**—**	**5,077**
NET POSITION			
Net investment in capital assets	$ 290	$ —	$ 347,794
Unrestricted	(940)	4,661	(8,282)
Total net position (deficit)	**$ (650)**	**$ 4,661**	**$ 339,512**

Exhibit E-1

Other Enterprise	Totals
$ 812	$ 3,254
983	2,041
—	115
—	97
1	1
—	51,000
—	7,994
2,468	2,531
—	266
—	300
1	31
—	225
735	1,071
—	12
5,000	68,938
—	18,649
—	6,500
—	4,345
617	737
16,164	29,477
12,899	23,434
29,680	83,142
34,680	**152,080**
1,044	1,930
6,617	12,015
624	624
8,285	**14,569**
$ 1,904	$ 349,988
(10,874)	(15,435)
$ (8,970)	**$ 334,553**

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
Operating revenues:			
Charges for services	$ 25,474	$ —	$ 24,372
Contributions	—	59	—
Licenses, fees, and permits	—	—	—
Other operating revenues	—	—	153
Total operating revenues	**25,474**	**59**	**24,525**
Operating expenses:			
General operations and administration	20,962	327	14,056
Tuition plan disbursements	—	7,800	—
Depreciation and amortization	106	—	1,318
Other operating expenses	—	—	—
Total operating expenses	**21,068**	**8,127**	**15,374**
Operating income (loss)	**4,406**	**(8,068)**	**9,151**
Nonoperating revenues (expenses):			
Interest income	—	9,956	473
Interest expense	—	—	(171)
Capital contributions	—	—	40,058
Net other nonoperating revenues (expenses)	—	—	1,210
Gains (losses) on sale of capital assets	—	—	5,222
Total nonoperating revenues	**—**	**9,956**	**46,792**
Income (loss) before transfers	**4,406**	**1,888**	**55,943**
Transfers and contributions:			
Federal capital grants and contracts	—	—	2,492
Transfers out	(8,349)	—	—
Change in net position	**(3,943)**	**1,888**	**58,435**
Net position (deficit), at beginning of year	**3,293**	**2,773**	**281,077**
Net position (deficit) at end of year	**$ (650)**	**$ 4,661**	**$ 339,512**

Exhibit E-2

Other Enterprise	Totals
$ 2,506	$ 52,352
—	59
19,451	19,451
—	153
21,957	**72,015**
10,428	45,773
—	7,800
307	1,731
127	127
10,862	**55,431**
11,095	**16,584**
9	10,438
—	(171)
7	40,065
41	1,251
(3)	5,219
54	**56,802**
11,149	**73,386**
—	2,492
(1,887)	(10,236)
9,262	**65,642**
(18,232)	**268,911**
$ (8,970)	**$ 334,553**

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers	$ 25,475	$ —	$ 25,053	$ 22,300
Tuition plan contributions received	—	189	—	—
Claims and benefits paid	—	(17,189)	—	—
Payments to suppliers for goods and services	(19,611)	(329)	(6,728)	(1,405)
Payments to employees	(1,707)	—	(9,197)	(14,657)
Capital grants and gifts received	—	—	40,058	—
Other operating cash receipts	—	228	—	533
Other operating cash payments	—	(228)	—	(494)
Net cash provided by (used in) operating activities	**4,157**	**(17,329)**	**49,186**	**6,277**
Cash flows from noncapital financing activities:				
Rental income cash receipts	—	—	5,108	—
Industrial development costs	—	—	(355)	—
Transfers out	(8,349)	—	—	(1,887)
Net cash provided by (used in) noncapital financing activities	**(8,349)**	**—**	**4,753**	**(1,887)**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(10)	—	(45,367)	(143)
Proceeds from capital grants	—	—	2,492	—
Principal payments on capital debt	—	—	(118)	—
Interest payments on capital debt	—	—	(195)	—
Proceeds from sale or disposal of capital assets	—	—	3,693	1
Net cash provided by (used in) capital and related financing activities	**(10)**	**—**	**(39,495)**	**(142)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	—	6,654	—	5
Purchase of investments	—	—	—	(5)
Interest and dividends on investments	—	9,956	468	9
Net cash provided by (used in) investing activities	**—**	**16,610**	**468**	**9**
Net increase (decrease) in cash and cash equivalents	**(4,202)**	**(719)**	**14,912**	**4,257**
Cash and cash equivalents at beginning of year	**6,903**	**876**	**45,739**	**19,898**
Cash and cash equivalents at end of year	**$ 2,701**	**$ 157**	**$ 60,651**	**$ 24,155**

Exhibit E-3

Totals	
$	72,828
	189
	(17,189)
	(28,073)
	(25,561)
	40,058
	761
	(722)
	42,291
	5,108
	(355)
	(10,236)
	(5,483)
	(45,520)
	2,492
	(118)
	(195)
	3,694
	(39,647)
	6,659
	(5)
	10,433
	17,087
	14,248
	73,416
$	**87,664**

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2023
(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)	$ 4,406	$ (8,068)	$ 9,151	$ 11,095
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	106	—	1,318	307
Realized gains and losses on sale of assets	—	—	—	(3)
Interest and dividends on investments and interfund loans	—	—	—	9
Other nonoperating revenues	—	—	40,058	39
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	129	468	346
Due from other funds	—	—	(4)	—
Inventories	214	—	61	—
Other assets	1	—	41	—
Deferred outflows	(66)	—	988	1,747
Accounts payable	(342)	(2)	(1,227)	408
Accrued salaries and related expenses	(38)	—	(477)	70
Tuition benefits payable	—	(9,388)	—	—
Due to other funds	(15)	—	—	1,917
Unearned revenues	—	—	266	—
Compensated absences payable	(101)	—	(81)	42
Other liabilities	(659)	—	(3,343)	(12,371)
Deferred inflows	651	—	1,967	2,671
Net cash provided by (used in) operating activities	**$ 4,157**	**$ (17,329)**	**$ 49,186**	**$ 6,277**
Noncash capital, investing, and financing activities:				
Decrease in fair value of investments	$ —	$ 2,651	$ —	$ —

Exhibit E-3

	Totals
$	16,584
	1,731
	(3)
	9
	40,097
	943
	(4)
	275
	42
	2,669
	(1,163)
	(445)
	(9,388)
	1,902
	266
	(140)
	(16,373)
	5,289
$	**42,291**
$	2,651

Combining Statement of Net Position

INTERNAL SERVICE FUNDS

June 30, 2023
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
ASSETS				
Current assets:				
Cash and cash equivalents	$ 16,041	$ 563,922	$ 365,851	$ 29,884
Investments	—	—	—	2,601
Invested securities lending collateral	9,613	12,122	11,301	88
Receivables, net:				
Accounts	29,624	217,144	76,287	790
Accrued interest	3,161	18	3,959	31
Leases	—	—	—	—
Due from other funds	25,244	—	—	5,506
Due from component units	17,466	—	—	10
Inventories	—	—	—	688
Prepaid items	37,575	208	702	221
Total current assets	138,724	793,414	458,100	39,819
Long-term assets:				
Investments	553,868	—	—	—
Accounts receivable, net	—	—	—	—
Leases receivable	—	—	—	—
Prepaid items	—	—	—	168
Other long-term assets	—	—	113	—
Non-depreciable capital assets	—	—	1,053	6,339
Depreciable capital assets, net	—	66	2,612	60,465
Total long-term assets	553,868	66	3,778	66,972
Total assets	**692,592**	**793,480**	**461,878**	**106,791**
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	640	3,610	1,174	3,246
Other post-employment benefits related	1,229	3,380	2,468	5,467
Total deferred outflows of resources	**$ 1,869**	**$ 6,990**	**$ 3,642**	**$ 8,713**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 16,426	$ 3,619	$ 1,888	$ 997,631
—	—	1,949	4,550
—	—	—	33,124
1,262	860	8	325,975
—	—	—	7,169
—	—	9	9
1,588	528	26	32,892
9	—	—	17,485
—	3,413	—	4,101
—	—	—	38,706
19,285	8,420	3,880	1,461,642
—	—	—	553,868
—	35	—	35
—	—	19	19
—	—	—	168
—	—	—	113
—	—	—	7,392
32,719	3,838	918	100,618
32,719	3,873	937	662,213
52,004	**12,293**	**4,817**	**2,123,855**
277	912	—	9,859
468	1,538	—	14,550
$ 745	**$ 2,450**	**$ —**	**$ 24,409**

Continued on Next Page

Combining Statement of Net Position

INTERNAL SERVICE FUNDS (Continued)

June 30, 2023
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
LIABILITIES				
Current liabilities:				
Accounts payable	$ 50	$ —	$ 294	$ 6,276
Accrued salaries and related expenses	332	914	401	1,159
Accrued interest payable	—	—	—	—
Intergovernmental payables	—	—	—	70
Policy claims	354,366	319,452	55,963	—
Due to other funds	—	—	—	703
Unearned revenues	128,328	26,689	78,979	4,951
Deposits	—	—	9	—
Securities lending collateral	9,613	12,122	11,301	88
Notes payable	—	—	—	—
Leases payable	—	—	268	5,128
Compensated absences payable	186	804	193	889
Other current liabilities	—	—	2,487	—
Total current liabilities	492,875	359,981	149,895	19,264
Long-term liabilities:				
Policy claims	—	—	234,422	—
Interfund payables	—	—	—	142
Leases payable	—	—	2,176	8,729
Compensated absences payable	70	454	34	672
Other long-term liabilities	—	—	147	—
Net pension liability	5,153	14,501	6,182	20,317
Net OPEB liability	4,098	11,353	4,809	16,213
Total long-term liabilities	9,321	26,308	247,770	46,073
Total liabilities	**502,196**	**386,289**	**397,665**	**65,337**
DEFERRED INFLOWS OF RESOURCES				
Pension related	72	63	559	1,313
Other post-employment benefits related	1,877	5,181	2,849	8,316
Lease related	—	—	—	—
Total deferred inflows of resources	**1,949**	**5,244**	**3,408**	**9,629**
NET POSITION				
Net investment in capital assets	$ —	$ 66	$ 1,221	$ 52,947
Restricted:				
Expendable:				
Insurance programs	190,316	408,871	63,226	—
Unrestricted	—	—	—	(12,409)
Total net position (deficit)	**$ 190,316**	**$ 408,937**	**$ 64,447**	**$ 40,538**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 5,969	$ 320	$ —	$ 12,909
90	740	—	3,636
—	1	—	1
1	1	—	72
—	—	—	729,781
98	199	—	1,000
—	—	—	238,947
—	—	—	9
—	—	—	33,124
—	142	—	142
—	—	360	5,756
61	217	—	2,350
—	—	—	2,487
6,219	1,620	360	1,030,214
—	—	—	234,422
—	—	—	142
—	—	504	11,409
46	164	—	1,440
—	—	—	147
1,739	5,714	—	53,606
1,388	4,560	—	42,421
3,173	10,438	504	343,587
9,392	**12,058**	**864**	**1,373,801**
112	369	—	2,488
712	2,339	—	21,274
—	—	28	28
824	**2,708**	**28**	**23,790**
$ 32,719	$ 3,696	$ 54	$ 90,703
—	—	—	662,413
9,814	(3,719)	3,871	(2,443)
$ 42,533	**$ (23)**	**$ 3,925**	**$ 750,673**

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Operating revenues:				
Charges for services	$ 203,402	$ 3,053,540	$ 71,238	$ 69,156
Licenses, fees, and permits	—	—	—	138
Other operating revenues	—	785,015	—	—
Total operating revenues	**203,402**	**3,838,555**	**71,238**	**69,294**
Operating expenses:				
General operations and administration	68,244	288,777	5,699	56,079
Benefits and claims	141,395	3,524,494	57,712	—
Depreciation and amortization	—	53	375	11,708
Other operating expenses	—	—	22	166
Total operating expenses	**209,639**	**3,813,324**	**63,808**	**67,953**
Operating income (loss)	**(6,237)**	**25,231**	**7,430**	**1,341**
Nonoperating revenues (expenses):				
Interest income	(435)	11,469	9,288	70
Contributions	—	—	—	5
Interest expense	—	—	(42)	(711)
Net other nonoperating revenues (expenses)	1	—	26	5,226
Losses on sale of capital assets	—	—	—	(12)
Total nonoperating revenues (expenses)	**(434)**	**11,469**	**9,272**	**4,578**
Income (loss) before transfers	**(6,671)**	**36,700**	**16,702**	**5,919**
Transfers and contributions:				
Transfers in	—	—	—	9,135
Transfers out	(1,215)	—	—	(7,645)
Change in net position	**(7,886)**	**36,700**	**16,702**	**7,409**
Net position (deficit), at beginning of year	**198,202**	**372,237**	**47,745**	**33,129**
Net position (deficit) at end of year	**$ 190,316**	**$ 408,937**	**$ 64,447**	**$ 40,538**

Exhibit E-5

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 43,842	$ 15,991	$ 16,959	$ 3,474,128
155	—	—	293
—	—	—	785,015
43,997	**15,991**	**16,959**	**4,259,436**
28,735	16,307	13,828	477,669
—	121	—	3,723,722
10,831	561	760	24,288
—	1	178	367
39,566	**16,990**	**14,766**	**4,226,046**
4,431	**(999)**	**2,193**	**33,390**
—	—	(21)	20,371
—	—	—	5
(6)	(6)	(6)	(771)
6,033	1,815	—	13,101
(139)	—	—	(151)
5,888	**1,809**	**(27)**	**32,555**
10,319	**810**	**2,166**	**65,945**
127	98	—	9,360
(2,281)	(21)	—	(11,162)
8,165	**887**	**2,166**	**64,143**
34,368	**(910)**	**1,759**	**686,530**
$ 42,533	**$ (23)**	**$ 3,925**	**$ 750,673**

