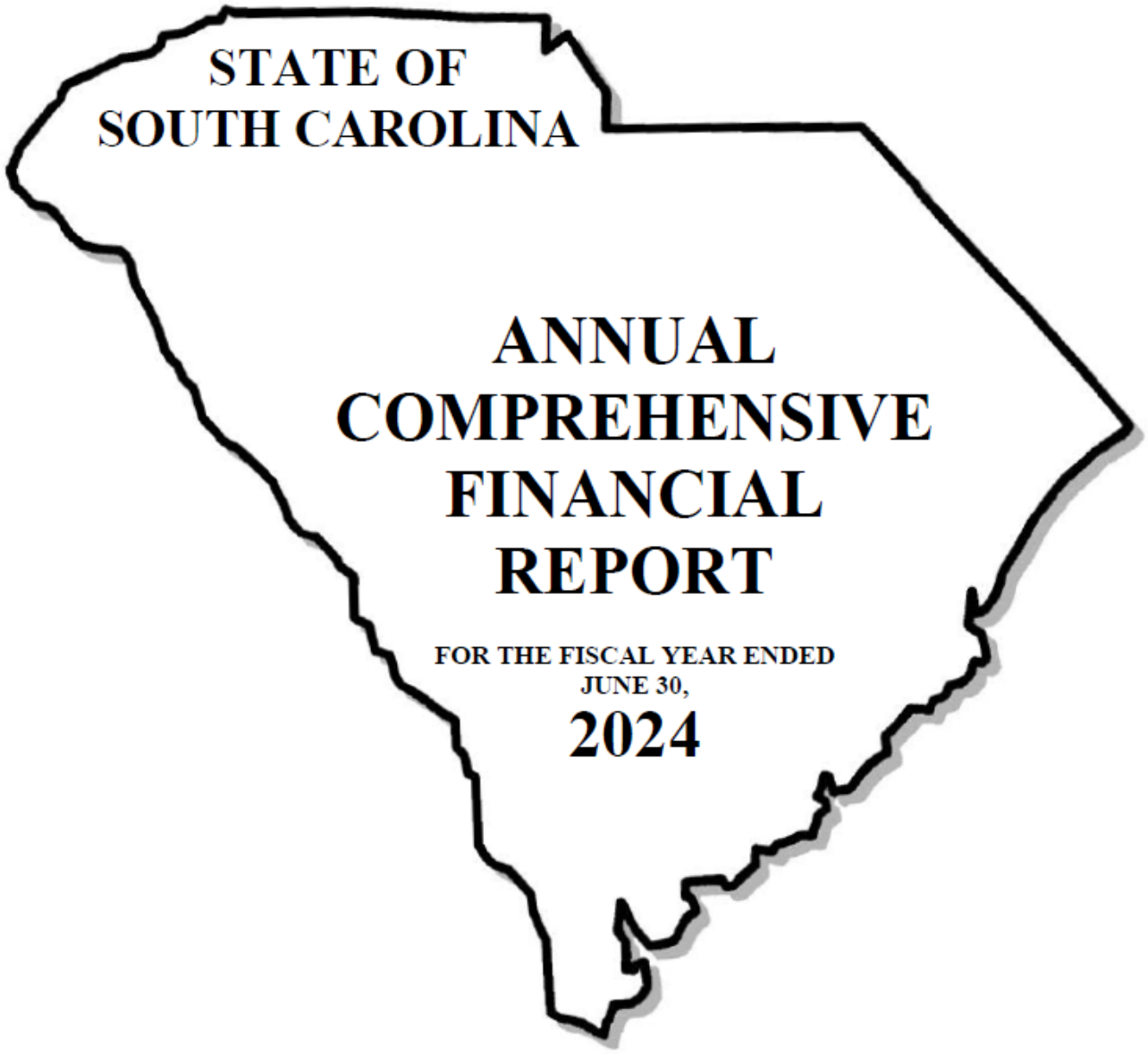


ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30,
2024

Prepared by the Comptroller General's Office

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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

1200 Senate Street
305 Wade Hampton Office Building
Columbia, South Carolina 29201

Telephone: (803) 734-2121
Fax: (803) 734-1765
E-Mail: cgoffice@cg.sc.gov

BRIAN J. GAINES
COMPTROLLER GENERAL

February 26, 2025

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, 2024. 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, 2024. 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 269 through 275 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 198 through 200.

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.

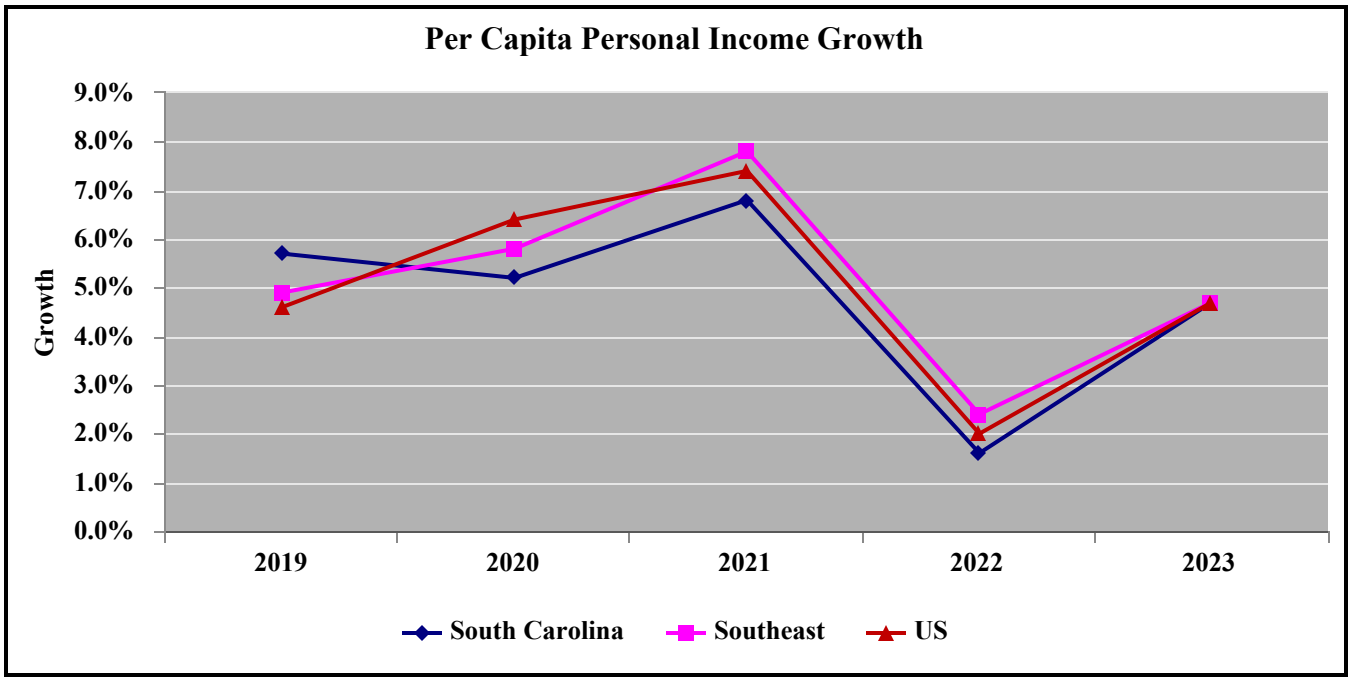
During the year ended June 30, 2024, total non-farm employment in the State increased by 78,300 (or 3.4%) to 2,382,400. Industry sector gains during that period were as follows: Education and Health Services (17,800); Leisure and Hospitality (14,700); Trade, Transportation, and Utilities (10,200); Professional and Business Services (10,100); Manufacturing (8,400); Government (6,500); Construction (4,900); Mining, Logging, Information, and Other Services (3,700); and Financial Activities (2,000).

South Carolina's unemployment rate was 3.6% in June 2024, which increased from the June 2023 rate of 3.1%. The State's unemployment rate was 4.5% in September 2024, the most recent month available. In comparison, the U.S. unemployment rate was 4.1% in June 2024 and 4.1% in September 2024.

The South Carolina Leading Index (SCLI) increased by 0.22 points from June 2023 to June 2024 to 102.59. Above the 100 mark, the SCLI forecasts generally improving economic conditions for South Carolina over the upcoming three to six months. The SCLI closed the month of September 2024 at 102.56, the most recent month available.

The number of real estate closings decreased by 11.3% between June 2023 and June 2024 due in large part to rising mortgage rates and rapidly increasing inflation on housing. However, real estate selling prices in South Carolina have increased, with the median price of homes sold increasing 2.0% between June 2023 and June 2024. In addition, the number of residential building permits increased by 10.9% compared to a year ago and the dollar amount of those permits increased by 19.9% between June 2023 and June 2024.

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 Revenue and Fiscal Affairs Office (RFAO) 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 2024.

The State ended fiscal year 2024 with a positive budgetary-basis General Fund balance after reservation of $6.020 billion, which was made up of legislatively-approved agency carryover appropriations of $3.596 billion, the Contingency Reserve of $58.566 million, the General Reserve of $715.242 million, the Capital Reserve of $390.132 million, and an unassigned surplus of $1.260 billion.

MAJOR INITIATIVES

The State continues to fund programs related to job creation. In calendar year 2023 the State committed $12.272 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 Envision AESC to Florence County, Silfab Solar to York County, EnerSys to Greenville County, and ZF Group to Laurens County. Envision AESC is expected to create over 2,700 jobs, Silfab Solar is expected to create 800 jobs, EnerSys is expected to create 500 jobs, and ZF Group is expected to create 400 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 2023 alone, the State attracted more than $9.22 billion in new capital investment from manufacturing companies, which resulted in the creation of more than 14,120 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 $37.297 billion in 2023, which is an increase of 18.6% from 2022. In 2023, South Carolina ranked 17th in the United States in exports. These export figures were bolstered by the fact that the State is the nation's top exporter of tires and amongst the nation's top exporters of completed passenger motor vehicles. The State also 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 currently 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 $322.259 billion in 2023. Between 2022 and 2023, real GDP grew 8.3% compared to the southeast states' average growth of 7.3% during that period.

With our cost of living 6.4% 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 2023 had the lowest unionization rate in the nation, at 2.3% 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 2024 survey. In this 2024 survey, South Carolina ranked first in the nation in the availability of sites, business incentive programs, cooperative and responsive state and local governments, and favorable regulatory environment 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, 2023. This was the thirty-sixth 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.

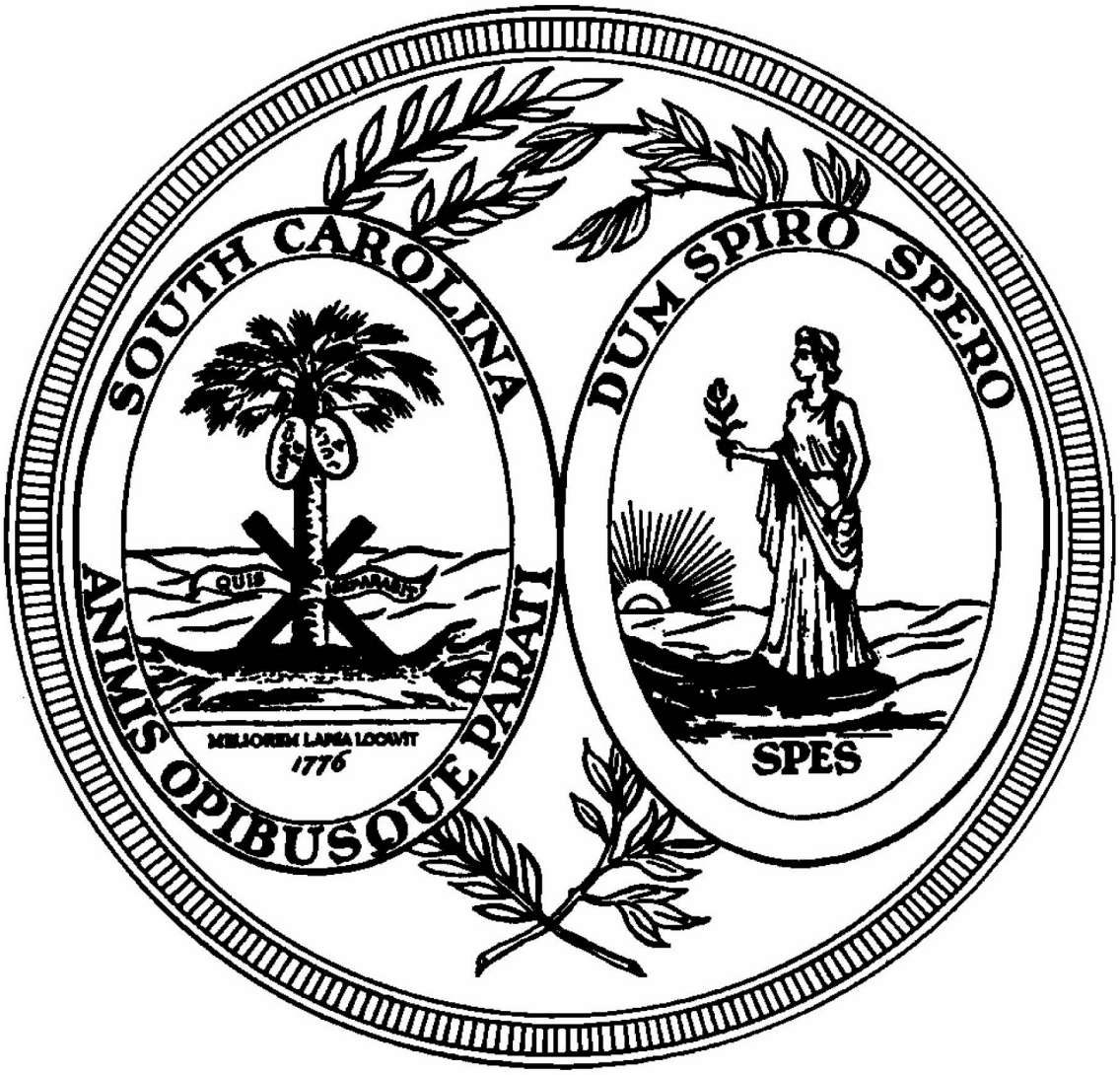
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility to be awarded a Certificate of Achievement.

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
MELIOREM 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

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 [a]
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 [a]
Mark Hammond, Secretary of State
Alan Wilson, Attorney General
Ellen Weaver, State Superintendent of Education
Hugh E. Weathers, Commissioner of Agriculture

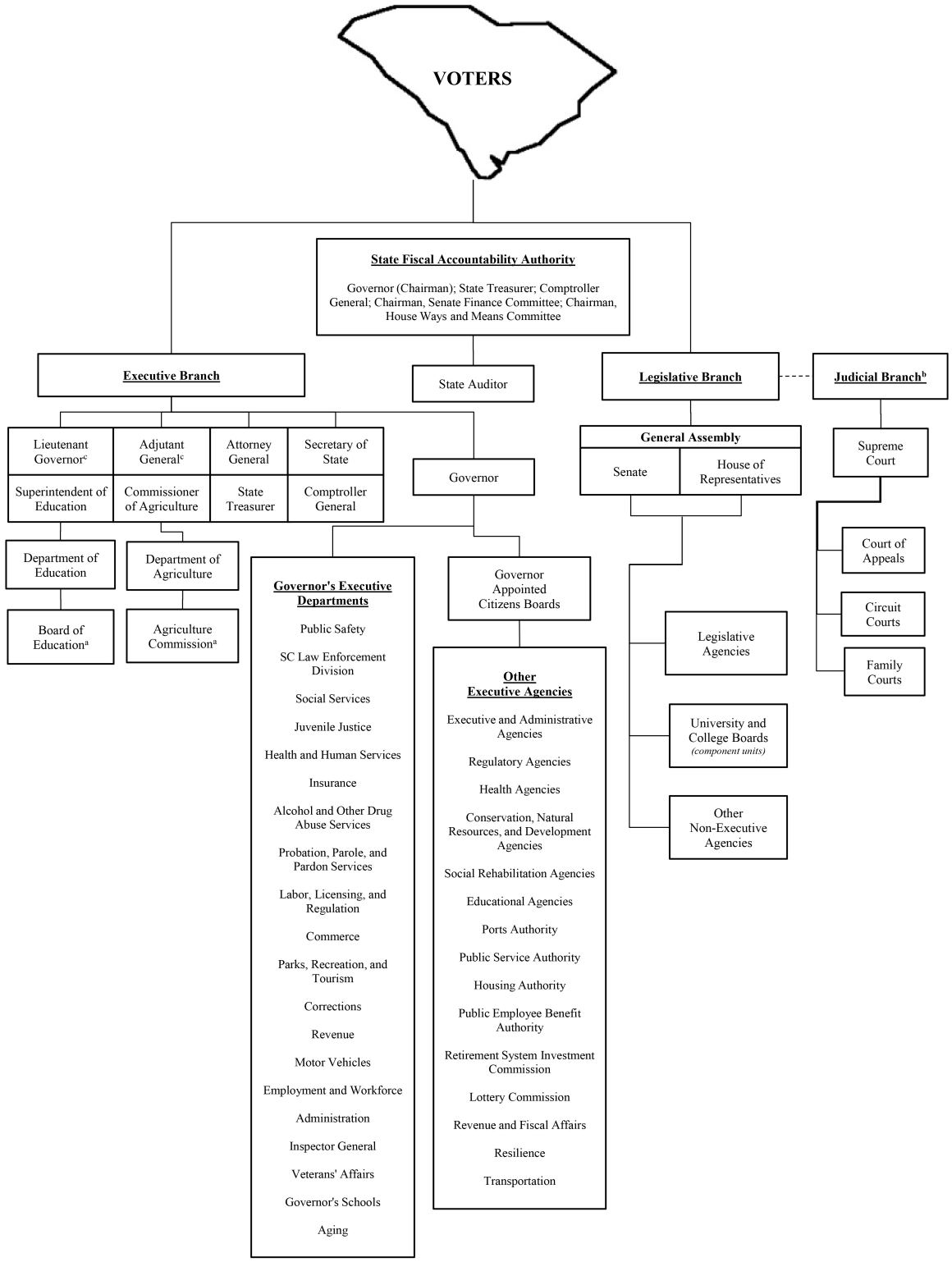
JUDICIAL

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, 2024.

[a] The Governor and Lieutenant Governor are elected on the same ticket.

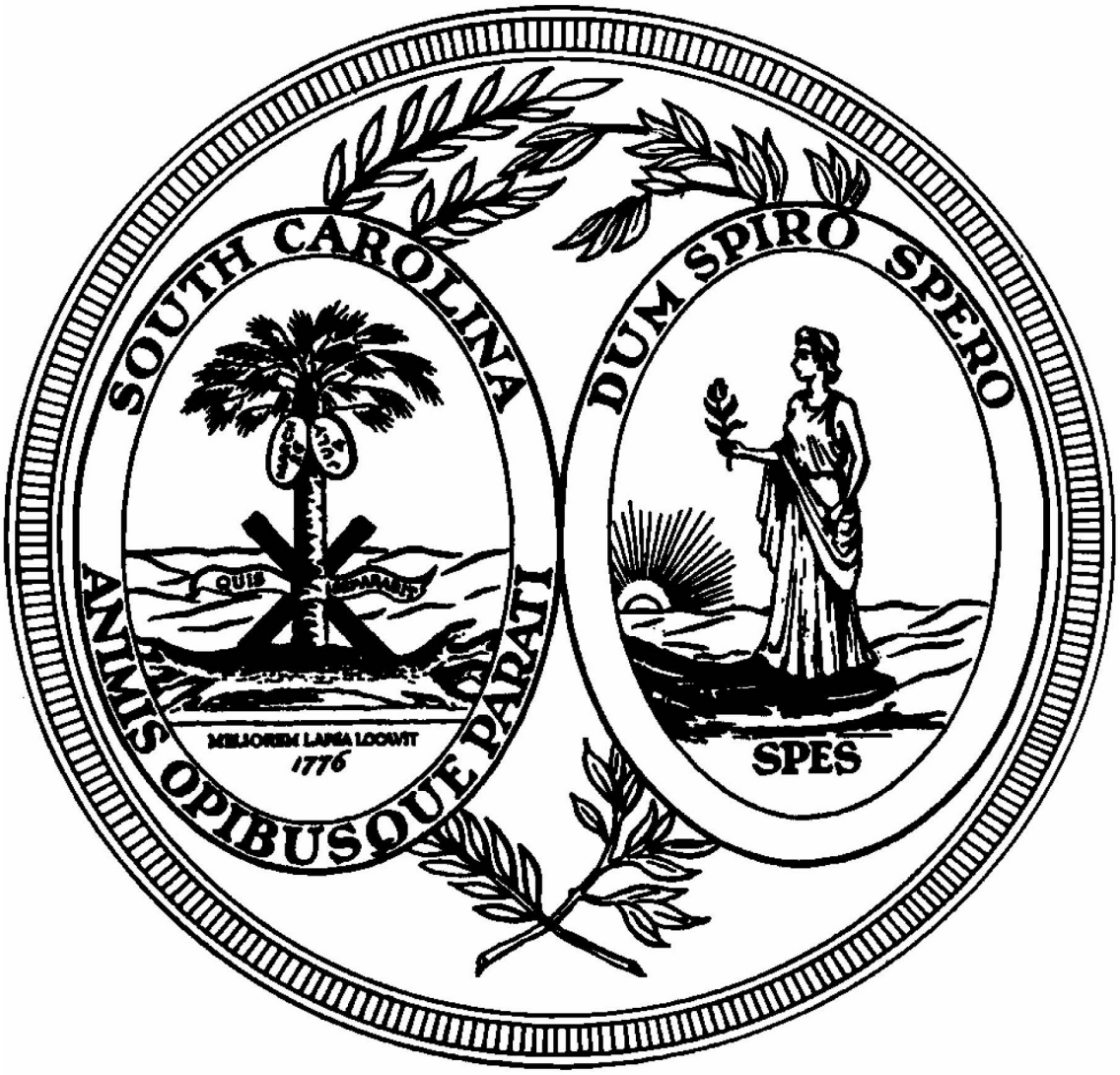
Organizational Chart



[a] 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.

[b] The General Assembly elects certain members of the judicial branch, including the Supreme Court.

[c] The Adjutant General, as head of the Military Department, and the Lieutenant Governor report directly to the Governor.


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

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
LLPCLAconnect.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, 2024, 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 joint 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, 2024, 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%	0.01%	53.33%	19.38%
Business-type Activities	-	-	-	-	89.76%	85.11%
Component Units	29.47%	24.10%	-	-	69.61%	73.88%
Fund Statements						
Governmental Funds	-	-	0.04%	0.01%	17.94%	8.53%
Enterprise Funds	-	-	-	-	89.76%	85.11%
Internal service Funds	-	-	-	-	87.67%	96.54%
Fiduciary Funds	-	-	0.09%	0.04%	99.35%	98.54%

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

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., Public Service Authority and South Carolina Medical Malpractice Association, were not audited in accordance with *Government Auditing Standards.*

Emphasis of Matter

As discussed in Note 15, the 2023 financial statements have been restated to correct a misstatement, account for a change to or within the financial reporting entity, and account for a change in accounting principle. Our opinions are not modified with respect to these matters.

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, and 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 funds, proprietary funds, fiduciary funds, nonmajor 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 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.

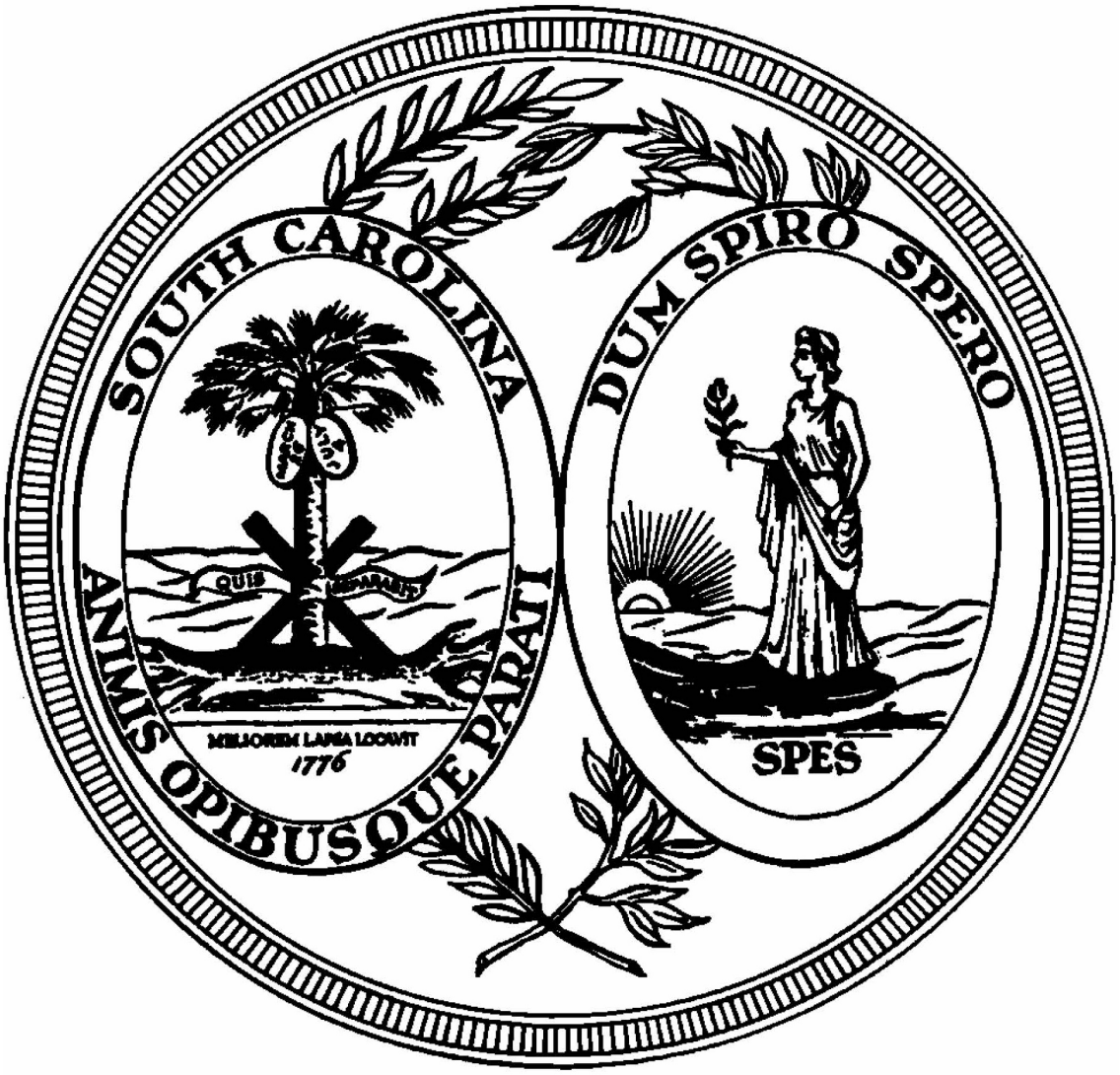
The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
State of South Carolina

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2025 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.

Columbia, South Carolina
February 26, 2025

Baltimore, Maryland
February 26, 2025


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
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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, 2024. 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 40 through 43 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 42 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 74).

Fund Financial Statements

The fund financial statements on pages 44 through 61 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 44 through 51 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 52 through 58 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 60 and 61 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 62 through 65 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 66 through 191 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 200, 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 193 through 225 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 227 through 275 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
	2024	2023 (as restated)	2024	2023	2024	2023 (as restated)	2024-2023
Assets							
Current and other assets	$ 28,956,879	$ 27,808,871	$ 2,278,554	$ 2,120,578	$ 31,235,433	$ 29,929,449	4.4%
Capital and lease assets	22,177,321	20,717,751	295,719	361,058	22,473,040	21,078,809	6.6%
Total assets	**51,134,200**	**48,526,622**	**2,574,273**	**2,481,636**	**53,708,473**	**51,008,258**	**5.3%**
Deferred Outflows of Resources	**1,682,387**	**1,638,755**	**10,409**	**11,584**	**1,692,796**	**1,650,339**	**2.6%**
Liabilities							
Long-term liabilities	9,619,847	9,902,622	238,461	266,394	9,858,308	10,169,016	(3.1%)
Other liabilities	9,860,554	7,992,606	192,667	154,553	10,053,221	8,147,159	23.4%
Total liabilities	**19,480,401**	**17,895,228**	**431,128**	**420,947**	**19,911,529**	**18,316,175**	**8.7%**
Deferred Inflows of Resources	**2,066,902**	**1,875,015**	**14,429**	**14,569**	**2,081,331**	**1,889,584**	**10.1%**
Net Position							
Net investment in capital assets	20,459,092	18,942,599	284,321	349,988	20,743,413	19,292,587	7.5%
Restricted	8,222,878	10,589,777	1,861,416	1,723,151	10,084,294	12,312,928	(18.1%)
Unrestricted	2,587,314	862,758	(6,612)	(15,435)	2,580,702	847,323	204.6%
Total net position	**$ 31,269,284**	**$ 30,395,134**	**$ 2,139,125**	**$ 2,057,704**	**$ 33,408,409**	**$ 32,452,838**	**2.9%**

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 $2.581 billion at June 30, 2024. This represents an increase of net position of $1.733 billion over the prior year. Most of this increase resulted from a $1.100 billion, or 14.8%, increase in retail sales and use tax revenues. The increase in retail sales and use tax revenue collections can be attributed to an improving nationwide economy and easing inflationary pressures on the consumer.

The State's business-type activities reported a deficit balance of ($6.612) million in unrestricted net position. This represents an increase of $8.823 million over the previous fiscal year. This resulted mostly from the Unemployment Compensation Fund's increasing revenues offset by unemployment compensation expenses which are now below pre-pandemic levels and follow the overall low unemployment levels South Carolina. The Unemployment Compensation Fund's increasing revenues were mostly fueled by increased interest earnings. The increased earnings were caused by increased interest rates within the current fiscal year over the previous one.

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 Percent Change
	2024	2023	2024	2023	2024	2023	2024-2023
Revenues							
Program revenues:							
Charges for services	$ 4,895,909	$ 5,008,621	$ 310,673	$ 312,532	$ 5,206,582	$ 5,321,153	(2.2)%
Operating grants and contributions	13,734,062	16,227,712	2	5,207	13,734,064	16,232,919	(15.4)%
Capital grants and contributions	1,285,601	1,046,733	8,371	42,557	1,293,972	1,089,290	18.8%
General revenues:							
Individual income tax	5,925,530	5,884,974	—	—	5,925,530	5,884,974	0.7%
Retail sales and use tax	8,523,366	7,423,406	—	—	8,523,366	7,423,406	14.8%
Other taxes	4,840,246	4,189,343	—	—	4,840,246	4,189,343	15.5%
Unrestricted grants and contributions	306	5	—	—	306	5	6020.0%
Unrestricted investment income	1,126,039	422,478	63,735	42,053	1,189,774	464,531	156.1%
Tobacco legal settlement	67,953	75,499	—	—	67,953	75,499	(10.0)%
Opioid legal settlement	4,399	10,690	—	—	4,399	10,690	(58.8)%
Other	935,111	914,464	1,368	1,251	936,479	915,715	2.3%
Total revenues	**41,338,522**	**41,203,925**	**384,149**	**403,600**	**41,722,671**	**41,607,525**	**0.3%**
Expenses							
Governmental activities:							
General government	11,018,645	12,309,745	—	—	11,018,645	12,309,745	(10.5)%
Education	8,676,056	8,179,679	—	—	8,676,056	8,179,679	6.1%
Health and environment	12,959,759	10,734,583	—	—	12,959,759	10,734,583	20.7%
Social services	2,651,952	3,553,243	—	—	2,651,952	3,553,243	(25.4)%
Administration of justice	1,504,038	1,495,855	—	—	1,504,038	1,495,855	0.5%
Resources and economic development	1,946,306	982,370	—	—	1,946,306	982,370	98.1%
Transportation	1,705,635	1,784,779	—	—	1,705,635	1,784,779	(4.4)%
Other	7,421	10,539	—	—	7,421	10,539	(29.6)%
Business-type activities:							
Unemployment compensation benefits	—	—	157,722	92,888	157,722	92,888	69.8%
Second Injury Fund	—	—	71	20,279	71	20,279	(99.6)%
Other	—	—	139,495	50,212	139,495	50,212	177.8%
Total expenses	**40,469,812**	**39,050,793**	**297,288**	**163,379**	**40,767,100**	**39,214,172**	**4.0%**
Excess (deficiency) before transfers	**868,710**	**2,153,132**	**86,861**	**240,221**	**955,571**	**2,393,353**	**(60.1)%**
Net transfers	5,440	39,638	(5,440)	(39,638)	—	—	—%
Change in net position	**874,150**	**2,192,770**	**81,421**	**200,583**	**955,571**	**2,393,353**	**(60.1)%**
Net position at beginning of year	**30,395,134**	**28,202,364**	**2,057,704**	**1,857,121**	**32,452,838**	**30,059,485**	**8.0%**
Net position, end of year	**$31,269,284**	**$30,395,134**	**$ 2,139,125**	**$ 2,057,704**	**$33,408,409**	**$32,452,838**	**2.9%**

Changes in Net Position

The State's total net position of its governmental activities and its business-type activities increased by $955.571 million, or 2.9%, over the prior year. This overall improvement in the financial position of the State was experienced primarily through increased tax revenues within the State's governmental activities.