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Cash flows from operating activities:				
Receipts from customers	$ 165,910	$ 3,825,943	$ 8,966	$ —
Internal activity–payments from other funds	42,877	—	61,487	55,441
Other operating cash receipts	41	—	26	22,295
Claims paid	(118,260)	—	(49,008)	—
Payments to suppliers for goods and services	(71,577)	(3,754,371)	(1,248)	(38,157)
Payments to employees	(4,008)	(10,939)	(4,971)	(19,798)
Other operating cash payments	(40)	—	—	(6,495)
Net cash provided by (used in) operating activities	**14,943**	**60,633**	**15,252**	**13,286**
Cash flows from noncapital financing activities:				
Receipt of interest from other funds	—	—	—	—
Transfers in	—	—	—	9,135
Transfers out	(1,215)	—	—	(7,645)
Net cash used in noncapital financing activities	**(1,215)**	**—**	**—**	**1,490**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	(41)	(1,077)	(19,625)
Proceeds from issuance of capital debt	—	—	—	16,839
Principal payments on capital debt	—	—	(255)	(5,796)
Interest payments on capital debt	—	—	(45)	(3,764)
Proceeds from sale or disposal of capital assets	—	—	—	1,656
Net cash used in capital and related financing activities	**—**	**(41)**	**(1,377)**	**(10,690)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	89,264	—	—	—
Purchase of investments	(102,529)	—	—	(128)
Interest on investments	10,471	11,462	—	55
Realized loss on investments	3,283	—	7,475	—
Net cash provided by (used in) investing activities	**489**	**11,462**	**7,475**	**(73)**
Net increase (decrease) in cash and cash equivalents	**14,217**	**72,054**	**21,350**	**4,013**
Cash and cash equivalents at beginning	**1,824**	**491,868**	**344,501**	**25,871**
Cash and cash equivalents at end of year	**$ 16,041**	**$ 563,922**	**$ 365,851**	**$ 29,884**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ —	$ 16,887	$ —	$ 4,017,706
42,906	—	16,968	219,679
34	3,331	—	25,727
—	—	—	(167,268)
(23,250)	(6,551)	(4,527)	(3,899,681)
(1,589)	(12,300)	(9,487)	(63,092)
(31)	(1,516)	—	(8,082)
18,070	**(149)**	**2,954**	**124,989**
—	—	60	60
127	98	—	9,360
(2,281)	(21)	—	(11,162)
(2,154)	**77**	**60**	**(1,742)**
(23,452)	(46)	(1,677)	(45,918)
—	135	1,217	18,191
(1,339)	(273)	(353)	(8,016)
(5)	(7)	(6)	(3,827)
6,685	—	—	8,341
(18,111)	**(191)**	**(819)**	**(31,229)**
—	—	—	89,264
—	—	(2,030)	(104,687)
—	—	—	21,988
—	—	—	10,758
—	**—**	**(2,030)**	**17,323**
(2,195)	**(263)**	**165**	**109,341**
18,621	**3,882**	**1,723**	**888,290**
$ 16,426	**$ 3,619**	**$ 1,888**	**$ 997,631**

Continued on Next Page

Combining Statement of Cash Flows

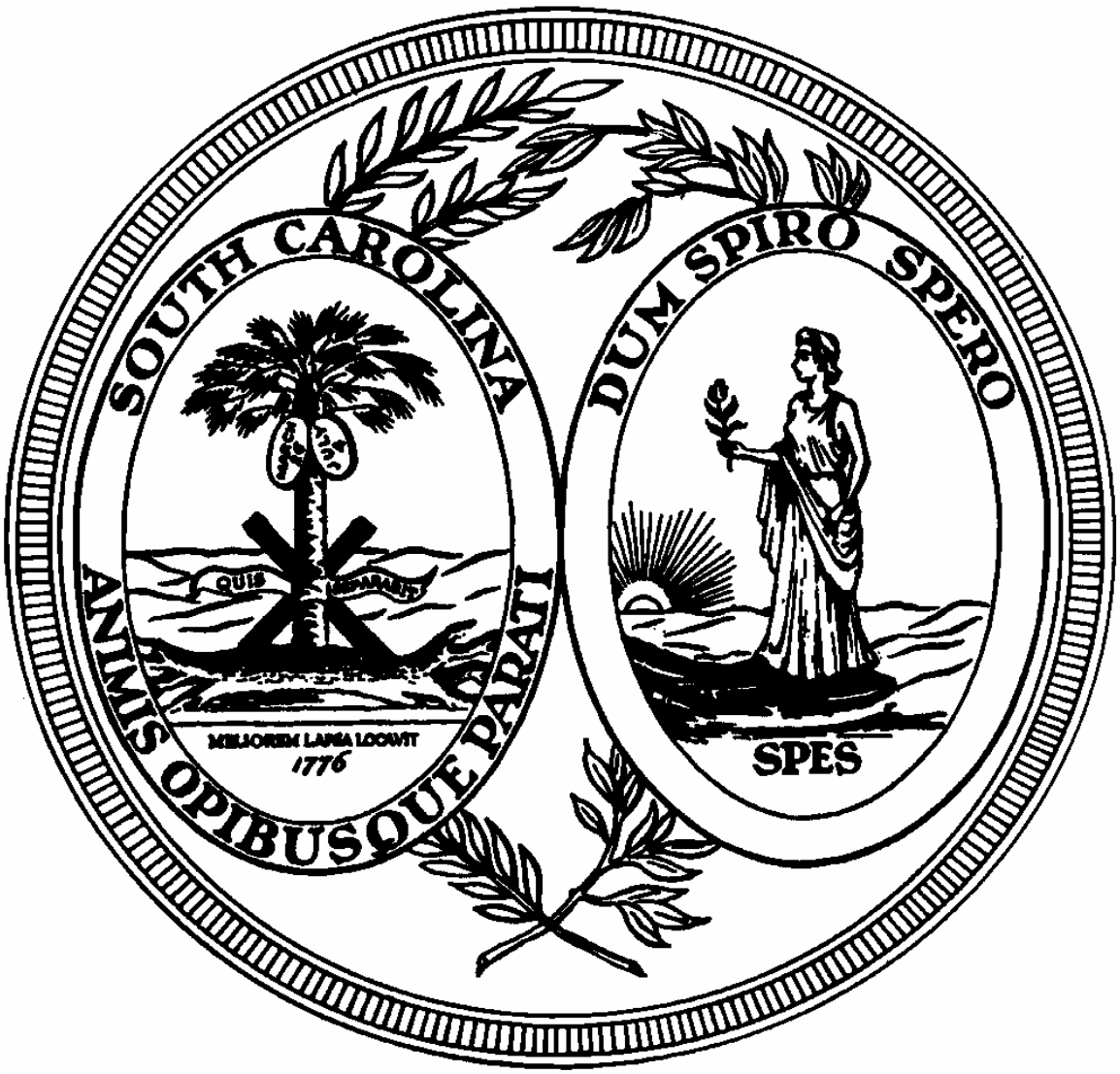
INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2023
(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)	$ (6,237)	$ 25,231	$ 7,430	$ 1,341
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	53	375	11,708
Realized losses on sale of assets	—	—	—	(12)
Other nonoperating revenues	1	—	26	17,129
Other nonoperating expenses	—	—	—	(1,329)
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	(19,824)	(16,172)	(1,015)
Due from other funds	(7,821)	550	32	237
Inventories	—	—	—	(44)
Other assets	(7,600)	(24)	(658)	461
Deferred outflows	196	304	1,016	(85)
Accounts payable	37	—	(39)	235
Accrued salaries and related expenses	4	62	33	153
Policy claims	23,136	48,180	8,679	—
Due to other funds	—	—	—	(1,157)
Unearned revenues	13,206	6,664	15,755	415
Compensated absences payable	(3)	17	(6)	136
Other liabilities	(604)	(2,760)	(2,999)	(19,779)
Deferred inflows	628	2,180	1,780	4,892
Net cash provided by (used in) operating activities	**$ 14,943**	**$ 60,633**	**$ 15,252**	**$ 13,286**
Noncash capital, investing, and financing activities:				
Disposal of capital assets	$ —	$ —	$ —	$ 3,418
Decrease in fair value of investments	(14,855)	—	—	—
Total noncash capital, investing, and financing activities	**$ (14,855)**	**$ —**	**$ —**	**$ 3,418**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 4,431	$ (999)	$ 2,193	$ 33,390
10,831	561	760	24,288
(139)	—	—	(151)
3	1,815	—	18,974
—	—	—	(1,329)
(798)	598	—	(37,211)
(146)	495	10	(6,643)
—	(1,092)	—	(1,136)
—	—	—	(7,821)
54	32	—	1,517
4,549	(382)	—	4,400
(8)	(315)	—	(71)
—	—	—	79,995
(265)	(88)	(9)	(1,519)
—	—	—	36,040
(6)	24	—	162
(813)	(2,136)	—	(29,091)
377	1,338	—	11,195
$ 18,070	**$ (149)**	**$ 2,954**	**$ 124,989**
$ 12,014	$ 92	$ —	$ 15,524
—	—	—	(14,855)
$ 12,014	**$ 92**	**$ —**	**$ 669**


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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 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.

Guaranteed Political Subdivision Opioid Recovery Fund. This fund accounts for certain funds in the South Carolina Opioid Recovery Fund guaranteed to participating political subdivisions. These funds are distributed by the South Carolina Opioid Recovery Fund Board to qualified applicants for approved abatement strategies.

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

Education Capital Improvements. This fund accounts for the Horry County Education Capital Improvements Sales and Use Tax, which is collected by the South Carolina Department of Revenue within Horry County, transferred to the State Treasurer's Office, and then distributed to Horry County.

Other Custodial Funds. These 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, 2023
(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	$ 2,246,289	$ 434,124	$ 5,675	$ 19,562	$ 9,162
Receivables:					
Contributions	348,225	45,162	5	1,194	4
Accrued interest	27,000	5,090	46	198	57
Unsettled investment sales	189,858	35,419	238	1,199	202
Other investment receivables	445	83	1	3	—
Total receivables	565,528	85,754	290	2,594	263
Due from other trust funds	—	307	—	—	—
Investments, at fair value:					
Short-term investments and opportunistic	120,151	22,415	150	760	127
Debt-domestic	1,574,960	293,815	1,975	9,952	1,673
Equity-international	14,841,207	2,768,688	18,614	93,779	15,760
Alternatives	15,840,140	2,955,043	19,866	100,092	16,822
Financial and other	—	—	—	—	—
Total investments	32,376,458	6,039,961	40,605	204,583	34,382
Invested securities lending collateral	1,443	269	2	9	2
Capital assets, net	1,613	169	5	7	—
Total assets	**35,191,331**	**6,560,584**	**46,577**	**226,755**	**43,809**
LIABILITIES					
Accounts payable	2,645	473	3	16	3
Accounts payable–unsettled investment purchases	761,506	142,083	955	4,812	809
Policy claims	—	—	—	—	—
Due to other trust funds	84,337	1,648	—	—	—
Securities lending collateral	38,762	7,231	49	245	41
Other liabilities	17,119	3,224	10	52	13
Total liabilities	**904,369**	**154,659**	**1,017**	**5,125**	**866**
NET POSITION					
Restricted for pension benefits	$ 34,286,962	$ 6,405,925	$ 45,560	$ 221,630	$ 42,943
Restricted for other post-employment benefits	—	—	—	—	—
Held in trust for pension and other post-employment benefits	**$ 34,286,962**	**$ 6,405,925**	**$ 45,560**	**$ 221,630**	**$ 42,943**

Exhibit F-1

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 90,920	$ 1,251	$ 2,806,983
—	—	394,590
9,656	241	42,288
—	—	226,916
—	—	532
9,656	241	664,326
85,678	—	85,985
—	—	143,603
1,266,325	27,279	3,175,979
—	—	17,738,048
—	—	18,931,963
206,678	4,510	211,188
1,473,003	31,789	40,200,781
51,679	729	54,133
—	—	1,794
1,710,936	**34,010**	**43,814,002**
—	—	3,140
—	—	910,165
—	719	719
—	—	85,985
52,784	745	99,857
—	—	20,418
52,784	**1,464**	**1,120,284**
$ —	$ —	$ 41,003,020
1,658,152	32,546	1,690,698
$ 1,658,152	**$ 32,546**	**$ 42,693,718**

Combining Statement of Changes in Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2023
(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	$ 2,133,735	$ 342,457	$ 6,308	$ 20,164	$ 5,290
Employee	1,035,919	179,072	155	4,236	—
Nonemployer	88,706	12,470	—	2,900	—
Total contributions	3,258,360	533,999	6,463	27,300	5,290
Investment income:					
Interest income and net depletion in investments	2,715,421	507,011	3,604	17,785	3,198
Securities lending income	549	102	—	4	1
Total investment income	2,715,970	507,113	3,604	17,789	3,199
Less investment expense:					
Investment expense	398,686	74,279	498	2,517	423
Securities lending expense	—	—	—	—	—
Net investment income	2,317,284	432,834	3,106	15,272	2,776
Assets moved between pension trust funds	135	2,120	—	191	—
Total additions	**5,575,779**	**968,953**	**9,569**	**42,763**	**8,066**
Deductions:					
Regular retirement benefits	3,309,645	468,123	6,313	27,344	4,669
Supplemental retirement benefits	182	6	—	—	—
Deferred retirement benefits	—	—	—	342	—
Refunds of retirement contributions to members	145,376	25,820	—	—	—
Death benefit claims	26,765	2,572	15	11	—
Accidental death benefits	—	2,021	—	—	—
Other post-employment benefits	—	—	—	—	—
Depreciation	168	22	—	1	—
Administrative expense	17,038	3,131	22	109	21
Assets moved between pension trust funds	2,270	41	135	—	—
Total deductions	**3,501,444**	**501,736**	**6,485**	**27,807**	**4,690**
Change in net position	**2,074,335**	**467,217**	**3,084**	**14,956**	**3,376**
Net position at beginning of year	**32,212,627**	**5,938,708**	**42,476**	**206,674**	**39,567**
Net position at end of year	**$ 34,286,962**	**$ 6,405,925**	**$ 45,560**	**$ 221,630**	**$ 42,943**

Exhibit F-2

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 600,559	$ 7,639	$ 3,116,152
—	—	1,219,382
2,375	—	106,451
602,934	7,639	4,441,985
3,031	(122)	3,249,928
130	5	791
3,161	(117)	3,250,719
—	—	476,403
13	—	13
3,148	(117)	2,774,303
—	—	2,446
606,082	**7,522**	**7,218,734**
—	—	3,816,094
—	—	188
—	—	342
—	—	171,196
—	—	29,363
—	—	2,021
570,651	9,716	580,367
—	—	191
940	86	21,347
—	—	2,446
571,591	**9,802**	**4,623,555**
34,491	**(2,280)**	**2,595,179**
1,623,661	**34,826**	**40,098,539**
$ 1,658,152	**$ 32,546**	**$ 42,693,718**

Combining Statement of Fiduciary Net Position

Exhibit F-3

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2023
(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private-Purpose Trust	Totals
ASSETS				
Cash and cash equivalents	$ 1,291	$ 52,121	$ 341	$ 53,753
Receivables, net:				
Accrued interest	7,656	—	45	7,701
Unsettled investment sales	4,959	—	—	4,959
Investments	5,774,605	—	3,997	5,778,602
Invested securities lending collateral	—	1,504	132	1,636
Capital assets, net	—	—	3,874	3,874
Total assets	**5,788,511**	**53,625**	**8,389**	**5,850,525**
LIABILITIES				
Accounts payable	2,885	2,008	35	4,928
Accounts payable–unsettled investment purchases	7,942	—	—	7,942
Securities lending collateral	—	1,504	132	1,636
Total liabilities	**10,827**	**3,512**	**167**	**14,506**
NET POSITION				
Held in trust for other purposes	**$ 5,777,684**	**$ 50,113**	**$ 8,222**	**$ 5,836,019**

Combining Statement of Changes in Fiduciary Net Position

Exhibit F-4

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private-Purpose Trust	Totals
Additions:				
Licenses, fees, and permits	$ —	$ —	$ 33	$ 33
Tuition plan deposits	352	—	—	352
Contributions	124,441	—	12	124,453
Opioid legal settlement	—	52,121	—	52,121
Interest income	503,760	—	89	503,849
Total additions	**628,553**	**52,121**	**134**	**680,808**
Deductions:				
Administrative expense	14,768	2,008	38	16,814
Other expenses	903	—	423	1,326
Total deductions	**15,671**	**2,008**	**461**	**18,140**
Change in net position	**612,882**	**50,113**	**(327)**	**662,668**
Net position at beginning of year	**5,164,802**	**—**	**8,549**	**5,173,351**
Net position at end of year	**$ 5,777,684**	**$ 50,113**	**$ 8,222**	**$ 5,836,019**

Statement of Fiduciary Net Position

Exhibit F-5

CUSTODIAL FUNDS

June 30, 2023
(Expressed in Thousands)

	Education Capital Improvements	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	$ —	$ 214,807	$ 214,807
Receivables, net:			
Accounts receivable	—	9,934	9,934
Investments	—	8,721	8,721
Invested securities lending collateral	—	296	296
Interfund receivables	—	234	234
Total assets	**—**	**233,992**	**233,992**
LIABILITIES			
Accounts payable	—	129,981	129,981
Due to component units	—	2,181	2,181
Intergovernmental payables	—	35,006	35,006
Deposits	—	2,132	2,132
Amount held in custody for others	—	16,104	16,104
Securities lending collateral	—	296	296
Due to participants	—	2	2
Other liabilities	—	623	623
Total liabilities	**—**	**186,325**	**186,325**
NET POSITION			
Held in trust for custodial funds	**$ —**	**$ 47,667**	**$ 47,667**

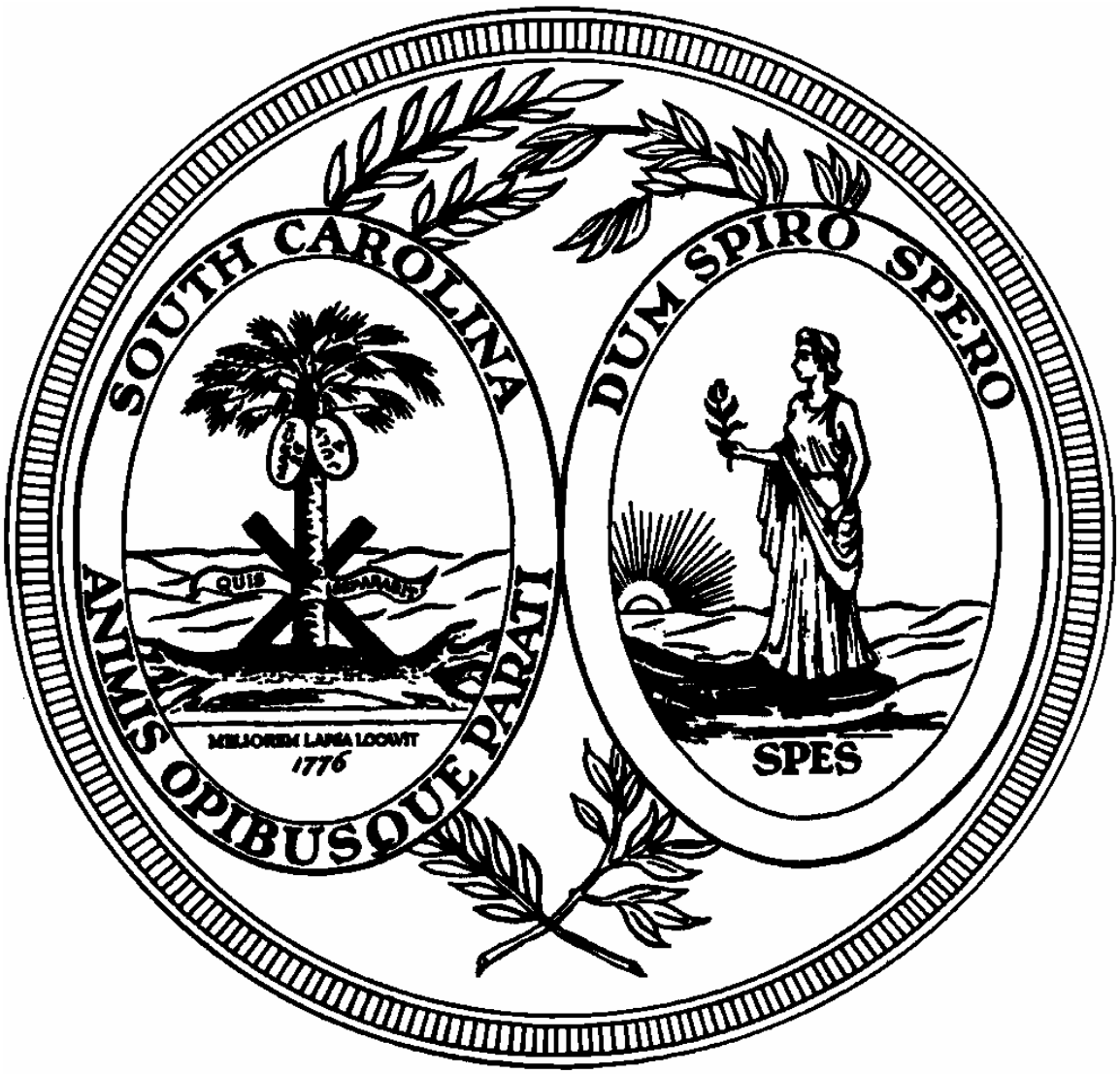
Statement of Changes in Fiduciary Net Position

Exhibit F-6

CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

	Education Capital Improvements	Other Custodial Funds	Total
Additions:			
Licenses, fees, and permits	$ —	$ 373	$ 373
Contributions	—	4,250	4,250
Taxes:			
Retail sales and use	389,294	—	389,294
Other	—	4	4
Interest income	—	175	175
Total additions	**389,294**	**4,802**	**394,096**
Deductions:			
Administrative expense	—	481	481
Other expenses	389,294	6,301	395,595
Transfers out	—	7,190	7,190
Total deductions	**389,294**	**13,972**	**403,266**
Change in net position	**—**	**(9,170)**	**(9,170)**
Net position at beginning of year	**—**	**56,837**	**56,837**
Net position at end of year	**$ —**	**$ 47,667**	**$ 47,667**


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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, 2023
(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	$ 52,578	$ 92,336	$ 97,869	$ 49,593	$ 4,406	$ 21,422	$ 37,234
Investments	92,117	—	8,745	13,387	21,167	—	—
Invested securities lending collateral	1,675	4,336	2,546	651	141	170	915
Receivables, net:							
Accounts	59,527	49,094	13,144	10,772	18,050	28,093	1,478
Contributions	24,547	—	6,554	102	2,883	—	877
Accrued interest	—	—	371	—	239	—	160
Student accounts	2,384	926	1,383	478	1,950	8,107	2,146
Loans and notes	—	—	—	—	—	—	—
Leases	432	—	2,550	—	24	—	—
Due from Federal government and other grantors	—	12,542	5,849	925	336	3,640	1,776
Due from primary government	111	1,853	67	53	600	924	11,439
Inventories	2,734	1,277	271	—	109	—	382
Restricted assets:							
Cash and cash equivalents	27,948	71,326	162,204	53,315	14,439	31,348	31,774
Investments	285,377	808	141,588	20,500	1,020	117	69,886
Loans receivable	—	95	141	523	—	2,556	4
Other	976	—	—	—	—	—	—
Prepaid items	1,824	2,640	4,797	1,257	70	280	1,668
Other assets	—	—	1,730	—	—	712	—
Capital assets-nondepreciable	12,890	69,460	150,158	13,385	7,188	6,579	4,888
Capital assets-depreciable, net	180,639	385,136	344,825	88,378	67,686	112,739	77,164
Total assets	745,759	691,829	944,792	253,319	140,308	216,687	241,791
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	108	263	—	—	—	594
Pension related	8,648	28,095	24,487	7,706	10,821	8,154	11,361
Other post-employment benefits related	23,983	56,121	48,486	14,915	18,513	14,095	22,879
Total deferred outflows of resources	$ 32,631	$ 84,324	$ 73,236	$ 22,621	$ 29,334	$ 22,249	$ 34,834
LIABILITIES							
Accounts payable	$ 19,525	$ 6,827	$ 16,027	$ 1,633	$ —	$ 5,974	$ 4,885
Accrued salaries and related expenses	4,412	14,258	10,789	262	1,814	879	3,827
Accrued interest payable	504	614	2,228	503	395	151	216
Retainages payable	1,934	685	2,401	259	76	—	4
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	2,409	20	—	688	3,305	32
Unearned revenues and deferred credits	4,719	4,421	7,080	2,124	1,229	5,140	18,284
Deposits	6,678	—	1,769	—	—	—	146
Amounts held in custody for others	—	435	963	164	—	—	5,550
Securities lending collateral	1,675	4,336	2,546	651	141	170	915
Liabilities payable from restricted assets	—	—	—	—	—	—	1,124
Other liabilities	2,813	2,034	2,147	770	85	514	171
Long-term liabilities:							
Due within one year	10,143	10,557	20,230	3,230	3,811	2,509	6,621
Due in more than one year	214,959	490,973	584,056	130,703	121,145	114,151	177,216
Total liabilities	267,362	537,549	650,256	140,299	129,384	132,793	218,991
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	37
Deferred public-private partnership receipts	—	5,877	—	730	—	—	—
Pension related	3,663	11,230	9,561	3,193	264	2,032	6,577
Other post-employment benefits related	36,933	80,468	81,808	25,519	18,692	21,289	42,980
Lease related	432	—	2,487	—	24	—	—
Total deferred inflows of resources	$ 41,028	$ 97,575	$ 93,856	$ 29,442	$ 18,980	$ 23,321	$ 49,594
NET POSITION							
Net investment in capital assets	147,091	277,884	236,240	77,482	41,339	77,611	65,585
Restricted:							
Expendable:							
Education	254,177	—	74,759	20,503	44,820	40,544	6,883
Transportation	—	—	—	—	—	—	—
Capital projects	53,702	109,869	92,563	57,842	9,474	—	—
Debt service	506	2,098	7,035	—	48	5,714	1,715
Loan programs	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	68,761	166	81,353	17,113	—	1,010	64,444
Unrestricted	(54,237)	(248,988)	(218,034)	(66,741)	(74,403)	(42,057)	(130,587)
Total net position (deficit)	**$ 470,000**	**$ 141,029**	**$ 273,916**	**$ 106,199**	**$ 21,278**	**$ 82,822**	**$ 8,040**