Governmental Activities

The net position of the State's governmental activities increased by $874.150 million, or 2.9%. Revenue increased from last year by $134.597 million, or 0.3%, which was mostly comprised of an increase of $2.502 billion, or 13.2%, 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 $1.419 billion, or 3.6%, for the fiscal year ended June 30, 2024. These expenses were mostly associated with services provided for resources and development, health and environment, and education. 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, 2024, the State used $20.554 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 $5.440 million to the State's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2024 fiscal year:

- Individual income tax revenues increased by $40.556 million, or 0.7%, retail sales and use tax revenues increased by $1.100 billion, or 14.8%, and other taxes revenues increased by $650.903 million, or 15.5%. Overall tax collections increased by $1.791 billion, or 10.2%, during fiscal year 2024 as economic growth was recovering with easing inflationary pressures. Additionally, individual income tax collections increased modestly even with lower tax rates being enacted within the 2024 fiscal year. Additionally, sales tax partially increased because of the Department of Revenue changed its methods of calculating allowances of sales tax collections.

- Operating grants and contributions decreased by $2.494 billion, or 15.4%, over the prior year. This was primarily due to decreased federal funding as the COVID-19 pandemic ended.

- Unrestricted investment income increased by $703.561 million, or 166.5%, from the previous fiscal year. This increase was attributed increased interest rates, as compared to the previous fiscal year. Additionally, higher interest rates led to higher investment earnings.

- General government expenses decreased by $1.291 billion, or 10.5% over the prior year. The decrease in general government expenses was mostly attributable to the $1.000 billion tax rebate distributed during fiscal year 2023 of up to $800 per taxpayer.

- Education expenses increased by $496.377 million, or 6.1% over the prior fiscal year. The increase 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.

- Health and environment expenses increased by $2.225 billion, or 20.7% 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 decreased by $901.291 million, or 25.4%, due to the decrease in demand for services as inflation began to ease within the nation's overall economy.

- Transportation expenses decreased by $79.144 million, or 4.4%. The decrease in spending was primarily a result of expenditures for permanent improvements and maintenance that were federally funded were lower than planned due to the delayed execution of projects and weather-related delays. As a result, federal reimbursements were lower than anticipated.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2024

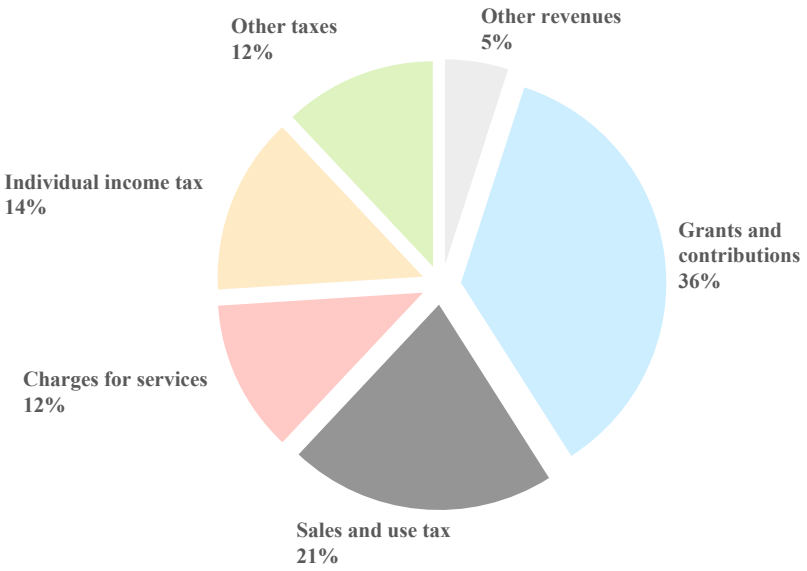
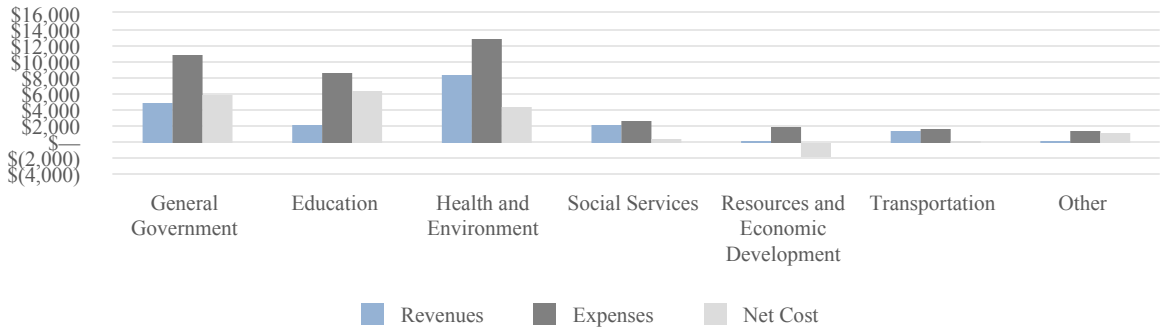


Exhibit 4
Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2024
(In Millions)



	General Government	Education	Health and Environment	Social Services	Resources and Economic Development	Transportation	Other
Revenues	$5,117	$2,265	$8,392	$2,218	$320	$1,389	$215
Expenses	$11,019	$8,676	$12,960	$2,652	$1,946	$1,706	$1,511
Net Cost	$5,902	$6,411	$4,568	$434	($1,626)	$317	$1,296

Business-type Activities

The net position of the State's business-type activities increased by $81.421 million, or 4.0%.

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, 2024 was $1.820 billion, which was an increase of $128.202 million, or 7.6%, 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, 2024 was $41.610 million, which was an increase of $10.063 million, or 31.9%, from last year.

Operating revenues of the Unemployment Compensation Fund decreased by $2.823 million, or 1.1%, and operating expenses for the payment of unemployment compensation benefits increased by $64.834 million, or 69.8%, during the 2024 fiscal year. The decreases in operating revenues resulted directly from the declining assessments and federal grants related to the national CARES Act Programs to combat the COVID-19 pandemic ending. However, as the nationwide unemployment rate increased during the 2024 fiscal year, unemployment benefit expenses have grown during that time. It should also be noted that South Carolina's unemployment rate is below pre-pandemic levels. The overall increase in the Unemployment Compensation Fund's net position occurred because of an increase in interest income of $16.629 million, or 62.4% due to rising interest rates throughout the fiscal year. Also, net transfers out of the Unemployment Compensation Fund decreased by $28.919 million, or 99.1%. Additionally, operating expenses for the Second Injury Fund have decreased by $20.208 million, or 99.6%, and operating revenues for the payment of Second Injury Fund claims remained at a low level during the 2024 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, 2024.

Exhibit 5
Governmental Fund Balances
For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 117,234	$ 43,089	$ —	$ 10,082	$ 19,976	$ 190,381
Restricted	1,613,350	530,918	2,472,603	1,834,661	1,217,344	7,668,876
Committed	1,664,154	37,521	120,356	780,553	47,733	2,650,317
Assigned	3,368,333	371,872	—	—	422,666	4,162,871
Unassigned	2,632,884	(54,505)	—	—	—	2,578,379
Totals	**$ 9,395,955**	**$ 928,895**	**$ 2,592,959**	**$ 2,625,296**	**$ 1,707,719**	**$ 17,250,824**
Change from prior year	**$ (1,619,377)**	**$ (66,711)**	**$ 178,490**	**$ 42,902**	**$ 489,292**	**$ (975,404)**
Percentage change	**(14.7)%**	**(6.7)%**	**7.4%**	**1.7%**	**40.2%**	**(5.4)%**

At June 30, 2024, total ending fund balance for the State's governmental funds was $17.251 billion, which represents a decrease of $0.975 billion, or 5.3%, from the prior year. This total contains an unassigned fund balance of $2.578 billion. The total also includes $2.633 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 44.5% of the total fund balance. The remaining fund balance is *nonspendable*, *committed*, or *assigned* and is not available for future appropriation because it is not in a spendable form or is accessible only for specific purposes.

The *General Fund* is the State's operating fund. This fund includes resources, such as taxes, that pay for the services that the State traditionally has provided to its citizens. Activity is accounted for in the General Fund unless constraints established by State law or external parties require them to be accounted for in another fund. Increases in the current fiscal year were experienced in individual income tax of $40.926 million, or 0.7%, while increases in retail sales and use tax of $1.030 billion, or 17.7%; and other taxes of $1.683 million, or 0.2%, were experienced from the prior year. These revenues grew due to improving consumer sentiment that existed for most of the 2024 fiscal year, but this was stymied by higher interest rates during the same period of time. Additionally, the State lowered its individual income tax rates in the current fiscal year. This change caused individual income taxes to only grow modestly in the 2024 fiscal year. General Fund expenditures, increased by $3.038 billion, or 19.6%. General Fund expenditures increased mostly within its intergovernmental expenditures. The increase of $3.250 billion, or 48.5%, was mostly due to increases in State aid to school districts, counties, municipalities, colleges, and universities and the Department of Revenue's method of calculating sales tax dedicated to intergovernmental expenditures (i.e. the Education Improvement Act revenues were increased with its corresponding expenditures).

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 2024 fiscal year, the total fund balance decreased by $66.711 million, or 6.7%, from the prior year. The decrease in fund balance was primarily the result of a decrease in federal grant funding of $2.307 billion, or 15.0% over the previous fiscal year. The decrease in federal grant 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 $178.490 million, or 7.4%, during the 2024 fiscal year, leaving a balance of $2.593 billion at the end of the fiscal year. The increase in fund balance was partially mostly the result of a decrease in expenditures of $42.548 million, or 19.9%. The decrease was due to several infrastructure projects not reaching construction stage during the fiscal year, while federal grants revenues remained steady in the current fiscal year versus the prior fiscal year. Also, interest income increased by $41.247 million, or 78.3%, due to rising interest rates during the fiscal year.

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 $42.902 million, or 1.7%, during the 2024 fiscal year, leaving a balance of $2.625 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, which as stated above, some have been delayed partially because of the weather.

Nonmajor Governmental Funds are used to account for funds that are restricted for specific purposes, including education, healthcare, and local governments. The $489.292 million, or 40.2%, increase in fund balance during the 2024 fiscal year was primarily the result of net transfers into the nonmajor governmental funds increasing by $879.378 million, or 1307.2%, from the past fiscal year. The increase in net transfers was mostly from the General Fund to the Capital Projects Fund related to general annual budgetary appropriations and General Fund capital reserve fund appropriations.

Proprietary Funds

Exhibit 6 shows the components of the net position for the State's various proprietary funds at June 30, 2024.

Exhibit 6
Proprietary Fund Net Position
For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

	Enterprise Funds				
Fund Net Position	**Unemployment Compensation**	**Second Injury**	**Nonmajor Enterprise**	**Total Enterprise**	**Internal Service Funds**
Net investment in capital assets	$ —	$ —	$ 284,321	$ 284,321	$ 95,111
Restricted, expendable	1,819,806	41,610	—	1,861,416	484,450
Unrestricted	—	—	(6,612)	(6,612)	280,286
Totals	**$ 1,819,806**	**$ 41,610**	**$ 277,709**	**$ 2,139,125**	**$ 859,847**
Change from prior year	**$ 128,202**	**$ 10,063**	**$ (56,844)**	**$ 81,421**	**$ 109,174**
Percentage change	**7.6%**	**31.9%**	**(17.0)%**	**4.0%**	**14.5%**

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 $128.202 million, or 7.6%, over the prior year. As stated on page 31, the reasons for this slower net position growth were mostly due to the Unemployment Compensation Fund benefits and claims expenses increasing by $64.834 million as a result of the nationwide unemployment rate slightly rising during the 2024 fiscal year, while its operating revenues decreased by $2.823 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, increased by $10.063 million, or 31.9%, over the prior year. As stated on page 31, 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* decreased by $56.844 million, or 17.0%, over the prior year. The decrease in the State's *nonmajor enterprise funds'* net position was primarily due to the Palmetto Railways transferring $84.100 million of land to the South Carolina Ports Authority. The decrease was partially offset by interest income and capital contributions totaling $16.423 million within the 2024 fiscal year.

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 $109.174 million, or 14.5%, in the 2024 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. $75.596 million, or 69.2%, of the increase in the State's internal service funds' net position can be attributed to the State's Employee Insurance Fund's operating revenues increasing by $328.888 million, while its benefits and claims paid only increased by $281.342 million from the previous fiscal year.

Budgetary General Fund Highlights

Estimated revenues for the 2024 fiscal year were $13.352 billion. Actual revenues at June 30, 2024, were $440.670 million, or 3.3%, under the estimated revenue used in the fiscal year 2024 budget appropriations act. This also represented an increase in collections over the prior year of $585.609 million, or 4.8%. 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 $692.655 million and sales tax collections ended the year over the adjusted estimate by $31.536 million.

Actual expenditures were $747.661 million more than actual revenues. Also, expenditures were kept $3.616 billion under fiscal year 2024 adjusted appropriations. In addition, $9.959 million of unbudgeted spending occurred through "open-ended" appropriations. Actual expenditures were kept under budgeted expenditures due to conservative budgeting practices by the State.

Based on the above results of operations, fiscal year 2024 ended with a budgetary surplus, which resulted in a budgetary General Fund balance after reservation of $6.020 billion.

See the *Required Supplementary Information* section on pages 193 through 200 of this report for a detailed budgetary comparison schedule.

Capital Assets, Lease Assets, and Debt Administration

Capital Assets

At the end of the 2024 fiscal year, the State had $22.473 billion invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of $1.394 billion, or 6.6%, 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 Percent Change
	2024	2023	2024	2023	2024	2023	2024-2023
Land and improvements	$ 2,608,642	$ 2,558,746	$ 229,537	$ 229,938	$ 2,838,179	$ 2,788,684	1.8%
Infrastructure	11,604,415	11,608,996	—	—	11,604,415	11,608,996	—%
Buildings and improvements	923,935	977,336	9,875	10,052	933,810	987,388	(5.4)%
Vehicles	382,635	334,531	17	49	382,652	334,580	14.4%
Machinery and equipment	247,200	242,267	4,231	3,236	251,431	245,503	2.4%
Works of art and historical treasures	1,388	1,448	—	—	1,388	1,448	(4.1)%
Construction in progress	6,117,346	4,771,853	52,059	117,783	6,169,405	4,889,636	26.2%
Intangible assets	1,161	3,388	—	—	1,161	3,388	(65.7)%
Lease assets	227,600	141,298	—	—	227,600	141,298	61.1%
Subscription assets	62,999	77,888	—	—	62,999	77,888	(19.1)%
Total	**$ 22,177,321**	**$ 20,717,751**	**$ 295,719**	**$ 361,058**	**$ 22,473,040**	**$ 21,078,809**	**6.6%**

Growth in capital asset investment occurred mostly in construction in progress. The Department of Transportation added a net of $1.330 billion 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 111 of this report for additional information on the State's capital assets.

Debt Outstanding

At June 30, 2024, the State had $1.735 billion in bonds and notes outstanding - a decrease of 76.714 million, or 4.2%, from the previous year (see *Exhibit 8*).

Exhibit 8
Outstanding Debt
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percent Change
	2024	2023	2024	2023	2024	2023	2024-2023
General obligation bonds	$ 78,435	$ 141,344	$ —	$ —	$ 78,435	$ 141,344	(44.5)%
Revenue bonds and notes	60,250	71,755	10,845	11,070	71,095	82,825	(14.2)%
Infrastructure Bank bonds	1,311,793	1,381,137	—	—	1,311,793	1,381,137	(5.0)%
Leases payable	213,914	132,219	—	—	213,914	132,219	61.8%
Subscriptions payable	60,007	74,433	—	—	60,007	74,433	(19.4)%
Total	**$ 1,724,399**	**$ 1,800,888**	**$ 10,845**	**$ 11,070**	**$ 1,735,244**	**$ 1,811,958**	**(4.2)%**

The repayment of principal on outstanding debt exceeded issuances of debt, resulting in a decrease in debt outstanding for governmental activities of $76.489 million, or 4.2%. There were no issuances of bonds or notes in fiscal year 2024.

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, 2024, 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, 2024, 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: $134.166 million for highway bonds, $719.734 million for general obligation bonds (excluding institution and highway bonds), $57.347 million for economic development bonds, and $56.775 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements on page 144 of this report for additional information about the State's long-term debt.

Economic Factors and Next Year's Budget

The "Rainy Day Account"

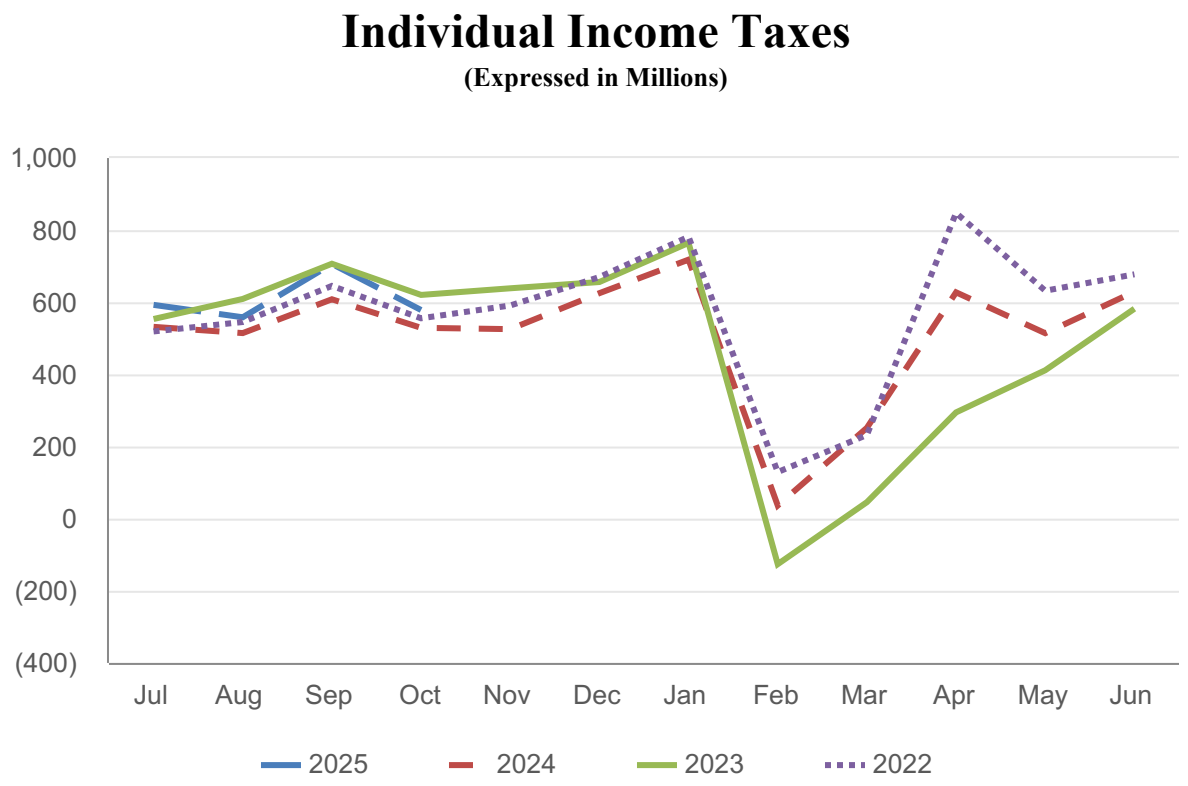
The State's General Reserve Fund, also called the rainy day account, had a $715.242 million balance at June 30, 2024, which was $139.957 million greater than the balance a year earlier. Funding for this reserve is mandated by State law and by the State Constitution. If the State withdraws funds from 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 predetermined 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.

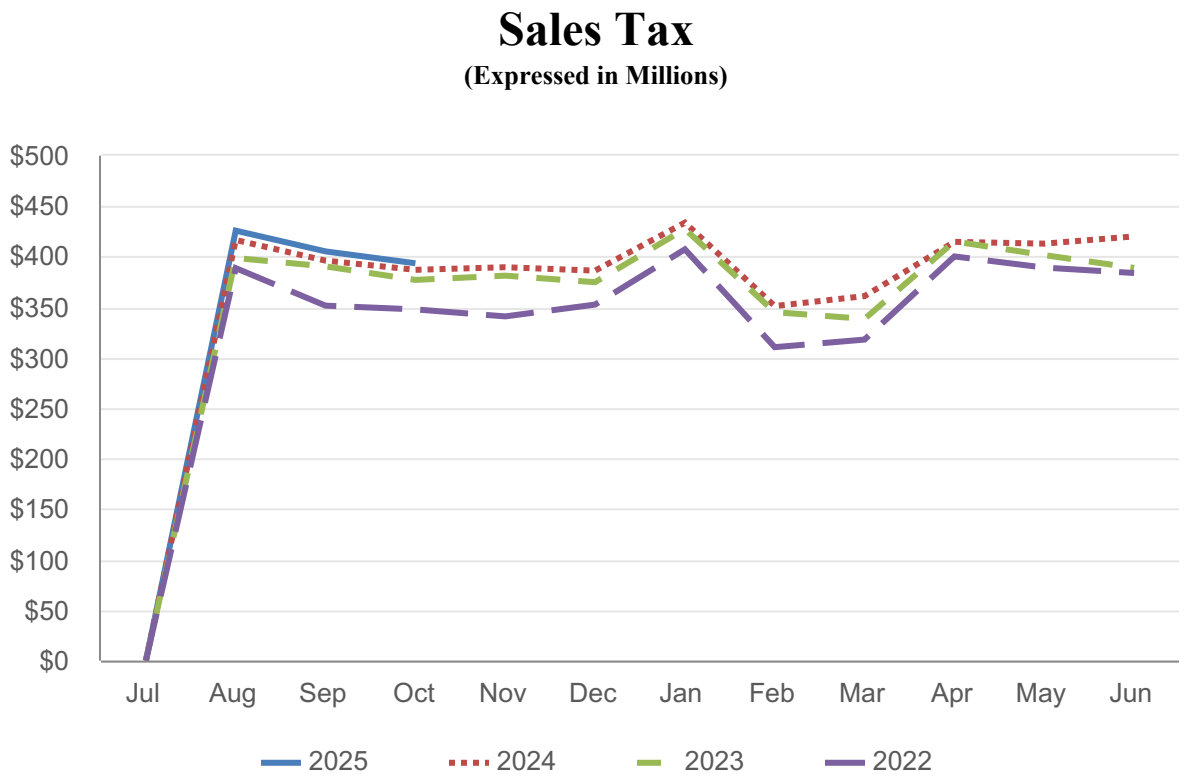
Forecasted Budgetary General Fund Revenues for Fiscal Year 2025

In May 2024, the State Board of Economic Advisors (BEA) forecast that there would be $13.352 billion of budgetary General Fund revenues for fiscal year 2025, which was $440.670 million, or 3.4%, more than actual corresponding revenues collected in fiscal year 2024. In November 2024, the BEA increased its 2025 fiscal year forecast another $295.094 million. As a result, forecasted Budgetary General Fund revenues for fiscal year 2025 are currently $735.764 million, or 5.7%, above actual revenue collections in fiscal year 2024.

Economic Conditions

Budgetary General Fund revenues for the first four months of fiscal year 2025 were $4.517 billion (net of $800.815 million to the tax relief trust fund), which was an increase of $437.467 million, or 10.7%, compared to the same period for fiscal year 2024. Total individual income taxes collected have increased by $252.266 million, or 11.5%, compared to the same period in the prior year. Sales taxes have increased by $24.860 million, or 2.1%, over the first four months of fiscal year 2024.

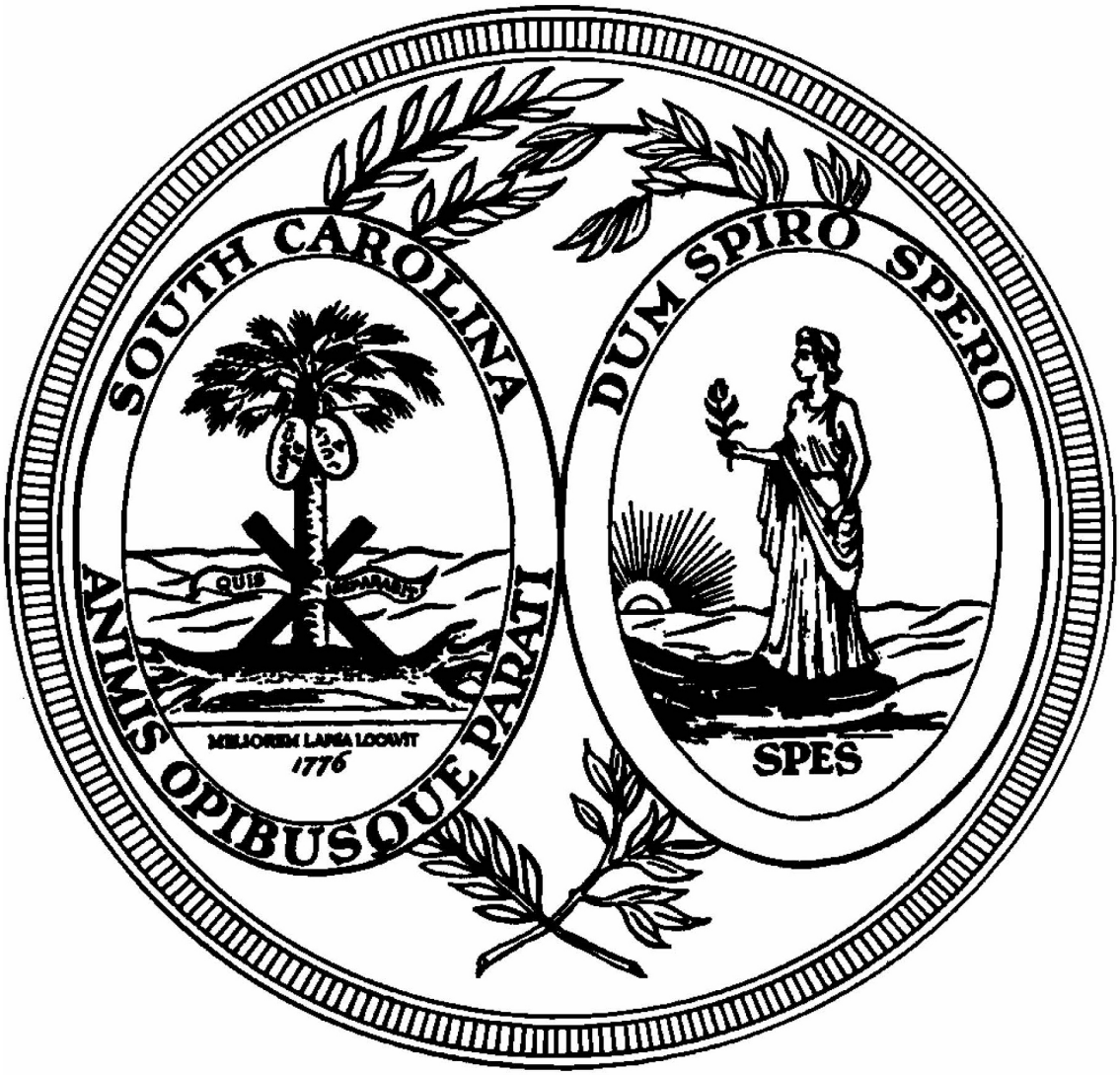




Requests for Information

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

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


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

B A S I C
F I N A N C I A L S T A T E M E N T S

Statement of Net Position
June 30, 2024
(Expressed in Thousands)

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 6,214,778	$ 1,933,867	$ 8,148,645	$ 4,484,987
Investments	13,393,033	207,878	13,600,911	2,680,519
Invested securities lending collateral	2,414,468	17,264	2,431,732	170,956
Receivables, net:				
Accounts	978,727	49,061	1,027,788	1,169,509
Contributions	—	—	—	178,203
Accrued interest	249,961	2,737	252,698	28,806
Income taxes	1,032,330	—	1,032,330	—
Sales and other taxes	830,049	—	830,049	—
Student accounts	—	—	—	75,008
Patient accounts	22,453	—	22,453	579,608
Loans and notes	855,694	—	855,694	35,998
Assessments	—	110,708	110,708	—
Leases	11,120	957	12,077	138,241
Due from Federal government and other grantors	1,558,554	—	1,558,554	242,547
Internal balances	46,123	(46,123)	—	—
Due from component units	101,400	—	101,400	—
Due from fiduciary funds	—	—	—	2,281
Due from primary government	—	—	—	56,218
Inventories	84,520	1,777	86,297	400,518
Restricted assets:				
Cash and cash equivalents	1,012,863	12	1,012,875	2,030,467
Investments	—	—	—	2,471,291
Accounts receivable	9,000	—	9,000	81,302
Loans receivable	—	—	—	1,369,645
Other	49,983	—	49,983	87,604
Prepaid items	91,468	416	91,884	61,905
Other assets	355	—	355	679,819
Regulatory assets	—	—	—	3,646,180
Other regulatory assets	—	—	—	988,331
Investment in joint venture	—	—	—	28,947
Capital assets-nondepreciable	8,723,173	274,950	8,998,123	2,998,933
Capital assets-depreciable, net	13,454,148	20,769	13,474,917	12,280,394
Total assets	$ 51,134,200	$ 2,574,273	$ 53,708,473	$ 36,968,217
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	$ —	$ —	$ —	$ 19,348
Deferred amount on refunding	25,404	—	25,404	219,429
Asset retirement obligation	—	—	—	557,239
Pension related	733,329	4,146	737,475	936,232
Other post-employment benefits related	923,654	6,263	929,917	1,419,835
Total deferred outflows	$ 1,682,387	$ 10,409	$ 1,692,796	$ 3,152,083

Exhibit A-1

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
LIABILITIES				
Accounts payable	$ 1,309,608	$ 5,407	$ 1,315,015	$ 726,285
Accrued salaries and related expenses	220,754	1,877	222,631	418,371
Accrued interest payable	—	128	128	103,230
Retainages payable	4,905	425	5,330	31,103
Tax refunds payable	1,193,817	73,831	1,267,648	—
Payables-aid to individuals/families	24,151	—	24,151	—
Prizes payable	—	—	—	50,296
Unemployment benefits payable	—	1,646	1,646	—
Intergovernmental payables	983,523	90,509	1,074,032	—
Due to fiduciary funds	38,814	14	38,828	—
Due to component units	56,218	—	56,218	—
Due to primary government	—	—	—	101,400
Asset retirement obligation	—	—	—	558,786
Unearned revenues	2,585,944	—	2,585,944	401,267
Deposits	35,568	300	35,868	14,907
Amounts held in custody for others	25	1,254	1,279	30,976
Securities lending collateral	2,414,468	17,264	2,431,732	170,956
Liabilities payable from restricted assets:				
Accrued interest payable	14,329	—	14,329	21,402
Other	—	—	—	14,000
Other liabilities	978,430	12	978,442	1,004,628
Long-term liabilities:				
Due within one year	1,128,919	20,684	1,149,603	507,444
Due in more than one year	8,490,928	217,777	8,708,705	23,166,564
Total liabilities	$ 19,480,401	$ 431,128	$ 19,911,529	$ 27,321,615
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ 54,819
Deferred gain on refunding	—	—	—	2,185
Deferred nuclear decommissioning costs	—	—	—	217,120
Deferred service concession arrangement receipts	—	—	—	10,389
Deferred nonexchange revenues	86,730	—	86,730	43
Deferred public-private partnership receipts	—	—	—	5,008
Deferred public-public partnership receipts	103,935	—	103,935	—
Regulatory asset: Toshiba settlement	—	—	—	233,084
Pension related	178,881	1,115	179,996	95,161
Other post-employment benefits related	1,686,895	12,365	1,699,260	2,262,168
Lease related	10,461	949	11,410	176,582
Total deferred inflows	**$ 2,066,902**	**$ 14,429**	**$ 2,081,331**	**$ 3,056,559**
NET POSITION				
Net investment in capital assets	$ 20,459,092	$ 284,321	$ 20,743,413	$ 7,323,385
Restricted:				
Expendable:				
General government	815,968	—	815,968	—
Education	742,473	—	742,473	2,056,477
Health	1,601,974	—	1,601,974	—
Transportation	1,874,194	—	1,874,194	3,852
Capital projects	11,596	—	11,596	1,647,804
Debt service	1,112,058	—	1,112,058	257,790
Loan programs	—	—	—	507,350
Insurance programs	484,450	41,610	526,060	—
Administration of justice	35,029	—	35,029	—
Resources and economic development	1,514,555	—	1,514,555	—
Social programs	20,065	—	20,065	—
Unemployment compensation benefits	—	1,819,806	1,819,806	—
Other	—	—	—	47,649
Nonexpendable:				
Education	—	—	—	1,461,777
Transportation	302	—	302	—
Health	206	—	206	—
Administration of Justice	74	—	74	—
Resources and Economic Development	9,934	—	9,934	—
Unrestricted	2,587,314	(6,612)	2,580,702	(3,563,958)
Total net position	**$ 31,269,284**	**$ 2,139,125**	**$ 33,408,409**	**$ 9,742,126**

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

Statement of Activities
For the Fiscal Year Ended June 30, 2024
(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	$ 11,018,645	$ 4,073,091	$ 994,008	$ 49,937	$ (5,901,609)
Education	8,676,056	86,195	2,178,420	326	(6,411,115)
Health and environment	12,959,759	238,282	8,148,888	4,615	(4,567,974)
Social services	2,651,952	14,476	2,114,719	89,125	(433,632)
Administration of justice	1,504,038	127,133	87,832	53	(1,289,020)
Resources and economic development	1,946,306	97,332	209,474	12,945	(1,626,555)
Transportation	1,705,635	259,400	721	1,128,600	(316,914)
Unallocated interest expense	7,421	—	—	—	(7,421)
Total governmental activities	**40,469,812**	**4,895,909**	**13,734,062**	**1,285,601**	**(20,554,240)**
Business-type activities:					
Unemployment compensation benefits	157,722	242,901	—	—	85,179
Second Injury	71	—	—	—	(71)
Other enterprise activities	139,495	67,772	2	8,371	(63,350)
Total business-type activities	**297,288**	**310,673**	**2**	8,371	21,758
Total primary government	**$ 40,767,100**	**$ 5,206,582**	**$ 13,734,064**	**$ 1,293,972**	**$ (20,532,482)**
Component units:					
Public Service Authority	$ 1,771,318	$ 1,850,603	$ 39,775	$ —	$ 119,060
Medical University of South Carolina	5,847,442	5,314,460	524,920	33,637	25,575
University of South Carolina	1,740,764	1,278,411	242,675	126,005	(93,673)
Clemson University	1,436,771	1,168,439	281,431	123,061	136,160
State Ports Authority	302,451	404,003	24,791	11,433	137,776
Housing Authority	307,589	111,699	222,967	—	27,077
Lottery Commission	2,388,860	2,388,772	358	—	270
Nonmajor component units	2,285,188	1,352,169	585,876	208,501	(138,642)
Total component units	**$ 16,080,383**	**$ 13,868,556**	**$ 1,922,793**	**$ 502,637**	**$ 213,603**

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

Exhibit A-2

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position:				
Net revenues (expenses)	$ (20,554,240)	$ 21,758	$ (20,532,482)	$ 213,603
General revenues:				
Taxes:				
Individual income	5,925,530	—	5,925,530	—
Retail sales and use	8,523,366	—	8,523,366	—
Corporate income	1,250,049	—	1,250,049	—
Gas and motor vehicle	1,539,239	—	1,539,239	—
Insurance	279,165	—	279,165	—
Hospital	847,308	—	847,308	—
Other	924,485	—	924,485	—
Total taxes	19,289,142	—	19,289,142	—
Unrestricted grants and contributions	306	—	306	—
Unrestricted investment income	1,126,039	63,735	1,189,774	—
State Appropriations	—	—	—	1,487,632
Tobacco legal settlement	67,953	—	67,953	—
Opioid legal settlement	4,399	—	4,399	—
Other revenues	935,111	1,368	936,479	—
Additions to endowments	—	—	—	57,841
Transfers–internal activities	5,440	(5,440)	—	—
Total general revenues, additions to endowments, and transfers	**21,428,390**	**59,663**	**21,488,053**	**1,545,473**
Change in net position	**874,150**	**81,421**	**955,571**	**1,759,076**
Net position at beginning of year	**30,395,134**	**2,057,704**	**32,452,838**	**7,956,110**
Restatements	**—**	**—**	**—**	**26,940**
Net position at beginning of year, as restated	**30,395,134**	**2,057,704**	**32,452,838**	**7,983,050**
Net position at end of year	**$ 31,269,284**	**$ 2,139,125**	**$ 33,408,409**	**$ 9,742,126**

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

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2024

(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure
ASSETS			
Cash and cash equivalents	$ 904,575	$ 411,295	$ 159,247
Investments	9,552,970	1,760,092	529,337
Invested securities lending collateral	1,708,008	163,671	129,326
Receivables, net:			
Accounts	229,156	246,792	14,858
Contributions	—	—	—
Accrued interest	156,659	25,122	11,419
Income taxes	1,032,330	—	—
Sales and other taxes	624,193	2,162	—
Student accounts	—	—	—
Patient accounts	17,849	4,604	—
Loans and notes	24,851	283	823,924
Leases	7,508	3,593	—
Due from Federal government and other grantors	24,160	1,348,829	1,146
Due from other funds	103,447	49,468	22,057
Due from component units	53,449	—	3,000
Interfund receivables	46,157	—	75,145
Inventories	33,764	39,333	—
Restricted assets:			
Cash and cash equivalents	3,546	—	1,009,317
Accounts receivable, net	—	—	9,000
Other	—	—	15,983
Prepaid items	31,362	3,756	—
Other assets	48	—	—
Total assets	**$ 14,554,032**	**$ 4,059,000**	**$ 2,803,759**
LIABILITIES			
Accounts payable	$ 366,393	$ 522,785	$ 8,684
Accrued salaries and related expenditures	145,107	40,941	94
Retainages payable	37	1,644	—
Tax refunds payable	1,193,813	—	—
Payable–aid to individuals/families	3,171	20,980	—
Intergovernmental payables	129,026	464,347	22,884
Due to other funds	707,547	82,422	38
Due to fiduciary funds	—	23	—
Due to component units	23,667	14,783	—
Interfund payables	—	249	—
Unearned revenues	30,409	1,745,019	—
Deposits	—	—	32,943
Securities lending collateral	1,708,008	163,671	129,326
Other liabilities	747,485	15,076	—
Total liabilities	**5,054,663**	**3,071,940**	**193,969**
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	9,893	54,514	16,831
Deferred nonexchange revenues	86,730	—	—
Lease related	6,791	3,651	—
Total deferred inflows of resources	**103,414**	**58,165**	**16,831**
FUND BALANCES			
Nonspendable	117,234	43,089	—
Restricted	1,613,350	530,918	2,472,603
Committed	1,664,154	37,521	120,356
Assigned	3,368,333	371,872	—
Unassigned	2,632,884	(54,505)	—
Total fund balances	**9,395,955**	**928,895**	**2,592,959**
Total liabilities, deferred inflows and fund balances	**$ 14,554,032**	**$ 4,059,000**	**$ 2,803,759**

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
$ 2,564,881	$ 1,077,808	$ 5,117,806
—	954,921	12,797,320
223,036	86,925	2,310,966
135,146	79	626,031
—	—	—
34,786	12,770	240,756
—	—	1,032,330
8,724	194,970	830,049
—	—	—
—	—	22,453
3,193	3,443	855,694
—	—	11,101
182,056	2,363	1,558,554
545,970	67,336	788,278
61	24,370	80,880
—	—	121,302
5,868	—	78,965
—	—	1,012,863
—	—	9,000
—	34,000	49,983
3,949	9,460	48,527
203	—	251
$ 3,707,873	**$ 2,468,445**	**$ 27,593,109**
$ 359,297	$ 43,058	$ 1,300,217
29,625	682	216,449
—	3,043	4,724
—	4	1,193,817
—	—	24,151
—	367,205	983,462
2,749	20,400	813,156
—	38,542	38,565
—	17,530	55,980
75,145	—	75,394
390,109	183,172	2,348,709
2,616	—	35,559
223,036	86,925	2,310,966
—	—	762,561
1,082,577	**760,561**	**10,163,710**
—	165	81,403
—	—	86,730
—	—	10,442
—	**165**	**178,575**
10,082	19,976	190,381
1,834,661	1,217,344	7,668,876
780,553	47,733	2,650,317
—	422,666	4,162,871
—	—	2,578,379
2,625,296	**1,707,719**	**17,250,824**
$ 3,707,873	**$ 2,468,445**	**$ 27,593,109**

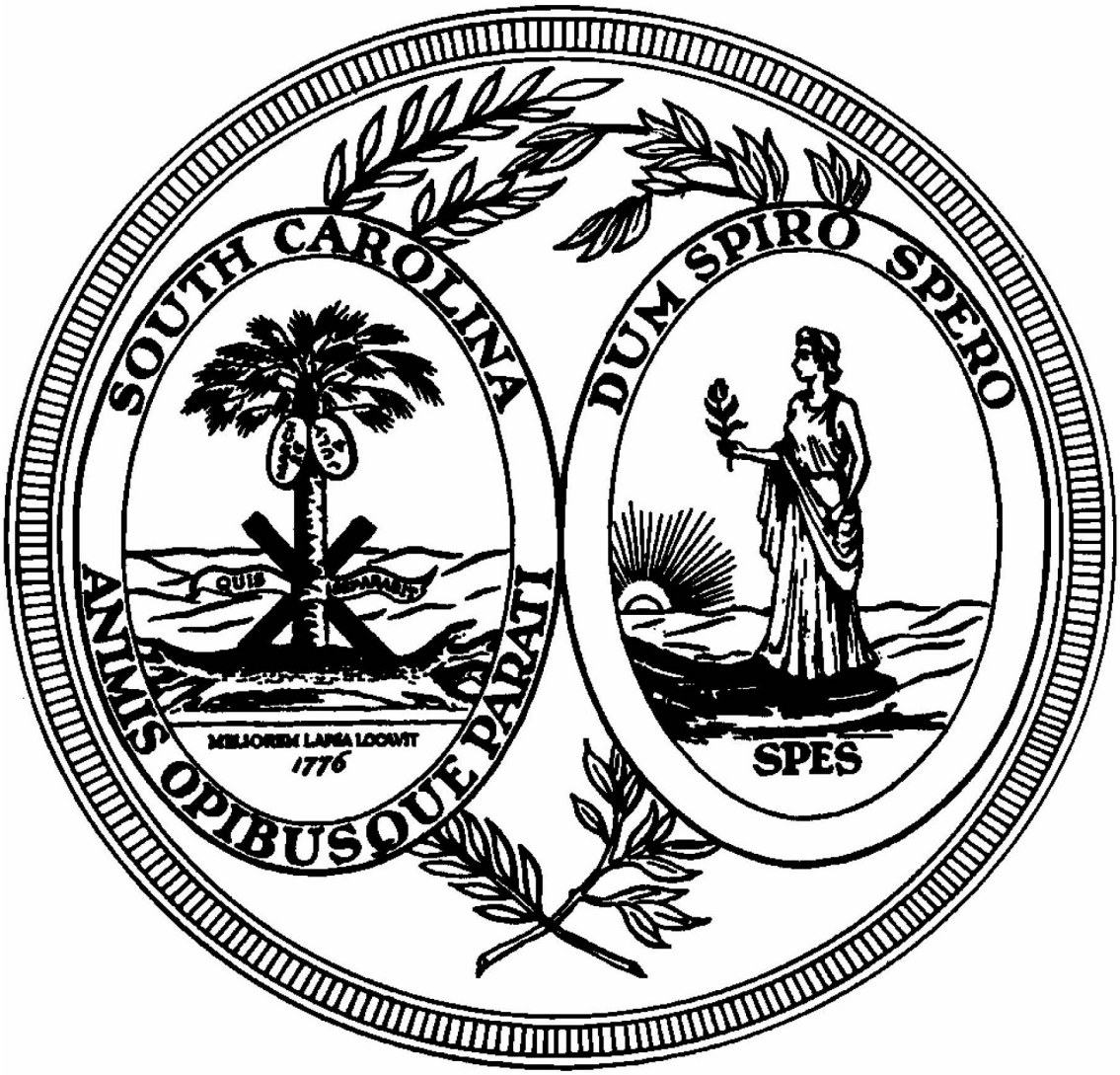
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit B-1a

June 30, 2024
(Expressed in Thousands)

Total fund balances–governmental funds		**$ 17,250,824**
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	$ 8,697,082	
Depreciable capital assets	21,300,150	
Accumulated depreciation	(8,203,950)	
Total capital assets		21,793,282
Non-amortizable lease and subscription assets	14,774	
Amortizable lease and subscription assets	394,385	
Accumulated amortization	(138,946)	
Total Lease assets		270,213
Deferred outflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred loss on refunding bonds		25,404
Difference between expected and actual retirement plan experience		132,156
Net difference between projected and actual earnings on investments		26,572
Pension and OPEB contributions made after the measurement date		605,869
Changes in proportion and differences between contributions and proportionate share of plan contributions		295,979
Changes in assumptions		574,248
Deferred inflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred public-public partnership receipts		(103,935)
Net difference between projected and actual earnings on investments		(5,297)
Difference between expected and actual retirement plan experience		(602,816)
Changes in proportion and differences between contributions and proportionate share of plan contributions		(422,237)
Changes in assumptions		(810,117)
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		81,403
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		859,847
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Policy claims	(34,959)	
Notes payable	(27,590)	
Bonds payable	(1,422,888)	
Accrued interest on bonds	(14,329)	
Leases and Subscriptions Payable	(255,387)	
Compensated absences	(245,365)	
Net pension liability	(3,956,263)	
Net OPEB liability	(2,523,747)	
Other	(221,583)	
Total long-term liabilities		(8,702,111)
Net position of governmental activities		**$ 31,269,284**

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


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

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	General Fund	Departmental Program Services
Revenues:		
Taxes:		
Individual income	$ 5,903,170	$ —
Retail sales and use	6,847,342	3,814
Corporate income	1,250,049	—
Gas and motor vehicle	1,585	—
Insurance	278,572	593
Hospital	847,308	—
Other	814,930	102,425
Licenses, fees, and permits	51,104	44,703
Interest and other investment income	672,136	104,239
Federal	54,637	13,074,483
Local and private grants	2,280	73,846
Departmental services	560,112	88,882
Contributions	17,094	34,516
Fines and penalties	84,881	7,036
Tobacco legal settlement	—	—
Opioid legal settlement	—	—
Other	450,176	353,487
Total revenues	**17,835,376**	**13,888,024**
Expenditures:		
Current:		
General government	954,101	352,474
Education	1,064,247	262,701
Health and environment	4,155,726	8,694,590
Social services	389,543	2,196,331
Administration of justice	1,271,912	47,507
Resources and economic development	504,231	97,955
Transportation	142,538	3,365
Capital outlay	22,122	—
Debt service:		
Principal retirement	96,571	26,030
Interest and fiscal charges	11,296	2,318
Intergovernmental	9,957,491	2,352,704
Total expenditures	**18,569,778**	**14,035,975**
Excess of revenues over (under) expenditures	**(734,402)**	**(147,951)**
Other financing sources (uses):		
Bonds and notes issued	—	—
Leases and subscriptions issued	76,805	57,895
Transfers in	250,344	101,585
Transfers out	(1,212,124)	(78,240)
Total other financing sources (uses)	**(884,975)**	**81,240**
Net change in fund balances	**(1,619,377)**	**(66,711)**
Fund balances at beginning of year	**11,046,365**	**995,606**
Restatements	**(31,033)**	**—**
Fund balances at beginning of year, as restated	**11,015,332**	**995,606**
Fund balances at end of year	**$ 9,395,955**	**$ 928,895**

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
$ 22,360	$ —	$ —	$ 5,925,530
—	—	1,672,210	8,523,366
—	—	—	1,250,049
—	1,537,654	—	1,539,239
—	—	—	279,165
—	—	—	847,308
—	—	5,942	923,297
158,469	—	73,126	327,402
93,915	138,638	51,707	1,060,635
25,378	1,102,281	22,912	14,279,691
—	—	—	76,126
913	100,403	43,392	793,702
39,568	—	592,176	683,354
—	—	6,826	98,743
—	—	67,953	67,953
—	—	4,399	4,399
12,203	6,432	14,289	836,587
352,806	**2,885,408**	**2,554,932**	**37,516,546**
5	—	165,599	1,472,179
—	—	607,452	1,934,400
—	—	131,472	12,981,788
—	—	165	2,586,039
—	—	3,939	1,323,358
2,066	—	501	604,753
848	1,251,541	—	1,398,292
113	1,603,841	347,459	1,973,535
61,419	5,159	1,044	190,223
50,357	593	1,520	66,084
56,843	—	1,754,741	14,121,779
171,651	**2,861,134**	**3,013,892**	**38,652,430**
181,155	**24,274**	**(458,960)**	**(1,135,884)**
—	—	—	—
49	—	1,602	136,351
15,676	22,792	1,288,718	1,679,115
(18,390)	(4,164)	(342,068)	(1,654,986)
(2,665)	**18,628**	**948,252**	**160,480**
178,490	**42,902**	**489,292**	**(975,404)**
2,414,469	**2,582,394**	**1,187,394**	**18,226,228**
—	—	**31,033**	—
2,414,469	**2,582,394**	**1,218,427**	**18,226,228**
$ 2,592,959	**$ 2,625,296**	**$ 1,707,719**	**$ 17,250,824**

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, 2024
(Expressed in Thousands)

Net change in fund balances–total governmental funds		**$ (975,404)**
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	$ 1,973,535	
Depreciation and amortization expense	(489,737)	
Excess of capital outlay over depreciation expense		1,483,798
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		39,899
Loss on disposals of capital assets are reported as an expense in the Statement of Activities		(69,943)
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	—	
Leases and subscriptions cancelled	4,677	
Leases and subscriptions issued	(136,351)	
Bonds, notes, and leases issued		(131,674)
Losses on bond refundings and hedging portion of derivatives are considered deferred outflows of resources in the Statement of Net Position		(332)
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	190,223	
Total long-term debt repayment		190,223
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		109,174
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		1,188

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

Exhibit B-2a

Increase in general operating expense due to the increase in expense for the amortization of deferred outflows and inflows of resources		$ (83,038)
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:		
Policy claims payable	$ (3,226)	
Unamortized bond premiums and discounts	19,166	
Accrued interest payable	721	
Compensated absences payable	(16,039)	
Net pension liability	(52,722)	
Net OPEB liability	344,583	
Other long-term liabilities	17,776	
Total additional expenses		310,259
Change in net position of governmental activities		$ 874,150

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

Statement of Net Position

PROPRIETARY FUNDS

June 30, 2024

(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,824,869	$ 21,968	$ 87,030	$ 1,933,867	$ 1,096,972
Investments	9,858	173,719	24,301	207,878	6,172
Invested securities lending collateral	922	16,255	87	17,264	103,502
Receivables, net:					
Accounts	40,612	3,780	4,644	49,036	352,690
Participants	—	—	—	—	—
Accrued interest	147	2,575	15	2,737	9,205
Assessments	110,708	—	—	110,708	—
Leases	—	—	463	463	9
Due from other funds	—	—	429	429	27,541
Due from component units	—	—	—	—	20,520
Inventories	—	—	1,777	1,777	5,555
Restricted assets:					
Prepaid items	—	—	416	416	41,042
Total current assets	1,987,116	218,297	119,162	2,324,575	1,663,208
Long-term assets:					
Investments	—	—	—	—	589,541
Receivables, net:					
Accounts	—	—	25	25	6
Leases	—	—	494	494	10
Restricted assets:					
Cash and cash equivalents	—	—	12	12	—
Prepaid items	—	—	—	—	1,899
Other long-term assets	—	—	—	—	104
Non-depreciable capital assets	—	—	274,950	274,950	11,317
Depreciable capital assets, net	—	—	20,769	20,769	102,509
Total long-term assets	—	—	296,250	296,250	705,386
Total assets	**$ 1,987,116**	**$ 218,297**	**$ 415,412**	**$ 2,620,825**	**$ 2,368,594**
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	$ —	$ —	$ 4,146	$ 4,146	$ 9,686
Other post-employment benefits related	—	—	6,263	6,263	12,473
Total deferred outflows of resources	**$ —**	**$ —**	**$ 10,409**	**$ 10,409**	**$ 22,159**

Exhibit B-3

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
LIABILITIES					
Current liabilities:					
Accounts payable	$ 402	$ —	$ 5,005	$ 5,407	$ 9,391
Accrued salaries and related expenses	—	—	1,877	1,877	4,305
Accrued interest payable	—	—	128	128	—
Retainages payable	—	—	425	425	—
Tax refunds payable	73,831	—	—	73,831	—
Unemployment benefits payable	1,646	—	—	1,646	—
Intergovernmental payables	90,509	—	—	90,509	61
Interfund payables	—	—	46,000	46,000	—
Tuition benefits payable	—	—	6,628	6,628	—
Policy claims	—	12,725	—	12,725	783,494
Due to other funds	—	—	552	552	2,540
Due to fiduciary funds	—	—	14	14	15
Due to component units	—	—	—	—	238
Unearned revenues	—	—	—	—	237,235
Deposits	—	—	300	300	9
Amounts held in custody for others	—	1,254	—	1,254	25
Securities lending collateral	922	16,255	87	17,264	103,502
Notes payable	—	—	—	—	—
Revenue bonds payable	—	—	235	235	—
Leases payable	—	—	—	—	8,016
Compensated absences payable	—	—	1,096	1,096	2,737
Other current liabilities	—	—	12	12	1,888
Total current liabilities	167,310	30,234	62,359	259,903	1,153,456
Long-term liabilities:					
Retainages payable	—	—	—	—	181
Tuition benefits payable	—	—	13,414	13,414	—
Policy claims	—	146,453	—	146,453	251,298
Interfund payables	—	—	—	—	142
Notes payable	—	—	6,500	6,500	—
Revenue bonds payable	—	—	4,110	4,110	—
Leases payable	—	—	—	—	10,518
Compensated absences payable	—	—	634	634	1,360
Other long-term liabilities	—	—	—	—	144
Net pension liability	—	—	27,733	27,733	52,531
Net OPEB liability	—	—	18,933	18,933	35,948
Total long-term liabilities	—	146,453	71,324	217,777	352,122
Total liabilities	**$ 167,310**	**$ 176,687**	**$ 133,683**	**$ 477,680**	**$ 1,505,578**
DEFERRED INFLOWS OF RESOURCES					
Pension related	$ —	$ —	$ 1,115	$ 1,115	$ 1,765
Other post-employment benefits related	—	—	12,365	12,365	23,544
Lease related	—	—	949	949	19
Total deferred inflows of resources	**$ —**	**$ —**	**$ 14,429**	**$ 14,429**	**$ 25,328**

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, 2024

(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
NET POSITION					
Net investment in capital assets	$ —	$ —	$ 284,321	$ 284,321	$ 95,111
Restricted:					
Expendable:					
Unemployment compensation benefits	1,819,806	—	—	1,819,806	—
Insurance programs	—	41,610	—	41,610	484,450
Unrestricted	—	—	(6,612)	(6,612)	280,286
Total net position	**$ 1,819,806**	**$ 41,610**	**$ 277,709**	**$ 2,139,125**	**$ 859,847**

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

Exhibit B-4

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Operating revenues:					
Assessments	$ 238,377	$ —	$ —	$ 238,377	$ —
Charges for services	—	—	47,599	47,599	3,808,686
Contributions	—	—	2	2	—
Licenses, fees, and permits	—	—	20,134	20,134	317
Federal operating grants and contracts	—	—	—	—	—
Other operating revenues	4,524	—	39	4,563	807,042
Total operating revenues	**242,901**	**—**	**67,774**	**310,675**	**4,616,045**
Operating expenses:					
General operations and administration	—	71	47,795	47,866	498,656
Benefits and claims	157,722	—	—	157,722	4,041,910
Tuition plan disbursements	—	—	6,763	6,763	—
Depreciation and amortization	—	—	1,900	1,900	30,085
Other operating expenses	—	—	108	108	989
Total operating expenses	**157,722**	**71**	**56,566**	**214,359**	**4,571,640**
Operating income (loss)	**85,179**	**(71)**	**11,208**	**96,316**	**44,405**
Nonoperating revenues (expenses):					
Interest income	43,281	10,061	10,694	64,036	65,404
Interest expense	—	—	(301)	(301)	(3,328)
Net other nonoperating revenues	—	333	1,035	1,368	14,284
Gains (Losses) on sale of capital assets	—	—	(82,929)	(82,929)	(186)
Total nonoperating revenues, net	**43,281**	**10,394**	**(71,501)**	**(17,826)**	**76,174**
Income (losses) before transfers	**128,460**	**10,323**	**(60,293)**	**78,490**	**120,579**
Transfers and contributions:					
Federal capital grants and contracts	—	—	2,642	2,642	—
Capital Contributions	—	—	5,729	5,729	306
Transfers in	—	—	12,780	12,780	23,346
Transfers out	(258)	(260)	(17,702)	(18,220)	(35,057)
Change in net position	**128,202**	**10,063**	**(56,844)**	**81,421**	**109,174**
Net position at beginning of year	1,691,604	31,547	334,553	2,057,704	750,673
Net position at end of year	**$ 1,819,806**	**$ 41,610**	**$ 277,709**	**$ 2,139,125**	**$ 859,847**

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, 2024

(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	$ —	$ —	$ 69,229	$ 69,229	$ 4,258,573
Assessments received	233,821	—	—	233,821	—
Tuition plan contributions received	—	—	8	8	—
Internal activity–payments from other funds	—	—	—	—	331,239
Other operating cash receipts	—	1,586	(13,363)	(11,777)	3,601
Claims and benefits paid	(133,217)	(18,562)	(30,505)	(182,284)	(190,956)
Payments to suppliers for goods and services	—	—	(22,946)	(22,946)	(4,224,711)
Payments to employees	—	—	2,642	2,642	(63,981)
Capital grants and gifts received	—	—	11	11	—
Other operating cash payments	—	(145)	—	(145)	(1,311)
Net cash provided by (used in) operating activities	**100,604**	**(17,121)**	**5,076**	**88,559**	**112,454**
Cash flows from noncapital financing activities:					
Receipt of interest from other funds	$ —	$ —	$ —	$ —	$ 119
Rental income cash receipts	—	—	1,511	1,511	—
Industrial development costs	—	—	(456)	(456)	—
Payment of bond issuance costs for other funds	—	—	—	—	(2,760)
Insurance claims	—	—	—	—	1,842
Transfers in	—	—	12,780	12,780	23,346
Transfers out	(258)	(260)	(17,702)	(18,220)	(35,057)
Net cash used in noncapital financing activities	**(258)**	**(260)**	**(3,867)**	**(4,385)**	**(12,510)**

Exhibit B-5

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Cash flows from capital and related financing activities:					
Capital appropriations	$ —	$ —	$ 5,729	$ 5,729	$ —
Acquisition of capital assets	—	—	(19,491)	(19,491)	(36,088)
Proceeds from capital grants	—	—	—	—	—
Proceeds from issuance of capital debt	—	—	—	—	2,935
Principal payments on capital debt	—	—	(5,225)	(5,225)	(1,708)
Interest payments on capital debt	—	—	(288)	(288)	(572)
Proceeds from sale or disposal of capital assets	—	—	12	12	8,841
Net cash used in capital and related financing activities	**—**	**—**	**(19,263)**	**(19,263)**	**(26,592)**
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	$ —	$ —	$ 6,745	$ 6,745	$ 64,339
Sale of investments	—	25,769	—	25,769	—
Purchase of investments	(9,858)	—	—	(9,858)	(91,661)
Interest and dividends on investments	43,297	12,587	10,687	66,571	32,348
Realized gains on investments	—	—	—	—	20,963
Net cash provided by investing activities	**33,439**	**38,356**	**17,432**	**89,227**	**25,989**
Net increase (decrease) in cash and cash equivalents	**133,785**	**20,975**	**(622)**	**154,138**	**99,341**
Cash and cash equivalents at beginning of year	**1,691,084**	**993**	**87,664**	**1,779,741**	**997,631**
Cash and cash equivalents at end of year	**$ 1,824,869**	**$ 21,968**	**$ 87,042**	**$ 1,933,879**	**$ 1,096,972**

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

Continued on Next Page

Statement of Cash Flows

Exhibit B-5

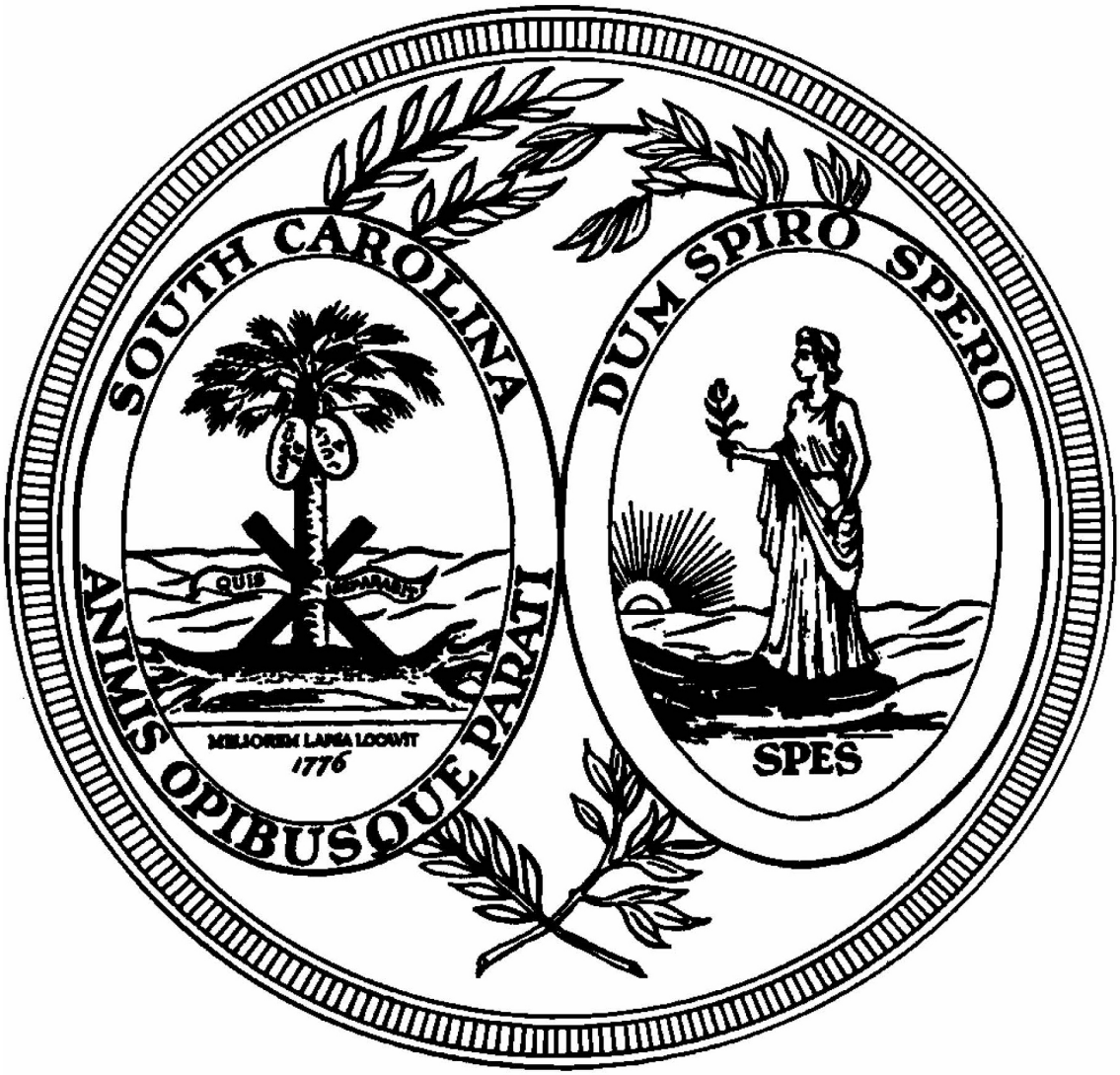
PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$ 85,179	$ (71)	$ 11,208	$ 96,316	$ 44,405
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	1,900	1,900	30,085
Realized gains (losses) on sale of assets	—	—	—	—	(186)
Interest and dividends on investments and interfund loans	—	—	—	—	—
Other nonoperating revenues	—	1,586	7,828	9,414	3,601
Other nonoperating expenses	—	—	—	—	(814)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable, net	(9,080)	(3,777)	1,864	(10,993)	(20,606)
Due from Federal government and other grantors	—	—	—	—	—
Due from other funds	—	—	(430)	(430)	(3,788)
Inventories	—	—	96	96	(1,454)
Other assets	—	—	26	26	(4,067)
Deferred outflows	—	—	1,175	1,175	2,246
Accounts payable	268	—	1,714	1,982	(3,334)
Accrued salaries and related expenses	—	—	(164)	(164)	668
Tax refunds payable	8,957	—	—	8,957	—
Unemployment benefits payable	(2,726)	—	—	(2,726)	—
Tuition benefits payable	—	—	(6,600)	(6,600)	—
Policy claims	—	(14,784)	—	(14,784)	70,589
Due to other funds	18,006	(75)	(6,966)	10,965	1,772
Unearned revenues	—	—	(266)	(266)	(1,686)
Compensated absences payable	—	—	(79)	(79)	308
Other liabilities	—	—	(5,764)	(5,764)	(6,831)
Deferred inflows	—	—	(466)	(466)	1,546
Net cash provided by (used in) operating activities	**$ 100,604**	**$ (17,121)**	**$ 5,076**	**$ 88,559**	**$ 112,454**
Noncash capital, investing, and financing activities:					
Disposal of capital assets	$ —	$ —	$ —	$ —	$ 22,126
Transfer of capital assets	—	—	(84,089)	(84,089)	—
Decrease in fair value of investments	—	—	560	560	9,972
Total noncash capital, investing, and financing activities	**$ —**	**$ —**	**$ (83,529)**	**$ (83,529)**	**$ 32,098**

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


SOUTH CAROLINA
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Statement of Fiduciary Net Position

Exhibit B-6

FIDUCIARY FUNDS

June 30, 2024

(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	$ 3,837,907	$ 4,466,852	$ 55,527	$ 322,449
Receivables, net:				
Accounts	—	—	—	6,693
Contributions	504,379	—	—	—
Accrued interest	47,652	45,615	9,305	—
Unsettled investment sales	542,334	—	8,516	—
Other investment receivables	2	—	—	—
Total receivables	1,094,367	45,615	17,821	6,693
Due from other trust funds	107,351	—	—	—
Due from primary government	—	—	—	38,594
Investments, at fair value:				
Short term investments	237,839	—	—	9,164
Debt-domestic	2,639,619	3,606,004	—	—
Equity-international	20,177,063	—	—	—
Alternatives	19,169,892	—	—	—
Financial and other	253,458	5,897,726	6,580,276	—
Total investments	42,477,871	9,503,730	6,580,276	9,164
Invested securities lending collateral	368,658	—	8,057	857
Interfund receivables	—	—	—	234
Prepaid items	13	—	—	—
Capital assets, net	1,718	—	3,874	—
Total assets	**$ 47,887,885**	**$ 14,016,197**	**$ 6,665,555**	**$ 377,991**
LIABILITIES				
Accounts payable	$ 4,385	$ —	$ 9,180	$ 260,179
Accounts payable–unsettled investment purchases	35,760	—	8,381	—
Policy claims	696	—	—	—
Due to other trust funds	107,351	—	—	—
Due to component units	—	—	—	2,281
Intergovernmental payables	—	—	—	37,400
Deposits	—	—	—	2,106
Amounts held in custody for others	—	—	—	13,834
Securities lending collateral	370,041	—	8,057	857
Due to participants	—	—	—	2
Other liabilities	125,632	4	—	34
Total liabilities	**$ 643,865**	**$ 4**	**$ 25,618**	**$ 316,693**
NET POSITION				
Restricted for:				
Pension benefits	$ 45,439,660	$ —	$ —	$ —
Other post-employment benefits	1,804,360	—	—	—
External investment pool participants	—	14,016,193	—	—
Individuals, organizations, and other governments	—	—	6,639,937	61,298
Total net position	**$ 47,244,020**	**$ 14,016,193**	**$ 6,639,937**	**$ 61,298**