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
$ 33,342	$ 14,016	$ 455	$ 23,707	$ 90,754	$ 42,621	$ 19,784	$ 12,114	$ 960	$ 10,681	$ 33,429
12,101	—	81	—	39,019	49,055	192	106,934	—	3,758	6,397
—	—	—	—	10	—	—	266	—	—	—
2,036	207	183	1,849	2,283	—	3,269	2,477	—	1,020	9
—	—	—	—	2,018	—	135	—	—	—	26
—	—	—	—	281	304	—	—	—	3	—
654	1,042	212	1,392	1,013	4,688	5,467	2,908	2,678	66	721
—	—	—	—	—	27	4,112	—	—	—	—
—	—	—	6	11,038	—	—	—	—	—	—
1,035	1,504	1,456	499	6,992	11,583	1,598	1,097	—	400	1,821
—	2,012	112	192	941	1,060	3,001	401	317	441	432
—	213	98	359	1,313	—	—	—	—	76	—
—	4,137	—	11,655	6,036	232	2,516	8,604	2,188	—	—
—	—	—	—	—	—	1,610	—	—	—	1,447
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	512	—	—	—	—	10	—
156	431	31	151	103	448	118	608	—	202	398
—	—	—	—	—	—	—	128	9	—	—
1,522	5,546	179	4,124	44,716	6,643	7,841	6,229	1,041	106	2,568
21,106	34,368	5,168	38,402	108,912	80,340	24,037	95,810	6,108	19,765	52,516
71,952	63,476	7,975	82,336	315,941	197,001	73,680	237,576	13,301	36,528	99,764
—	—	—	188	—	—	—	101	—	—	—
2,167	3,328	1,601	3,664	11,328	6,100	2,487	11,025	2,048	3,129	5,216
4,010	6,187	2,141	7,048	20,629	11,571	4,861	19,630	3,584	5,163	9,368
$ 6,177	$ 9,515	$ 3,742	$ 10,900	$ 31,957	$ 17,671	$ 7,348	$ 30,756	$ 5,632	$ 8,292	$ 14,584
$ 373	$ 2,594	$ 695	$ 531	$ 6,021	$ 2,304	$ 1,473	$ 2,500	$ 444	$ 142	$ 744
14	540	187	324	381	1,877	569	2,421	—	380	744
6	8	—	126	—	5	6	233	—	6	—
—	26	—	—	—	11	—	884	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
4,269	5,362	2,018	6,806	13,871	6,962	14,307	11,963	2,806	3,218	1,864
—	—	6	—	—	—	34	210	—	6	68
26	—	45	—	1,280	26	8	600	359	—	—
—	—	—	—	10	—	—	266	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	300	—	63	—	—	—	—
357	426	279	1,401	6,040	356	2,002	3,015	83	394	1,025
30,364	47,874	13,899	63,470	228,025	85,587	44,861	172,747	19,620	40,858	67,537
35,409	56,830	17,129	72,658	255,928	97,128	63,323	194,839	23,312	45,004	71,982
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
436	2,287	238	4,094	4,385	895	681	7,067	60	641	1,132
6,518	11,024	3,402	16,978	35,541	16,375	7,026	38,610	3,586	8,617	13,329
—	—	—	6	12,064	—	—	—	—	—	—
$ 6,954	$ 13,311	$ 3,640	$ 21,078	$ 51,990	$ 17,270	$ 7,707	$ 45,677	$ 3,646	$ 9,258	$ 14,461
22,214	39,376	5,141	32,891	125,739	86,051	25,400	78,093	7,149	19,570	54,143
64	12	—	147	4,897	257	2,538	—	2,188	—	1,266
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	39,178	36,398	—	83,678	—	—	14,343
—	—	—	11,655	—	—	—	21,868	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	252	—	—	15,809	—	—	—	—	—	1,447
13,488	(36,790)	(14,193)	(45,193)	(145,643)	(22,432)	(17,940)	(155,823)	(17,362)	(29,012)	(43,294)
$ 35,766	**$ 2,850**	**$ (9,052)**	**$ (500)**	**$ 39,980**	**$ 100,274**	**$ 9,998**	**$ 27,816**	**$ (8,025)**	**$ (9,442)**	**$ 27,905**

Continued on Next Page

Combining Statement of Net Position (Continued)

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2023
(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	$ 28,710	$ 30,978	$ 96,237	$ 15,033	$ 30,718	$ 1,401	$ 43,793
Investments	7,905	78,200	—	87	18,895	—	—
Invested securities lending collateral	—	—	1	—	—	—	3,363
Receivables, net:							
Accounts	2,607	3,960	2,784	163	546	—	39,869
Contributions	46	404	—	—	499	—	—
Accrued interest	—	—	—	—	—	—	1,590
Student accounts	747	533	12,621	—	2,838	—	—
Loans and notes	—	—	—	—	(629)	—	8,050
Leases	—	—	—	—	1,039	—	—
Due from Federal government and other grantors	2,114	968	3,223	236	1,024	—	—
Due from primary government	—	201	3,482	297	808	—	—
Inventories	215	139	359	91	—	111	—
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	16,619	69,737
Investments	—	—	—	7	—	—	—
Loans receivable	—	—	—	—	—	—	—
Other	—	—	—	—	10	—	—
Prepaid items	362	249	—	13	—	78	—
Other assets	—	1	1,271	—	236	102,169	—
Capital assets-nondepreciable	6,703	7,797	9,045	127	4,845	—	—
Capital assets-depreciable, net	59,175	70,940	129,991	1,807	38,478	113	—
Total assets	108,584	194,370	259,014	17,861	99,307	120,491	166,402
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	—	—	—	—	—	—
Pension related	7,369	6,150	11,107	1,026	4,596	—	—
Other post-employment benefits related	12,539	11,550	19,295	1,935	8,187	—	—
Total deferred outflows of resources	$ 19,908	$ 17,700	$ 30,402	$ 2,961	$ 12,783	$ —	$ —
LIABILITIES							
Accounts payable	$ 2,435	$ 3,834	$ 1,620	$ 100	$ 2,073	$ 83	$ 4,840
Accrued salaries and related expenses	585	77	1,142	—	270	—	—
Accrued interest payable	10	—	—	10	—	—	—
Retainages payable	—	50	4	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	—	—	—	—	42	—
Unearned revenues and deferred credits	3,399	5,741	18,585	3,787	5,626	977	—
Deposits	—	—	404	—	—	—	—
Amounts held in custody for others	—	—	—	—	—	—	—
Securities lending collateral	—	—	1	—	—	—	3,363
Liabilities payable from restricted assets	—	—	—	—	3	—	—
Other liabilities	74	—	172	—	—	—	—
Long-term liabilities:							
Due within one year	828	2,716	704	235	973	12,059	—
Due in more than one year	80,677	102,057	150,455	13,807	61,643	227,448	—
Total liabilities	88,008	114,475	173,087	17,939	70,588	240,609	8,203
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	—
Deferred public-private partnership receipts	—	—	—	—	—	—	—
Pension related	291	843	8,144	127	2,002	—	—
Other post-employment benefits related	14,653	15,832	38,098	2,515	14,595	—	—
Lease related	—	—	—	—	377	—	—
Total deferred inflows of resources	$ 14,944	$ 16,675	$ 46,242	$ 2,642	$ 16,974	$ —	$ —
NET POSITION							
Net investment in capital assets	65,302	55,017	138,590	1,440	42,659	(3,865)	—
Restricted:							
Expendable:							
Education	6,141	18,019	—	—	—	—	—
Transportation	—	—	—	—	—	3,176	—
Capital projects	7,520	—	29,322	—	—	—	—
Debt service	(8)	—	—	—	—	—	—
Loan programs	—	—	—	—	—	—	65,675
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	—	17,488	—	7	—	—	—
Unrestricted	(53,415)	(9,604)	(97,825)	(1,206)	(18,131)	(119,429)	92,524
Total net position (deficit)	**$ 25,540**	**$ 80,920**	**$ 70,087**	**$ 241**	**$ 24,528**	**$ (120,118)**	**$ 158,199**

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
$ 1,777	$ 3,503	$ 14,126	$ 4,986	$ 25,358	$ 971	$ 934,892
4,908	54,404	—	11,113	—	1,983	530,448
—	—	433	—	44	—	14,551
12,495	349	632	2,168	181	128	259,373
—	1,163	—	—	—	—	39,254
—	—	—	67	—	—	3,015
—	—	—	—	—	—	54,954
—	316	—	—	—	—	11,876
—	18,152	29,675	—	—	—	62,916
—	—	—	—	1,909	1,059	63,586
—	—	—	—	2,111	4,455	35,310
—	—	263	—	—	—	8,010
—	—	612	—	—	91	514,781
—	—	—	—	—	—	522,360
—	—	—	—	—	—	3,319
—	—	—	—	—	—	1,508
2	39	9	—	659	93	16,686
—	—	—	928	—	—	107,184
—	7,144	4,463	—	—	—	385,187
—	29,959	10,178	20	876	479	2,085,115
19,182	115,029	60,391	19,282	31,138	9,259	5,654,325
—	—	—	—	—	—	1,254
121	—	919	—	2,578	—	185,231
198	292	1,630	—	3,523	—	352,333
$ 319	$ 292	$ 2,549	$ —	$ 6,101	$ —	$ 538,818
$ 1	$ 57	$ 36	$ 262	$ 988	$ 1,745	$ 90,766
—	210	471	—	—	—	46,433
—	—	—	—	—	—	5,021
—	—	—	—	—	—	6,334
—	—	—	—	—	534	534
—	—	7,118	—	19	—	13,633
8,293	430	177	8,891	453	662	173,464
—	—	—	—	—	—	9,321
—	—	—	73	—	—	9,529
—	—	433	—	44	—	14,551
—	—	—	—	—	—	1,127
99	181	—	—	511	157	10,091
14	1,479	166	15,000	477	155	107,285
1,015	14,873	12,093	76,139	15,352	430	3,404,034
9,422	17,230	20,494	100,365	17,844	3,683	3,892,123
—	—	—	—	—	—	—
—	—	—	—	—	—	37
—	—	—	—	—	—	6,607
82	—	1,202	—	47	—	71,174
268	180	3,662	—	3,965	—	562,463
—	16,967	28,755	—	—	—	61,112
$ 350	$ 17,147	$ 33,619	$ —	$ 4,012	$ —	$ 701,393
—	20,955	7,841	—	131	(16)	1,747,053
—	—	—	—	24,375	—	501,590
—	—	—	—	—	—	3,176
—	—	—	—	—	—	533,889
—	—	—	—	—	—	50,631
—	—	—	—	—	—	65,675
4,073	15,023	—	2,343	—	1,049	22,488
—	—	—	—	—	—	267,850
5,656	44,966	986	(83,426)	(9,123)	4,543	(1,592,725)
$ 9,729	**$ 80,944**	**$ 8,827**	**$ (81,083)**	**$ 15,383**	**$ 5,576**	**$ 1,599,627**

Combining Statement of Activities

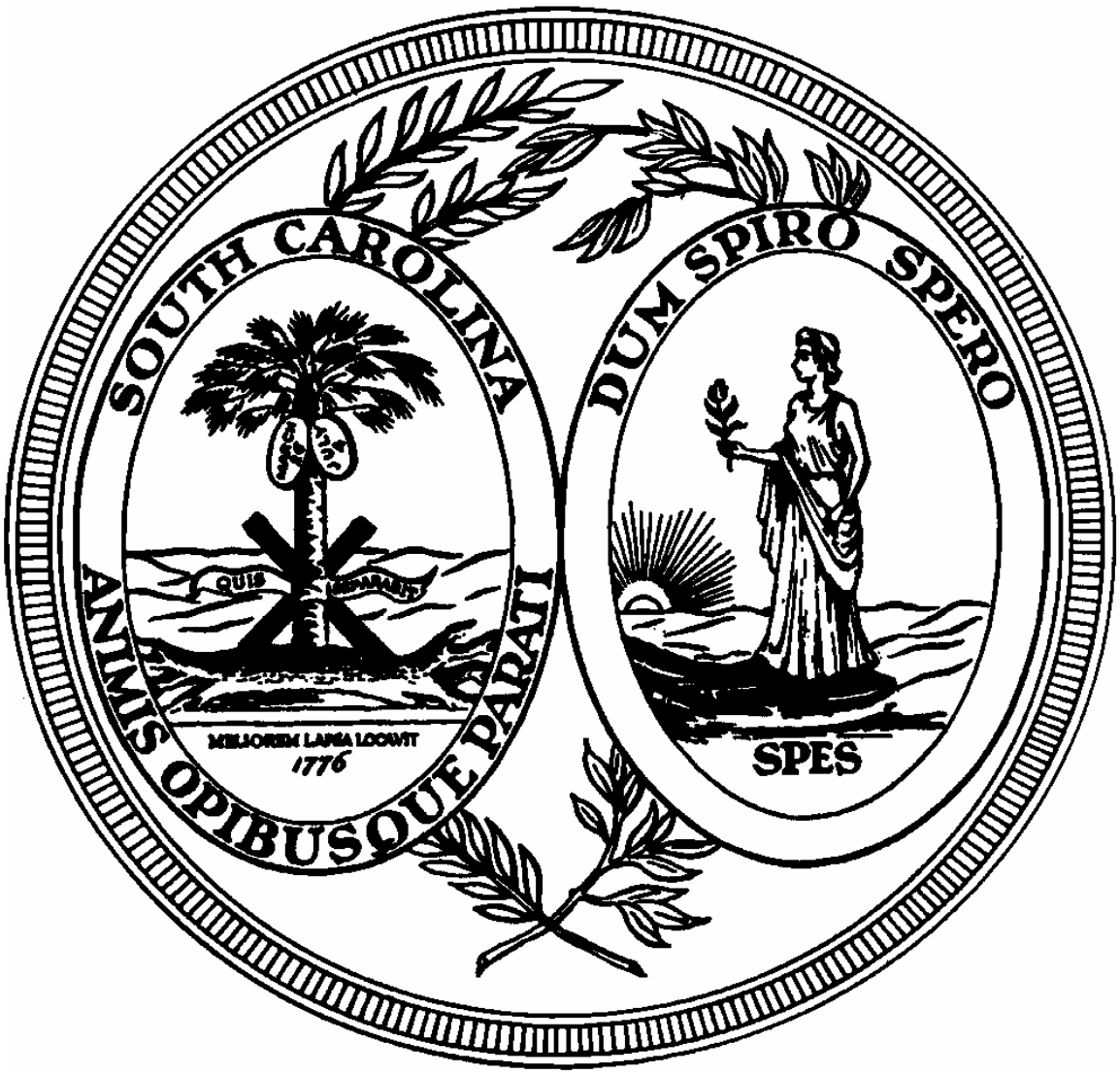
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2023
(Expressed in Thousands)