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, 2024

(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	$ —	—	40	10,081
Contributions:				
Employer	3,597,539	—	—	—
Employee	1,318,817	—	—	—
Non-employer	106,451	—	—	—
Deposits from pool participants	—	20,910,980	—	—
Tuition plan deposits	—	—	1,478	—
Other	—	—	121,594	4,065
Total contributions	5,022,807	20,910,980	123,072	4,065
Opioid legal settlement	—	—	12,875	—
Taxes:				
Retail sales and use	—	—	—	433,893
Other	—	—	—	8,184
Total taxes	—	—	—	442,077
Investment income:				
Interest income and net appreciation (depletion) in investments	4,823,011	714,938	699,300	137
Securities lending income	33,922	52	—	—
Total investment income (loss)	4,856,933	714,990	699,300	137
Less investment expense:				
Investment expense	493,025	—	—	—
Securities lending expense	14	—	—	—
Net investment income (loss)	4,363,894	714,990	699,300	137
Assets moved between pension trust funds	1,808	—	—	—
Transfers in	—	—	—	1,830
Total additions	**9,388,509**	**21,625,970**	**835,287**	**458,190**
Deductions:				
Regular retirement benefits	3,949,442	—	—	—
Supplemental retirement benefits	168	—	—	—
Deferred retirement benefits	—	—	—	—
Refunds of retirement contributions to members	179,219	—	—	—
Death benefit claims	32,383	—	—	—
Accidental death benefits	2,065	—	—	—
Other post-employment benefits	650,313	—	—	—
Withdrawals, pool participants	—	18,723,050	—	—
Distributions to pool participants	—	719,680	—	—
Depreciation	186	—	—	—
Administrative expense	22,623	6,428	15,935	339
Other expenses	—	—	15,434	435,412
Assets moved between pension trust funds	1,808	—	—	—
Transfers out	—	—	—	8,808
Total deductions	**4,838,207**	**19,449,158**	**31,369**	**444,559**
Change in net position	**4,550,302**	**2,176,812**	**803,918**	**13,631**
Net position, beginning	**42,693,718**	**11,839,381**	**5,836,019**	**47,667**
Net position at end of year	**$ 47,244,020**	**$ 14,016,193**	**$ 6,639,937**	**$ 61,298**

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

Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2024

(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	$ 236,702	$ 1,012,224	$ 1,109,752	$ 750,566	$ 354,337
Investments	178,390	1,264,401	660,673	5,107	3,082
Invested securities lending collateral	—	4,890	44,987	49,001	6,638
Receivables, net:					
Accounts	175,251	113,619	74,535	312,193	72,314
Contributions	—	18,750	40,832	75,739	—
Accrued interest	—	2,121	7,440	7,992	3,534
Student accounts	—	772	10,943	—	—
Patient accounts	—	579,608	—	—	—
Loans and notes	—	255	5,809	—	—
Leases	—	5,664	54,560	221	15,333
Due from Federal government and other grantors	—	62,175	49,041	67,395	—
Due from fiduciary funds	—	—	—	—	—
Due from primary government	—	13,265	10,791	5,596	—
Inventories	364,857	—	2,668	2,851	13,119
Restricted assets:					
Cash and cash equivalents	36,240	183,894	604,289	460,366	88,705
Investments	395,296	—	10,119	1,173,868	—
Accounts receivable	—	—	—	81,302	—
Loans receivable	—	10,951	5,025	1,163	—
Other	—	62,767	6,358	10,960	—
Prepaid items	6,346	4,091	2,946	23,432	7,289
Other assets	127,162	409,013	3,017	6,746	2,511
Regulatory asset	3,646,180	—	—	—	—
Other regulatory assets	988,331	—	—	—	—
Investment in joint venture	28,947	—	—	—	—
Capital assets-nondepreciable	609,753	315,925	204,678	267,215	1,150,265
Capital assets-depreciable, net	4,485,859	1,509,105	1,418,996	1,614,417	1,077,065
Total assets	$ 11,279,314	$ 5,573,490	$ 4,327,459	$ 4,916,130	$ 2,794,192
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	$ 19,348	$ —	$ —	$ —	$ —
Unamortized loss on refunded and defeased debt	173,079	9,102	11,349	2,375	22,538
Asset retirement obligation	557,239	—	—	—	—
Pension related	23,214	405,903	143,513	117,174	47,773
Other post-employment benefits related	56,008	645,701	224,084	177,936	15,208
Total deferred outflows of resources	$ 828,888	$ 1,060,706	$ 378,946	$ 297,485	$ 85,519
LIABILITIES					
Accounts payable	$ 175,957	$ 325,454	$ 22,376	$ 55,166	$ 41,145
Accrued salaries and related expenses	13,544	265,989	40,968	36,225	4,166
Accrued interest payable	38,770	25,434	5,245	6,992	22,181
Retainages payable	4,519	559	1,501	7,743	11,902
Prizes payable	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—
Due to primary government	—	125	7,635	6,924	53,000
Asset retirement obligation	558,786	—	—	—	—
Unearned revenues	—	30,481	63,240	68,733	417
Deposits	—	—	2,720	6,645	—
Amounts held in custody for others	—	—	20,952	—	—
Securities lending collateral	—	4,890	44,987	49,001	6,638
Liabilities payable from restricted assets:					
Accrued interest payable	—	—	—	—	—
Other	—	—	—	—	—
Other liabilities	394,132	269,751	16,363	291,336	20,779
Long-term liabilities:					
Due within one year	60,192	128,508	76,191	66,869	38,145
Due in more than one year	8,080,478	4,321,348	2,521,315	2,194,789	1,621,442
Total liabilities	$ 9,326,378	$ 5,372,539	$ 2,823,493	$ 2,790,423	$ 1,819,815
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	54,819	—	—	—	—
Deferred nuclear decommissioning costs	217,120	—	—	—	—
Deferred service concession arrangement receipts	—	—	10,389	—	—
Deferred nonexchange revenues	—	—	—	—	—
Deferred public-private partnership receipts	—	—	—	—	—
Regulatory asset: Toshiba settlement	233,084	—	—	—	—
Pension related	11,832	15,907	11,343	3,504	829
Other post-employment benefits related	52,698	765,842	469,225	313,988	25,759
Lease related	—	24,807	79,675	257	14,718
Total deferred inflows of resources	$ 569,553	$ 806,556	$ 570,632	$ 317,749	$ 41,306
NET POSITION					
Net investment in capital assets	2,001,334	689,125	898,041	1,053,343	824,024
Restricted:					
Expendable:					
Education	—	620,613	319,934	576,640	—
Transportation	—	—	—	—	—
Capital projects	—	227,207	452,190	415,677	—
Debt service	12,182	37,855	4,405	9,928	41,910
Loan programs	—	—	—	—	—
Other	—	—	—	—	—
Nonexpendable:					
Education	—	231,195	463,435	475,014	—
Unrestricted	198,755	(1,350,894)	(825,725)	(425,159)	152,656
Total net position	**$ 2,212,271**	**$ 455,101**	**$ 1,312,280**	**$ 2,105,443**	**$ 1,018,590**

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

Exhibit C-1

Housing Authority	Lottery Commission	Nonmajor Component Units	Total
$ 5,945	$ 30,256	$ 985,205	$ 4,484,987
—	—	568,866	2,680,519
24,302	—	41,138	170,956
55	57,349	364,193	1,169,509
—	—	42,882	178,203
412	—	7,307	28,806
—	—	63,293	75,008
—	—	—	579,608
16,680	—	13,254	35,998
—	—	62,463	138,241
1,125	—	62,811	242,547
—	—	2,281	2,281
4,573	—	21,993	56,218
—	6,160	10,863	400,518
115,816	471	540,686	2,030,467
330,385	—	561,623	2,471,291
—	—	—	81,302
1,349,445	—	3,061	1,369,645
5,236	—	2,283	87,604
—	—	17,801	61,905
13,617	9,707	108,046	679,819
—	—	—	3,646,180
—	—	—	988,331
—	—	—	28,947
—	614	450,483	2,998,933
4,501	16,937	2,153,514	12,280,394
$ 1,872,092	$ 121,494	$ 6,084,046	$ 36,968,217
$ —	$ —	$ —	$ 19,348
—	—	986	219,429
—	—	—	557,239
2,618	2,327	193,710	936,232
3,473	3,208	294,217	1,419,835
$ 6,091	$ 5,535	$ 488,913	$ 3,152,083
$ —	$ 2,314	$ 103,873	$ 726,285
1,224	1,310	54,945	418,371
—	—	4,608	103,230
—	—	4,879	31,103
—	50,296	—	50,296
—	—	—	—
373	18,600	14,743	101,400
—	—	—	558,786
32,167	763	205,466	401,267
—	—	5,542	14,907
—	—	10,024	30,976
24,302	—	41,138	170,956
21,402	—	—	21,402
12,857	—	1,143	14,000
1,450	678	10,139	1,004,628
17,144	4,996	115,399	507,444
1,188,680	40,245	3,198,267	23,166,564
$ 1,299,599	$ 119,202	$ 3,770,166	$ 27,321,615
$ —	$ —	$ —	$ 54,819
2,185	—	—	2,185
—	—	—	217,120
—	—	—	10,389
—	—	43	43
—	—	5,008	5,008
—	—	—	233,084
70	684	50,992	95,161
6,283	6,756	621,617	2,262,168
—	—	57,125	176,582
$ 8,538	$ 7,440	$ 734,785	$ 3,056,559
$ 415	(84)	1,857,187	7,323,385
—	—	539,290	2,056,477
—	—	3,852	3,852
—	—	552,730	1,647,804
98,356	—	53,154	257,790
438,040	—	69,310	507,350
—	471	47,178	47,649
—	—	292,133	1,461,777
33,235	—	(1,346,826)	(3,563,958)
$ 570,046	**387**	**2,068,008**	**9,742,126**

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

		Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expenses)	Additions to Endowments
Public Service Authority	$ 1,771,318	$ 1,850,603	$ 39,775	$ —	$ 119,060	$ —
Medical University of South Carolina	5,847,442	5,314,460	524,920	33,637	25,575	1,173
University of South Carolina	1,740,764	1,278,411	242,675	126,005	(93,673)	18,287
Clemson University	1,436,771	1,168,439	281,431	123,061	136,160	32,164
State Ports Authority	302,451	404,003	24,791	11,433	137,776	—
Housing Authority	307,589	111,699	222,967	—	27,077	—
Lottery Commission	2,388,860	2,388,772	358	—	270	—
Nonmajor component units	2,285,188	1,352,169	585,876	208,501	(138,642)	6,217
Totals	**$ 16,080,383**	**$ 13,868,556**	**$ 1,922,793**	**$ 502,637**	**$ 213,603**	**$ 57,841**

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

Exhibit C-2

State Appropriations	Net Position (Deficit) Beginning	Restatements	Net Position (Deficit) Beginning (as Restated)	Net Position Ending
$ —	$ 2,093,211	$ —	$ 2,093,211	$ 2,212,271
244,456	183,897	—	183,897	455,101
428,131	959,535	—	959,535	1,312,280
240,691	1,696,428	—	1,696,428	2,105,443
—	880,814	—	880,814	1,018,590
—	542,481	488	542,969	570,046
—	117	—	117	387
574,354	1,599,627	26,452	1,626,079	2,068,008
$ 1,487,632	**$ 7,956,110**	**$ 26,940**	**$ 7,983,050**	**$ 9,742,126**

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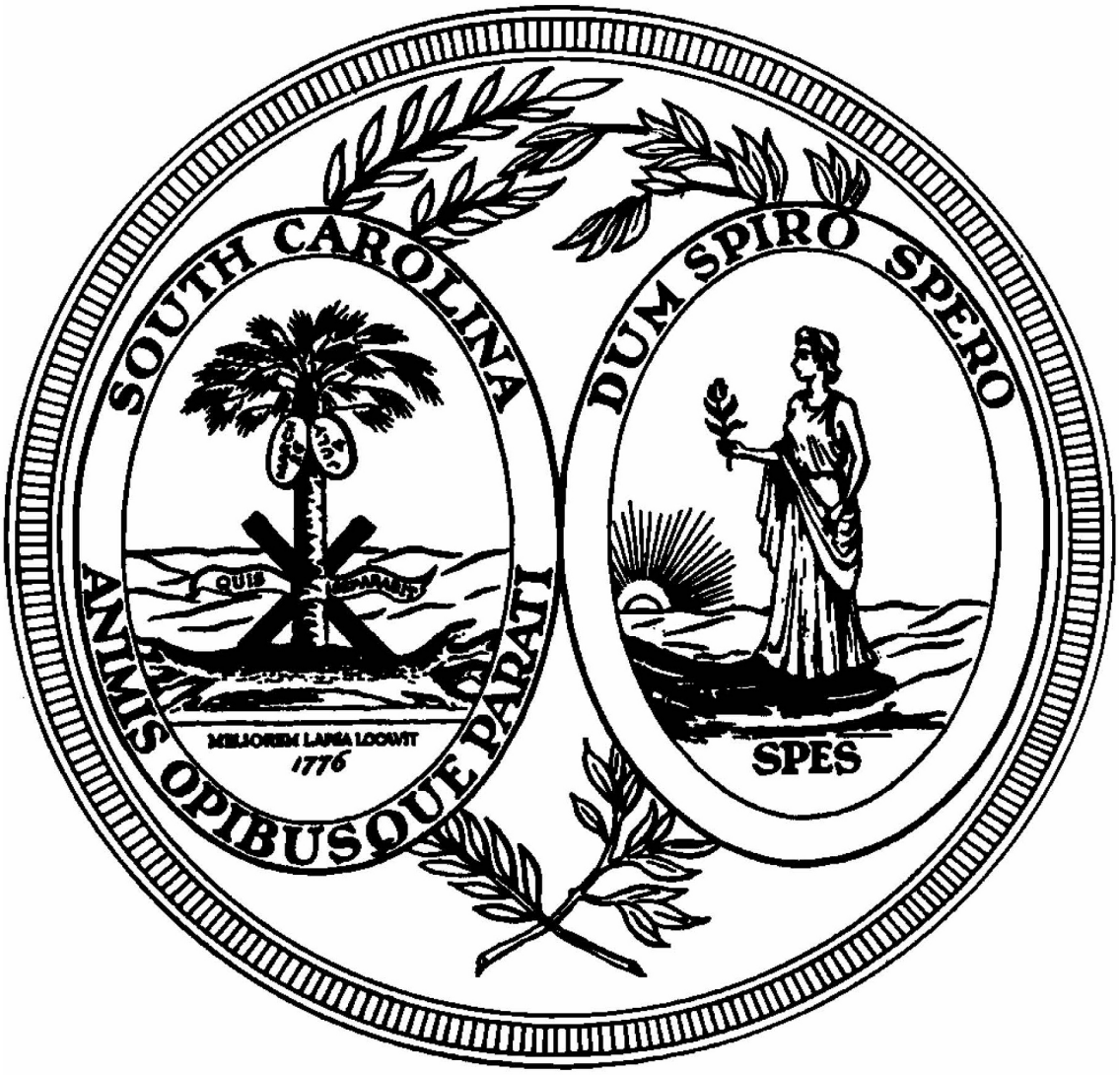
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Notes to the Financial Statements

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, 2024.

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, 2023. 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, 2023. The Palmetto Railways Division is governed by the Secretary of the Department of Commerce which operates as a cabinet agency under the Governor and is subject to state laws and regulations as well maintaining operational responsibility for the blended component unit.

Obtaining More Information about Blended Component Units

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

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

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

South Carolina Opioid Recovery Fund Board
1201 Main Street, Suite 420
Columbia, SC 29201
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, 2024. 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, 2023. 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, 2023.

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, 2023. 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, 2023.

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://osa.sc.gov

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.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to other funds or due from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

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, 2024.

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 $3.646 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 or enabling legislation.

- 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. Commitments may be changed or lifted only by taking the same formal action that imposed the constraint originally.

- Assigned fund balances represent amounts that are unavailable for appropriation and are not classified as nonspendable, restricted, or committed. Assignments are generally made 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, 2024, $4.354 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 126 for further detail.

u. Pension and Other Post-Employment Benefit (OPEB) Liabilities

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, 2024, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 100, *Accounting Changes and Error Corrections*, defines four categories of accounting changes and error corrections and related accounting and financial reporting requirements. (1) Changes in accounting principle must be reported retroactively by restating prior periods. (2) Changes in accounting estimate must be reported prospectively by recognizing the change in the current period. (3) Changes to and within the financial entity must be reported by adjusting beginning balances of the current period. (4) Error corrections resulting from mathematical mistakes, misuse of information, or misapplication of accounting principle should be reported retroactively by restating prior periods.

Implementation Guide 2021-1 question 5.1 provides guidance and clarification for questions related to capital assets whose individual costs are less than the capitalization for an individual asset, stating such assets should be capitalized when significant in aggregate.

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, 2024:

Other Enterprise	$ (4,348)
Component units:	
Denmark Technical College	(10,101)
Northeastern Technical College	(447)
Orangeburg-Calhoun Technical College	(7,269)
Connector 2000	(127,568)
South Carolina Medical Malpractice Association	(72,216)

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 72 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, 2024 (amounts expressed in thousands):

Statements		Notes				
			Note 4	Note 19	Non-Major DCUs *	Total
Current Assets						
Cash and Cash Equivalents	$ 21,316,367	Cash On Hand	$ 262	$ 507	$ 187	$ 956
Investments	74,262,930	Carrying Value of Cash	3,110,022	1,021,917	397,035	4,528,974
Securities Lending	2,980,260	Investments	91,619,269	4,292,710	1,241,562	97,153,541
Long Term Investments	589,541	Securities Lending	2,980,260			2,980,260
Restricted Asset						
Cash and Cash Equivalents	3,043,342					
Investments	2,471,291					
	$104,663,731		**$ 97,709,813**	**$ 5,315,134**	**$ 1,638,784**	**$104,663,731**

* 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, 2024 was $2.525 billion and the bank balance was $3.383 billion. As of June 30, 2024, the reported amount of the primary government's deposits outside of the State Treasurer was $437.814 million and the bank balance was $456.027 million. Of the $309.164 million bank balance exposed to custodial credit risk, $1.216 million was uninsured and uncollateralized and $301.021 million was uninsured and uncollateralized with securities held by the pledging financial institution, and $6.926 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, 2024 cash on hand was $262 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, 2024 (amounts expressed in thousands):

Investments by Fair Value Level	At 6/30/2024	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	$ 13,766,117	$ 13,755,536	$ 10,581	$ —
U.S. agencies	1,132,677	—	1,132,677	—
Mortgage backed obligations	—	—	—	—
Common stock	40,975	40,975	—	—
Other equity securities	9,256	9,241	15	—
Corporate bonds	8,336,202	22	8,336,180	—
Municipal bonds	253	—	253	—
Repurchase agreements	1,186,992	—	1,186,992	—
Asset backed securities	—	—	—	—
Commercial paper	11,358,133	—	11,358,133	—
Money market mutual funds	189,602	189,602	—	—
Bond mutual funds	8,157	7,483	674	—
Guaranteed investment contracts	81,268	—	—	81,268
Other	9,338,538	6,307,451	3,029,296	1,791
Total investments by fair value level	$ 45,448,170	$ 20,310,310	$ 25,054,801	$ 83,059

Fair value of investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private partnerships-equity and real assets	$ 3,191	$ 8,150	N/A	N/A
Total investments measured at the NAV	3,191	8,150		
Total investments measured at fair value	$ 45,451,361			

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, 2024 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/ Not Exposed	Total
U.S. treasuries	$ —	$ 13,766,117	$ —	$ —	$ —	$ —	$ 13,766,117
U.S. agencies	—	1,132,677	—	—	—	—	1,132,677
Mortgage backed obligations	—	—	—	—	—	—	—
Common stock	—	—	67	—	13	40,895	40,975
Other equity securities	13	414	19	151	—	8,659	9,256
Corporate bonds	13,853	552,770	3,983,473	3,628,100	8,174	149,832	8,336,202
Municipal bonds	—	176	57	—	20	—	253
Repurchase agreements	—	—	—	—	—	1,186,992	1,186,992
Asset backed securities	—	—	—	—	—	—	—
Commercial paper	49,853	8,435,848	1,362,688	1,312,357	—	197,387	11,358,133
Money market mutual funds	3	—	—	—	—	189,599	189,602
Bond mutual funds	305	4,550	—	—	—	3,302	8,157
Guaranteed investment contracts	—	—	—	—	—	81,268	81,268
Other	—	2,204,110	100,022	171	—	7,037,426	9,341,729
Totals	**$ 64,027**	**$ 26,096,662**	**$ 5,446,326**	**$ 4,940,779**	**$ 8,207**	**$ 8,895,360**	**$ 45,451,361**

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, 2024, 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, 2024, 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	$ 13,755,535	$ —	$ 3,973,019	$ 8,904,035	$ 851,163	$ 27,318
U.S. agencies	157,643	—	536	12,112	11,680	133,315
Common stock	3,607	3,607	—	—	—	—
Other equity securities	—	—	—	—	—	—
Corporate bonds	7,698,505	—	1,888,229	5,438,903	335,318	36,055
Municipal bonds	—	—	—	—	—	—
Repurchase agreements	1,021,208	—	1,021,208	—	—	—
Commercial paper	2,169,248	—	2,169,248	—	—	—
Money market funds	—	—	—	—	—	—
Bond mutual funds	—	—	—	—	—	—
Guaranteed investment contracts	—	—	—	—	—	—
Other	205,001	—	175,001	30,000	—	—
Totals	**$ 25,010,747**	**$ 3,607**	**$ 9,227,241**	**$ 14,385,050**	**$ 1,198,161**	**$ 196,688**

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, 2024, 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**	**More than 10**
U.S. treasuries	$ 10,582	$ —	$ 2,036	$ 4,334	$ 2,751	$ 1,461
U.S. agencies	975,034	—	975,034	—	—	—
Mortgage backed obligations	—	—	—	—	—	—
Common stock	37,368	37,368	—	—	—	—
Other equity securities	9,256	9,256	—	—	—	—
Corporate bonds	637,697	22	628,584	7,021	1,818	252
Municipal bonds	253	—	—	120	95	38
Repurchase agreements	165,784	—	165,784	—	—	—
Asset backed securities	—	—	—	—	—	—
Commercial paper	9,188,885	—	9,188,885	—	—	—
Money market funds	189,602	387	—	—	—	189,215
Bond mutual funds	8,157	2,442	3,335	—	2,380	—
Guaranteed investment contracts	81,268	—	—	—	—	81,268
Other	9,136,728	6,312,432	2,824,104	48	144	—
Totals	**$ 20,440,614**	**$ 6,361,907**	**$ 13,787,762**	**$ 11,523**	**$ 7,188**	**$ 272,234**

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, 2024. At June 30, 2024, 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, 2024, the State experienced no losses on its securities lending transactions because of borrower defaults.

For the fiscal year ended June 30, 2024, 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, 2024, 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, 2024, the fair value of securities on loan was $2.570 billion and was primarily composed of U.S. Governments securities with the remainder in other equities. The associated fair value of the invested collateral was $2.612 billion , of which $2.612 billion 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, 2024, the carrying amount of the Systems' deposits was $147.237 million and the bank balance was $101.400 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, 2024 (amounts expressed in thousands):

		Fair Value Measurements Using		
Investments by Fair Value Level	**At 6/30/2024**	**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)	$ 3,601,037	$ 3,601,037	$ —	$ —
Commercial Paper	68,823	—	68,823	—
Certificates of Deposit	21,279	—	21,279	—
U. S. Treasury Bills	162,493	162,493	—	—
Municipals - 1 Year or Less	1,030	—	1,030	—
Total Short Term Investments	3,854,662	3,763,530	91,132	—
Equity Allocation				
Global Public Equity				
Common Stocks	1,112,695	1,112,695	—	—
Real Estate Investment Trusts	306,542	306,542	—	—
Preferred	2,698	791	1,907	—
Total Global Public Equity	1,421,935	1,420,028	1,907	—
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	2,597	2,597	—	—
Mortgage Backed				
Federal National Mortgage Association	33,893	—	33,893	—
Municipals	4,615	—	4,615	—
Corporate				
Corporate Bonds	382,580	—	213,578	169,002
Convertible Bonds	1,547	—	1,547	—
Asset Backed Securities	155,961	—	155,961	—
Private Placements	584,813	—	584,813	—
Total Fixed Income	1,166,006	2,597	994,407	169,002
Total Investments by Fair Value Level	$ 6,442,603	$ 5,186,155	$ 1,087,446	$ 169,002

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Recurring fair value measurements as of June 30, 2024, continued (amounts expressed in thousands):

Fair value of investments measured at net asset value (NAV)	
Global Equity Common Stocks	$ 18,740,684
Investment Grade Bonds	26,598
Emerging Debt	32,336
Hedge Funds	4,869,155
Private Equity	5,941,858
Private Debt	3,763,740
Private Real Estate	3,210,125
Private Infrastructure	1,385,014
Total investments measured at NAV	37,969,510
Total investments measured at fair value	$ 44,412,113

		Fair Value Measurements Using		
Investment derivative instruments	**At 6/30/2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Equity Investments				
Swaps - Equity	$ 6,732	$ —	$ 6,732	$ —
Options - Equity	7,712	4,537	3,978	(803)
Fixed Income Investments				
Options - Fixed Income	5	—	5	—
Futures - Fixed Income	55,197	55,197	—	—
Swaps - Fixed Income	(104)	—	(104)	—
Total investment derivative instruments	$ 69,542	$ 59,734	$ 10,611	$ (803)
Total Invested Assets	$ 44,481,655			

For investments measured at NAV (amounts in thousands):

	Fair Value at 6/30/2024	**Unfunded Commitments[a]**	**Redemption Frequency (if Currently Eligible)**	**Redemption Notice Period**
Global Equity Common Stocks	$ 18,740,684	$ —	Daily/Monthly	5 - 30 Days
Investment Grade Bonds	26,598	—	Illiquid	Illiquid
Emerging Debt	32,336	—	Daily/Monthly	10 - 15 Days
Hedge Funds	4,869,155	—	Monthly/ Quarterly	2 - 90 Days
Private Equity	5,941,858	2,487,431	Illiquid	Illiquid
Private Debt	3,763,740	2,131,059	Illiquid	Illiquid
Private Real Estate	3,210,125	817,949	Illiquid	Illiquid
Private Infrastructure	1,385,014	230,406	Illiquid	Illiquid
Total investments measured at the NAV	$ 37,969,510	$ 5,666,845		

[a] For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £20,822 and €208,542 that have been converted to USD.

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

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

Investment Grade Bond Funds. This investment type includes one fund that generally invests in mortgage-related securities. The fair value estimates are calculated using an internal discounted cash flow model for each asset pool and reported by the Investment Manager. A withdrawal of capital requires prior consent of the fund's Board which may or may not be granted.

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 23 of these funds invested through strategic partnership investments which may consist of underlying investments in more than one hedge fund. The fair values of the investments in this asset type have been determined using NAV per share of the investments or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, however, it is common that funds have authority to require longer redemption timeframes and/or make the redemption subject to gates to mitigate any detrimental impact to the fund.

*Private Equity Funds. T*his investment type includes 148 funds that consist of 74 investments in limited partnerships, 45 investments in co-investment funds, 17 investments on manager co-investment platforms, and 12 funds within strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. Manager co-investment platforms consist of underlying investments in more than one co-investment fund. The private equity investments span the venture capital, growth equity, secondaries, energy and buyout strategies. Private equity is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Debt Funds. This investment type includes 61 funds that consist of 37 investments in limited partnerships, 15 funds within strategic partnership investments, and nine co-investment funds. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The private debt investments span the direct lending, distressed, energy, mezzanine, mortgages, and opportunistic strategies. Private Debt is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Real Estate Funds. This investment type includes 36 funds that consist of 29 investments in limited partnerships, three investments in co-investment funds, and four funds that are strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The real estate investments span the core, diversified, real estate debt, value add, and opportunistic strategies. Real Estate is considered an illiquid investment strategy as funds generally have a life span of seven to 10 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Private Infrastructure Funds. This investment type includes 16 funds that consist of 10 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, 2024, 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)	$ 3,601,037	$ —	$ 3,601,037	0.08
Invested Securities Lending Collateral	308,709	—	308,709	0.00
Commercial Paper	68,823	—	68,823	0.28
Certificates of Deposit	21,279	—	21,279	0.37
U. S. Treasury Bills	162,493	—	162,493	0.29
Municipals - 1 Year or Less	1,030	—	1,030	0.09
Total Short Term Investments	4,163,371	—	4,163,371	
Global Public Equity				
Preferred	2,698	—	2,698	10.03
Total Equity Investments	2,698	—	2,698	
Fixed Income Allocation				
U.S. Government:				
U.S. Government Treasuries	2,597	—	2,597	1.25
Mortgage Backed:				
Federal National Mortgage Association	33,893	—	33,893	3.99
Municipals	4,615	27	4,588	9.14
Corporate:				
Corporate Bonds	382,580	250,736	131,844	1.93
Convertible Bonds	1,547	—	1,547	1.75
Asset Backed Securities	155,961	15,855	140,106	0.21
Private Placements	584,813	83,703	501,110	2.56
Investment Grade Bonds	26,598	—	26,598	5.31
Emerging Debt	32,336	—	32,336	6.91
Options - Fixed Income	5	—	5	114.04
Futures - Fixed Income	55,197	—	55,197	1,083.20
Swaps - Fixed Income	(104)	(112)	8	18.47
Total Fixed Income	1,280,038	350,209	929,829	
Mixed Credit Hedge Fund Allocation				
Mixed Credit Hedge Funds	6,892	—	6,892	0.01
Total Mixed Credit Hedge Funds	6,892	—	6,892	
Total Invested Assets	$ 5,452,999	$ 350,209	$ 5,102,790	
Total Portfolio Effective Duration (option adjusted duration)				**12.21**

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, 2024 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	NR[a]	TOTAL
Short Term Investments										
Short Term Investment Funds (U. S. Regulated)	$ 3,601,037	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 3,601,037
Invested Securities Lending Collateral	—	—	—	—	—	—	—	—	308,709	308,709
Commercial Paper	—	54,910	—	12,662	—	—	—	—	1,251	68,823
Certificates of Deposit	—	17,727	—	—	—	—	—	—	3,552	21,279
Municipals - 1 Year of Less	1,030	—	—	—	—	—	—	—	—	1,030
Global Public Equity										
Preferred	—	—	—	15	1,887	—	—	—	796	2,698
Fixed Income Allocation										
Mortgage Backed:										
Federal National Mortgage Association	33,893	—	—	—	—	—	—	—	—	33,893
Municipals	893	1,830	184	—	—	—	—	—	1,708	4,615
Corporate:										
Corporate Bonds	10	9,801	27,166	20,054	19,900	34,826	7,070	2,082	261,671	382,580
Convertible Corporate Bonds	—	—	—	—	—	—	—	—	1,547	1,547
Asset Backed Securities	4,947	11,984	19,112	60,604	10,898	—	4,029	19,961	24,426	155,961
Private Placements	11,577	25,982	41,087	54,057	71,156	42,879	12,956	1,327	323,792	584,813
Investment Grade Bonds	—	—	—	—	—	—	—	—	26,598	26,598
Emerging Debt	—	—	—	—	—	—	—	—	32,336	32,336
Options - Fixed Income	—	—	—	—	—	—	—	—	5	5
Futures - Fixed Income	—	—	—	—	—	—	—	—	55,197	55,197
Swaps - Fixed Income	—	—	—	—	—	—	—	—	(104)	(104)
Totals	**$ 3,653,387**	**$ 122,234**	**$ 87,549**	**$ 147,392**	**$ 103,841**	**$ 77,705**	**$ 24,055**	**$ 23,370**	**$ 1,041,484**	**$ 5,281,017**

[a] NR represents securities that were either not rated, rated by S&P but not by Moody's, or had a withdrawn rating.

[b] U.S. Treasury Bills, Notes and Bonds, Agencies and Government National Mortgage Association securities with a fair value of $165.1 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, 2024, 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, 2024 (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Private Debt	Private Infrastructure	Fixed Income	Equity	Total
Australian Dollar	$ (544)	$ (29,796)	$ —	$ —	$ —	$ 29,454	$ —	$ 976	$ 90
Canadian Dollar	(73)	(1,338)	—	—	—	—	1,128	12,724	12,441
Euro Currency	6,642	(185,152)	—	200,217	26,956	146,452	134,752	17,116	346,983
Hong Kong Dollar	5	—	—	—	—	—	—	3,985	3,990
Israeli Shekel	(5)	—	—	—	—	—	—	—	(5)
Japanese Yen	292	—	—	—	—	—	—	1,317	1,609
Mexican Peso	302	—	—	—	—	—	—	—	302
Pound Sterling	(431)	(49,026)	100,751	—	10,814	—	7,775	7,510	77,393
Singapore Dollar	—	—	—	—	—	—	—	2,946	2,946
Totals	**$ 6,188**	**$ (265,312)**	**$ 100,751**	**$ 200,217**	**$ 37,770**	**$ 175,906**	**$ 143,655**	**$ 46,574**	**$ 445,749**

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 $7.000 and $161.400 million, respectively, were held in trust by the clearing brokers on June 30, 2024. 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, 2024 (amounts expressed in thousands):

	Changes in Fair Value	
	Classification	**Gain/(Loss)**
Futures Contracts	Net appreciation	$ 99,975
Forward Contracts	Net appreciation	5,470
Swaps	Net depreciation	(37,378)
Options	Net depreciation	(3,920)

	Fair Value			
	Forward Contracts	**Futures**	**Options**	**Swaps**
Cash & Cash Equivalents	$ 2,772	$ —	$ —	$ —
Fixed Income	—	55,197	5	(104)
Global Public Equity	—	—	7,712	6,732
Totals	**$ 2,772**	**$ 55,197**	**$ 7,717**	**$ 6,628**

At June 30, 2024, the Systems had the following exposure via futures contracts (amounts expressed in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value[a]	Fair Value
US TREAS BD FUTURE (CBT)	September 2024	Long	19	$ 2,212,207	$ 28,338
US 5YR NOTE FUTURE (CBT)	September 2024	Long	14	1,510,745	9,482
US 2YR NOTE FUTURE (CBT)	September 2024	Long	5	1,072,557	2,262
US ULTRA BOND FUTURE (CBT)	September 2024	Long	13	1,599,637	15,103
3 MONTH SOFR FUT (CME)	June 2025	Long	—	15,310	(3)
3 MONTH SOFR FUT (CME)	September 2025	Long	—	15,341	4
3 MONTH SOFR FUT (CME)	December 2025	Long	—	15,365	11
Totals				**$ 6,441,162**	**$ 55,197**

[a] 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, 2024, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Bank of America	$ 44,459	$ (181)	12.41%
Bank of New York Mellon	103,292	1,509	28.83%
Barclays Bank PLC	15,018	48	4.19%
Goldman Sachs Bank USA/New York NY	2,065	15	0.58%
HSBC Bank USA NA/New York NY	16,419	(20)	4.58%
JPMorgan Chase Bank NA	142,454	1,312	39.76%
Morgan Stanley Capital Services LLC	2,182	(2)	0.61%
Royal Bank of Canada	31,738	93	8.86%
UBS AG/Stamford CT	659	(2)	0.18%
Totals	**$ 358,286**	**$ 2,772**	**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, 2024, for currency forwards, swap agreements, and options subject to credit risk (amounts expressed in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aa1	$ (181)	$ —	$ —	$ (181)
Aa2	2,799	—	7,812	10,611
Aa3	(2)	—	5	3
A1	156	6,732	(100)	6,788
Total subject to credit risk	2,772	6,732	7,717	17,221
Centrally cleared:				
Chicago Mercantile Exchange	—	8	—	8
Intercontinental Exchange	—	(112)	—	(112)
Total not subject to credit risk	—	(104)	—	(104)
Totals	**$ 2,772**	**$ 6,628**	**$ 7,717**	**$ 17,117**

At June 30, 2024, 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 Value1	Gain (Loss) Since Trade
Barclays Bank PLC	Barclays US Agg Proxy	Variable	Fixed	Various	$ 1,269,354	$ 6,732	$ 5,347
					$ 1,269,354	**$ 6,732**	**$ 5,347**

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value[a]
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Fixed	Variable	3/14/2054	$ 290	$ 8
Intercontinental Exchange Holdings	Cleared Credit Default Swaps	Fixed	Variable	6/20/2029	6,334	(112)
					$ 6,624	**$ (104)**

[a] 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, 2024, the Systems had the following option positions (amounts expressed in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
Call DEC 24 002.918 ED 122024	IRS P EURIBOR 6M	December 2024	19,929,000	$ 86
Call DEC 24 002.358 ED 122024	IRS R EURIBOR 6M	December 2024	(19,929,000)	(25)
Call DEC 24 002.715 ED 122024	IRS R 6M EURIBOR	December 2024	(4,380,000)	(77)
Call DEC 24 002.215 ED 122024	IRS P 6M EURIBOR	December 2024	4,380,000	21
Total Fixed Income				$ 5
Call JUL 24 2158.640 ED 073124	RUSSELL 2000	July 2024	(97,284)	(802)
Put SEP 24 4203.480 ED 093024	S&P 500 Index	September 2024	(19,032)	(118)
Put SEP 24 4991.630 ED 093024	S&P 500 Index	September 2024	19,032	504
Put SEP 24 744.010 ED 093024	MSCI ACWI	September 2024	127,686	622
Put SEP 24 626.540 ED 093024	MSCI ACWI	September 2024	(127,686)	(102)
Put NOV 24 5014.310 ED 112924	S&P 500 Index (OTC)	November 2024	18,946	1,034
Put NOV 24 4222.580 ED 112924	S&P 500 Index (OTC)	November 2024	(18,946)	(286)
Put NOV 24 627.990 ED 112924	MSCI ACWI	November 2024	(127,390)	(294)
Put NOV 24 745.740 ED 112924	MSCI ACWI	November 2024	127,390	1,135
Put DEC 24 5239.270 ED 123124	S&P 500 Index (SPX)	December 2024	9,066	901
Put DEC 24 4412.020 ED 123124	S&P 500 Index (SPX)	December 2024	(9,066)	(230)
Put DEC 24 042.000 ED 122024	SPDR S&P Regional Banking	December 2024	1,350	186
Put DEC 24 646.920 ED 123124	MSCI ACWI	December 2024	(61,831)	(223)
Put DEC 24 768.220 ED 123124	MSCI ACWI	December 2024	61,831	882
Put JAN 25 043.000 ED 011725	SPDR S&P Regional Banking	January 2025	837	131
Put MAR 25 4203.480 ED 033125	S&P 500 Index	March 2025	(19,032)	(633)
Put MAR 25 4991.630 ED 033125	S&P 500 Index	March 2025	19,032	1,808
Put MAR 25 744.010 ED 033125	MSCI ACWI	March 2025	127,686	1,912
Put MAR 25 626.540 ED 033125	MSCI ACWI	March 2025	(127,686)	(672)
Put JUN 25 5239.270 ED 063025	S&P 500 Index (SPX)	June 2025	9,066	1,548
Put JUN 25 4412.020 ED 063025	S&P 500 Index (SPX)	June 2025	(9,066)	(551)
Put JUN 25 646.920 ED 063025	MSCI ACWI	June 2025	(61,831)	(542)
Put JUN 25 768.220 ED 063025	MSCI ACWI	June 2025	61,831	1,502
Total Equity				$ 7,712
Total				**$ 7,717**

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, 2024, 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	$ 8,436,841	$ 6,199,226	$ 2,237,615
Private Debt	7,407,704	5,276,645	2,131,059
Private Real Estate	4,926,345	4,108,396	817,949
Private Infrastructure	1,215,000	984,594	230,406
Totals	$ 21,985,890	$ 16,568,861	$ 5,417,029
Limited Partnerships EUR			
Private Equity	€ 401,608	€ 193,066	€ 208,542
Private Debt	22,657	22,657	—
Private Infrastructure	125,000	125,000	—
Totals	€ 549,265	€ 340,723	€ 208,542
Limited Partnerships AUD			
Private Infrastructure	$ 40,000	$ 40,000	$ —
Totals	$ 40,000	$ 40,000	$ —
Limited Partnerships GBP			
Private Equity	£ 75,000	£ 54,178	£ 20,822
Private Debt	7,000	7,000	—
Private Infrastructure	22,000	22,000	—
Totals	£ 104,000	£ 83,178	£ 20,822

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, 2024, 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, 2024, the fair value of securities on loan was $301.13 million, the fair value of the invested cash collateral was $308.71 million, and the securities lending obligations were $308.71 million. Due to activity within the securities lending program during the fiscal year, there is no longer a difference between the value of the invested cash collateral and securities lending obligations, so a collateral liability no longer exists and was resolved as of June 30, 2024. Securities lending revenue, net of borrower rebates, was $1.07 million, an increase of $656 thousand from 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, 2024, 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, 2024:

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Securities lent for cash collateral:						
Corporate bonds	$ 2,380	$ 445	$ 3	$ 15	$ 3	$ 2,846
Global Public Equity	249,495	46,629	313	1,579	265	298,281
Totals	**$ 251,875**	**$ 47,074**	**$ 316**	**$ 1,594**	**$ 268**	**$ 301,127**
Securities lent for non-cash collateral:						
Global Public Equity	$ 227,933	$ 42,599	$ 286	$ 1,443	$ 242	$ 272,503
Totals	**$ 227,933**	**$ 42,599**	**$ 286**	**$ 1,443**	**$ 242**	**$ 272,503**
Cash collateral invested as follows:						
Repurchase agreements	$ 258,217	$ 48,259	$ 324	$ 1,634	$ 275	$ 308,709
Totals	**$ 258,217**	**$ 48,259**	**$ 324**	**$ 1,634**	**$ 275**	**$ 308,709**
Securities received as collateral:						
U.S Government Securities	$ 17,172	$ 3,210	$ 22	$ 109	$ 18	$ 20,531
U.S Government Agencies	1,463	274	2	9	2	1,750
Global Public Equity	191,261	35,745	240	1,211	203	228,660
Global Fixed Income	34,171	6,386	43	216	36	40,852
Totals	**$ 244,067**	**$ 45,615**	**$ 307**	**$ 1,545**	**$ 259**	**$ 291,793**

Schedule of Investment Returns[1]

Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2024	10.47%
2023	6.80%
2022	(0.91)%
2021	28.48%
2020	(1.59)%
2019	5.70%
2018	7.89%
2017	11.82%
2016	(0.51)%
2015	1.55%

[1] Trailing periods reflect a performance correction that affected the time period 3/31/2015 through 6/30/2022.

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, 2024, 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, 2024 (amounts expressed in thousands):

		Fair Value Measurements Using	
Investments by Fair Value Level	**At 6/30/2024**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Collateralized mortgage-backed obligations	$ 15,657	$ —	$ 15,657
U.S. agencies	964,243	933,263	30,980
Corporate bonds	379,681	1,509	378,172
Financial paper	253,458	1,043	252,415
Repurchase agreements	73,215	1	73,214
Total Investments at Fair Value	$ 1,686,254	$ 935,816	$ 750,438

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, 2024, 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	$ 15,657	$ —	$ —	$ —	$ —
U.S. agencies	964,243	—	—	—	—
Corporate bonds	23,730	88,048	259,853	—	8,050
Financial paper	—	155,561	88,442	—	9,455
Repurchase agreements	—	—	—	72,418	796
Totals	**$ 1,003,630**	**$ 243,609**	**$ 348,295**	**$ 72,418**	**$ 18,301**

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, 2024, the Trusts 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**	**Less than 1**	**1 - 5**	**6 - 10**	**More than 10**
Collateralized mortgage-backed obligations	$ 15,657	$ —	$ —	$ 4	$ 15,653
U.S. agencies	964,243	146,909	563,503	239,146	14,685
Corporate bonds	379,681	33,251	245,269	97,610	3,551
Financial paper	253,458	13,594	148,416	91,287	161
Repurchase agreements	73,214	73,214	—	—	—
Totals	**$ 1,686,253**	**$ 266,968**	**$ 957,188**	**$ 428,047**	**$ 34,050**

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, 2024. 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, 2024:

	Amount
Securities Lent for Cash Collateral:	
U.S. Government Securities	$ 42,181
Corporate Bonds	17,768
Total	**$ 59,949**
Cash Collateral invested as follows:	
Repurchase agreements	$ 43,057
U.S. Government Securities	696
Corporate Bonds	17,579
Total	**$ 61,332**

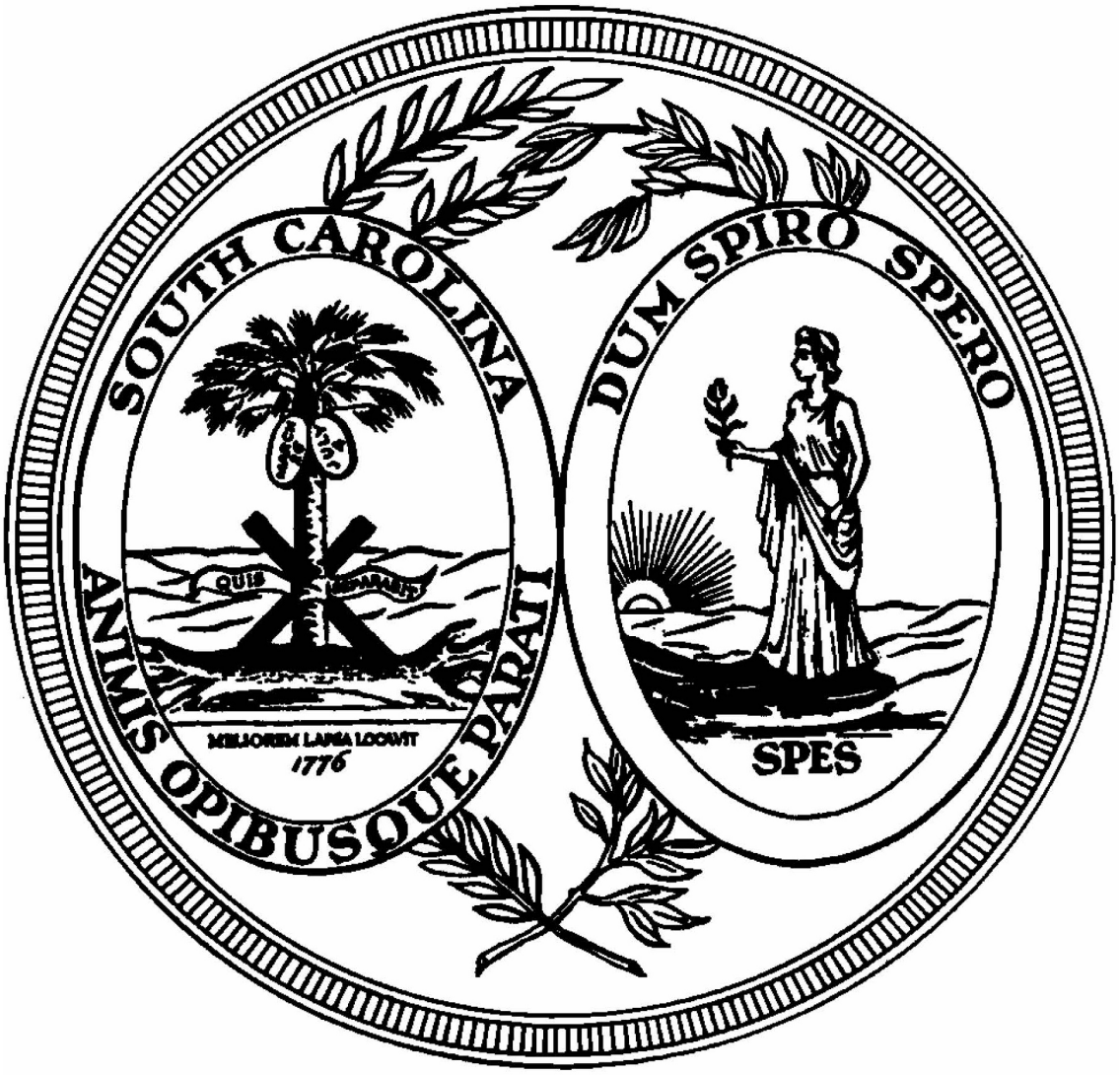
Schedule of Investment Returns

South Carolina Retiree Health Insurance Trust Fund

Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2024	2.83%
2023	(3.60)%
2022	(6.62)%
2021	0.39%
2020	7.70%
2019	6.77%
2018	0.27%
2017	1.36%

South Carolina Long-Term Disability Trust Fund

Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2024	3.01%
2023	(0.34)%
2022	(10.67)%
2021	(0.42)%
2020	10.57%
2019	8.13%
2018	0.14%
2017	1.00%


SOUTH CAROLINA
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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, 2024, 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	Internal Service Funds	Total Governmental Activities
Income taxes	$ 416,382	$ —	$ —	$ —	$ —	$ —	$ 416,382
Sales and other taxes	231,206	18	—	14	23,389	—	254,627
Patient accounts	3,286	—	—	—	—	—	3,286
Other	16,083	14,776	260	438	35	905	32,497
Total allowances for uncollectibles	**$ 666,957**	**$ 14,794**	**$ 260**	**$ 452**	**$ 23,424**	**$ 905**	**$ 706,792**

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, 2024 were as follows:

	Business-type Activities (Enterprise Funds)	
Allowances related to	Unemployment Compensation Benefits	Second Injury
Assessments	$ 109,498	$ —
Other	153,765	303
Total allowances for uncollectibles	**$ 263,263**	**$ 303**

Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) on June 30, 2024 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 receivable	$ 36,852	$ 74,892	$ 626	$ —	$ —	$ 6	$ 112,376
Patient accounts	2,253	2,869	—	—	—	—	5,122
Loans and notes	5,425	283	774,118	62	3,021	—	782,909
Leases	—	—	—	—	—	10	10
Accounts receivable—restricted	—	—	9,000	—	—	—	9,000
Total long-term receivables, net	**$ 44,530**	**$ 78,044**	**$ 783,744**	**$ 62**	**$ 3,021**	**$ 16**	**$ 909,417**

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, 2024, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	$ 1,942	$ —	$ 1,942
Federal grants	54,514	1,937,366	1,991,880
Contributions	24,947	390,109	415,056
Departmental services	—	21,234	21,234
Total unearned revenues	$ 81,403	2,348,709	$ 2,430,112
Internal service funds		237,235	
Total governmental activities		$ 2,585,944	

NOTE 6: CAPITAL ASSETS

The primary government's capital asset activity for the fiscal year ended June 30, 2024 was as follows (expressed in thousands):

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 2,512,589	$ 83,464	$ (6,076)	$ 2,589,977
Construction in progress	4,771,853	1,692,535	(347,042)	6,117,346
Works of art and historical treasures	844	—	—	844
Intangibles	77	155	—	232
Lease assets not being amortized:				
Construction in progress	3,709	11,065	—	14,774
Total capital assets not being depreciated or amortized	7,289,072	1,787,219	(353,118)	8,723,173
Capital assets being depreciated:				
Land improvements	124,404	1,151	(46,035)	79,520
Infrastructure (road and bridge network)	16,779,243	236,301	(1,389)	17,014,155
Buildings and improvements	2,426,048	119,637	(334,668)	2,211,017
Vehicles	1,093,477	119,612	(33,558)	1,179,531
Machinery and equipment	776,884	64,146	(19,496)	821,534
Works of art and historical treasures	1,507	—	—	1,507
Intangibles	320,690	1,884	(1,007)	321,567
Lease assets being amortized:				
Land and improvements	2,606	7,066	(49)	9,623
Buildings and improvements	179,256	105,691	(17,267)	267,680
Machinery and equipment	17,143	3,380	(7,051)	13,472
Subscription assets	108,484	34,200	(9,996)	132,688
Total capital assets being depreciated or amortized	21,829,742	693,068	(470,516)	22,052,294
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(78,247)	(2,684)	20,076	(60,855)
Infrastructure (road and bridge network)	(5,170,247)	(240,877)	1,384	(5,409,740)
Buildings and improvements	(1,448,712)	(62,261)	223,891	(1,287,082)
Vehicles	(758,946)	(70,588)	32,638	(796,896)
Machinery and equipment	(534,617)	(58,316)	18,599	(574,334)
Works of art and historical treasures	(903)	(60)	—	(963)
Intangibles	(317,379)	(4,266)	1,007	(320,638)
Lease assets being amortized:				
Land and improvements	(1,379)	(315)	2	(1,692)
Buildings and improvements	(52,210)	(32,832)	16,500	(68,542)
Machinery and equipment	(7,827)	(3,404)	3,516	(7,715)
Subscription assets	(30,596)	(44,219)	5,126	(69,689)
Total accumulated depreciation and amortization	(8,401,063)	(519,822)	322,739	(8,598,146)
Total capital assets being depreciated or amortized, net	13,428,679	173,246	(147,777)	13,454,148
Governmental activities capital assets, net	**$ 20,717,751**	**$ 1,960,465**	**$ (500,895)**	**$ 22,177,321**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Business-type activities:				
Capital assets not being depreciated:				
Land and improvements	$ 224,219	$ 4,424	$ (5,752)	$ 222,891
Construction in progress	117,783	19,904	(85,628)	52,059
Total capital assets not being depreciated	342,002	24,328	(91,380)	274,950
Capital assets being depreciated:				
Land improvements	7,032	987	411	8,430
Buildings and improvements	16,846	455	(96)	17,205
Vehicles	1,735	—	(37)	1,698
Machinery and equipment	12,032	1,833	(252)	13,613
Total capital assets being depreciated	37,645	3,275	26	40,946
Less accumulated depreciation for:				
Land improvements	(1,313)	(472)	1	(1,784)
Buildings and improvements	(6,794)	(559)	23	(7,330)
Vehicles	(1,686)	(32)	37	(1,681)
Machinery and equipment	(8,796)	(837)	251	(9,382)
Total accumulated depreciation	(18,589)	(1,900)	312	(20,177)
Total capital assets being depreciated, net	19,056	1,375	338	20,769
Business-type activities capital assets, net	**$ 361,058**	**$ 25,703**	**$ (91,042)**	**$ 295,719**

The following is a summary of governmental activities depreciation and amortization expense by function for the fiscal year ended June 30, 2024 (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	$ 30,608	$ 29,512	$ 60,120
Education	42,139	—	42,139
Health and environment	50,831	—	50,831
Social services	9,409	—	9,409
Administration of justice	50,219	573	50,792
Resources and economic development	38,594	—	38,594
Transportation	267,937	—	267,937
Total depreciation and amortization expense	**$ 489,737**	**$ 30,085**	**$ 519,822**

At June 30, 2024, the primary government had outstanding commitments totaling $3.498 billion for construction of capital projects, $121.198 million for significant permanent improvement projects, $14.932 million for software development projects, $28.778 million for subscription-based information technology arrangements, and $305.922 million for leases. 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, 2024:

	SCRS	PORS	GARS	JSRS	SCNG
Active Contributing Members	205,985	27,797	62	160	12,071
Retirees and Beneficiaries Currently Receiving Benefits	153,558	21,367	336	236	5,161
Terminated Members Entitled to But Not Yet Receiving Benefits	227,527	22,530	27	5	1,400
Total Membership	587,070	71,694	425	401	18,632

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, 2024, 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, 2024, were as follows:

Plan	Rate
SCRS	18.56%
PORS	21.24%
JSRS	62.94%

Contributions to SCRS, PORS, and JSRS from the State were $317.283 million, $114.060 million, and $24.180 million, respectively, for the year ended June 30, 2024. The GARS employer contribution of $6.286 million was actuarially determined and included incidental death benefits. The State contributed $5.290 million to fund, which was $1.453 million more than the SCNG actuarially-determined employer contribution for the year ended June 30, 2024. 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, 2024, the State reported $2.937 billion and $808.834 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, 2022 actuarial valuations, using membership data as of July 1, 2022, projected forward to June 30, 2023, and financial information of the pension trust funds as of June 30, 2023, 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, 2023, the State's SCRS proportion was 12.15%, which was an increase of 0.12% from its proportion measured as of June 30, 2022. The State's PORS proportion of the net pension liability at June 30, 2022 was 26.57%, which was an increase of 1.23% from its proportion measured as of June 30, 2022.

The State's JSRS, GARS, and SCNG net pension liabilities were also measured by actuarial valuations as of July 1, 2022, using membership data as of July 1, 2022, projected forward to June 30, 2023, and financial information of the pension trust funds as of June 30, 2023, using generally accepted actuarial procedures. The State assumes 100% of the JSRS, GARS, and SCNG liabilities.

For the year ended June 30, 2024, the State recognized pension expenses of $290.006 million for SCRS, $95.189 million for PORS, $26.621 million for JSRS, $1.800 million for GARS, and $2.874 million for SCNG, making the State's total pension expense $416.490 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 $13.637 billion (or 56.40% of the total net SCRS pension liability) at June 30, 2024, with related pension expenses of approximately $1.347 billion for the year ended June 30, 2024. Likewise, the State's effective share of the PORS net pension liability was approximately $826.595 million at June 30, 2024 (or 27.15% of the total net PORS pension liability), with related pension expenses of approximately $97.279 million for the year ended June 30, 2024. 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, 2024, 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	$ 317,283	$ 114,060	$ 21,280	$ 6,286	$ 5,290	$ 464,199
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	79,102	35,475	—	—	—	114,577
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	—	—	—	164	458	622
Differences Between Expected and Actual Experience	50,979	38,064	772	—	103	89,918
Changes in Assumptions	44,986	17,604	3,368	—	2,201	68,159
Total	$ 492,350	$ 205,203	$ 25,420	$ 6,450	$ 8,052	$ 737,475
Deferred Inflows of Resources						
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 111,535	$ 34,598	$ —	$ —	$ —	$ 146,133
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	4,020	1,388	2	—	—	5,410
Differences Between Expected and Actual Experience	8,141	9,971	7,057	—	3,284	28,453
Total	$ 123,696	$ 45,957	$ 7,059	$ —	$ 3,284	$ 179,996

$464.199 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, 2025. 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
2025	$ 25,131	$ 17,767	$ (9,923)	$ 1,112	$ 231	$ 34,318
2026	16,901	14,202	(3,136)	27	101	28,095
2027	(17,143)	(10,524)	13,738	3,467	(642)	(11,104)
2028	27,021	24,260	(3,989)	(4,596)	977	43,673
2029	(539)	(519)	391	154	(39)	(552)
Thereafter	—	—	—	—	(1,150)	(1,150)
	$ 51,371	$ 45,186	$ (2,919)	$ 164	$ (522)	$ 93,280

The total pension liabilities in the July 1, 2022 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, 2022.

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, 2023 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 %	6.62 %	3.04 %
Bonds	26.0 %	0.31 %	0.08 %
Private Equity	9.0 %	10.91 %	0.98 %
Private Debt	7.0 %	6.16 %	0.43 %
Real Assets	12.0 %		
Real Estate	9.0 %	6.41 %	0.58 %
Infrastructure (Private)	3.0 %	6.62 %	0.20 %
Total Expected Real Return	**100.0 %**		5.31 %
Inflation for Actuarial Purposes			2.25 %
Total Expected Nominal Return			**7.56 %**

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	$ 9,791	$ 263	$ 782
Interest	31,468	4,698	4,706
Difference Between Actual and Expected Experience	(9,303)	(289)	(392)
Benefit Payments	(27,697)	(6,328)	(4,669)
Net Change in Total Pension Liability	4,259	(1,656)	427
Total Pension Liability at June 30, 2023	458,503	70,147	69,167
Total Pension Liability at June 30, 2024 (a)	$ 462,762	$ 68,491	$ 69,594
Plan Fiduciary Net Position			
Contributions - Employer	20,164	6,308	5,290
Contributions - Nonemployer	2,900	—	—
Contributions - Member	4,236	155	—
Retirement Benefits	(27,686)	(6,313)	(4,669)
Death Benefits	(11)	(15)	—
Net Investment Income (Loss)	15,272	3,106	2,776
Administrative Expense	(110)	(22)	(21)
Other	191	(135)	—
Net Change in Plan Fiduciary Net Position	14,956	3,084	3,376
Plan Fiduciary Net Position at June 30, 2023	206,674	42,476	39,567
Plan Fiduciary Net Position at June 30, 2024 (b)	$ 221,630	$ 45,560	$ 42,943
Net Pension Liability at June 30, 2024 (a) - (b)	$ 241,132	$ 22,931	$ 26,651

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	$ 3,794,856	$ 2,936,979	$ 2,223,940
PORS	1,140,981	808,834	536,762
JSRS	293,397	241,132	197,507
GARS	28,750	22,931	17,895
SCNG	35,541	26,651	19,415

e. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2024, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	SCNG	Totals
Receivables:						
Contributions	$ 449,659	$ 53,865	$ 7	$ 847	$ 1	$ 504,379
Accrued interest	28,597	5,756	51	208	64	34,676
Unsettled investment sales	453,630	84,780	570	2,871	483	542,334
Other investment receivables	2	—	—	—	—	2
Total receivables	**$ 931,888**	**$ 144,401**	**$ 628**	**$ 3,926**	**$ 548**	**$ 1,081,391**
Due from other fiduciary funds	**$ —**	**$ 142**	**$ —**	**$ —**	**$ —**	**$ 142**
Investments and invested securities lending collateral:						
Short-term securities and opportunistic	$ 198,938	$ 37,180	$ 250	$ 1,259	$ 212	$ 237,839
Fixed income	1,070,675	200,102	1,345	6,777	1,139	1,280,038
Equity-international	16,876,914	3,154,177	21,201	106,823	17,948	20,177,063
Alternatives	16,034,474	2,996,732	20,142	101,491	17,053	19,169,892
Invested securities lending collateral	258,217	48,259	324	1,634	275	308,709
Total investments	**$ 34,439,218**	**$ 6,436,450**	**$ 43,262**	**$ 217,984**	**$ 36,627**	**$ 41,173,541**

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, 2024, $764 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, 2024 is as follows (expressed in thousands):

Covered payroll	$ 2,223,069
Employee contributions to providers	200,076
Employer contributions to providers	111,153

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, 6.35% of annual covered payroll for fiscal year 2024. The IBD sets the employer contribution rate based on a pay-as-you-go basis. The State paid $685.917 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2024. 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, 2024.

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, 2024, the State reported a liability of $2.576 billion for its proportionate share of the SCRHITF net OPEB liability and reported a liability of $2.534 million for its proportionate share of the LTDITF net OPEB liability. The net OPEB liabilities were measured as of June 30, 2023, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2022. At June 30, 2024, the State's proportion of the SCRHITF net OPEB liability was 19.68% and the State's proportion of the LTDITF net OPEB liability was 16.55%, based on its statutory contribution requirements. These proportions increased by 0.40% and by 0.16%, 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 $9.822 billion (or 75.03% of the total net SCRHITF OPEB liability) at June 30, 2024, with related OPEB expenses of approximately $203.595 million for the year ended June 30, 2024. Likewise, the State's effective share of the LTDITF net OPEB liability was approximately $9.694 million at June 30, 2024 (or 63.31% of the total net LTDITF OPEB liability), with related OPEB expenses of approximately $6.354 million for the year ended June 30, 2024. 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 $36.403 million for SCRHITF and $1.656 million for LTDITF, for a total OPEB expense of $38.059 million for the year ended June 30, 2024. At June 30, 2024, 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			
Differences Between Expected and Actual Experience	$ 45,567	$ 668	$ 46,235
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	25,868	700	26,568
State Contributions Subsequent to the Measurement Date	151,405	1,334	152,739
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	187,327	20	187,347
Changes in Assumptions	516,695	333	517,028
Total	$ 926,862	$ 3,055	$ 929,917
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	$ 586,919	$ 294	$ 587,213
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	284,145	107	284,252
Changes in Assumptions	827,510	285	827,795
Total	$ 1,698,574	$ 686	$ 1,699,260

$152.739 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, 2025. 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
2025	$ (140,335)	$ 157
2026	(129,393)	145
2027	(141,762)	159
2028	(203,128)	228
2029	(240,234)	269
Thereafter	(68,265)	77
	$ (923,117)	$ 1,035

The total OPEB liabilities in the June 30, 2022 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 13 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, 2019.