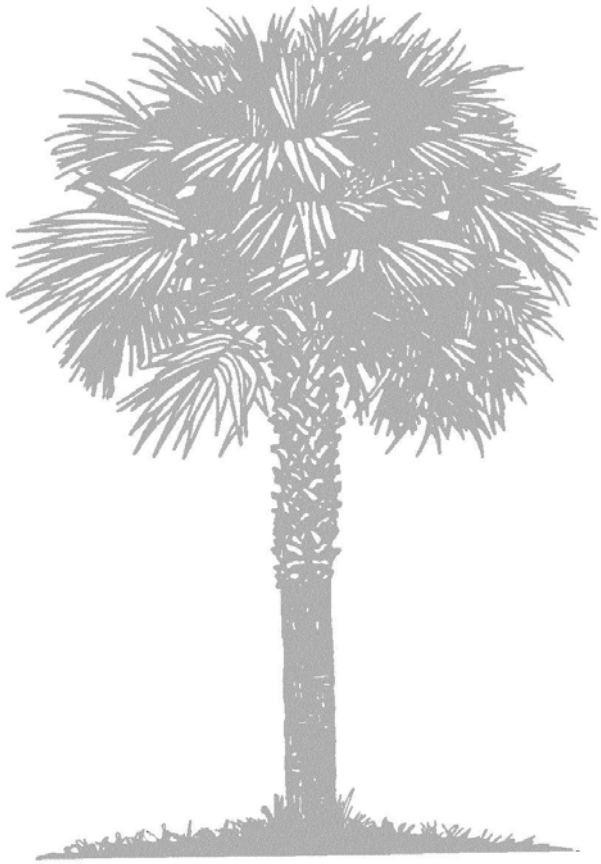
		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
The Citadel	$ 159,496	$ 99,051	$ 6,366	$ 30,830
Coastal Carolina University	258,711	215,959	23,230	43,472
College of Charleston	294,602	265,467	39,494	1,763
Francis Marion University	86,428	41,773	17,504	8,000
Lander University	81,991	45,943	4,423	23,419
South Carolina State University	110,701	59,885	12,594	—
Winthrop University	131,385	82,774	11,417	3,392
Aiken Technical College	23,284	12,453	7,622	14,947
Central Carolina Technical College	35,781	12,604	13,742	3,742
Denmark Technical College	20,291	8,190	8,550	328
Florence- Darlington Technical College	40,042	15,731	20,274	852
Greenville Technical College	121,995	65,854	45,851	1,586
Horry- Georgetown Technical College	79,413	40,187	25,388	8,980
Technical College of the Lowcountry	30,781	10,662	11,946	5,204
Midlands Technical College	115,957	54,300	44,587	5,474
Northeastern Technical College	19,615	7,655	1,796	173
Orangeburg- Calhoun Technical College	26,569	6,995	13,070	682
Piedmont Technical College	55,457	18,951	21,677	1,650
Spartanburg Community College	70,326	32,792	21,957	4,377
Tri-county Technical College	69,805	34,421	27,395	7,365
Trident Technical College	117,563	52,036	41,069	701
Williamsburg Technical College	9,681	2,824	4,403	111
York Technical College	45,027	24,230	12,800	4,148
Connector 2000	23,781	15,386	197	—
South Carolina Education Assistance Authority	241	588	3,050	—
South Carolina Jobs- Economic Development Authority	21,928	1,356	21,213	—
South Carolina Research Authority	17,599	6,013	11,226	—
Patriots Point Development Authority	12,548	13,439	1,813	415
South Carolina Medical Malpractice Association	16,464	21,502	(931)	—
South Carolina First Steps to School Readiness Board of Trustees	55,318	—	8,067	—
Children's Trust Fund of S.C., Inc.	17,075	—	16,488	—
Totals	**$ 2,169,855**	**$ 1,269,021**	**$ 498,278**	**$ 171,611**

Exhibit G-2

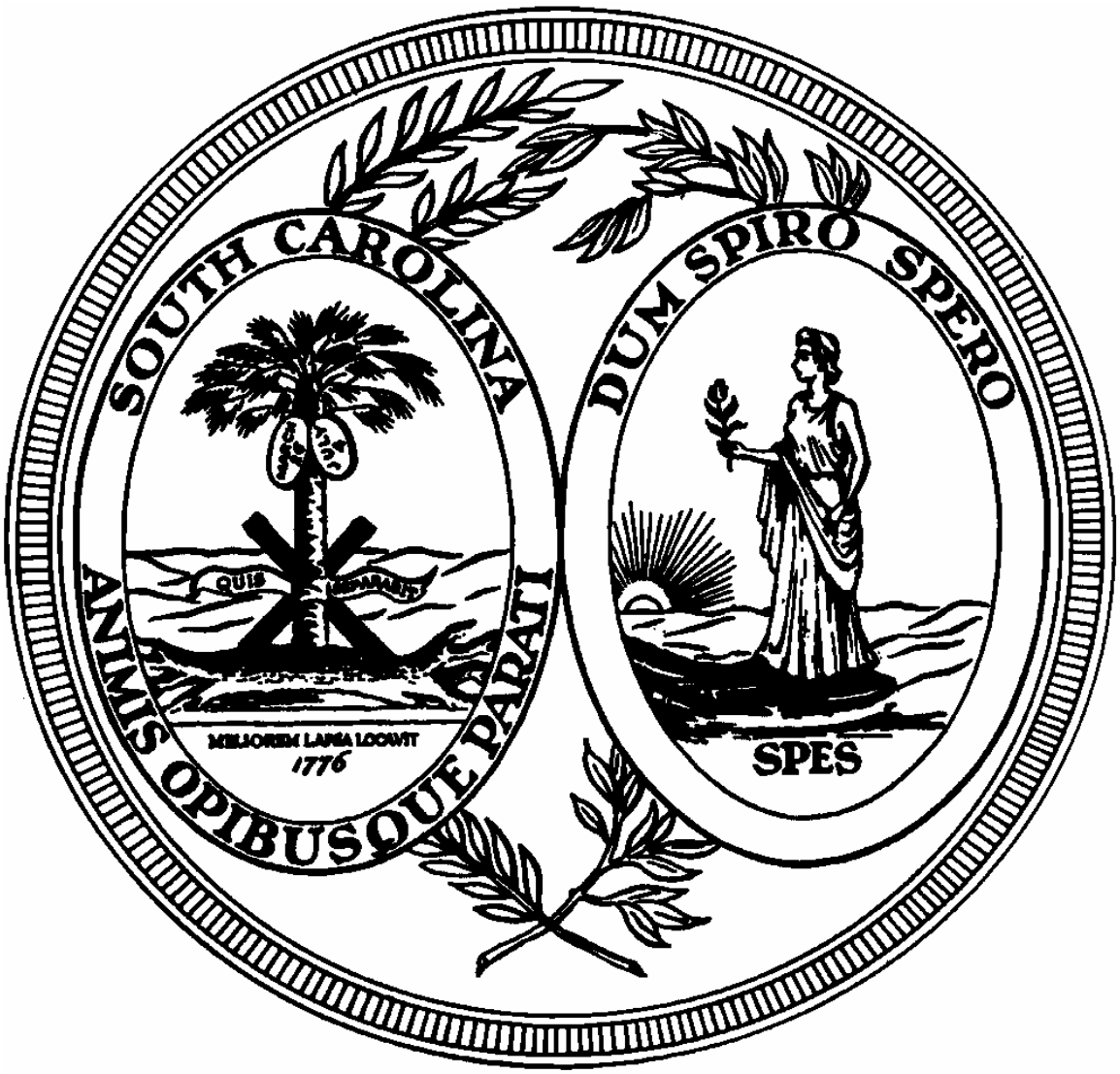
Net Revenue (Expenses)	Additions to Endowments	State Appropriations	Net Position (Deficit) Beginning (as Restated)	Net Position (Deficit) Ending
$ (23,249)	$ —	$ 39,035	$ 454,214	$ 470,000
23,950	—	25,611	91,468	141,029
12,122	1,771	41,295	218,728	273,916
(19,151)	—	25,857	99,493	106,199
(8,206)	—	16,048	13,436	21,278
(38,222)	—	64,986	56,058	82,822
(33,802)	1,239	27,707	12,896	8,040
11,738	—	5,702	18,326	35,766
(5,693)	—	7,912	631	2,850
(3,223)	—	2,423	(8,252)	(9,052)
(3,185)	—	12,500	(9,815)	(500)
(8,704)	—	23,096	25,588	39,980
(4,858)	—	16,545	88,587	100,274
(2,969)	—	6,784	6,183	9,998
(11,596)	—	24,919	14,493	27,816
(9,991)	—	6,284	(4,318)	(8,025)
(5,822)	—	6,572	(10,192)	(9,442)
(13,179)	—	14,339	26,745	27,905
(11,200)	—	16,249	20,491	25,540
(624)	—	14,497	67,047	80,920
(23,757)	—	26,838	67,006	70,087
(2,343)	—	2,975	(391)	241
(3,849)	—	10,291	18,086	24,528
(8,198)	—	—	(111,920)	(120,118)
3,397	—	—	154,802	158,199
641	—	—	9,088	9,729
(360)	—	—	81,304	80,944
3,119	—	—	5,708	8,827
4,107	—	—	(85,190)	(81,083)
(47,251)	—	49,060	13,574	15,383
(587)	—	—	6,163	5,576
$ (230,945)	**$ 3,010**	**$ 487,525**	**$ 1,340,037**	**$ 1,599,627**


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
1776
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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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QUIS SEPARABIT
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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 274

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 284

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 290

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 299

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 304

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			
	2023	2022 (as restated)	2021	2020
Governmental activities				
Net Investment in capital assets.....	$ 18,942,599	$ 18,048,684	$ 17,534,618	$ 16,902,032
Restricted.....	10,489,505	11,054,061	9,497,442	9,612,909
Unrestricted.....	963,030	(900,381)	(3,579,868)	(6,665,401)
Total governmental activities net position.....	**$ 30,395,134**	**$ 28,202,364**	**$ 23,452,192**	**$ 19,849,540**
Business-type activities				
Net Investment in capital assets.....	$ 349,988	$ 307,828	$ 312,603	$ 282,806
Restricted.....	1,723,151	1,588,210	1,366,066	1,721,780
Unrestricted.....	(15,435)	(38,917)	(118,814)	(418,052)
Total business-type activities net position.....	**$ 2,057,704**	**$ 1,857,121**	**$ 1,559,855**	**$ 1,586,534**
Primary government				
Net Investment in capital assets.....	$ 19,292,587	$ 18,356,512	$ 17,847,221	$ 17,184,838
Restricted.....	12,212,656	12,642,271	10,863,508	11,334,689
Unrestricted.....	947,595	(939,298)	(3,698,682)	(7,083,453)
Total primary government net position.....	**$ 32,452,838**	**$ 30,059,485**	**$ 25,012,047**	**$ 21,436,074**

For fiscal year 2023, the State implemented GASB Statement No. 94 (GASB 94). The implementation resulted in the restatement of prior year revenues and expenses and related net position balances. Amounts for fiscal years prior to 2022 have not been restated.

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					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 16,039,329	$ 15,079,318	$ 14,133,938	$ 13,088,862	$ 12,667,605	$ 11,892,515
6,064,521	6,068,437	8,204,123	6,691,147	6,062,068	5,488,629
(4,155,814)	(5,046,197)	(7,294,264)	(2,878,202)	(3,140,966)	(2,332,335)
$ 17,948,036	**$ 16,101,558**	**$ 15,043,797**	**$ 16,901,807**	**$ 15,588,707**	**$ 15,048,809**
$ 221,494	$ 218,157	$ 216,697	$ 203,351	$ 146,739	$ 124,223
1,226,011	1,023,083	792,899	584,700	337,834	185,732
(87,385)	(86,254)	(94,601)	(177,149)	(251,392)	(413,206)
$ 1,360,120	**$ 1,154,986**	**$ 914,995**	**$ 610,902**	**$ 233,181**	**$ (103,251)**
$ 16,260,823	$ 15,297,475	$ 14,350,635	$ 13,292,213	$ 12,814,344	$ 12,016,738
7,290,532	7,091,520	8,997,022	7,275,847	6,399,902	5,674,361
(4,243,199)	(5,132,451)	(7,388,865)	(3,055,351)	(3,392,358)	(2,745,541)
$ 19,308,156	**$ 17,256,544**	**$ 15,958,792**	**$ 17,512,709**	**$ 15,821,888**	**$ 14,945,558**

Changes in Net Position

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
Expenses				
Governmental activities:				
General government	$ 12,115,118	$ 8,029,072	$ 9,116,325	$ 7,062,723
Education	8,179,679	8,413,741	6,526,062	5,823,500
Health and environment	10,734,583	9,775,171	9,182,050	8,752,266
Social services	3,553,243	3,416,209	2,454,063	1,783,094
Administration of justice	1,495,855	1,124,187	1,105,209	1,108,837
Resources and economic development	982,370	618,983	497,983	486,458
Transportation	1,979,406	1,467,938	1,723,643	1,755,784
Unallocated interest expense	10,539	8,423	8,135	10,888
Total governmental activities expenses	**39,050,793**	**32,853,724**	**30,613,470**	**26,783,550**
Business-type activities:				
Unemployment compensation benefits	92,888	69,049	3,595,804	3,038,557
Second injury fund benefits	20,279	13,915	1,205	1,484
Other	50,212	51,553	106,315	56,490
Total business-type activities expenses	**163,379**	**134,517**	**3,703,324**	**3,096,531**
Total primary government expenses	**39,214,172**	**32,988,241**	**34,316,794**	**29,880,081**
Program Revenues				
Governmental activities:				
Charges for services:				
General government	4,197,779	3,874,192	3,761,937	3,501,970
Other activities	811,364	569,449	659,294	661,031
Operating grants and contributions	16,207,733	14,105,152	13,306,491	9,677,634
Capital grants and contributions	1,066,190	941,283	707,650	905,754
Total governmental activities program revenues	**22,283,066**	**19,490,076**	**18,435,372**	**14,746,389**
Business-type activities:				
Charges for services:				
Unemployment compensation benefits	240,576	307,371	256,970	292,409
Second injury fund benefits	—	—	443	—
Other activities	71,956	69,367	68,252	52,065
Operating grants and contributions	5,207	39,439	2,969,920	2,377,360
Capital grants and contributions	42,557	36,159	20,966	53,113
Total business-type activities program revenues	**360,296**	**452,336**	**3,316,551**	**2,774,947**
Total primary government activities program revenues	**22,643,362**	**19,942,412**	**21,751,923**	**17,521,336**
Net Revenues (Expenses)				
Governmental activities	(16,767,727)	(13,363,648)	(12,178,098)	(12,037,161)
Business-type activities	196,917	317,819	(386,773)	(321,584)
Total primary government net revenues (expense)	**(16,570,810)**	**(13,045,829)**	**(12,564,871)**	**(12,358,745)**