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 3.86% (updated from 3.69% in the 2023 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 3.86% (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 3.57% (updated from 3.41% in the 2023 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 3.86% (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 3.57%. 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 (2.86% for SCRHITF and 2.57% for LTDITF) or 1.00% higher (4.86% for SCRHITF and 4.57% for LTDITF) than the current discount rates:

Plan	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
SCRHITF	$ 3,041,079	$ 2,576,094	$ 2,201,272

Plan	1% Decrease (2.57%)	Current Discount Rate (3.57%)	1% Increase (4.57%)
LTDITF	$ 2,847	$ 2,534	$ 2,232

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	$ 2,138,931	$ 2,576,094	$ 3,137,682

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, 2024, for the OPEB plans administered by the Insurance Benefits Division were as follows:

	SCRHITF	LTDITF	Totals
Receivables:			
Accrued interest	**$ 12,720**	**$ 256**	**$ 12,976**
Due from other fiduciary funds	**$ 107,209**	**$ —**	**$ 107,209**
Investments and invested securities lending collateral:			
Domestic debt instruments	$ 1,333,208	$ 26,373	$ 1,359,581
Financial paper	248,650	4,808	253,458
Invested securities lending collateral	59,010	939	59,949
Total investments	**$ 1,640,868**	**$ 32,120**	**$ 1,672,988**

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, 2024 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	$ —	$ —	$ —	$ —	$ —	$ 19,348
Deferred amount on refunding	25,404	—	25,404	—	25,404	219,429
Asset retirement obligation	—	—	—	—	—	557,239
Pensions:			—		—	
Differences between expected and actual experience	88,238	1,090	89,328	590	89,918	96,678
Net differences between projected and actual earnings on pension plan investments	622	—	622	—	622	413
State contributions subsequent to the measurement date	456,013	5,754	461,767	2,432	464,199	558,408
Change in proportion and differences between employer contributions and proportionate share of plan contributions	111,903	1,998	113,901	676	114,577	191,531
Changes in assumptions	66,867	844	67,711	448	68,159	89,202
OPEB						
Differences between expected and actual experience	43,918	633	44,551	1,684	46,235	71,787
Net differences between projected and actual earnings on OPEB plan investments	25,950	368	26,318	250	26,568	61,207
State contributions subsequent to the measurement date	149,856	2,024	151,880	859	152,739	223,970
Change in proportion and differences between employer contributions and proportionate share of plan contributions	184,076	2,195	186,271	1,076	187,347	296,432
Changes in assumptions	507,381	7,253	514,634	2,394	517,028	766,439
Total	$ 1,660,228	$ 22,159	$ 1,682,387	$ 10,409	$ 1,692,796	$ 3,152,083
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ —	$ —	$ 54,819
Deferred gain on refunding	—	—	—	—	—	2,185
Deferred nuclear decommissioning costs	—	—	—	—	—	217,120
Deferred service concession arrangement receipts	—	—	—	—	—	10,389
Deferred nonexchange revenues	86,730	—	86,730	—	86,730	43
Deferred public-private partnership receipts	—	—	—	—	—	5,008
Deferred public-public partnership receipts	103,935	—	103,935	—	103,935	—
Toshiba Settlement	—	—	—	—	—	233,084
Pensions:						
Differences between expected and actual experience	28,140	202	28,342	111	28,453	15,851
Net differences between projected and actual earnings on pension plan investments	5,297	74	5,371	39	5,410	7,085
Change in proportion and differences between employer contributions and proportionate share of plan contributions	143,679	1,489	145,168	965	146,133	72,225
OPEB:						
Differences between expected and actual experience	574,676	8,225	582,901	4,312	587,213	882,519
Change in proportion and differences between employer contributions and proportionate share of plan contributions	278,558	3,721	282,279	1,973	284,252	166,885
Changes in assumptions	810,117	11,598	821,715	6,080	827,795	1,212,764
Lease related	10,442	19	10,461	949	11,410	176,582
Total	$ 2,041,574	$ 25,328	$ 2,066,902	$ 14,429	$ 2,081,331	$ 3,056,559

Details of all enterprise fund deferred outflows of resources and deferred inflows of resources at June 30, 2024 are as follows (expressed in thousands):

	Canteen	Palmetto Railways	Other Enterprise	Total
Deferred Outflows of Resources				
Pensions:				
Differences between expected and actual experience	$ 62	$ 190	$ 338	$ 590
State contributions subsequent to the measurement date	300	497	1,635	2,432
Change in proportion and differences between employer contributions and proportionate share of plan contributions	79	164	433	676
Changes in assumptions	43	168	237	448
OPEB:				
Differences between expected and actual experience	31	1,483	170	1,684
Net differences between projected and actual earnings on OPEB plan investments	18	131	101	250
State contributions subsequent to the measurement date	106	174	579	859
Change in proportion and differences between employer contributions and proportionate share of plan contributions	130	234	712	1,076
Changes in assumptions	359	74	1,961	2,394
Total	$ 1,128	$ 3,115	$ 6,166	$ 10,409
Deferred Inflows of Resources				
Pensions:				
Differences between expected and actual experience	$ 13	$ 30	$ 68	$ 111
Net differences between projected and actual earnings on pension plan investments	4	15	20	39
Change in proportion and differences between employer contributions and proportionate share of plan contributions	102	308	555	965
OPEB:				
Differences between expected and actual experience	407	1,684	2,221	4,312
Change in proportion and differences between employer contributions and proportionate share of plan contributions	197	699	1,077	1,973
Changes in assumptions	574	2,375	3,131	6,080
Lease related	—	—	949	949
Total	$ 1,297	$ 5,111	$ 8,021	$ 14,429

Details of all internal service fund deferred outflows of resources and deferred inflows of resources at June 30, 2024 are as follows (expressed in thousands):

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Motor Pool
Deferred Outflows of Resources					
Pensions:					
Differences between expected and actual experience	$ 83	$ 247	$ 106	$ 490	$ 36
State contributions subsequent to the measurement date	435	1,499	649	2,375	175
Change in proportion and differences between employer contributions and proportionate share of plan contributions	19	1,085	56	628	46
Changes in assumptions	73	218	94	344	25
OPEB:					
Differences between expected and actual experience	58	172	75	246	18
Net differences between projected and actual earnings on OPEB plan investments	33	98	42	146	11
State contributions subsequent to the measurement date	150	518	233	841	62
Change in proportion and differences between employer contributions and proportionate share of plan contributions	16	—	800	1,033	76
Changes in assumptions	653	1,951	846	2,848	210
Total	$ 1,520	$ 5,788	$ 2,901	$ 8,951	$ 659
Deferred Inflows of Resources					
Pensions:					
Differences between expected and actual experience	$ 13	$ 39	$ 17	$ 100	$ 7
Net differences between projected and actual earnings on pension plan investments	7	19	8	30	2
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1	—	411	806	60
OPEB:					
Differences between expected and actual experience	741	2,216	961	3,225	238
Change in proportion and differences between employer contributions and proportionate share of plan contributions	145	761	728	1,563	115
Changes in assumptions	1,045	3,125	1,355	4,547	336
Lease related	—	—	—	—	—
Total	$ 1,952	$ 6,160	$ 3,480	$ 10,271	$ 758

Prison Industries	Other Internal Service	Total
$ 128	$ —	$ 1,090
621	—	5,754
164	—	1,998
90	—	844
64	—	633
38	—	368
220	—	2,024
270	—	2,195
745	—	7,253
$ 2,340	$ —	$ 22,159

$ 26	$ —	$ 202
8	—	74
211	—	1,489
844	—	8,225
409	—	3,721
1,190	—	11,598
—	19	19
$ 2,688	$ 19	$ 25,328

Details of all discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2024 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	$ 19,348	$ —	$ —	$ —	$ —	$ —
Deferred amount on refunding	173,079	9,102	11,349	2,375	22,538	—
Asset retirement obligation	557,239	—	—	—	—	—
Pensions:						
Differences between expected and actual experience	5,082	33,234	18,401	13,229	3,197	276
Net differences between projected and actual earnings on pension plan investments	413	—	—	—	—	—
State contributions subsequent to the measurement date	12,899	213,663	103,386	79,081	16,261	1,702
Change in proportion and differences between employer contributions and proportionate share of plan contributions	365	124,822	5,793	13,419	25,497	397
Changes in assumptions	4,455	34,184	15,933	11,445	2,818	243
OPEB:						
Differences between expected and actual experience	4,579	24,585	13,805	10,100	1,737	190
Net differences between projected and actual earnings on OPEB plan investments	23,900	13,891	7,837	5,782	—	108
State contributions subsequent to the measurement date	12,652	81,646	42,990	32,642	2,371	573
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	250,079	2,912	15,983	—	448
Changes in assumptions	14,877	275,500	156,540	113,429	11,100	2,154
Total	$ 828,888	$ 1,060,706	$ 378,946	$ 297,485	$ 85,519	$ 6,091
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ 54,819	$ —	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—	2,185
Deferred nuclear decommissioning costs	217,120	—	—	—	—	—
Deferred service concession arrangement receipts	—	—	10,389	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Deferred public-private partnership receipts	—	—	—	—	—	—
Toshiba Settlement	233,084	—	—	—	—	—
Pensions:						
Differences between expected and actual experience	987	5,312	3,013	2,169	512	44
Net differences between projected and actual earnings on pension plan investments	—	2,578	1,420	1,020	251	22
Change in proportion and differences between employer contributions and proportionate share of plan contributions	10,845	8,017	6,910	315	66	4
OPEB:						
Differences between expected and actual experience	37,517	312,907	177,816	128,833	8,512	2,446
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	11,821	40,704	3,531	—	388
Changes in assumptions	15,181	441,114	250,705	181,624	17,247	3,449
Lease related	—	24,807	79,675	257	14,718	—
Total	$ 569,553	$ 806,556	$ 570,632	$ 317,749	$ 41,306	$ 8,538

Lottery Commission	Nonmajor Component Units	Total
$ —	$ —	$ 19,348
—	986	219,429
—	—	557,239
281	22,978	96,678
—	—	413
1,671	129,745	558,408
130	21,108	191,531
245	19,879	89,202
187	16,604	71,787
106	9,583	61,207
583	50,513	223,970
208	26,802	296,432
2,124	190,715	766,439
$ 5,535	$ 488,913	$ 3,152,083

$ —	$ —	$ 54,819
—	—	2,185
—	—	217,120
—	—	10,389
—	43	43
—	5,008	5,008
—	—	233,084
46	3,768	15,851
22	1,772	7,085
616	45,452	72,225
2,413	212,075	882,519
942	109,499	166,885
3,401	300,043	1,212,764
—	57,125	176,582
$ 7,440	$ 734,785	$ 3,056,559

Details of all nonmajor discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2024 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	$ —	$ 61	$ 240	$ —	$ —
Pensions:					
Differences between expected and actual experience	1,529	3,138	3,109	1,011	951
State contributions subsequent to the measurement date	5,373	17,852	19,041	6,068	3,730
Change in proportion and differences between employer contributions and proportionate share of plan contributions	6	6,994	707	9	1,798
Changes in assumptions	1,314	2,683	2,686	876	814
OPEB:					
Differences between expected and actual experience	1,146	2,329	2,400	754	687
Net Differences between projected and actual earnings on OPEB plan investments	656	1,335	1,375	426	394
State contributions subsequent to the measurement date	3,377	7,289	7,576	2,336	1,946
Change in proportion and differences between employer contributions and proportionate share of plan contributions	432	10,693	839	—	—
Changes in assumptions	12,874	26,109	26,932	8,455	11,738
Total	$ 26,707	$ 78,483	$ 64,905	$ 19,935	$ 22,058
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	4,400	—	608	—
Pensions:					
Differences between expected and actual experience	253	522	511	165	158
Net differences between projected and actual earnings on pension plan investments	117	239	239	78	72
Change in proportion and differences between employer contributions and proportionate share of plan contributions	4,276	4,606	4,630	1,895	476
OPEB:					
Differences between expected and actual experience	14,623	29,654	30,589	9,595	8,734
Change in proportion and differences between employer contributions and proportionate share of plan contributions	7,682	15,207	16,044	5,121	1
Changes in assumptions	20,614	41,804	43,122	13,526	13,469
Lease related	324	—	2,457	—	—
Total	$ 47,889	$ 96,432	$ 97,592	$ 30,988	$ 22,910

South Carolina State University	Winthrop University	Aiken Technical College	Central Carolina Technical College	Denmark Technical College
$ —	$ 448	$ —	$ —	$ —
1,072	1,487	280	415	182
6,745	7,514	1,703	2,419	899
2,827	182	—	15	2,053
919	1,289	247	366	156
754	1,125	201	289	121
433	645	114	166	69
1,772	3,151	620	859	336
3,817	70	37	76	2,225
8,455	12,620	2,279	3,233	1,372
$ 26,794	$ 28,531	$ 5,481	$ 7,838	$ 7,413
$ —	$ 43	$ —	$ —	$ —
—	—	—	—	—
178	243	45	66	30
82	115	22	33	14
1,065	6,160	116	2,652	64
9,603	14,333	2,588	3,672	1,558
2,094	12,290	891	3,909	600
13,538	20,206	3,649	5,176	2,197
—	—	—	—	—
$ 26,560	$ 53,390	$ 7,311	$ 15,508	$ 4,463

Continued on Next Page

	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	$ 161	$ —	$ —	$ —	$ 76
Pensions:					
Differences between expected and actual experience	486	1,458	826	339	1,439
State contributions subsequent to the measurement date	2,671	8,691	4,846	2,077	8,369
Change in proportion and differences between employer contributions and proportionate share of plan contributions	7	74	1,197	1,090	36
Changes in assumptions	428	1,266	726	299	1,253
OPEB:					
Differences between expected and actual experience	340	1,035	597	241	982
Net Differences between projected and actual earnings on OPEB plan investments	195	593	342	137	557
State contributions subsequent to the measurement date	1,024	3,208	1,863	751	2,976
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	92	1,422	1,307	—
Changes in assumptions	3,816	11,608	6,690	2,730	11,136
Total	$ 9,128	$ 28,025	$ 18,509	$ 8,971	$ 26,824
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	—	—	—	—
Pensions:					
Differences between expected and actual experience	78	238	133	54	234
Net differences between projected and actual earnings on pension plan investments	38	113	65	27	112
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,359	2,799	276	206	4,269
OPEB:					
Differences between expected and actual experience	4,334	13,184	7,599	3,101	12,649
Change in proportion and differences between employer contributions and proportionate share of plan contributions	7,216	7,261	809	722	10,360
Changes in assumptions	6,110	18,586	10,712	4,372	17,835
Lease related	—	10,775	—	—	—
Total	$ 21,135	$ 52,956	$ 19,594	$ 8,482	$ 45,459

Northeastern Technical College	Orangeburg-Calhoun Technical College	Piedmont Technical College	Spartanburg Community College	Tri-County Technical College	Trident Technical College
$ —	$ —	$ —	$ —	$ —	$ —
179	393	651	774	796	1,455
1,110	2,222	3,832	4,762	4,735	8,803
447	97	112	1,017	38	1,037
158	338	560	675	684	1,262
125	257	432	545	554	996
71	146	245	313	318	566
411	767	1,345	1,740	1,735	3,175
835	10	521	1,598	450	437
1,415	2,914	4,899	6,113	6,202	11,298
$ 4,751	$ 7,144	$ 12,597	$ 17,537	$ 15,512	$ 29,029
$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—
29	65	107	126	132	238
14	30	50	60	61	113
247	509	1,177	15	728	4,274
1,607	3,310	5,565	6,943	7,044	12,834
406	1,527	1,794	135	1,404	8,918
2,266	4,667	7,846	9,787	9,931	18,094
—	—	—	—	—	—
$ 4,569	$ 10,108	$ 16,539	$ 17,066	$ 19,300	$ 44,471

Continued on Next Page

	Williamsburg Technical College	York Technical College	South Carolina Jobs-Economic Development Authority	South Carolina Research Authority	Patriots Point Development Authority
Deferred Outflows of Resources					
Deferred amount on refunding	$ —	$ —	$ —	$ —	$ —
Pensions:					
Differences between expected and actual experience	134	596	13	—	118
State contributions subsequent to the measurement date	716	3,742	75	—	805
Change in proportion and differences between employer contributions and proportionate share of plan contributions	68	259	132	—	81
Changes in assumptions	116	520	11	—	104
OPEB:					
Differences between expected and actual experience	88	417	9	5	81
Net Differences between projected and actual earnings on OPEB plan investments	50	239	5	94	46
State contributions subsequent to the measurement date	258	1,362	29	—	289
Change in proportion and differences between employer contributions and proportionate share of plan contributions	184	31	171	—	185
Changes in assumptions	1,002	4,678	96	67	921
Total	$ 2,616	$ 11,844	$ 541	$ 166	$ 2,630
Deferred Inflows of Resources					
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	—	—	—	—
Pensions:					
Differences between expected and actual experience	22	97	2	—	19
Net differences between projected and actual earnings on pension plan investments	10	46	1	—	9
Change in proportion and differences between employer contributions and proportionate share of plan contributions	19	964	51	—	600
OPEB:					
Differences between expected and actual experience	1,138	5,313	109	143	1,046
Change in proportion and differences between employer contributions and proportionate share of plan contributions	118	2,838	74	—	1,213
Changes in assumptions	1,605	7,491	154	110	1,474
Lease related	—	622	—	14,689	28,258
Total	$ 2,912	$ 17,371	$ 391	$ 14,942	$ 32,619

South Carolina First Steps to School Readiness Board of Trustees	Total
$ —	$ 986
147	22,978
945	129,745
825	$ 21,108
129	19,879
94	16,604
53	9,583
318	50,513
1,370	26,802
1,063	190,715
$ 4,944	$ 488,913
$ —	$ 43
—	5,008
23	3,768
12	1,772
19	45,452
1,207	212,075
865	109,499
1,702	300,043
—	57,125
$ 3,828	$ 734,785

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
2024	$ 354,366	$ 142,034	$ (102,083)	$ 394,317
2023	331,230	118,492	(95,356)	354,366

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, 2024 the IRF had no reinsurance recoverable receivables, but had expenses of $71.059 million in reinsurance premiums for the 2024 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
2024	$ 319,452	$ 3,805,897	$ (3,779,177)	$ 346,172
2023	271,272	3,524,543	(3,476,363)	319,452

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
2024	$ 290,385	$ 64,699	$ (60,781)	$ 294,303
2023	281,706	58,165	(49,486)	290,385

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, 2024 the Fund had a balance of $525 thousand in reinsurance recoverable receivables and had expenses of $3.480 million in reinsurance premiums for the 2024 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
2024	$ 31,733	$ 7,079	$ (3,853)	$ 34,959
2023	25,847	14,358	(8,472)	31,733

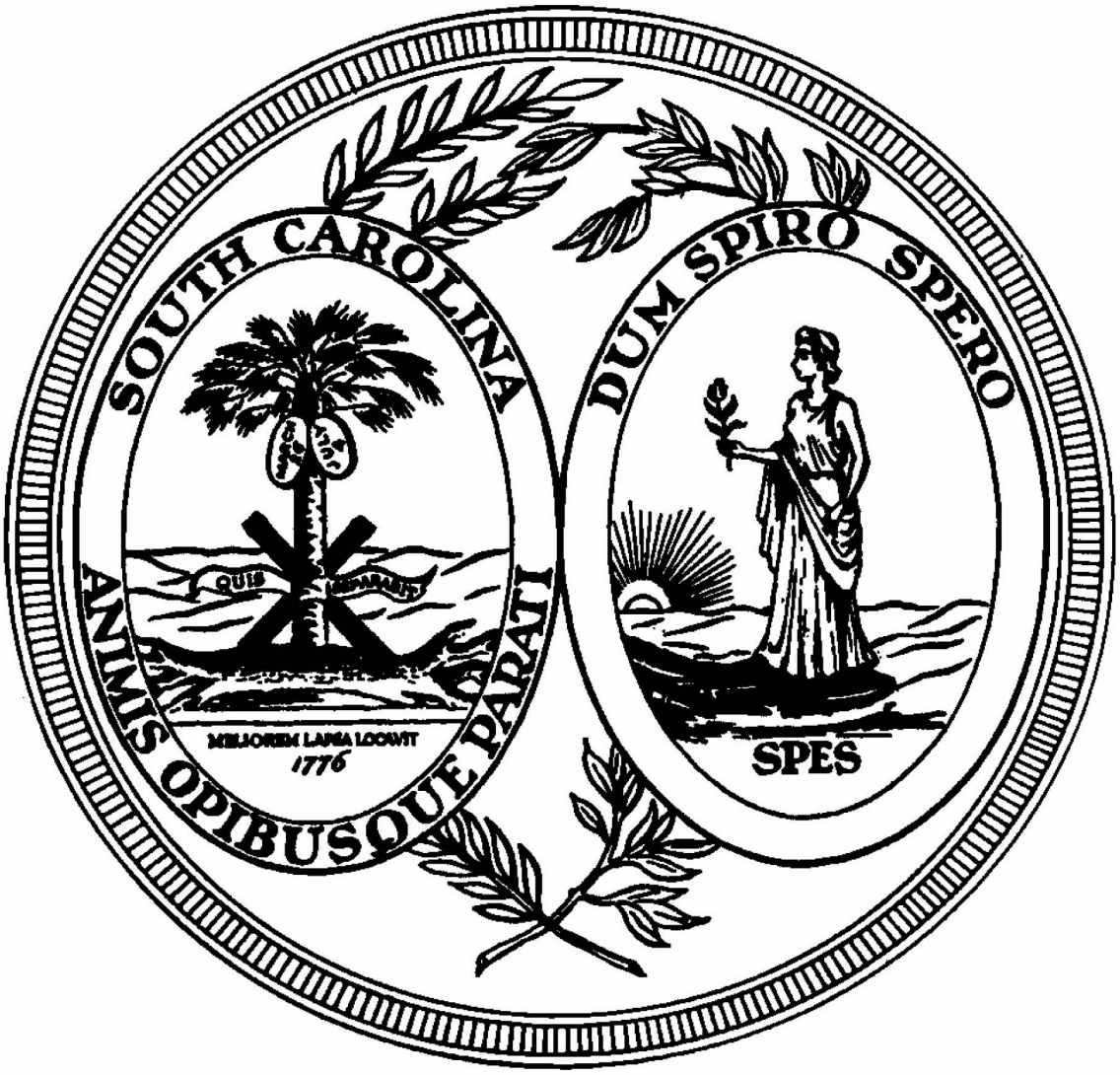
e. Second Injury Fund

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
2024	$ 173,962	$ —	$ (14,784)	$ 159,178
2023	166,243	20,277	(12,558)	173,962

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.


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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, 2024, the State's governmental activities receivables for lease payments totaled $11.120 million and its business-type activities receivables for lease payments totaled $957 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, 2024 the balance of the governmental activities deferred inflow of resources was $10.461 million and the balance of the State's business-type activities deferred inflow of resources was $949 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, 2024 (expressed in thousands):

	Governmental Activities		Business-Type Activities	
Year Ending June 30	Principal	Interest	Principal	Interest
2025	$ 2,003	$ 496	$ 463	$ 30
2026	2,145	398	291	15
2027	1,415	292	86	8
2028	670	220	57	4
2029	518	194	35	2
2030-2034	2,625	671	25	1
2035-2039	1,527	201	—	—
2040-2044	217	24	—	—
Total lease receivable	**$ 11,120**	**$ 2,496**	**$ 957**	**$ 60**

	Governmental Activities		Business-Type Activities	
Asset Type	Current	Noncurrent	Current	Noncurrent
Land	$ 1,431	$ 2,564	$ —	$ —
Land Improvements (Depreciable)	2	—	—	—
Buildings and Improvements	73	306	463	494
Equipment	497	6,247	—	—
	$ 2,003	**$ 9,117**	**$ 463**	**$ 494**

For the fiscal year ended June 30, 2024, the State's governmental activities recognized $2.086 million in lease revenue and $583 thousand in related interest income and the State's business-type activities recognized $337 thousand in lease revenue and $19 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, 2024, the State recognized expenses for the lease variable payments related to index changes and payments based on performance of $3.428 million. There were no residual guarantee or termination payments expensed for the fiscal year ended June 30, 2024.

The following is a schedule by fiscal year of principal and interest payments due for leases payable as of June 30, 2024 (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities Principal	Interest
2025	$ 34,161	$ 7,994
2026	29,776	7,017
2027	25,644	5,782
2028	19,072	5,468
2029	15,732	4,527
2030-2034	43,435	15,392
2035-2039	19,510	9,333
2040-2044	26,584	3,675
Total lease receivable	**$ 213,914**	**$ 59,188**

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

Fiscal Year Ending June 30	Governmental Activities Annual Payment			Interest Rate		
Land	$ 1,174	-	$ 600,000	0.53%	-	4.88%
Buildings and Improvements	780	-	3,792,986	0.01%	-	10.51%
Equipment	160	-	68,124	0.52%	-	14.60%

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, 2024, the State recognized expense for SBITA variable payments related to payments based on usage of $57 thousand. There were no termination payments expensed for the fiscal year ended June 30, 2024

The following is a schedule by fiscal year of principal and interest payments due for subscriptions payable as of June 30, 2024 (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities Principal	Interest
2025	$ 40,356	$ 2,463
2026	13,006	1,066
2027	5,533	333
2028	1,009	80
2029	65	9
2030-2034	38	3
Total subscription liabilities	**$ 60,007**	**$ 3,954**

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

Fiscal Year Ending June 30	Governmental Activities Annual Payment			Interest Rate		
SBITA	$ 17,616	-	$ 12,430,929	3.25%	-	8.50%

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, 2024, were (net of unamortized premiums/discounts, expressed in thousands):

Governmental Activities:		
Infrastructure Bank bonds, 2.50% to 3.00%, maturing serially through 2028	$	14,140
State economic development bonds, 3.00% to 5.00%, maturing serially through 2029		49,235
Research university infrastructure bonds, 3.00% to 5.00%, maturing serially through 2029		10,770
Air carrier hub terminal facilities bonds, 1.00%, maturing serially through 2025		4,290
Totals—primary government	**$**	**78,435**

At June 30, 2024, $6.344 million of capital improvement bonds, $106.000 million of State highway bonds, $242.792 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, 2024, future debt service requirements for general obligation bonds for the primary government were (expressed in thousands):

	Governmental Activities	
Year Ending June 30	**Principal**	**Interest**
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	**$ 64,205**	**$ 4,853**
Unamortized premiums	14,230	
Total principal outstanding	**$ 78,435**	

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, 2024, was $134.166 million for highway bonds, $719.734 million for general obligation bonds excluding institution and highway bonds, $57.347 million for economic development bonds, and $56.775 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, 2024, were (net of unamortized premiums/discounts, expressed in thousands):

	Bonds	Notes
Primary Government:		
Governmental Activities:		
Infrastructure Bank bonds, 2.00% to 5.25%, maturing serially through 2041	$ 1,311,793	$ —
Department of Mental Health bonds, 3.25% to 5.00%, maturing through 2038	32,660	—
Judicial Department note, 0.89%, maturing through 2026	—	1,833
Department of Parks, Recreation and Tourism notes, 0.94% to 1.45%, maturing through 2026	—	689
Department of Education notes, 0.72% to 0.87%, maturing through 2027	—	15,806
Department of Commerce note, 3.63%, maturing through 2027	—	770
Department of Public Safety note, 1.87%, maturing through 2030	—	5,378
Department of Transportation note, 3.04%, maturing through 2032	—	3,114
Totals—governmental activities	**$ 1,344,453**	**$ 27,590**
Business-Type Activities:		
Nonmajor enterprise fund bonds, 4.18%, maturing through 2038	$ 4,345	$ —
Palmetto Railways note, 4.28%, maturing through 2047	—	6,500
Totals—business-type activities	**$ 4,345**	**$ 6,500**
Totals—primary government	**$ 1,348,798**	**$ 34,090**

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	$104.975 million
General purpose for the debt	Provide financial assistance for major transportation projects for DOT
Term of commitment	FY 2041
% of revenue stream pledged	77.78%
Pledged revenue recognized	$586.490 million
Principal & interest paid	$111.750 million

Debt Service Requirements

At June 30, 2024, 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
2025	$ 72,238	$ 48,510	$ 235	$ 7
2026	81,440	45,088	245	6
2027	84,220	41,485	255	6
2028	77,950	37,988	265	5
2029	78,314	34,493	275	5
2030-2034	504,743	110,497	1,560	19
2035-2039	177,440	40,558	1,510	6
2040-2044	81,325	4,116	—	—
2045-2048	—	—	6,500	5,163
Total debt service requirements	**$ 1,157,670**	**$ 362,735**	**$ 10,845**	**$ 5,217**
Net unamortized premiums	214,373		—	
Total principal outstanding	**$ 1,372,043**		**$ 10,845**	

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, 2024, in governmental functions for these entities as follows (expressed in thousands):

	Amount
Transportation	$ 41,940
Total allocated interest expense	**$ 41,940**

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, 2024, the following outstanding bonds of the primary government were considered defeased (expressed in thousands):

	Governmental Activities
Economic Development bonds	$ 21,365
Tobacco Authority bonds	64,890
Totals	**$ 86,255**

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, 2024, there was an arbitrage rebate liability associated with the State's Local Government Infrastructure Fund (a major governmental fund) of $5.000 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, 2024, the outstanding balance of bonds issued was $53.529 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, 2024, were (expressed in thousands):

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Primary Government:					
Governmental Activities					
Policy claims	$ 995,936	$ 4,019,709	$ (3,945,894)	$ 1,069,751	$ 790,207
Notes payable	37,432	—	(9,842)	27,590	9,243
General obligation bonds payable	119,195	—	(54,990)	64,205	34,785
Unamortized discounts and premiums	22,149	—	(7,919)	14,230	—
Total general obligation bonds payable	141,344	—	(62,909)	78,435	34,785
Infrastructure Bank bonds payable	1,159,690	—	(58,360)	1,101,330	61,520
Unamortized discounts and premiums	221,447	—	(10,984)	210,463	—
Total Infrastructure Bank bonds	1,381,137	—	(69,344)	1,311,793	61,520
Revenue bonds payable	30,150	—	(1,400)	28,750	1,475
Unamortized discounts and premiums	4,173	—	(263)	3,910	—
Total revenue bonds payable	34,323	—	(1,663)	32,660	1,475
Leases payable	132,219	116,058	(34,363)	213,914	34,161
Subscriptions payable	74,433	31,238	(45,664)	60,007	40,356
Compensated absences payable	233,115	176,573	(160,226)	249,462	151,148
Net pension liability	3,957,147	52,723	(1,076)	4,008,794	—
Net other post-employment benefit liability	2,910,751	595	(351,651)	2,559,695	—
Judgments and contingencies payable	2,314	432	—	2,746	2,746
Arbitrage payable	2,471	5,746	(3,217)	5,000	3,278
Total long-term liabilities	$ 9,902,622	$ 4,403,074	$ (4,685,849)	$ 9,619,847	$ 1,128,919

For compensated absences, the General Fund normally liquidates approximately 68%, Departmental Program Services approximately 18%, and the Department of Transportation Special Revenue approximately 13%. The remaining 1% is liquidated by other governmental funds and the internal service funds. The entire claims liability is reported in the internal service funds (See Note 10) and will be liquidated by those funds. The net pension and OPEB liabilities will be liquidated primarily from the General Fund, approximately 79%, with the remaining amounts from the Departmental Program Services Fund, Local Government Infrastructure Fund, Department of Transportation Special Revenue Fund, and internal service funds.

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Primary Government:					
Business-type Activities					
Policy claims	$ 173,962	$ —	$ (14,784)	$ 159,178	$ 12,725
Notes payable	6,500	—	—	6,500	—
Revenue bonds payable	4,570	—	(225)	4,345	235
Tuition benefits payable	26,643	—	(6,601)	20,042	6,628
Compensated absences payable	1,808	1,222	(1,300)	1,730	1,096
Net pension liability	29,477	—	(1,744)	27,733	—
Net other post-employment benefit liability	23,434	1	(4,502)	18,933	—
Total long-term liabilities	$ 266,394	$ 1,223	$ (29,156)	$ 238,461	$ 20,684

NOTE 14: FUND BALANCES IN GOVERNMENTAL FUNDS

At June 30, 2024, the details for governmental fund balance classifications (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
Nonspendable:						
Inventories	33,764	39,333	—	5,868	—	78,965
Prepaid Items	31,362	3,756	—	3,949	9,460	48,527
Long-Term Portion of Receivables	52,108	—	—	62	—	52,170
Permanent Principal	—	—	—	—	10,516	10,516
Other		—	—	203	—	203
Total Nonspendable	117,234	43,089	—	10,082	19,976	190,381
Restricted:						
General Government	317,913	2,101	—	—	472,622	792,636
Education	455,203	—	—	—	275,546	730,749
Health and Environment	724,741	415,025	—	—	217,187	1,356,953
Social Services	19,629	—	—	—	102	19,731
Administration of Justice	30,549	4,259	—	—	56	34,864
Resources and Economic Development	65,315	80,082	1,360,545	—	8,396	1,514,338
Transportation	—	29,451	—	1,834,661	—	1,864,112
Capital Projects	—	—	—	—	11,596	11,596
Debt Service	—	—	1,112,058	—	—	1,112,058
Waste Management	—	—	—	—	231,839	231,839
Total Restricted	1,613,350	530,918	2,472,603	1,834,661	1,217,344	7,668,876
Committed:						
General Government	1,317,177	36,164	6,242	—	29,383	1,388,966
Education	1,077	—	—	—	—	1,077
Health and Environment	14,059	1,105	—	—	—	15,164
Social Services	833	—	—	—	—	833
Administration of Justice	126,940	—	—	—	8,402	135,342
Resources and Economic Development	204,068	252	114,114	—	—	318,434
Transportation	—	—	—	780,553	—	780,553
Waste Management	—	—	—	—	9,948	9,948
Total Committed	1,664,154	37,521	120,356	780,553	47,733	2,650,317
Assigned:						
General Government	456,411	48,355	—	—	37,450	542,216
Education	721,831	6,272	—	—	5,064	733,167
Health and Environment	386,060	151,824	—	—	1,414	539,298
Social Services	89,001	2,983	—	—	843	92,827
Administration of Justice	237,526	42,971	—	—	—	280,497
Resources and Economic Development	1,246,727	119,467	—	—	27	1,366,221
Transportation	224,552	—	—	—	—	224,552
Capital Projects	—	—	—	—	377,868	377,868
Debt Service	6,225	—	—	—	—	6,225
Total Assigned	3,368,333	371,872	—	—	422,666	4,162,871
Unassigned	2,632,884	(54,505)	—	—	—	2,578,379
Total Fund Balances	**$ 9,395,955**	**$ 928,895**	**$ 2,592,959**	**$ 2,625,296**	**$ 1,707,719**	**$ 17,250,824**

Budget Stabilization Funds

The State has two budget stabilization funds: the General Reserve Fund and the Capital Reserve Fund.

General Reserve Fund

The General Reserve Fund is mandated and governed by Section 11-11-310 of the South Carolina Code of Laws and Article III, Section 36(A) of the South Carolina Constitution. Funds may only be withdrawn from the General Reserve Fund to cover a year-end operating deficit in the Budgetary General Fund and any withdrawn funds must be replaced within five years. The State Constitution also requires that at least 1.0% of the Budgetary General Fund revenue of the latest completed fiscal year be used to replenish the General Reserve Fund each year following the deficit until full funding is achieved. As of June 30, 2024, State law defines full funding as 5.5% 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 from 5.0% to 7.0% by 0.5% increments starting in fiscal year 2024. At June 30, 2024, the General Reserve Fund was fully funded at its statutorily required level with a balance of $714.458 million.

Capital Reserve Fund

The Capital Reserve Fund (CRF) is a recurring appropriation that must equal 3.0% of the most recently completed fiscal year's Budgetary General Fund revenue and is authorized by Section 11-11-320 of the South Carolina Code of Laws and Article III, Section 36(B) of the South Carolina Constitution.

Amounts in the CRF may only be used in the following manner:

- If, before March first, the revenue forecast for the current fiscal year projects that revenues at the end of the fiscal year will be less than expenditures authorized by appropriation for that year, then the current year's appropriation to the CRF is reduced to the extent necessary before mandating any reductions in operating appropriations.
- After March first of the fiscal year, amounts may be appropriated from the CRF by the General Assembly in separate legislation for the purposes of retiring interest or principal on bonds previously issued or for funding capital improvements or other nonrecurring (one-time) items.
- If it is determined that the fiscal year has ended with an operating deficit, then the amounts appropriated from the CRF are reduced to the extent necessary to cover the year-end operating deficit before any funds are withdrawn from the General Reserve Fund.
- At the end of the fiscal year, amounts in the CRF that have not been appropriated or any appropriations which have been reduced to cover a year-end operating deficit must lapse and are credited to the General Fund.

At June 30, 2024, the CRF was fully funded at its statutorily required level with a balance of $389.704 million.

NOTE 15: FUND EQUITY CHANGES AND RESTATEMENTS

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

	7/1/2023 Fund Equity as Previously Reported	Change in Accounting Principle	Change to or Within the Financial Reporting Entity	Error Correction	7/1/2023 Fund Equity as Restated
Primary Government					
Governmental Funds:					
General Fund	$ 11,046,365	$ —	$ (31,033)	$ —	$ 11,015,332
Departmental Program Services	995,606	—	—	—	995,606
Local Government Infrastructure	2,414,469	—	—	—	2,414,469
Department of Transportation Special Revenue	2,582,394	—	—	—	2,582,394
Other Nonmajor Governmental Funds	1,187,394	—	31,033	—	1,218,427
Total Governmental Funds	$ 18,226,228	$ —	$ —	$ —	$ 18,226,228
Internal Service Funds	$ 750,673	$ —	$ —	$ —	$ 750,673
Government-wide:					
Capital assets	$ 20,609,741	$ —	$ —	$ —	$ 20,609,741
Net deferred outflows and inflows	(120,589)	—	—	—	(120,589)
Long-term liabilities	(9,070,919)	—	—	—	(9,070,919)
Total Government-wide	$ 11,418,233	$ —	$ —	$ —	$ 11,418,233
Total Governmental Activities	$ 30,395,134	$ —	$ —	$ —	$ 30,395,134
Business-type Activities - Enterprise Funds:					
Unemployment Compensation Fund	$ 1,691,604	$ —	$ —	$ —	$ 1,691,604
Second Injury Fund	31,547	—	—	—	31,547
Other nonmajor enterprise funds	334,553	—	—	—	334,553
Total Business-type Activities - Enterprise Funds	$ 2,057,704	$ —	$ —	$ —	$ 2,057,704
Total Primary Government	$ 32,452,838	$ —	$ —	$ —	$ 32,452,838
Fiduciary Funds					
Pension and Other Post-Employment Trust	$ 42,693,718	$ —	$ —	$ —	$ 42,693,718
Investment Trust Local Government Investment Pool	11,839,381	—	—	—	11,839,381
Private Purpose Trust	5,836,019	—	—	—	5,836,019
Custodial Funds	47,667	—	—	—	47,667
Total Fiduciary Funds	$ 60,416,785	$ —	$ —	$ —	$ 60,416,785
Component Units					
Public Service Authority	$ 2,093,211	$ —	$ —	$ —	$ 2,093,211
Medical University of South Carolina	183,897	—	—	—	183,897
University of South Carolina	959,535	—	—	—	959,535
Clemson University	1,696,428	—	—	—	1,696,428
State Ports Authority	880,814	—	—	—	880,814
Housing Authority	542,481	—	—	488	542,969
Lottery Commission	117	—	—	—	117
Nonmajor component units	1,599,627	23,885	774	1,793	1,626,079
Total Component Units	$ 7,956,110	$ 23,885	$ 774	$ 2,281	$ 7,983,050

Change in Accounting Principle

Also, the South Carolina Research Authority, a nonmajor discretely presented component unit, elected to change its method of accounting for mission-based equity and debt interests to the cost method and amortized cost method, respectively. The cumulative effect of this change in valuation was an increase of the South Carolina Research Authority's beginning net position of $23.885 million.

Change Within the Financial Reporting Entity

During the fiscal year ended June 30, 2024, the State determined that $31.033 million within eleven funds of the General Fund should be classified as nonmajor governmental funds based on existing laws and their intended purpose. Additionally, it was determined that three funds within the Bequest Fund and Children's Education Endowment Fund (nonmajor governmental funds) totaling $17.072 million should have been classified as Other Special Revenue Funds (also a nonmajor governmental fund). This was also determined by existing laws and their intended purposes.

The Williamsburg Technical College Foundation's assets grew to 46.2% of Williamsburg Technical College's total assets as of June 30, 2024, from the previous fiscal year end. The State recognized this by adding the foundation to Williamsburg Technical College's (a nonmajor discretely presented component unit) beginning net position as a change in accounting principle. This restated the college's beginning net position by adding $774 thousand to it. The foundation's total assets as of June 30, 2023, was only 4.3% of the college's total assets and not previously recognized by the State as part of the college.

Error Corrections

During fiscal year 2024, the Housing Authority, a major discretely presented component unit, discovered it had under-valued some of its investments by $488 thousand in the 2023 fiscal year. The error correction was recognized as a prior period adjustment in fiscal year 2024.

Additionally, Horry-Georgetown Technical College, a nonmajor discretely presented component unit, discovered it had improperly not included an intangible right to use asset (net of accumulated amortization) and related liability within its prior year's ending net position. The $845 thousand net increase to its net position was recognized as a restatement to its beginning net position for its 2024 fiscal year as an error correction.

Lastly, Northeastern Technical College, a nonmajor discretely presented component unit, discovered that $948 thousand in cash which was reported as funds held for others as of June 30, 2023, really belonged to the college. The $948 thousand net increase to its net position was recognized as a restatement to its beginning net position for its 2024 fiscal year as an error correction.

Other Error Corrections

During the fiscal year ended June 30, 2024, the State reassessed its governmental fund balance classifications, which resulted in the following error corrections:

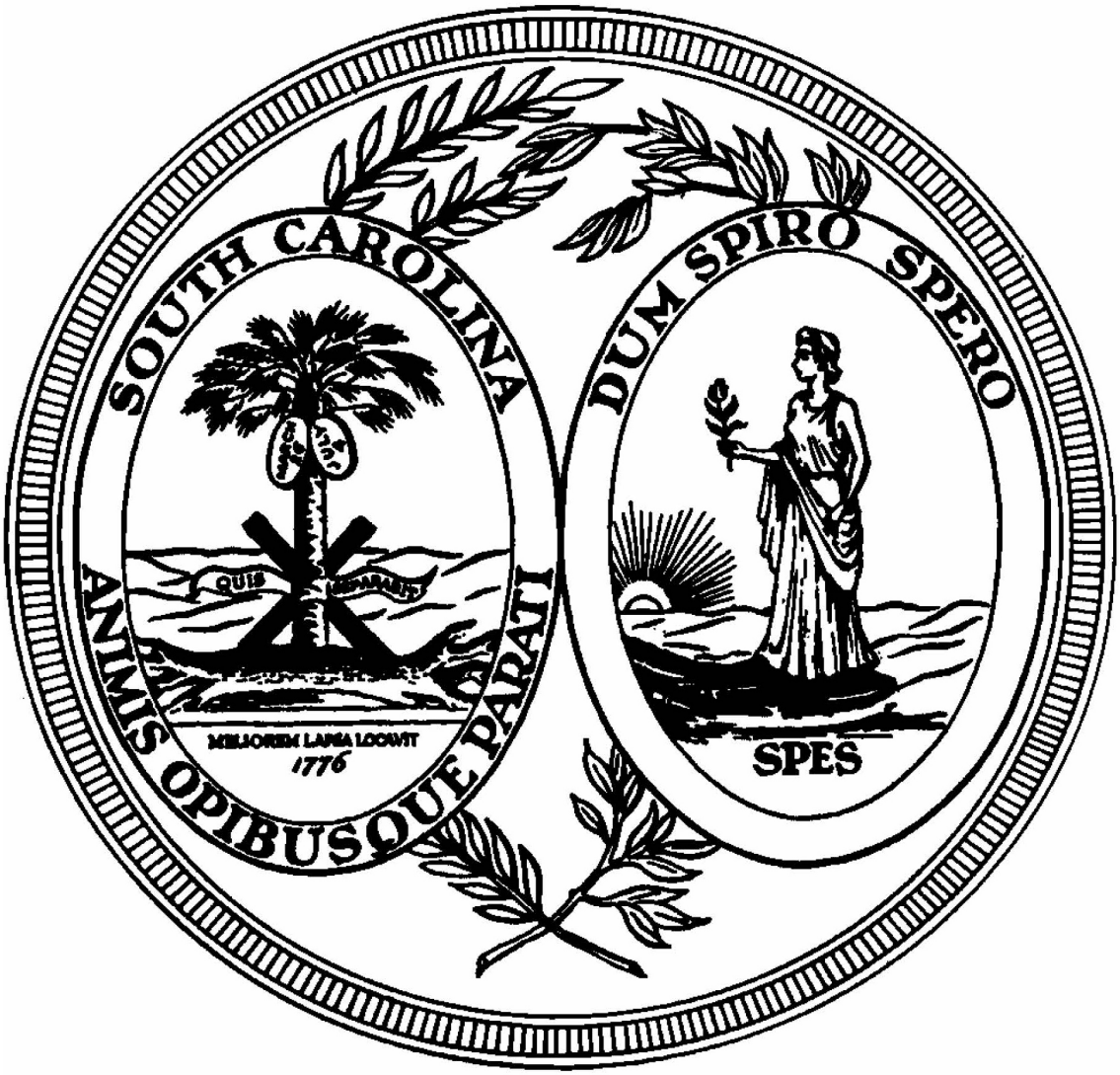
- Approximately $622.133 million of the ending General Fund balance that would have previously been reported as assigned or unassigned was reclassified as restricted. The reclassification was primarily due to additional research that found that the constraints on the use of the fund resources was imposed by external grantors or enabling legislation.

- Approximately $652.804 million of the overall governmental fund balance was reclassified as committed because the State's review determined that the funds' resources were constrained by State statutes that did not qualify as enabling legislation or had not been properly identified and documented in prior fiscal years.

- The State concluded that any positive fund balances that were unavailable for appropriation by the legislature and were not otherwise classified as restricted, committed, or nonspendable should be classified as assigned. As a result, approximately $2.808 billion of the ending General Fund balance that would have previously been reported as unassigned and $430.490 million of the overall governmental fund balance that would have previously been reported as restricted or committed was reclassified as assigned.

- The $389.704 million balance of the Capital Reserve Fund, which is one of the State's budget stabilization funds, was reclassified from committed to unassigned because the State statute and constitutional provision that dictate how the balance may be spent lack the specificity required by GASB Statement No. 54 to be classified as committed. Additionally, note disclosures for the State's budget stabilization funds were added to Note 14 on page 151 to further comply with GASB Statement No. 54.

These reclassifications did not result in any restatements of the total fund balances reported in previously issued financial statements.


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NOTE 16: INTERFUND AND INTRAFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2024 (expressed in thousands):

Funds	Due From	Due To
General Fund		
Departmental Program Services	$ 81,261	$ 48,258
Local Government Infrastructure	38	19,719
Department of Transportation Special Revenue Fund	411	545,970
Nonmajor governmental funds	20,275	66,574
Internal service	1,009	26,598
Nonmajor enterprise funds	453	428
	103,447	707,547
Departmental Program Services		
General Fund	48,258	81,261
Nonmajor Governmental	122	762
Internal service	1,052	398
Nonmajor enterprise funds	36	1
	49,468	82,422
Local Government Infrastructure		
General Fund	19,719	38
Department of Transportation Special Revenue Fund	2,338	—
	22,057	38
Department of Transportation Special Revenue Fund		
General Fund	545,970	411
Local Government Infrastructure	—	2,338
	545,970	2,749
Nonmajor Governmental Funds		
General Fund	66,574	20,275
Departmental Program Services	762	122
Internal service	—	3
	67,336	20,400
Internal Service		
General Fund	26,598	1,009
Departmental Program Services	398	1,052
Nonmajor governmental funds	3	—
Internal service	479	479
Nonmajor enterprise funds	63	—
	27,541	2,540
Nonmajor Enterprise Funds		
General Fund	428	453
Departmental Program Services	1	36
Internal service	—	63
	429	552
Governmental activities total	**$ 816,248**	**$ 816,248**

The following table summarizes amounts due to Fiduciary Funds at June 30, 2024 (expressed in thousands).

Funds	Due From Primary Government	Due To Fiduciary Funds
Departmental Program Services	—	23
Nonmajor governmental funds	—	38,542
Internal service	—	15
Nonmajor enterprise funds	—	14
Fiduciary	38,594	—
	38,594	38,594

Funds	Due From Other Funds	Due To Other Funds
Fiduciary	107,351	107,351
	107,351	107,351

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	$ —	$ 15
Nonmajor enterprise funds	46,000	—	—
Internal service	142	—	142
	46,157	—	157
Departmental Program Services			
General Fund	—	15	—
Custodial funds	—	234	—
	—	249	—
Local Government Infrastructure			
Department of Transportation Special Revenue	75,145	—	—
Department of Transportation Special Revenue Fund			
Local Government Infrastructure	—	75,145	—
Nonmajor Enterprise Funds			
General Fund	—	46,000	—
Internal Service			
General Fund	—	142	—
Custodial Funds			
Departmental Program Services	234	—	234
Totals	**$ 121,536**	**$ 121,536**	**$ 391**

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:

- $75.145 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.

- $46.000 million owed by the Palmetto Railways Fund, a nonmajor enterprise fund, to the General Fund. The $46.000 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, 2024 (expressed in thousands):

Funds	Transfers In	Transfers Out
General Fund		
Departmental Program Services	$ 33,167	$ 45,527
Local Government Infrastructure	9,144	7,538
Department of Transportation	4,164	22,792
Nonmajor governmental funds	192,998	1,111,929
Unemployment Compensation Benefits	258	—
Nonmajor enterprise funds	170	11,495
Internal service	10,387	11,988
Custodial funds	56	855
	250,344	1,212,124
Departmental Program Services		
General Fund	45,527	33,167
Nonmajor governmental funds	26,857	41,051
Local Government Infrastructure	36	—
Second Injury	260	—
Nonmajor enterprise funds	5,264	—
Internal service	15,677	3,224
Custodial funds	7,964	798
	101,585	78,240
Local Government Infrastructure		
General Fund	7,538	9,144
Departmental Program Services	—	36
Nonmajor governmental funds	7,492	9,099
Internal service	646	—
Custodial funds	—	111
	15,676	18,390
Department of Transportation		
General Fund	22,792	4,164
Nonmajor Governmental Funds		
General Fund	1,111,929	192,998
Departmental Program Services	41,051	26,857
Local Government Infrastructure	9,099	7,492
Nonmajor governmental funds	110,097	110,097
Nonmajor enterprise funds	12,248	539
Internal Service	3,506	4,045
Custodial funds	788	40
	1,288,718	342,068
Unemployment Compensation Benefits		
General Fund	—	258
Second Injury Fund		
Departmental Program Services	—	260
Nonmajor Enterprise Funds		
General Fund	11,495	170
Department Program Services	—	5,264
Nonmajor governmental funds	539	12,248
Internal Service	746	
Custodial funds	—	20
	12,780	17,702
Internal Service		
General Fund	11,988	10,387
Department Program Services	3,224	15,677
Local Government Infrastructure	—	646
Nonmajor governmental funds	4,045	3,506
Nonmajor enterprise funds	—	746
Internal Service	4,089	4,089
Custodial funds	—	6
	23,346	35,057

Custodial Funds		
General Fund	855	56
Department Program Services	798	7,964
Local Government Infrastructure	111	—
Nonmajor governmental funds	40	788
Nonmajor enterprise funds	20	—
Internal Service	6	—
Custodial funds	1,808	1,808
	3,638	10,616
Totals	**$ 1,718,879**	**$ 1,718,879**

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, 2024 (expressed in thousands):

Funds	Due From	Due To
General Fund		
MUSC	$ —	$ 10,982
USC	508	4,903
Clemson University	156	1,882
Housing Authority	373	4,573
Ports Authority	50,000	—
Nonmajor discretely presented component units	2,412	1,327
	53,449	23,667
Departmental Program Services		
MUSC	—	2,283
USC	—	4,097
Clemson University	—	3,476
Nonmajor discretely presented component units	—	4,927
	—	14,783
Local Government Infrastructure Fund		
Ports Authority	3,000	—
	3,000	—
Department of Transportation Special Revenue Fund		
Nonmajor discretely presented component units	61	—
	61	—
Nonmajor Governmental Funds		
USC	—	1,791
Lottery Commission	18,600	—
Nonmajor discretely presented component units	5,770	15,739
	24,370	17,530
Internal Service		
MUSC	125	—
USC	7,127	—
Clemson University	6,768	238
Nonmajor discretely presented component units	6,500	—
	20,520	238
Governmental activities total	**101,400**	**56,218**
Fiduciary Funds		
Nonmajor discretely presented component units	—	2,281
	—	2,281
Fiduciary funds total	**—**	**2,281**
Primary Government total	**101,400**	**58,499**

(continued)

Funds	Due From	Due To
MUSC		
General Fund	10,982	—
Departmental Program Services	2,283	—
Internal service	—	125
	13,265	125
USC		
General Fund	4,903	508
Departmental Program Services	4,097	—
Nonmajor governmental funds	1,791	—
Internal service	—	7,127
	10,791	7,635
Clemson University		
General Fund	1,882	156
Departmental Program Services	3,476	—
Nonmajor governmental funds	—	—
Internal service	238	6,768
	5,596	6,924
Housing Authority		
General Fund	4,573	373
Ports Authority		
General Fund	—	50,000
Local Government Infrastructure Fund	—	3,000
	—	53,000
Lottery Commission		
Departmental Program Services	—	18,600
Nonmajor Discretely Presented Component Units		
General Fund	1,327	2,412
Departmental Program Services	4,927	—
Department of Transportation Special Revenue Fund	—	61
Nonmajor governmental funds	15,739	5,770
Custodial Funds	2,281	—
Internal service	—	6,500
	24,274	14,743
Discretely presented component units total	**58,499**	**101,400**
Totals	**$ 159,899**	**$ 159,899**

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, 2024, the Educational Television Endowment of South Carolina, Inc., disbursed $9.572 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 $1.365 million at June 30, 2024.

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, 2024, the Authority entered various transactions with SLC. Approximate amounts within the Authority that represent these transactions include: accounts receivable from SLC $45.633 million; program revenue from SLC $568 thousand; reimbursements to SLC for administrative costs $48 thousand; and payable to SLC $19 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 State and DHEC have moved to dismiss, but the Master in Equity denied the motion. The Defendants have answered, and the case is pending. 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 $189.998 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, 2024, the State's governmental activities recognized a liability for pending disallowances of $2.746 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, 2024, 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 $1.008 billion remaining on agreements with various counties to provide financial assistance for highway and transportation facilities projects.
- The Department of Commerce has $1.688 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, $86.365 million will be funded by federal grants.
- The Office of Regulatory Staff has $310 thousand for energy efficiency improvement projects. Federal grants will fund $310 thousand of this commitment.
- The Division of Aeronautics has $71.548 million for grants made to municipal and county airports for capital improvements.
- The State Board for Technical and Comprehensive Education has $25.714 million to provide training for new and expanding business and industry in the State.
- The Department of Public Safety has $31.924 million for pass-through grants to various local governments and not-for-profit entities, of which $8.327 million will be funded by federal grants.
- The South Carolina Law Enforcement Division has $31.612 million for grant program activities and pass-through grants to subrecipients, of which $31.612 million will be funded by federal grants.
- The South Carolina Judicial Department has $1.995 million outstanding commitments related to vendor service contracts.
- The South Carolina Attorney General's Office has $14.817 million for pass-through grants to subrecipients, of which $11.996 million will be funded by federal grants.
- The South Carolina Department of Revenue has $24.961 million outstanding commitments for vendor contracts related to services for paper check and return processing.
- The Rural Infrastructure Authority has $1.779 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 $1.566 billion will be funded by federal grants.
- The Department of Health and Environmental Control has $3.248 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 $353.587 million in outstanding commitments for internet broadband infrastructure development, of which $350.418 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 2024 in maintaining these sites is $6.377 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 2024, the budgeted $3.981 million operating funds have been placed in care of the trustee. The balances in these two accounts at June 30, 2024 were $3.464 million for capital improvements and $4.421 million for operating expenditures.

NOTE 19: DISCRETELY PRESENTED COMPONENT UNITS

a. Deposits and Investments

Deposits

As of June 30, 2024, the reported amount of the major discretely presented component units' deposits held outside of the State Treasurer was $1.022 billion and the bank balance was $1.026 billion. Of the $889.316 million bank balance exposed to custodial credit risk, $517.820 million was uninsured and uncollateralized, $299.136 million was uninsured and collateralized with securities held by the pledging financial institution, and $72.360 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, 2024, cash on hand was $507 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, 2024 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. treasuries	$ 450,293	$ 122,961	$ 327,332	$ —
U.S. agencies	581,997	—	581,997	—
Mortgage backed obligations	71,170	22,081	49,089	—
Common stock	511,334	511,334	—	—
Other equity securities	658,819	658,819	—	—
Corporate bonds	28,809	16,297	12,512	—
Repurchase agreements	100,000	—	100,000	—
Asset backed securities	270	—	270	—
Commercial paper	250	—	250	—
Money market mutual funds	304,289	289,771	14,518	—
Bond mutual funds	237,456	213,201	24,255	—
Other	313,055	151,345	145,233	16,477
Total investments by fair value level	$ 3,257,742	$ 1,985,809	$ 1,255,456	$ 16,477

Fair value of investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds[a]	$ 239,907	None	Monthly to Annually	30-120 days
Private partnerships-equity and real assets[b]	795,061	214,876	N/A	N/A
Total investments measured at the NAV	$ 1,034,968	$ 214,876		
Total investments measured at fair value	$ 4,292,710			

[a] 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.

[b] 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, 2024, the State's major discretely presented component units had $731.623 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/Not Exposed to Credit Risk
U.S. treasuries	$ —	$ 450,293	$ —	$ —	$ —	$ —
U.S. agencies	—	581,997	—	—	—	—
Mortgage backed obligations	37,418	—	—	—	—	33,752
Common stock	—	—	—	—	—	511,334
Other equity securities	—	—	—	—	—	856,735
Corporate bonds	—	—	2,128	10,384	—	16,297
Repurchase agreements	100,000	—	—	—	—	—
Asset backed securities	—	—	—	—	—	39,017
Commercial paper	250	—	—	—	—	—
Money market mutual funds	175,222	—	—	—	—	129,067
Bond mutual funds	5,666	—	—	—	—	231,790
Other	107,397	2,476	—	—	—	1,001,487
Totals	**$ 425,953**	**$ 1,034,766**	**$ 2,128**	**$ 10,384**	**$ —**	**$ 2,819,479**

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, 2024, 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	$ 450,293	$ 76,285	$ 283,850	$ 60,843	$ 13,619	$ 15,696
U.S. agencies	581,997	—	261,707	148,115	104,069	68,106
Mortgage backed obligations	71,170	22,081	—	—	—	49,089
Common Stock	511,334	511,334	—	—	—	—
Other equity securities	856,735	856,735	—	—	—	—
Corporate bonds	28,809	16,296	—	10,978	1,535	—
Repurchase agreements	100,000	—	100,000	—	—	—
Asset backed securities	39,017	39,017	—	—	—	—
Commercial paper	250	—	250	—	—	—
Money market mutual funds	304,289	129,067	175,222	—	—	—
Bond mutual funds	237,456	230,803	5,666	—	987	—
Other	1,111,360	1,003,963	97,397	10,000	—	—
Totals	**$ 4,292,710**	**$ 2,885,581**	**$ 924,092**	**$ 229,936**	**$ 120,210**	**$ 132,891**

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, 2023, the Public Service Authority, a major discretely presented component unit, had 26.32% of its total investments with two issuers: 14.53% with the Federal Home Loan Bank and 11.80% 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, 2024, the Medical University Hospital Authority had 71.60% of its total investments with two issuers: 55.00% with the Federal Home Loan Bank and 16.60% with the Federal National Mortgage Association.

Securities Lending Program

Securities lending balances under control of the State Treasurer are fully disclosed in Note 4. No discretely presented component units participated in any securities lending program outside of the State Treasury.

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, 2023	Increases	Decreases	Ending Balances December 31, 2023
Public Service Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 186,201	$ —	$ (7,650)	$ 178,551
Construction in progress	214,373	372,966	(156,137)	431,202
Total capital assets not being depreciated	400,574	372,966	(163,787)	609,753
Capital assets being depreciated:				
Buildings and improvements (utility plant)	8,887,694	276,557	(39,059)	9,125,192
Vehicles	78,790	47	—	78,837
Machinery and equipment	58,044	—	(2,363)	55,681
Intangibles	108,904	15,570	—	124,474
Total capital assets being depreciated	9,133,432	292,174	(41,422)	9,384,184
Less accumulated depreciation for:				
Buildings and improvements (utility plant)	(4,442,198)	(265,104)	9,729	(4,697,573)
Vehicles	(48,979)	(5,321)	—	(54,300)
Machinery and equipment	(42,659)	(3,552)	2,285	(43,926)
Intangibles	(92,551)	(9,975)	—	(102,526)
Total accumulated depreciation	(4,626,387)	(283,952)	12,014	(4,898,325)
Total capital assets being depreciated, net	4,507,045	8,222	(29,408)	4,485,859
Public Service Authority capital assets, net	**$ 4,907,619**	**$ 381,188**	**$ (193,195)**	**$ 5,095,612**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
State Ports Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 777,861	$ 107,828	$ (3,039)	$ 882,650
Construction in progress	148,700	310,821	(191,906)	267,615
Total capital assets not being depreciated	926,561	418,649	(194,945)	1,150,265
Capital assets being depreciated:				
Land improvements	737,055	46,098	(73)	783,080
Buildings and improvements	700,928	1,128	—	702,056
Machinery and equipment	460,661	11,900	(2,656)	469,905
Lease assets being amortized:				
Buildings and improvements	388	—	—	388
Machinery and equipment	14,272	—	—	14,272
Subscription assets	3,325	16,313	(4)	19,634
Total capital assets being depreciated or amortized	1,916,629	75,439	(2,733)	1,989,335
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(352,308)	(36,072)	5	(388,375)
Buildings and improvements	(254,057)	(22,975)	7	(277,025)
Machinery and equipment	(213,474)	(25,122)	2,585	(236,011)
Lease assets being amortized:				
Buildings and improvements	(40)	(222)	—	(262)
Machinery and equipment	(963)	(7,491)	—	(8,454)
Subscription assets	(1,002)	(1,145)	4	(2,143)
Total accumulated depreciation and amortization	(821,844)	(93,027)	2,601	(912,270)
Total capital assets being depreciated or amortized, net	1,094,785	(17,588)	(132)	1,077,065
State Ports Authority capital assets, net	$ 2,021,346	$ 401,061	$ (195,077)	$ 2,227,330

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Clemson University:				
Capital assets not being depreciated:				
Land and improvements	$ 43,539	$ —	$ —	$ 43,539
Construction in progress	231,959	246,136	(254,419)	223,676
Total capital assets not being depreciated	275,498	246,136	(254,419)	267,215
Capital assets being depreciated:				
Buildings and improvements	1,694,519	220,872	(8,904)	1,906,487
Vehicles	26,780	4,754	(410)	31,124
Machinery and equipment	590,400	63,916	(13,342)	640,974
Intangibles	24,283	—	(1,500)	22,783
Lease assets being amortized:				
Buildings and improvements	23,323	9,610	(2,262)	30,671
Machinery and equipment	2,243	2,620	(434)	4,429
Subscription assets	51,556	10,507	(3,655)	58,408
Total capital assets being depreciated or amortized	2,413,104	312,279	(30,507)	2,694,876
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Buildings and improvements	(614,081)	(40,299)	7,829	(646,551)
Vehicles	(20,325)	(2,107)	408	(22,024)
Machinery and equipment	(335,069)	(33,601)	11,583	(357,087)
Intangibles	(24,284)	—	1,500	(22,784)
Lease assets being amortized:				
Buildings and improvements	(5,090)	(3,504)	1,193	(7,401)
Machinery and equipment	(1,045)	(1,183)	409	(1,819)
Subscription assets	(12,216)	(13,731)	3,154	(22,793)
Total accumulated depreciation and amortization	(1,012,110)	(94,425)	26,076	(1,080,459)
Total capital assets being depreciated or amortized, net	1,400,994	217,854	(4,431)	1,614,417
Clemson University capital assets, net	**$ 1,676,492**	**$ 463,990**	**$ (258,850)**	**$ 1,881,632**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Medical University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 133,766	$ 18,477	$ (30,296)	$ 121,947
Construction in progress	143,677	239,034	(188,748)	193,963
Works of art and historical treasures	188	—	(173)	15
Total capital assets not being depreciated	277,631	257,511	(219,217)	315,925
Capital assets being depreciated:				
Land improvements	16,047	—	—	16,047
Buildings and improvements	2,236,463	82,657	(56,744)	2,262,376
Vehicles	10,781	468	(16)	11,233
Machinery and equipment	628,477	39,300	(13,879)	653,898
Intangibles	121,684	15,518	—	137,202
Lease assets being amortized:				
Land improvements	2,036	3,344	—	5,380
Buildings and improvements	274,800	50,793	(15,614)	309,979
Machinery and equipment	112,730	15,185	(5,656)	122,259
Subscription assets	51,666	3,705	(1,793)	53,578
Total capital assets being depreciated or amortized	3,454,684	210,970	(93,702)	3,571,952
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(10,480)	(401)	18	(10,863)
Buildings and improvements	(1,249,955)	(94,758)	55,540	(1,289,173)
Vehicles	(6,378)	(1,211)	140	(7,449)
Machinery and equipment	(455,873)	(52,441)	14,226	(494,088)
Intangibles	(91,020)	(17,689)	—	(108,709)
Lease assets being amortized:				
Land improvements	(148)	(79)		(227)
Buildings and improvements	(62,230)	(33,619)	9,444	(86,405)
Machinery and equipment	(29,038)	(23,132)	3,531	(48,639)
Subscription assets	(7,197)	(10,097)	—	(17,294)
Total accumulated depreciation and amortization	(1,912,319)	(233,427)	82,899	(2,062,847)
Total capital assets being depreciated or amortized, net	1,542,365	(22,457)	(10,803)	1,509,105
MUSC capital assets, net	**$ 1,819,996**	**$ 235,054**	**$ (230,020)**	**$ 1,825,030**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 97,870	$ 15,056	$ —	$ 112,926
Construction in progress	202,660	61,105	(228,155)	35,610
Works of art and historical treasure	55,555	587	—	56,142
Total capital assets not being depreciated	356,085	76,748	(228,155)	204,678
Capital assets being depreciated:				
Land improvements	110,488	—	—	110,488
Buildings and improvements	2,046,029	254,128	(2,127)	2,298,030
Vehicles	18,374	2,756	(240)	20,890
Machinery and equipment	248,060	34,287	(9,793)	272,554
Intangibles	93,901	461	(2,751)	91,611
Lease assets being amortized:				
Land improvements	686	15	—	701
Buildings and improvements	42,047	7,100	(17,704)	31,443
Machinery and equipment	364	460	(53)	771
Subscription assets	19,449	15,129	(4,697)	29,881
Total capital assets being depreciated or amortized	2,579,398	314,336	(37,365)	2,856,369
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Land improvements	(65,018)	(4,133)	—	(69,151)
Buildings and improvements	(991,790)	(71,662)	2,126	(1,061,326)
Vehicles	(14,606)	(1,420)	231	(15,795)
Machinery and equipment	(179,158)	(16,657)	7,309	(188,506)
Intangibles	(73,698)	(4,942)	6	(78,634)
Lease assets being amortized:				
Land improvements	(304)	(152)	—	(456)
Buildings and improvements	(17,634)	(9,081)	17,571	(9,144)
Machinery and equipment	(214)	(282)	25	(471)
Subscription assets	(7,857)	(10,227)	4,194	(13,890)
Total accumulated depreciation and amortization	(1,350,279)	(118,556)	31,462	(1,437,373)
Total capital assets being depreciated or amortized, net	1,229,119	195,780	(5,903)	1,418,996
USC capital assets, net	**$ 1,585,204**	**$ 272,528**	**$ (234,058)**	**$ 1,623,674**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Lottery Commission:				
Capital assets not being depreciated:				
Construction in progress	—	614	—	614
Total capital assets not being depreciated	—	614	—	614
Capital assets being depreciated:				
Buildings and improvements	$ 1,463	$ —	$ —	$ 1,463
Vehicles	481	85	—	566
Machinery and equipment	4,694	63	—	4,757
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	38,622	148	—	38,770
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Buildings and improvements	(1,331)	(30)	—	(1,361)
Vehicles	(310)	(40)	—	(350)
Machinery and equipment	(4,243)	(202)	—	(4,445)
Intangibles	(556)			(556)
Lease assets being amortized:				
Buildings and improvements	(1,769)	(590)	—	(2,359)
Subscription assets	(8,508)	(4,254)	—	(12,762)
Total accumulated depreciation and amortization	(16,717)	(5,116)	—	(21,833)
Total capital assets being depreciated or amortized, net	21,905	(4,968)	—	16,937
Lottery Commission capital assets, net	**$ 21,905**	**$ (4,354)**	**$ —**	**$ 17,551**

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Housing Authority:				
Capital assets being depreciated:				
Machinery and equipment	$ 3,254	$ 57	$ (378)	$ 2,933
Lease assets being amortized:				
Buildings and improvements	6,604	—	(2,360)	4,244
Machinery and equipment	56	—	—	56
Total capital assets being depreciated or amortized	9,914	57	(2,738)	7,233
Less accumulated depreciation and amortization for:				
Capital assets being depreciated:				
Machinery and equipment	(2,399)	(414)	378	(2,435)
Lease assets being amortized:				
Buildings and improvements	(2,246)	(397)	2,360	(283)
Machinery and equipment	(3)	(11)	—	(14)
Total accumulated depreciation and amortization	(4,648)	(822)	2,738	(2,732)
Housing Authority capital assets, net	**$ 5,266**	**$ (765)**	**$ —**	**$ 4,501**

During the fiscal year ended June 30, 2024, 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	$ 283,952
State Ports Authority	93,027
Clemson University	94,425
MUSC	233,427
USC	118,556
Lottery Commission	5,116
Housing Authority	822

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

	Outstanding Construction Commitments
Public Service Authority	$ 361,205
State Ports Authority	224,649
MUSC	22,378
USC	671,483
Clemson University	293,994

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 2023. 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 2023, 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, 2023. There have been no third-party claims for environmental damages for 2023.