Table 2

Ended June 30

2019	2018	2017	2016	2015	2014
$ 6,770,781	$ 6,945,339	$ 5,510,027	$ 4,699,668	$ 5,352,363	$ 5,381,542
5,424,392	5,237,599	5,127,099	5,053,077	4,843,569	4,250,751
8,388,809	8,156,138	8,156,599	7,683,019	7,832,147	7,071,800
1,602,776	1,695,379	1,766,719	1,832,743	1,821,016	1,977,904
1,013,459	986,839	938,748	883,458	873,450	830,536
473,221	393,825	485,420	463,892	390,322	334,899
1,524,598	1,620,125	1,575,808	1,324,421	1,260,982	1,193,543
18,211	18,335	25,865	23,537	33,322	36,896
25,216,247	**25,053,579**	**23,586,285**	**21,963,815**	**22,407,171**	**21,077,871**
149,581	182,537	199,409	208,710	226,470	342,741
12,085	285	600	27	7,461	2,547
64,908	60,142	52,900	45,855	55,325	35,194
226,574	**242,964**	**252,909**	**254,592**	**289,256**	**380,482**
25,442,821	**25,296,543**	**23,839,194**	**22,218,407**	**22,696,427**	**21,458,353**
3,227,055	3,055,388	2,797,733	2,732,909	2,592,512	2,426,885
628,071	672,590	608,357	543,485	657,266	790,717
8,711,747	9,253,825	9,127,975	8,823,007	8,388,996	7,661,223
673,255	977,834	813,622	582,940	680,842	806,657
13,240,128	**13,959,637**	**13,347,687**	**12,682,341**	**12,319,616**	**11,685,482**
342,263	344,552	385,759	422,479	442,545	507,907
16	60,291	59,848	59,874	60,000	60,043
51,908	53,758	51,405	46,759	44,208	45,815
5,497	5,660	22,708	11,909	14,335	90,107
—	—	18,998	39,480	12,567	210
399,684	**464,261**	**538,718**	**580,501**	**573,655**	**704,082**
13,639,812	**14,423,898**	**13,886,405**	**13,262,842**	**12,893,271**	**12,389,564**
(11,976,119)	(11,093,942)	(10,238,598)	(9,281,474)	(10,087,555)	(9,392,389)
173,110	221,297	285,809	325,909	284,399	323,600
(11,803,009)	**(10,872,645)**	**(9,952,789)**	**(8,955,565)**	**(9,803,156)**	**(9,068,789)**

Continued on Next Page

Changes in Net Position (Continued)

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Individual income	$ 5,884,974	$ 6,932,111	$ 5,584,914	$ 5,045,819
Retail sales and use	7,423,406	7,092,123	6,106,578	5,167,804
Corporate income	1,219,636	1,048,315	573,618	362,569
Gas and motor vehicle	1,540,962	1,427,195	1,406,817	1,263,560
Insurance	265,952	236,704	224,996	215,722
Hospital	266,298	266,581	258,970	268,702
Other	896,495	923,472	837,842	760,619
Unrestricted grants and contributions	5	—	—	40
Unrestricted investment income	422,478	(573,226)	71,582	470,543
Tobacco legal settlement	75,499	88,544	88,349	71,750
Opioid legal settlement	10,690	—	—	—
Other revenues	914,464	751,363	927,258	594,187
Transfers	39,638	32,272	(310,364)	(472,328)
Total governmental activities	**18,960,497**	**18,225,454**	**15,770,560**	**13,748,987**
Business-type activities:				
Unrestricted investment income	42,053	10,944	48,517	55,291
Other revenues	1,251	775	1,213	2,618
Transfers	(39,638)	(32,272)	310,364	472,328
Total business-type activities	**3,666**	**(20,553)**	**360,094**	**530,237**
Total primary government	**18,964,163**	**18,204,901**	**16,130,654**	**14,279,224**
Change in Net Position				
Governmental activities	2,192,770	4,861,806	3,592,462	1,711,826
Business-type activities	200,583	297,266	(26,679)	208,653
Total primary government	**$ 2,393,353**	**$ 5,159,072**	**$ 3,565,783**	**$ 1,920,479**

For fiscal year 2023, the State implemented GASB Statement No. 94 (GASB 94). 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 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

2019	2018	2017	2016	2015	2014
$ 4,835,821	$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532
5,004,470	4,688,789	4,436,958	4,279,959	4,357,672	4,178,102
396,207	404,164	340,327	408,297	377,329	327,809
1,198,220	1,084,630	883,891	698,090	666,772	636,216
204,755	191,016	168,974	156,766	152,314	138,037
261,448	260,715	267,235	265,689	263,557	262,962
731,276	711,502	661,573	666,017	645,783	601,692
14	38	—	90	1	1
365,453	160,636	191,486	109,748	67,343	120,171
80,723	81,605	73,533	71,119	70,419	109,113
—	—	—	—	—	—
723,194	150,635	154,778	53,026	280,491	684,412
21,016	9,201	2,559	918	3,972	(47,900)
13,822,597	**12,151,703**	**11,324,531**	**10,594,574**	**10,627,453**	**10,433,147**
48,530	34,132	22,777	28,952	16,306	26,107
4,510	4,545	1,802	8,946	3,141	204
(21,016)	(9,201)	(2,559)	(918)	(3,972)	47,900
32,024	**29,476**	**22,020**	**36,980**	**15,475**	**74,211**
13,854,621	**12,181,179**	**11,346,551**	**10,631,554**	**10,642,928**	**10,507,358**
1,846,478	1,057,761	1,085,933	1,313,100	539,898	1,040,758
205,134	250,773	307,829	362,889	299,874	397,811
$ 2,051,612	**$ 1,308,534**	**$ 1,393,762**	**$ 1,675,989**	**$ 839,772**	**$ 1,438,569**

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
General Fund				
Non-spendable	$ 141,250	$ 146,639	$ 138,407	$ 129,273
Restricted	1,580,428	1,619,684	1,343,636	923,224
Committed	—	826,611	627,935	507,269
Assigned	722,535	540,030	371,923	263,888
Unassigned, previously unreserved	8,602,152	7,501,115	4,618,659	2,313,771
Total General Fund	**11,046,365**	**10,634,079**	**7,100,560**	**4,137,425**
All other governmental funds				
Non-spendable	78,545	70,381	98,882	64,805
Restricted	7,204,233	6,995,798	5,914,801	6,230,230
Committed	97,819	90,058	486,210	598,891
Assigned	2,282	392,701	93,093	351,797
Unassigned, previously unreserved	(203,016)	(1,167,089)	(1,375,076)	(2,346,309)
Total all other governmental funds	**7,179,863**	**6,381,849**	**5,217,910**	**4,899,414**
Total fund balances, governmental funds	**$ 18,226,228**	**$ 17,015,928**	**$ 12,318,470**	**$ 9,036,839**

Note: Certain fiscal year data has been restated for consistency.

Source: South Carolina Comptroller General's Office

Table 3

Ended June 30					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 125,746	$ 128,937	$ 120,194	$ 94,624	$ 74,743	68,128
1,194,858	1,134,704	604,959	530,698	502,620	359,073
520,128	505,425	2,137,028	1,142,072	976,846	967,245
187,427	252,357	397,688	416,089	369,967	444,630
1,514,263	718,728	(366,853)	742,823	614,028	930,500
3,542,422	**2,740,151**	**2,893,016**	**2,926,306**	**2,538,204**	**2,769,576**
739,642	33,767	35,322	24,897	800,713	775,675
3,566,039	4,253,086	3,796,996	3,652,234	2,581,099	2,624,909
559,507	496,120	588,668	465,712	475,586	346,688
155,657	22,572	11,099	5,311	6,842	5,387
(560,631)	(678,731)	(672,008)	(608,503)	(656,236)	(748,859)
4,460,214	**4,126,814**	**3,760,077**	**3,539,651**	**3,208,004**	**3,003,800**
$ 8,002,636	**$ 6,866,965**	**$ 6,653,093**	**$ 6,465,957**	**$ 5,746,208**	**$ 5,773,376**

Changes in Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
Revenues				
Taxes:				
Individual income	$ 5,884,974	$ 6,932,111	$ 5,584,914	$ 5,045,819
Retail sales and use	7,423,406	7,092,123	6,106,578	5,167,804
Corporate Income	1,219,636	1,048,315	573,618	362,569
Gas and motor vehicle	1,540,962	1,427,195	1,406,817	1,263,560
Insurance	265,952	236,704	224,996	215,722
Hospital	266,298	266,581	258,970	268,702
Other	887,497	923,472	837,842	760,619
Licenses, fees, and permits	667,232	595,752	603,099	508,433
Interest and other investment income	402,107	(517,736)	54,138	403,451
Federal	16,459,340	14,406,853	12,867,888	9,958,601
Local and private grants	63,602	81,194	83,565	53,146
Departmental services	883,629	960,907	1,048,142	1,032,295
Contributions	712,855	654,027	645,413	577,733
Fines and penalties	92,863	83,201	122,392	71,298
Tobacco legal settlement	75,499	88,544	88,349	71,750
Opioid legal settlement	10,690	—	—	—
Other	834,672	668,582	1,327,382	521,833
Total revenues	**37,691,214**	**34,947,825**	**31,834,103**	**26,283,335**
Expenditures				
Current:				
General government	4,872,661	1,753,169	2,720,549	1,447,876
Education	1,778,888	2,483,057	2,141,270	1,911,522
Health and environment	10,840,478	10,577,094	9,933,636	9,466,722
Social services	3,420,082	3,254,723	2,302,577	1,698,573
Administration of justice	1,315,136	980,160	949,634	941,907
Resources and economic development	384,196	313,617	287,260	298,390
Transportation	1,434,152	1,232,267	1,278,257	1,230,733
Capital outlay	1,243,553	924,331	932,849	1,178,586
Debt service:				
Principal retirement	187,848	196,810	197,956	157,123
Interest and fiscal charges	68,218	85,576	81,966	109,800
Intergovernmental	11,048,407	8,613,205	7,369,274	6,551,933
Total expenditures	**36,593,619**	**30,414,009**	**28,195,228**	**24,993,165**
Excess of revenues over (under) expenditures	**1,097,595**	**4,533,816**	**3,638,875**	**1,290,170**
Other financing sources (uses)				
Bonds and notes issued	1,009	25,860	6,672	22,133
Refunding bonds issued	—	370,445	92,905	179,030
Premiums on bonds issued	—	103,641	11,813	43,973
Termination payment to SWAP counterparties	—	—	(73,199)	—
Leases issued	63,066	20,523	5,786	1,122
Payments to refunded bond escrow agent	—	(407,480)	(103,588)	(224,858)
Transfers in	1,311,194	827,208	240,692	548,590
Transfers out	(1,262,564)	(776,555)	(538,325)	(1,017,217)
Total other financing sources (uses)	**112,705**	**163,642**	**(357,244)**	**(447,227)**
Net change in fund balances	**$ 1,210,300**	**$ 4,697,458**	**$ 3,281,631**	**$ 842,943**
Debt service as a percentage of noncapital expenditures	**0.7%**	**1.0%**	**1.0%**	**1.1%**

Source: South Carolina Comptroller General's Office

Table 4

Ended June 30

2019	2018	2017	2016	2015	2014
$ 4,835,821	$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532
5,004,470	4,688,789	4,436,958	4,279,959	4,357,672	4,178,102
396,207	404,164	340,327	408,297	377,329	327,809
1,198,220	1,084,630	883,891	698,090	666,772	636,216
204,755	191,016	168,974	156,766	152,314	138,037
261,448	260,715	267,235	265,689	263,557	262,962
731,276	711,502	661,573	666,017	645,783	601,692
467,948	517,788	552,790	614,339	588,594	543,558
312,458	144,282	150,870	99,540	47,926	99,575
8,789,089	8,944,281	8,934,219	8,311,023	8,434,117	7,812,816
63,530	66,549	70,056	62,100	57,977	57,589
1,054,200	956,978	927,982	841,391	808,512	950,754
653,431	589,190	503,409	531,825	448,014	433,931
80,891	167,951	165,561	180,244	187,524	146,722
80,723	81,605	73,533	71,119	70,419	109,113
—	—	—	—	—	—
633,051	638,490	562,690	468,076	338,467	741,857
24,767,518	**23,856,702**	**22,843,285**	**21,539,330**	**21,186,777**	**20,463,265**
1,556,005	814,105	824,115	751,950	771,349	788,764
1,695,689	1,607,334	1,238,466	1,174,474	1,072,535	948,256
9,023,319	8,820,524	8,563,572	8,112,805	8,090,340	7,323,555
1,561,488	1,673,808	1,740,666	1,816,736	1,802,517	1,978,585
913,852	891,487	845,291	805,266	814,443	798,031
257,093	313,600	270,276	246,680	221,858	203,834
1,071,197	1,149,333	1,138,392	708,010	910,575	725,869
1,003,394	1,012,966	985,878	656,003	599,316	702,651
181,319	254,783	261,033	261,979	278,729	270,081
102,464	126,883	127,391	161,055	171,106	183,008
6,301,993	7,027,182	6,726,753	6,168,555	6,509,788	6,043,436
23,667,813	**23,692,005**	**22,721,833**	**20,863,513**	**21,242,556**	**19,966,070**
1,099,705	**164,697**	**121,452**	**675,817**	**(55,779)**	**497,195**
2,857	15,065	51,103	115,370	18,110	100,235
350,375	188,725	213,595	573,505	—	86,575
—	30,041	22,464	44,852	3,070	30,389
—	—	—	—	—	—
1,854	1,847	47	411	—	7,466
(350,375)	(203,580)	(229,205)	(692,095)	—	(101,062)
178,116	380,842	449,624	851,955	270,402	808,132
(146,861)	(363,765)	(441,944)	(850,066)	(262,971)	(849,982)
35,966	**49,175**	**65,684**	**43,932**	**28,611**	**81,753**
$ 1,135,671	**$ 213,872**	**$ 187,136**	**$ 719,749**	**$ (27,168)**	**$ 578,948**
1.3%	**1.7%**	**1.8%**	**2.1%**	**2.2%**	**2.4%**

Personal Income by Industry

Last Ten Calendar Years
(expressed in millions)

Sources	Calendar Year 2022	2021	2020
Farm earnings	$ 997	$ 425	$ 103
Agricultural services, forestry, fishing, and other	470	454	493
Mining	207	186	174
Construction	12,288	11,058	10,416
Manufacturing	22,921	21,010	19,901
Transportation and public utilities	7,920	7,235	6,787
Wholesale trade	8,681	7,489	6,999
Retail trade	12,501	11,600	10,691
Finance, insurance, and real estate	14,317	13,079	12,140
Services	68,663	61,290	55,310
Federal government, civilian	4,052	4,016	3,872
Military	3,569	3,704	3,511
State and local government	24,215	23,446	22,668
Other [a]	100,867	107,348	98,881
Total personal income	**$ 281,668**	**$ 272,340**	**$ 251,946**
Average effective rate [b]	[c]	2.2%	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

2019	2018	2017	2016	2015	2014	2013
$ 127	$ 156	$ 296	$ 188	$ 219	$ 240	$ 743
433	438	406	388	375	344	301
185	160	160	121	104	80	77
10,364	9,652	9,321	8,192	7,438	6,905	6,228
20,836	20,001	19,053	18,311	17,913	16,984	15,862
6,633	6,243	5,915	5,657	5,441	5,031	4,704
6,623	6,310	6,121	5,799	5,714	5,348	4,998
10,054	9,704	9,250	8,950	8,646	8,277	7,995
11,647	10,023	10,503	10,034	9,721	8,721	8,285
56,009	53,658	50,260	47,182	45,157	42,862	40,194
3,629	3,479	3,314	3,219	3,125	2,981	2,941
3,333	3,243	3,368	3,409	3,591	3,535	3,631
22,192	21,270	20,357	19,720	19,135	18,481	17,752
84,960	77,370	74,001	71,045	67,785	63,044	57,906
$ 237,025	**$ 221,707**	**$ 212,325**	**$ 202,215**	**$ 194,364**	**$ 182,833**	**$ 171,617**
2.0%	1.9%	1.9%	1.9%	1.8%	1.8%	1.8%

Taxable Sales by Industry

Last Ten Fiscal Years
(expressed in millions)

Sources	For the Fiscal Year 2023	2022	2021	2020
Retail trade	$ 58,654	$ 55,772	$ 50,075	$ 44,445
Services	17,870	16,440	14,255	12,808
Transportation, communication, and utilities	18,731	10,371	10,359	10,089
Wholesale trade	5,541	4,924	4,034	3,655
Other	16,069	21,913	16,412	11,281
Total taxable sales [a]	**$ 116,865**	**$ 109,420**	**$ 95,135**	**$ 82,278**

Percent Distribution of Taxable Sales by Industry

Last Ten Fiscal Years

Sources	For the Fiscal Year 2023	2022	2021	2020
Retail trade	50.2%	51.0%	52.6%	54.0%
Services	15.3%	15.0%	15.0%	15.6%
Transportation, communication, and utilities	16.0%	9.5%	10.9%	12.3%
Wholesale trade	4.7%	4.5%	4.2%	4.4%
Other	13.8%	20.0%	17.3%	13.7%
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					
2019	2018	2017	2016	2015	2014
$ 44,641	$ 43,852	$ 42,980	$ 48,777	$ 45,579	$ 42,828
13,045	12,534	11,773	12,479	11,661	10,957
9,951	10,093	10,206	5,379	5,027	4,724
3,448	3,234	3,033	3,132	2,927	2,751
8,590	5,955	7,344	1,711	1,599	1,502
$ 79,675	**$ 75,668**	**$ 75,336**	**$ 71,478**	**$ 66,793**	**$ 62,762**

Table 7

Ended June 30					
2019	2018	2017	2016	2015	2014
56.0%	58.0%	57.1%	68.2%	68.2%	68.2%
16.4%	16.6%	15.6%	17.5%	17.5%	17.5%
12.5%	13.3%	13.5%	7.5%	7.5%	7.5%
4.3%	4.3%	4.0%	4.4%	4.4%	4.4%
10.8%	7.8%	9.8%	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	
2022	0.0% - 6.5%	6	3,200	16,040	b
2021	0.0% - 7.0%	6	3,110	15,560	2.2%
2020	0.0% - 7.0%	6	3,070	15,400	1.8%
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%

[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 2021 and 2013
(dollars, except income level, expressed in thousands)

2021 [a]

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	224,983	8.7%	$ 3,447,932	58.4%
$75,001 - $100,000	115,574	4.4%	592,182	10.0%
$50,001 - $75,000	202,563	7.8%	714,892	12.1%
$25,001 - $50,000	391,526	15.1%	747,234	12.7%
$10,001 - $25,000	402,190	15.5%	257,773	4.4%
$10,000 and lower	1,263,208	48.5%	145,385	2.4%
Total	**2,600,044**	**100.0%**	**$ 5,905,398**	**100.0%**

2012

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	96,587	4.6%	$ 1,323,989	42.8%
$75,001 - $100,000	70,889	3.4%	367,851	11.9%
$50,001 - $75,000	143,506	6.8%	510,916	16.5%
$25,001 - $50,000	299,134	14.2%	577,362	18.7%
$10,001 - $25,000	349,115	16.6%	241,087	7.8%
$10,000 and lower	1,141,360	54.4%	70,889	2.3%
Total	**2,100,591**	**100.0%**	**$ 3,092,094**	**100.0%**

[a] Information for 2022 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			
	2023	**2022**	**2021**	**2020**
Governmental Activities				
General obligation bonds	$ 141,344	$ 193,969	$ 265,229	$ 368,747
Limited obligation bonds	—	—	—	—
Infrastructure Bank bonds	1,381,137	1,441,839	1,472,319	1,558,524
Revenue bonds	34,323	35,887	37,348	38,704
Notes payable	37,432	64,319	64,678	89,670
Leases	74,433	113,990	120,969	2,267
Total governmental activities	1,668,669	1,850,004	1,960,543	2,057,912
Business-Type Activities				
Revenue bonds	4,570	4,785	4,990	5,185
Notes payable	6,500	6,500	6,500	6,500
Total business-type activities	11,070	11,285	11,490	11,685
Total primary government	**$ 1,679,739**	**$ 1,861,289**	**$ 1,972,033**	**$ 2,069,597**
Debt as a percentage of personal income	0.6%	0.7%	0.8%	0.9%
Debt per capita expressed in actual dollars	[a]	$ 352	$ 380	$ 403

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

2019	2018	2017	2016	2015	2014
$ 457,555	$ 564,811	$ 756,172	$ 962,196	$ 1,126,138	$ 1,320,532
—	—	—	—	185	919
1,645,007	1,729,005	1,788,232	1,854,451	1,942,456	2,016,518
39,964	41,109	44,270	14,144	17,680	21,072
94,384	105,045	86,971	66,875	61,185	68,265
2,488	1,745	1,871	3,395	4,493	6,004
2,239,398	2,441,715	2,677,516	2,901,061	3,152,137	3,433,310
5,375	5,555	5,730	5,895	6,055	6,210
6,500	6,500	—	—	—	—
11,875	12,055	5,730	5,895	6,055	6,210
$ 2,251,273	**$ 2,453,770**	**$ 2,683,246**	**$ 2,906,956**	**$ 3,158,192**	**$ 3,439,520**
1.0%	1.2%	1.3%	1.5%	1.7%	2.0%
$ 443	$ 489	$ 540	$ 592	$ 651	$ 718

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(expressed in thousands unless otherwise indicated)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
Governmental Activities				
Capital improvement bonds	$ —	$ —	$ —	$ —
State highway bonds	—	12,419	27,749	69,852
State school facilities bonds	—	—	—	—
Infrastructure Bank bonds	17,764	21,245	24,595	27,649
State economic development bonds	99,091	126,833	170,924	206,967
Research university infrastructure bonds	16,085	21,087	25,784	44,538
Air carrier hub terminal facilities bonds	8,404	12,385	16,177	19,741
Total governmental activities	141,344	193,969	265,229	368,747
Total primary government	**$ 141,344**	**$ 193,969**	**$ 265,229**	**$ 368,747**
Debt as a percentage of personal income	[a]	0.1%	0.1%	0.2%
Debt per capita expressed in actual dollars	[a]	$ 37	$ 51	$ 72

[a] Not yet available.

Source: South Carolina Comptroller General's Office

Table 11

Ended June 30					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ —	$ 8,698	$ 26,564	$ 55,629	$ 99,296	$ 148,642
109,839	162,628	213,686	263,083	311,034	358,484
—	—	9,021	31,500	76,909	143,868
30,746	33,725	36,630	39,326	42,061	44,533
230,095	251,837	342,669	426,280	427,646	436,379
63,654	81,348	97,783	113,410	133,165	149,609
23,221	26,575	29,819	32,968	36,027	39,017
457,555	564,811	756,172	962,196	1,126,138	1,320,532
$ 457,555	**$ 564,811**	**$ 756,172**	**$ 962,196**	**$ 1,126,138**	**$ 1,320,532**
0.2%	0.3%	0.4%	0.5%	0.6%	0.8%
$ 90	$ 112	$ 152	$ 196	$ 232	$ 276

Computation of Legal Debt Margin

June 30, 2023
(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	
2021-2022 Budgetary General Fund revenues pledged for highway bonds	$ 11,179
2021-2022 other revenues pledged for highway bonds	861,622
2021-2022 revenues pledged for highway bonds	872,801
15% of 2021-2022 revenues pledged for highway bonds	130,920
Less: maximum annual debt service for highway bonds [g]	-
Legal debt service margin at June 30, 2023--highway bonds	**$ 130,920**
GENERAL OBLIGATION BONDS (EXCLUDING INSTITUTION BONDS, HIGHWAY BONDS, AND ANTICIPATION NOTES)[f]	
2021-2022 Budgetary General Fund revenues	$ 13,004,392
Less: 2021-2022 Budgetary General Fund revenues pledged for highway bonds [e]	11,179
2021-2022 net Budgetary General Fund revenues	12,993,213
6% of 2021-2022 net Budgetary General Fund revenues	779,593
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, 2023--general obligation bonds excluding institution and highway bonds and bond anticipation notes	**$ 749,795**

Table 12

ECONOMIC DEVELOPMENT BONDS[a]	
2021-2022 Budgetary General Fund revenues	$ 13,004,392
Less: 2021-2022 Budgetary General Fund revenues pledged for highway bonds [e]	11,179
2021-2022 net Budgetary General Fund revenues	12,993,213
0.5% of 2021-2022 net Budgetary General Fund revenues	64,966
Less: maximum annual debt service for economic development bonds [d]	4,229
Legal debt service margin at June 30, 2022--economic development bonds	**$ 60,737**
RESEARCH UNIVERSITY INFRASTRUCTURE BONDS	
2021-2022 Budgetary General Fund revenues	$ 13,004,392
Less: 2021-2022 Budgetary General Fund revenues pledged for highway bonds [e]	11,179
2021-2022 net Budgetary General Fund revenues	12,993,213
0.5% of 2021-2022 net Budgetary General Fund revenues	64,966
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	**$ 60,165**

[a] Based on the provisions of Section 11-41-60 of the South Carolina Code of Laws, the following State Economic Development bond issuances are not subject to the limitation on maximum annual debt service: $170 million issued during the fiscal year ended June 30, 2010, $85 million issued during the fiscal year ended June 30, 2014, and $18.11 million issued during the fiscal year ended June 30, 2015. None of the aforementioned Economic Development bond issuances were included in the debt service limit calculations.

[b] As of June 30, 2023, the maximum annual debt service will occur in the fiscal year ending June 30, 2024.

[c] As of June 30, 2023, the maximum annual debt service will occur in the fiscal year ending June 30, 2025.

[d] As of June 30, 2023, the maximum annual debt service will occur in the fiscal year ending June 30, 2028.

[e] For the fiscal year ended June 30, 2023, 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] As of June 30, 2023, the State's Highway General Obligation Bonds were paid in full.

Source: South Carolina Comptroller General's Office

Legal Debt Margin Information

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2023	**2022**	**2021**	**2020**
State Highway Bonds				
Debt service limitation	$ 130,920	$ 122,382	$ 114,737	$ 115,049
Debt service applicable to limit	—	10,732	13,900	39,452
Legal debt margin at June 30	**$ 130,920**	**$ 111,650**	**$ 100,837**	**$ 75,597**
Legal debt margin as a percentage of debt service limitation	**100.0%**	**91.2%**	**87.9%**	**65.7%**
General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes				
Debt service limitation	$ 779,593	$ 626,856	$ 550,095	$ 527,560
Debt service applicable to limit	29,798	29,798	29,798	42,392
Legal debt margin at June 30	**$ 749,795**	**$ 597,058**	**$ 520,297**	**$ 485,168**
Legal debt margin as a percentage of debt service limitation	**96.2%**	**95.2%**	**94.6%**	**92.0%**
Economic Development Bonds				
Debt service limitation	$ 64,966	$ 52,238	$ 45,841	$ 43,963
Debt service applicable to limit	4,229	4,229	4,229	4,229
Legal debt margin at June 30	**$ 60,737**	**$ 48,009**	**$ 41,612**	**$ 39,734**
Legal debt margin as a percentage of debt service limitation	**93.5%**	**91.9%**	**90.8%**	**90.4%**
Research University Infrastructure Bonds				
Debt service limitation	$ 64,966	$ 52,238	$ 45,841	$ 43,963
Debt service applicable to limit	4,801	4,801	4,801	17,274
Legal debt margin at June 30	**$ 60,165**	**$ 47,437**	**$ 41,040**	**$ 26,689**
Legal debt margin as a percentage of debt service limitation	**92.6%**	**90.8%**	**89.5%**	**60.7%**

Source: South Carolina Comptroller General's Office

Table 13

Ended June 30					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
$ 108,261	$ 105,579	$ 104,142	$ 99,210	$ 96,244	$ 93,314
39,452	53,171	53,915	54,646	56,534	57,365
$ 68,809	**$ 52,408**	**$ 50,227**	**$ 44,564**	**$ 39,710**	**$ 35,949**
63.6%	**49.6%**	**48.2%**	**44.9%**	**41.3%**	**38.5%**
$ 486,794	$ 454,285	$ 440,260	$ 416,987	$ 392,469	$ 382,796
44,785	52,936	83,191	111,150	141,006	175,354
$ 442,009	**$ 401,349**	**$ 357,069**	**$ 305,837**	**$ 251,463**	**$ 207,442**
90.8%	**88.3%**	**81.1%**	**73.3%**	**64.1%**	**54.2%**
$ 40,566	$ 37,857	$ 36,688	$ 34,749	$ 32,706	$ 31,900
4,489	4,489	17,678	22,771	24,473	24,493
$ 36,077	**$ 33,368**	**$ 19,010**	**$ 11,978**	**$ 8,233**	**$ 7,407**
88.9%	**88.1%**	**51.8%**	**34.5%**	**25.2%**	**23.2%**
$ 40,566	$ 37,857	$ 36,688	$ 34,749	$ 32,706	$ 31,900
19,375	19,375	19,375	19,375	21,521	21,663
$ 21,191	**$ 18,482**	**$ 17,313**	**$ 15,374**	**$ 11,185**	**$ 10,237**
52.2%	**48.8%**	**47.2%**	**44.2%**	**34.2%**	**32.1%**

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					
2023	$ —	$ —	$ —	$ —	N/A
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
Infrastructure Bank Bonds					
2023	$ 212,002	$ 54,955	$ 53,236	$ 108,191	1.96
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

Demographic Statistics

Table 15

Last Ten Calendar Years

Year	Population at July 1 [a]	Per Capita Income [b]	Average Annual Unemployment Rate [c]
2022	5,282,634	$ 53,320	3.3%
2021	5,193,266	52,441	4.0%
2020	5,131,848	49,095	6.0%
2019	5,077,543	46,681	2.8%
2018	5,021,059	44,155	3.4%
2017	4,965,753	42,758	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%

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	2022 Number of Employees	2022 Percent of Total	2013 Number of Employees	2013 Percent of Total
Services	965,424	41.8%	801,115	40.4%
State and local	321,538	13.9%	311,754	15.7%
Retail trade	257,103	11.1%	232,665	11.7%
Manufacturing	261,614	11.3%	225,165	11.3%
Finance, insurance, and real estate	118,981	5.2%	97,358	4.9%
Construction	111,226	4.8%	82,074	4.1%
Transportation and public utilities	94,576	4.1%	64,801	3.3%
Wholesale trade	79,745	3.5%	66,719	3.4%
Military	45,934	2.0%	54,937	2.8%
Federal government, civilian	35,378	1.5%	32,659	1.6%
Farming	6,545	0.3%	7,775	0.4%
Agricultural services, forestry, fishing, and other	7,402	0.3%	6,963	0.4%
Mining	2,062	0.1%	1,140	0.1%
Total wage and salary employment	**2,307,528**	**100.0%**	**1,985,125**	**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)

2022	2013
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.
Prisma Health Upstate	Palmetto Health Alliance, Inc.
Publix Super Markets, Inc.	U.S. Department of Defense
Spartanburg Regional Medical Center	U.S. Postal Service
U.S. Department of Defense	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 of 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			
	2023	2022	2021	2020
General government	6,146	5,876	5,954	6,011
Education	2,731	2,664	2,720	2,787
Health and environment	9,131	8,709	9,203	10,112
Social services	4,771	4,564	4,510	4,673
Administration of justice	7,882	7,277	7,786	8,424
Resources and economic development	1,890	1,801	1,752	1,782
Transportation	3,615	3,534	3,793	4,135
Other	67	72	74	78
Totals	**36,233**	**34,497**	**35,792**	**38,002**

Source: South Carolina Comptroller General's Office

Table 18

as of June 30					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
5,977	6,265	6,243	6,102	6,068	6,023
2,800	2,898	2,974	2,898	2,857	2,773
9,982	9,818	9,493	9,489	9,741	9,683
4,416	4,062	3,730	3,675	3,438	3,294
8,425	8,755	8,659	8,578	8,886	9,205
1,744	1,742	1,630	1,607	1,612	1,525
4,236	4,342	4,530	4,602	4,361	4,291
86	81	82	76	66	56
37,666	**37,963**	**37,341**	**37,027**	**37,029**	**36,850**

Operating Indicators by Function

Last Ten Fiscal Years

	For the Fiscal Year			
	2023	2022	2021	2020
General government				
Individual income tax returns processed	2,683,519	2,517,836	2,812,397	2,284,026
Corporate income tax returns processed	156,989	135,746	147,433	136,102
Department of Motor Vehicles transactions	49,005,641	45,855,228	18,970,964	15,599,029
Workers' compensation cases reviewed	55,285	57,986	58,327	66,825
Education				
Per pupil spending	16,702*	15,562*	15,671	14,487
Public school enrollment	789,231	781,231	766,819	787,069
Average operating miles per school bus	14,291	14,291	15,142	11,845
State Museum visitors	111,958	79,604	58,168	141,718
Health and environment				
Medicaid eligible participants	1,656,339	1,568,318	1,456,437	1,449,935
Women, Infant and Children (WIC) participants	97,370	87,508	86,521	85,242
Community mental health center clients	55,257	59,687	50,000	50,000
Social services				
Average food stamp households per month	304,517	302,461	292,308	275,382
Child Protective Services investigations	37,131	36,749	34,756	33,188
Administration of justice				
Adult prison average daily population	15,976	15,437	15,807	18,171
Juvenile facility average daily population	311	287	394	396
Resources and economic development				
Dept of Commerce capital investment projects	120	153	126	129
Welcome Center visitors	7,080,501	5,450,885	1,995,469	2,540,977
Hunting and fishing licenses processed	967,299	974,369	1,043,309	1,024,817
Transportation				
Miles of surface repairs	123,576	117,762	137,489	140,566
Miles of roadway inspections	445,448	434,889	437,389	400,097
Unemployment compensation benefits				
Initial claims	120,924	87,592	265,652	739,569
Total benefit weeks claimed	662,106	869,077	3,575,435	3,284,932
Tuition prepayment program				
Individual accounts	1,602	1,806	2,046	2,374
Insurance claims processing				
Second Injury Fund claims paid	846	894	959	1,147
Other				
Public railway carloads (calendar year)	97,967	115,093	98,919	101,282

* Estimated spending

Source: South Carolina Comptroller General's Office

Table 19

Ended June 30					
2019	2018	2017	2016	2015	2014
2,424,308	2,433,317	3,058,609	2,995,483	2,582,598	2,514,090
136,143	133,959	126,000	129,511	212,072	209,677
15,744,086	15,447,021	14,681,110	14,113,064	13,401,505	12,767,033
65,827	67,255	64,802	63,480	63,164	63,541
14,060	13,601	13,043	12,368	12,007	11,634
781,493	774,004	769,130	760,500	753,485	742,325
14,800	14,400	14,600	14,798	14,715	14,862
170,907	208,300	161,335	161,372	181,284	127,943
1,436,247	1,424,134	1,413,345	1,424,039	1,336,550	1,246,546
86,354	109,864	101,563	107,257	114,562	112,131
57,559	84,528	82,560	82,241	80,792	78,825
264,179	345,511	342,551	371,331	382,054	403,281
37,951	38,099	26,347	24,980	19,784	14,606
18,743	19,559	20,483	20,671	21,183	21,712
413	435	514	534	560	523
162	157	132	150	146	127
4,692,510	3,232,816	2,954,241	3,018,376	2,054,310	2,001,594
904,258	845,333	875,912	918,677	995,773	962,561
173,578	143,334	139,399	171,818	160,674	166,174
360,112	349,335	364,882	198,161	178,761	354,953
128,980	139,336	114,951	159,186	179,984	225,420
802,474	863,828	964,485	1,197,550	956,586	1,365,992
2,707	5,317	5,486	5,575	5,662	5,758
1,256	1,380	1,336	1,567	1,759	1,964
104,010	106,490	135,267	133,147	117,550	122,475

Capital Assets by Function

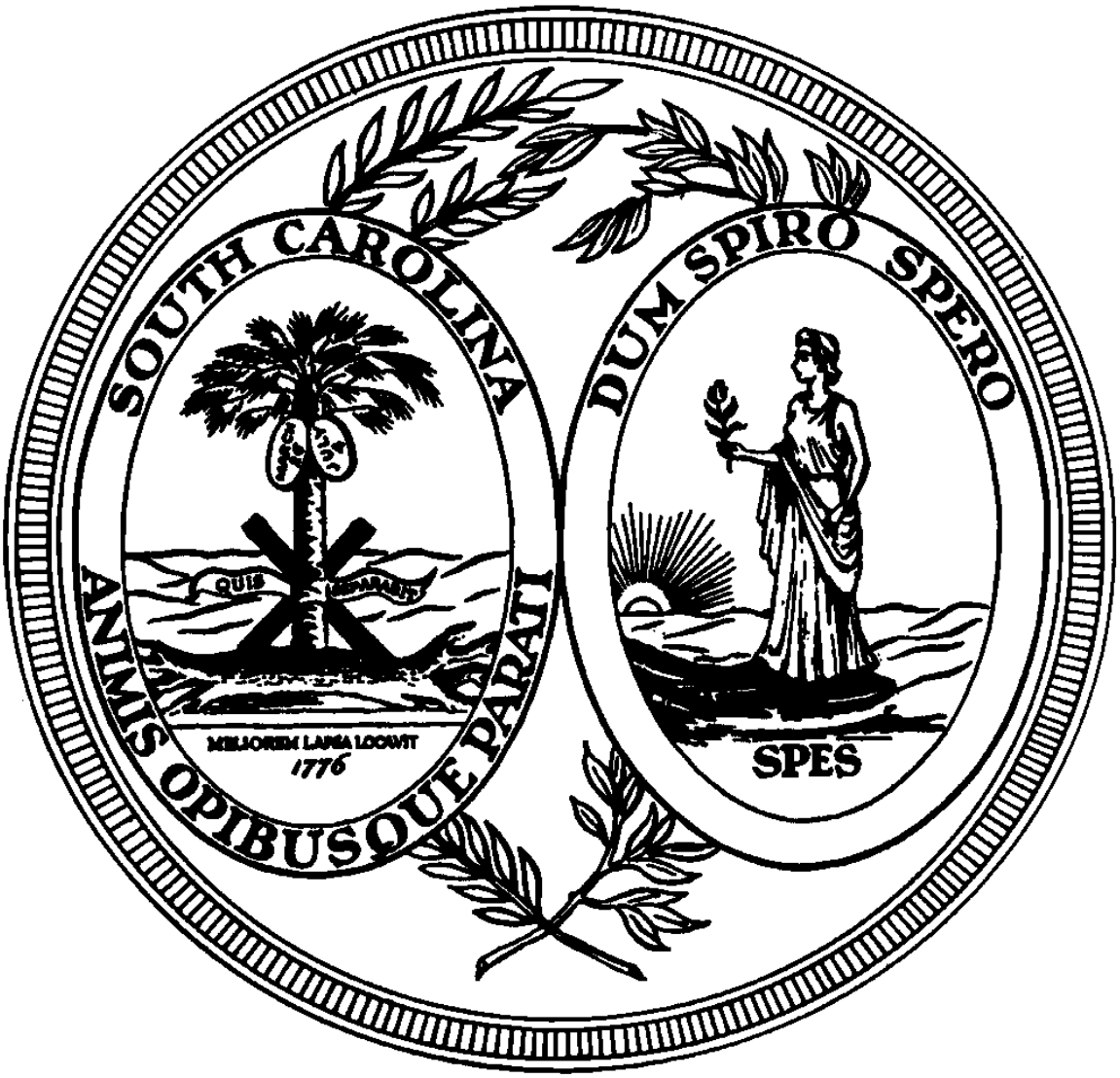
Last Ten Fiscal Years

	For the Fiscal Year			
	2023	2022	2021	2020
General government				
Buildings and facilities	42	42	42	41
State armories	56	56	56	56
Fleet vehicles	3,748	3,543	3,350	3,769
Motor vehicle district offices	66	66	66	66
Education				
School buses	5,629	5,653	5,689	5,643
Television transmitters	10	10	10	10
Vocational training/client centers	34	34	34	34
Health and environment				
Mental health buildings	123	113	117	113
Community mental health centers	76	70	71	70
Special needs centers and homes	10	10	10	10
Social services				
Buildings and facilities	63	63	63	65
Administration of justice				
Adult correctional institutions	21	21	21	21
Juvenile correctional facilities	5	5	5	5
Highway patrol district offices	7	7	7	6
Highway patrol vehicles	1,299	1,414	1,459	1,586
Resources and economic development				
Acres of State parks	96,707	92,995	92,816	92,495
Acres of State forests	97,392	94,462	94,462	94,462
State parks and historical sites	58	54	54	53
State farmers' markets	3	3	3	3
DNR vehicles and boats	1,483	1,801	1,777	1,669
Transportation				
Miles of State highways (calendar year)	41,282	41,295	41,297	41,299
Weigh stations	9	9	9	8
Traffic cameras	547	547	537	517
Miles of cable median barriers	486	502	502	476
Other				
Rail yards	4	4	4	4
State-owned locomotives	13	12	12	12

Source: South Carolina Comptroller General's Office

Table 20

Ended June 30					
2019	**2018**	**2017**	**2016**	**2015**	**2014**
41	44	45	49	49	49
56	59	57	57	58	59
3,617	3,607	3,325	3,000	3,029	3,093
66	66	67	67	66	66
5,684	5,681	5,671	5,617	5,776	5,640
10	11	11	11	11	11
34	34	34	35	35	35
115	127	139	141	144	149
70	71	68	64	64	64
10	10	10	10	10	10
65	65	67	69	69	69
21	21	23	23	24	25
5	5	5	5	5	5
6	6	6	6	6	6
1,703	1,628	1,551	1,442	1,442	1,351
92,259	91,144	86,445	86,445	86,445	86,445
94,462	94,462	94,462	94,462	94,462	94,245
53	53	53	53	53	53
3	3	3	3	3	3
1,863	1,732	1,753	1,645	1,169	1,292
41,315	41,330	41,358	41,377	41,391	41,414
8	8	8	8	8	8
485	447	379	359	360	360
476	490	490	490	480	480
4	4	3	3	3	3
12	12	12	12	10	10



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was $325.00; 100 copies were printed at a cost of $3.25 each.