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 $16.263 billion by the Price-Anderson Indemnification Act. The $16.263 billion would be covered by nuclear liability insurance of $500.000 million per reactor unit, with potential retrospective assessments of up to $165.900 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $24.700 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 $55.300 million, not to exceed approximately $8.200 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 $6.000 million for the primary policy and $1.500 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 June 30, 2023.

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
2023	$ 2,684	$ 1,066	$ (1,013)	$ 2,737
2022	1,589	1,501	(406)	2,684

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, 2024, the Ports Authority's receivables for lease payments totaled $15.333 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the State Ports Authority's lease-related deferred inflow of resources was $14.718 million. For the fiscal year ended June 30, 2024, the Ports Authority recognized $3.489 million in lease revenue and $635 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, 2024 (expressed in thousands):

	State Ports Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**
2025	$ 2,206	$ 523
2026	2,312	435
2027	2,423	343
2028	2,056	256
2029	2,090	181
2030-2034	2,120	453
2035-2039	534	274
2040-2044	508	203
2045-2049	590	120
Thereafter	494	96
Total	**$ 15,333**	**$ 2,884**

Clemson University leases buildings to third parties with various terms and interest rates. As of June 30, 2024, Clemson University's receivables for lease payments totaled $221 thousand. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the Clemson University's lease- related deferred inflow of resources was $257 thousand. For the fiscal year ended June 30, 2024, Clemson University recognized $225 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, 2024 (expressed in thousands):

	Clemson University	
Fiscal Year Ending June 30	**Principal**	**Interest**
2025	$ 12	$ 2
2026	12	2
2027	12	2
2028	12	2
2029	12	2
2030-2034	72	7
2035-2039	89	3
Total	**$ 221**	**$ 20**

The Medical University of South Carolina leases buildings to third parties with various terms and interest rates. As of June 30, 2024, the Medical University of South Carolina's receivables for lease payments totaled $5.664 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the Medical University of South Carolina's lease-related deferred inflow of resources was $24.807 million. For the fiscal year ended June 30, 2024, the Medical University of South Carolina recognized $844 thousand 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, 2024 (expressed in thousands):

	Medical University of South Carolina	
Fiscal Year Ending June 30	**Principal**	**Interest**
2025	$ 949	$ 17
2026	990	14
2027	1,033	11
2028	1,078	7
2029	858	3
2030-2034	523	3
2035-2039	211	—
2040-2043	22	—
Total	**$ 5,664**	**$ 55**

The University of South Carolina leases land and buildings to third parties with various terms and interest rates. As of June 30, 2024, the University of South Carolina's receivables for lease payments totaled $54.560 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2024, the balance of the University of South Carolina's lease-related deferred inflow of resources was $79.675 million. For the fiscal year ended June 30, 2024, the University of South Carolina recognized $4.770 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, 2024 (expressed in thousands):

	University of South Carolina	
Fiscal Year Ending June 30	**Principal**	**Interest**
2025	$ 1,371	$ 2,199
2026	1,314	2,138
2027	1,339	2,078
2028	1,403	2,017
2029	1,476	1,953
2030-2034	7,853	8,687
2035-2039	6,580	6,968
2040-2044	6,727	5,003
Thereafter	26,497	17,861
Total	**$ 54,560**	**$ 48,904**

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, 2024 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**
2025	$ 48,948	$ 14,076	$ 5,084	$ 1,704
2026	34,645	13,018	4,350	1,384
2027	30,493	11,629	3,979	1,085
2028	32,257	12,458	3,453	815
2029	17,582	6,705	1,552	640
2030-2034	82,866	18,605	6,088	1,935
2035-2039	32,192	10,480	2,827	227
2040-2044	12,941	4,841	—	—
Thereafter	11,705	4,459	—	—
Total lease liabilities	**$ 303,629**	**$ 96,271**	**$ 27,333**	**$ 7,790**

	Clemson University		State Ports Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 4,329	$ 510	$ 5,912	$ 125
2026	3,459	421	96	5
2027	2,066	345	94	2
2028	1,744	282	—	—
2029	1,254	233	—	—
2030-2034	4,536	669	—	—
2035-2039	2,312	112	—	—
Total lease liabilities	**$ 19,700**	**$ 2,572**	**$ 6,102**	**$ 132**

	Lottery Commission		Housing Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 51	$ —	$ 315	$ 161
2026	—	—	343	147
2027	—	—	372	132
2028	—	—	390	116
2029	—	—	421	100
2030-2034	—	—	2,232	211
Total lease liabilities	**$ 51**	**$ —**	**$ 4,073**	**$ 867**

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, 2024 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**
2025	$ 3,187	$ 233	$ 4,606	$ 279
2026	3,167	156	3,215	164
2027	3,223	74	1,849	78
2028	734	27	1,233	34
2029	709	17	96	3
2030-2034	834	11	—	—
Total subscription liabilities	**$ 11,854**	**$ 518**	**$ 10,999**	**$ 558**

	Clemson University		State Ports Authority	
Fiscal Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 10,848	$ 620	$ 746	$ 875
2026	7,390	395	1,168	837
2027	3,615	217	1,815	761
2028	3,006	131	1,984	660
2029	1,636	60	2,088	549
2030-2034	1,335	62	8,807	985
Total subscription liabilities	**$ 27,830**	**$ 1,485**	**$ 16,608**	**$ 4,667**

	Lottery Commission	
Fiscal Year Ending June 30	**Principal**	**Interest**
2025	$ 4,250	$ 828
2026	4,480	598
2027	4,723	355
2028	4,131	101
Total subscription liabilities	**$ 17,584**	**$ 1,882**

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, 2024, were (net of unamortized premiums/discounts, expressed in thousands):

Clemson University institution bonds, 2.00% to 5.00%, maturing serially through 2042	$ 285,891
University of South Carolina institution bonds, 2.63% to 5.00%, maturing serially through 2037	103,729
Medical University of South Carolina institution bonds, 3.00% to 5.00%, maturing serially through 2040	40,793

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**
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	19,215	7,353	2,985	948
2030-2034	87,585	26,426	13,160	2,961
2035-2039	55,820	11,704	8,005	807
2040-2042	22,140	2,216	1,075	33
Total debt service requirements	**$ 253,670**	**$ 85,074**	**$ 35,775**	**$ 9,893**
Unamortized premiums	32,221		5,018	
Total principal outstanding	**$ 285,891**		**$ 40,793**	

	University of South Carolina	
Year Ending June 30	**Principal**	**Interest**
2025	$ 10,355	$ 3,749
2026	10,915	3,232
2027	7,400	2,694
2028	7,760	2,332
2029	8,125	1,962
2030-2034	37,600	5,471
2035-2037	11,930	617
Total debt service requirements	**$ 94,085**	**$ 20,057**
Unamortized premiums	9,644	
Total principal outstanding	**$ 103,729**	

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 $457.805 million were outstanding at June 30, 2024.

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, 2024 and December 31, 2023 (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	$ 7,259,670	$ 403,860
Clemson University bonds, 1.00% to 5.00%, maturing serially through 2054	542,368	39,908
University of South Carolina bonds and notes, 0.60% to 5.00%, maturing serially through 2052	597,152	1,334
Medical University of South Carolina bonds and notes, 2.94% to 5.00%, maturing serially through 2046	743,628	22,845
State Ports Authority bonds and notes, 2.09% to 5.25%, maturing serially through 2060	1,065,232	323,847
Housing Authority bonds, 0.10% to 6.25%, maturing serially through 2054	1,174,108	—

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). For the fiscal year ended June 30, 2024, the investment derivative instrument was terminated resulting in an increase upon hedge termination of $216,069 within the statement of revenues, expenses, and changes in net position.

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, 2023, the carrying value of the Public Service Authority's debt was $6.784 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**
2024	$ 57,455	$ 344,254
2025	515,480	341,067
2026	153,776	316,841
2027	153,031	309,851
2028	177,657	303,289
2029-2033	1,019,706	1,388,585
2034-2038	1,152,925	1,136,996
2039-2043	1,121,661	865,683
2044-2048	1,249,689	570,746
2049-2053	1,251,796	256,078
2054-2056	334,769	24,801
Total debt service requirements	**$ 7,187,945**	**$ 5,858,191**
Unamortized discounts and premiums	475,585	
Total principal outstanding	**$ 7,663,530**	

	State Ports Authority		State Housing Authority	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2025	$ 31,405	$ 50,309	$ 16,165	$ 46,350
2026	32,490	49,217	26,495	43,910
2027	33,698	48,079	21,980	43,070
2028	34,883	46,894	23,575	42,247
2029	36,132	45,651	24,640	41,337
2030-2034	250,366	222,403	121,785	193,113
2035-2039	176,890	164,445	112,890	172,647
2040-2044	149,498	132,675	147,055	151,579
2045-2049	184,140	97,192	160,550	122,819
2050-2054	224,595	56,747	463,960	72,299
2055-2059	148,075	14,539	—	—
2060	19,625	369	—	—
Total debt service requirements	**$ 1,321,797**	**$ 928,520**	**$ 1,119,095**	**$ 929,371**
Unamortized premiums and discounts	67,282		55,013	
Total principal outstanding	**$ 1,389,079**		**$ 1,174,108**	

Year Ending June 30	Clemson University		University of South Carolina	
	Principal	Interest	Principal	Interest
2025	$ 16,748	$ 21,043	$ 22,541	$ 23,428
2026	15,790	20,553	21,566	22,500
2027	17,564	19,874	22,662	21,579
2028	17,406	19,109	21,387	20,468
2029	18,123	18,460	22,448	19,420
2030-2034	102,760	81,081	122,490	79,540
2035-2039	123,711	61,202	108,400	50,497
2040-2044	134,205	36,885	73,440	28,154
2045-2049	72,730	13,230	60,980	12,546
2050-2054	32,520	3,746	24,950	1,638
Total debt service requirements	**$ 551,557**	**$ 295,183**	**$ 500,864**	**$ 279,770**
Unamortized discounts and premiums	30,719		97,622	
Total principal outstanding	**$ 582,276**		**$ 598,486**	

Year Ending June 30	Medical University of South Carolina	
	Principal	Interest
2025	$ 45,458	$ 23,216
2026	45,257	21,755
2027	46,730	20,268
2028	48,252	18,731
2029	46,611	17,089
2030-2034	253,680	63,137
2035-2039	119,494	37,675
2040-2044	141,569	15,600
2045-2047	18,910	686
Total debt service requirements	**$ 765,961**	**$ 218,157**
Unamortized discounts and premiums	512	
Total principal outstanding	**$ 766,473**	

Defeased Bonds

At December 31, 2023, $62.871 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, 2024, the outstanding balance of bonds issued was $510.527 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, 2024, the outstanding balance of bonds issued after June 30, 1995, was $8.355 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, 2024 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The Public Service Authority has recorded a $183.363 million liability for commercial paper notes at its fiscal year ended December 31, 2023. The paper is issued for valid corporate purposes with terms not to exceed 120 days. The Authority has $300.000 million in revolving credit agreements to support the issuance of commercial paper. There was $116.637 million in unused capacity within the revolving credit agreements as of December 31, 2023.

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 (5.33% as of June 30, 2024) plus 1.0%. As of June 30, 2024, the line of credit had an outstanding balance of $9.250 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, 2023	Increases	Decreases	Balances at December 31, 2023	Amounts Due Within One Year
Public Service Authority					
Policy claims	$ 2,684	$ 1,066	$ (1,013)	$ 2,737	$ 2,737
Notes payable	219,460	185,000	(600)	403,860	870
Revenue bonds payable	6,886,291	—	(102,206)	6,784,085	56,585
Unamortized discounts and premiums	507,324	—	(31,739)	475,585	—
Total revenue bonds payable	7,393,615	—	(133,945)	7,259,670	56,585
Compensated absences payable	20,998	3,487	(2,599)	21,886	—
Net pension liability	308,586	—	(6,106)	302,480	—
Net OPEB liability	203,817	—	(53,780)	150,037	—
Total long-term liabilities	$ 8,149,160	$ 189,553	$ (198,043)	$ 8,140,670	$ 60,192

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
State Ports Authority					
Notes payable	$ 352,990	$ —	$ (29,143)	$ 323,847	$ 19,565
Revenue bonds payable	1,009,225	—	(11,275)	997,950	11,840
Unamortized discounts and premiums	69,924	—	(2,642)	67,282	—
Total revenue bonds payable	1,079,149	—	(13,917)	1,065,232	11,840
Leases payable	13,721	—	(7,619)	6,102	5,912
Subscription IT asset payable	1,770	16,172	(1,334)	16,608	746
Compensated absences payable	2,584	82	(195)	2,471	82
Net pension liability	178,388	5,509	—	183,897	—
Net OPEB liability	60,079	1,351	—	61,430	—
Total long-term liabilities	$ 1,688,681	$ 23,114	$ (52,208)	$ 1,659,587	$ 38,145

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Housing Authority					
Revenue bonds payable	$ 1,041,325	$ 250,000	$ (172,230)	$ 1,119,095	$ 16,165
Unamortized discounts and premiums	45,915	12,394	(3,296)	55,013	—
Total revenue bonds payable	1,087,240	262,394	(175,526)	1,174,108	16,165
Compensated absences payable	980	631	(589)	1,022	664
Leases payable	4,412	440	(779)	4,073	315
Net pension liability	15,671	215	—	15,886	—
Net OPEB liability	12,352	—	(1,617)	10,735	—
Total long-term liabilities	$ 1,120,655	$ 263,680	$ (178,511)	$ 1,205,824	$ 17,144

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Clemson University					
Notes payable	$ 40,233	$ —	$ (325)	$ 39,908	$ 1,688
General obligation bonds payable	268,930	—	(15,260)	253,670	16,020
Unamortized discounts and premiums	33,408	—	(1,187)	32,221	—
Total general obligation bonds payable	302,338	—	(16,447)	285,891	16,020
Revenue bonds payable	474,069	51,975	(14,395)	511,649	15,060
Unamortized discounts and premiums	26,101	5,840	(1,222)	30,719	—
Total revenue bonds	500,170	57,815	(15,617)	542,368	15,060
Leases payable	17,288	7,796	(5,384)	19,700	4,329
Subscription IT asset payable	31,378	9,867	(13,415)	27,830	10,848
Compensated absences payable	35,417	20,582	(17,716)	38,283	18,924
Net pension liability	725,934	16,195	—	742,129	—
Net OPEB liability	650,268	—	(84,719)	565,549	—
Total long-term liabilities	$ 2,303,026	$ 112,255	$ (153,623)	$ 2,261,658	$ 66,869

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Medical University of South Carolina					
Notes payable	$ 64,305	$ —	$ (41,460)	$ 22,845	$ 2,078
General obligation bonds payable	38,945	—	(3,170)	35,775	2,445
Unamortized discounts and premiums	5,835	—	(817)	5,018	—
Total general obligation bonds payable	44,780	—	(3,987)	40,793	2,445
Revenue bonds payable	833,961	—	(90,845)	743,116	43,380
Unamortized discounts and premiums	684	—	(172)	512	—
Total revenue bonds	834,645	—	(91,017)	743,628	43,380
Leases payable	270,975	55,761	(23,107)	303,629	48,948
Subscription IT asset payable	14,492	1,682	(4,320)	11,854	3,187
Compensated absences payable	41,439	14,303	(11,071)	44,671	28,470
Net pension liability	1,819,469	88,870	—	1,908,339	—
Net OPEB liability	1,528,586	—	(154,489)	1,374,097	—
Total long-term liabilities	$ 4,618,691	$ 160,616	$ (329,451)	$ 4,449,856	$ 128,508

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
Lottery Commission					
Compensated absences payable	$ 1,077	$ 785	$ (750)	$ 1,112	$ 695
Leases payable	660	—	(609)	51	51
Subscription IT asset payable	21,615	—	(4,031)	17,584	4,250
Net pension liability	16,399	—	(492)	15,907	—
Net OPEB liability	12,716	—	(2,129)	10,587	—
Total long-term liabilities	$ 52,467	$ 785	$ (8,011)	$ 45,241	$ 4,996

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024	Amounts Due Within One Year
University of South Carolina					
Notes payable	$ 638	$ 1,101	$ (405)	$ 1,334	$ 1,146
General obligation bonds payable	104,385	—	(10,300)	94,085	10,355
Unamortized discounts and premiums	11,155	—	(1,511)	9,644	—
Total general obligation bonds payable	115,540	—	(11,811)	103,729	10,355
Revenue bonds payable	522,450	20,015	(42,935)	499,530	21,395
Unamortized discounts and premiums	100,498	2,520	(5,396)	97,622	—
Total revenue bonds	622,948	22,535	(48,331)	597,152	21,395
Leases payable	32,250	7,642	(12,559)	27,333	5,084
Subscription IT asset payable	9,639	13,589	(12,229)	10,999	4,606
Compensated absences payable	39,417	33,605	(29,807)	43,215	33,605
Net pension liability	1,028,413	5,018	—	1,033,431	—
Net OPEB liability	908,614	—	(128,301)	780,313	—
Total long-term liabilities	$ 2,757,459	$ 83,490	$ (243,443)	$ 2,597,506	$ 76,191

Short-Term Debt

The Clemson University 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, 2024 included: a line of credit for USC, RANS for Clemson University, 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, 2023	Increases	Decreases	Balances at December 31, 2023
Public Service Authority				
Commercial paper notes	$ 118,246	$ 157,598	$ (92,481)	$ 183,363

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
Clemson University				
Revenue anticipation notes	$ —	$ 160,155	$ —	$ 160,155

	Balances at July 1, 2023	Increases	Decreases	Balances at June 30, 2024
University of South Carolina				
Line of credit	$ 3,153	$ 9,250	$ (3,153)	$ 9,250

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, 2023, the trade guarantees are an amount not to exceed approximately $128.400 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 2020 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 2021 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 $19.000 million during the Authority's fiscal year ended December 31, 2023.

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, 2024.

Clemson University provided computer services and information systems development to other State agencies for a fee. These fees totaled $286 thousand and $37.815 million, respectively, for the fiscal year ended June 30, 2024.

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, 2023, as follows (expressed in thousands):

Customer	Revenue	Revenue
Central Electric Power Cooperative, Inc	$ 1,050,000	57%

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

State Ports Authority

During the fiscal year ended June 30, 2024, of the State Ports Authority's total revenues, three customers accounted for approximately 14%, 14%, 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

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, 2023, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling $388.752 million for coal and $628.150 million for power. In addition, at December 31, 2023, the Authority had commitments for nuclear fuel and nuclear fuel conversion contracts of $83.900 million over the next nine years.

The Authority amended a service agreement to an approximate amount of $37.100 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, 2024, the Ports Authority had construction commitments of approximately $224.649 million and non-construction commitments for property, plant and equipment of approximately $9.495 million.

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

The Housing Authority, a major discretely presented component unit, had commitments of $42.297 million from the Housing Trust Fund for affordable housing projects and developments as of June 30, 2024.

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, $2.495 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. The full $435.126 million received 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 June 27, 2024, the State's General Assembly ratified General Bill H.5100 and Capital Reserve Fund Bill H.5101. Bill H.5100 provided the State Ports Authority, a major discretely presented component unit, forgiveness of its $50.000 million payable to the State's General Fund effective in August 2024. Bill H.5101 appropriated $55.000 million to the Ports Authority for the acquisition of property in North Charleston, South Carolina. The funding was received by the Ports Authority in November 2024.

- On August 22, 2024, the State Housing Authority, a major discretely presented component unit, issued $150.000 million in mortgage revenue bonds, Series 2024B. Additionally, on January 8, 2025, the State Housing Authority issued $172.000 million in mortgage revenue bonds, Series 2025A.

- On September 11, 2024, the Spartanburg Community College, a nonmajor discretely presented component unit, issued a note for $933 thousand.

- On September 24, 2024, the State Transportation Infrastructure Bank, reported within the Local Government Infrastructure Fund (a major governmental fund), issued $149.660 million in revenue refunding bonds, Series 2024A.

- On September 30, 2024, the South Carolina Elections Commission, reported within the General Fund, issued a note for $28.846 million. Additionally, on January 31, 2025, the South Carolina Elections Commission, issued a note for $2.018 million.

- On January 28, 2025, the College of Charleston, a nonmajor discretely presented component unit, issued $78.000 million in higher education revenue bonds, Series 2025A.

- On February 5, 2025, Clemson University, a major discretely presented component unit, issued $33.055 million in athletic facilities revenue refunding bonds and $84.530 million in athletic facilities revenue bonds, Series 2025.

b. Storm Damage

Since June 30, 2024, the South Carolina Department of Transportation (SCDOT) has faced a number of natural disasters including two hurricanes, a major flooding event, and two named winter storms. In addition to historic amounts of debris cleanup, these events brought flooding and damage to roads and bridges across most of the state. At the time of this report, the agency has collected more than 4.6 million cubic yards of storm-related debris from the roadways. SCDOT is continuing to evaluate and assess damages from these storms to its road and bridge network and is actively seeking reimbursement from all eligible federal programs including the Federal Highway Administration and the Federal Emergency Management Agency. In addition, the Governor has included a request in his 2025-2026 Executive Budget for additional state funding of $50.000 million to be directed towards the department's disaster recovery efforts.

c. V.C. Summer Nuclear Units 2 and 3

Responding to national interest in new nuclear power to help meet growing electricity needs, the Public Service Authority (PSA), a major discretely presented component unit, launched a process on January 22, 2025 seeking proposals to acquire and complete, or propose alternatives, for the two partially constructed generating units at the V.C. Summer Nuclear Station in Jenkinsville, South Carolina. Construction on the partially completed reactors was halted in January 2019. Responses to this request for proposals is due to the PSA by May 5, 2025.

Additionally, in April 2024, the PSA and Westinghouse agreed to sell certain V.C. Summer 2 and 3 nuclear-related equipment to Energoatom, a national utility in Ukraine. The total sale amount is $350 million and the proceeds are to be shared equally between the PSA and Westinghouse. The total transaction has scheduled equipment title transfers on April 15, 2024 for $115 million, April 15, 2025 for $115 million, and April 15, 2026 for $120 million. Full payment for each of these respective title transfer dates is due one year after the respective transfer date (for example: by April 15, 2025 for the April 15, 2024 equipment transfer).

Physical transfers of equipment will not occur until the payment for each scheduled title transfer is received in full. In the event of non-payment, the contract provides for the equipment title to revert back to the PSA and Westinghouse. Through December 31, 2024, the PSA has received $10.8 million of its $57.5 million (its half share of the first $115 million payment) due in full on April 15, 2025.

d. Cook Rate Freeze Exceptions Settlement

The PSA and class action counsel engaged in negotiations to resolve the Exceptions Dispute along with the Cook Rate Freeze-related Items and certain PSA audit disputes (collectively called the Disputes). The Disputes arose from rate freeze exceptions taken by the PSA in 2021. In January 2025, the parties reached an agreement to resolve the Disputes (the Exceptions Agreement). The Exceptions Agreement provides the PSA the ability to recover $550 million (Resolution Amount). The Resolution Amount, plus interim interest incurred on debt to finance the Resolution Amount, will be collected from January 1, 2025 through June 30, 2025. This also includes the cost of issuance of debt issued to finance the Resolution Amount and the interim interest, the sum of which equals the Recovery Amount. The Recovery Amount will be financed and collected via the Cook Charge over the period from July 1, 2025 to December 31, 2039.

e. Union Pier Terminal Sale

The South Carolina Ports Authority, a major discretely presented component unit, signed an agreement to sell its Union Pier Terminal for $250.000 million in March 2024. The buyer paid $50.000 million to the Ports Authority in three installments between August 2024 and November 2024. The sale is expected to close in February 2028.

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, 2024
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Regular sources				
Individual Income Tax	$ 5,030,596	$ 6,009,897	$ 5,317,242	$ (692,655)
Sales and Use Tax	4,504,576	4,754,844	4,786,380	31,536
Corporation Income Tax	762,083	1,162,080	1,293,064	130,984
Insurance Tax	352,379	330,704	347,790	17,086
Corporation License Tax	173,120	184,420	188,148	3,728
Documentary (Deed Stamp) Tax	118,042	108,493	117,212	8,719
Beer and Wine Tax	117,630	112,713	111,486	(1,227)
Alcoholic Liquors Tax	110,143	120,633	119,043	(1,590)
Other Source Revenues	15,383	18,081	25,379	7,298
Bank Tax	63,187	51,126	55,024	3,898
Earned on Investments	200,000	280,000	322,891	42,891
Admissions Tax	38,729	42,743	47,020	4,277
Security Dealer Fees	32,782	35,744	34,446	(1,298)
Tobacco Tax	29,070	27,704	27,642	(62)
Indirect Cost Recoveries	20,212	15,700	17,263	1,563
Public Service Authority Assessment	17,807	19,028	19,420	392
Unclaimed Property Fund Transfers	15,000	15,000	15,000	—
Business Filing Fees	12,315	12,345	12,052	(293)
Motor Vehicle Licenses	11,836	11,255	11,695	440
Workers' Compensation Insurance Tax	10,138	10,742	12,208	1,466
Private Rail Car Lines Tax	6,616	6,437	6,436	(1)
Uncashed Checks	—	—	—	—
Circuit and Family Court Fines	4,992	6,503	6,744	241
Record Search Fees	4,461	4,461	4,461	—
Purchasing Card Rebates	3,940	4,169	4,169	—
Parole and Probation Supervision Fees	3,393	3,393	3,393	—
Nursing Home Fees	3,092	3,036	3,057	21
Savings and Loan Tax	1,223	1,157	3,073	1,916
Aircraft Tax	—	—	—	—
Bingo Tax	—	—	—	—
Total revenues	**11,662,745**	**13,352,408**	**12,911,738**	**(440,670)**

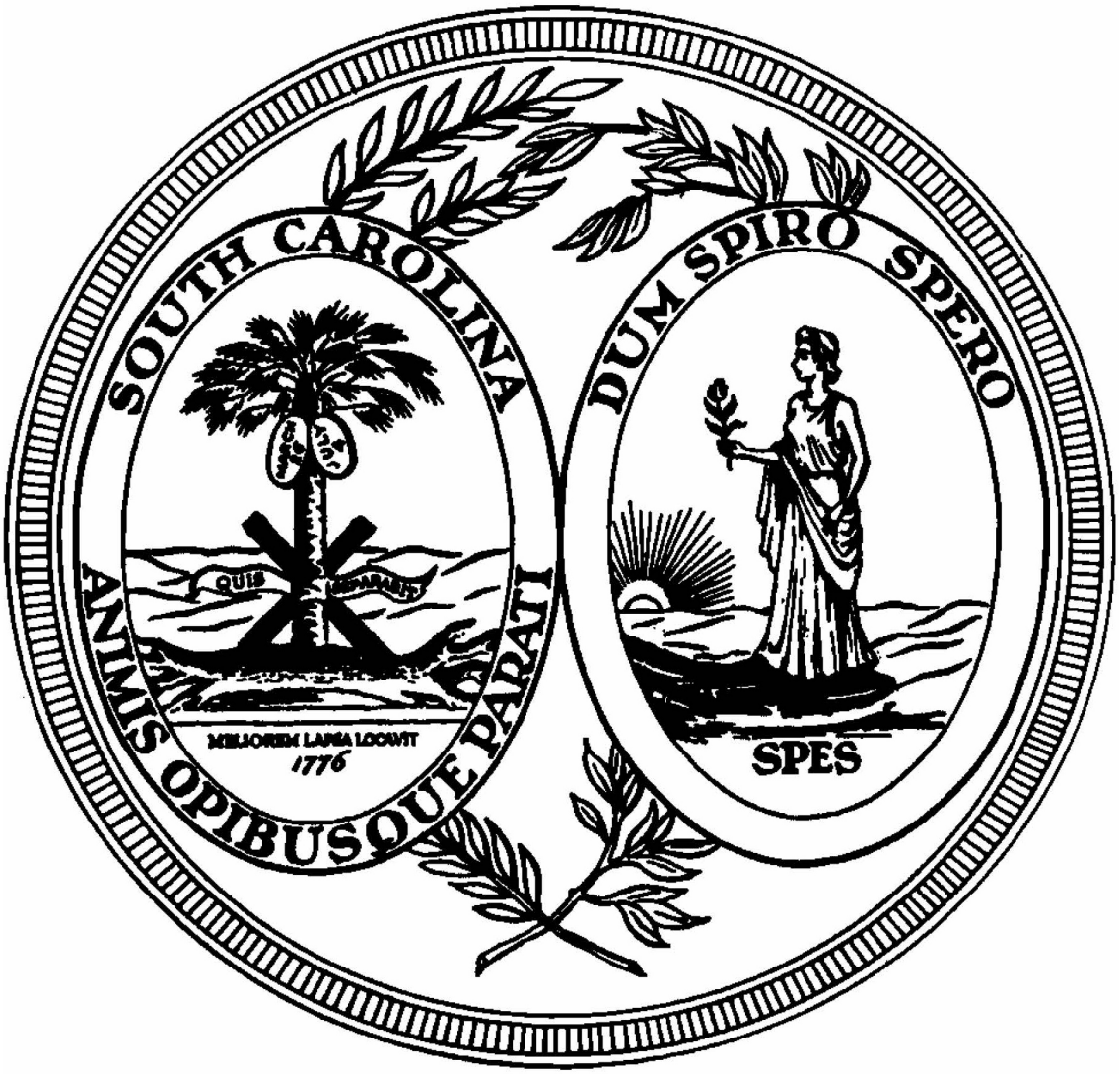
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Expenditures:				
Legislative	$ 69,586	$ 119,025	$ 72,869	$ 46,156
Judicial	197,515	252,520	193,751	58,769
Executive and administrative	629,414	699,790	512,962	186,828
Educational	5,217,914	6,600,628	5,791,503	809,125
Health	2,701,817	3,282,298	3,161,323	120,975
Social rehabilitation services	341,408	454,227	385,369	68,858
Correctional and public safety	1,025,065	1,310,812	1,149,011	161,801
Conservation, natural resources, and development	266,899	3,242,606	1,532,730	1,709,876
Regulatory	199,666	331,766	236,026	95,740
Transportation	124,458	490,738	149,295	341,443
Debt service	153,915	162,400	147,771	14,629
Aid to subdivisions	318,681	328,660	326,789	1,871
Total expenditures	**11,246,338**	**17,275,470**	**13,659,399**	**3,616,071**
Excess of revenues over (under) expenditures — budgetary basis	**416,407**	**(3,923,062)**	**(747,661)**	**3,175,401**
Fund balance, beginning — budgetary basis	**6,845,879**	**6,845,879**	**6,845,879**	**—**
Fund balance, ending — budgetary basis	**$ 7,262,286**	**$ 2,922,817**	**$ 6,098,218**	**$ 3,175,401**
Plus:				
COVID-19 Vaccine response balances			**45,680**	
Litigation recovery account			**81,946**	
Less:				
Capital Reserve appropriation			**(209,194)**	
Fund balance, ending — budgetary basis, after reservation			**$ 6,019,850**	

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, 2024
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Federal	$ —	$ 1,400,895	$ 12,121,728	$ 10,720,833
Earmarked	6,437,062	5,903,610	6,363,661	460,051
Restricted	4,771,836	5,778,759	7,047,705	1,268,946
Total revenues	**11,208,898**	**13,083,264**	**25,533,094**	**12,449,830**
Expenditures:				
Legislative	2,968	10,702	9,450	1,252
Judicial	22,958	23,969	11,157	12,812
Executive and administrative	813,509	1,051,411	672,585	378,826
Educational	10,087,502	10,230,202	8,931,862	1,298,340
Health	10,738,898	11,423,141	10,427,608	995,533
Social rehabilitation services	964,661	1,359,504	1,113,880	245,624
Correctional and public safety	211,465	253,621	177,398	76,223
Conservation, natural resources, and development	345,977	893,035	398,692	494,343
Regulatory	352,098	537,340	312,916	224,424
Transportation	2,868,231	3,339,265	2,895,966	443,299
Total expenditures	**26,408,267**	**29,122,190**	**24,951,514**	**4,170,676**
Excess of revenues over (under) expenditures—budgetary basis	**(15,199,369)**	**(16,038,926)**	**581,580**	**16,620,506**
Fund balance at beginning of year— budgetary basis	**9,615,189**	**9,615,189**	**9,615,189**	**—**
Fund balance at end of year—budgetary basis	**$ (5,584,180)**	**$ (6,423,737)**	**$ 10,196,769**	**$ 16,620,506**

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 2023-24 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 "Budgetary Compliance Report", which may be accessed through the Comptroller General's website at: https://cg.sc.gov/financial-reports/annual-comprehensive-financial-reports-acfrs.

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.

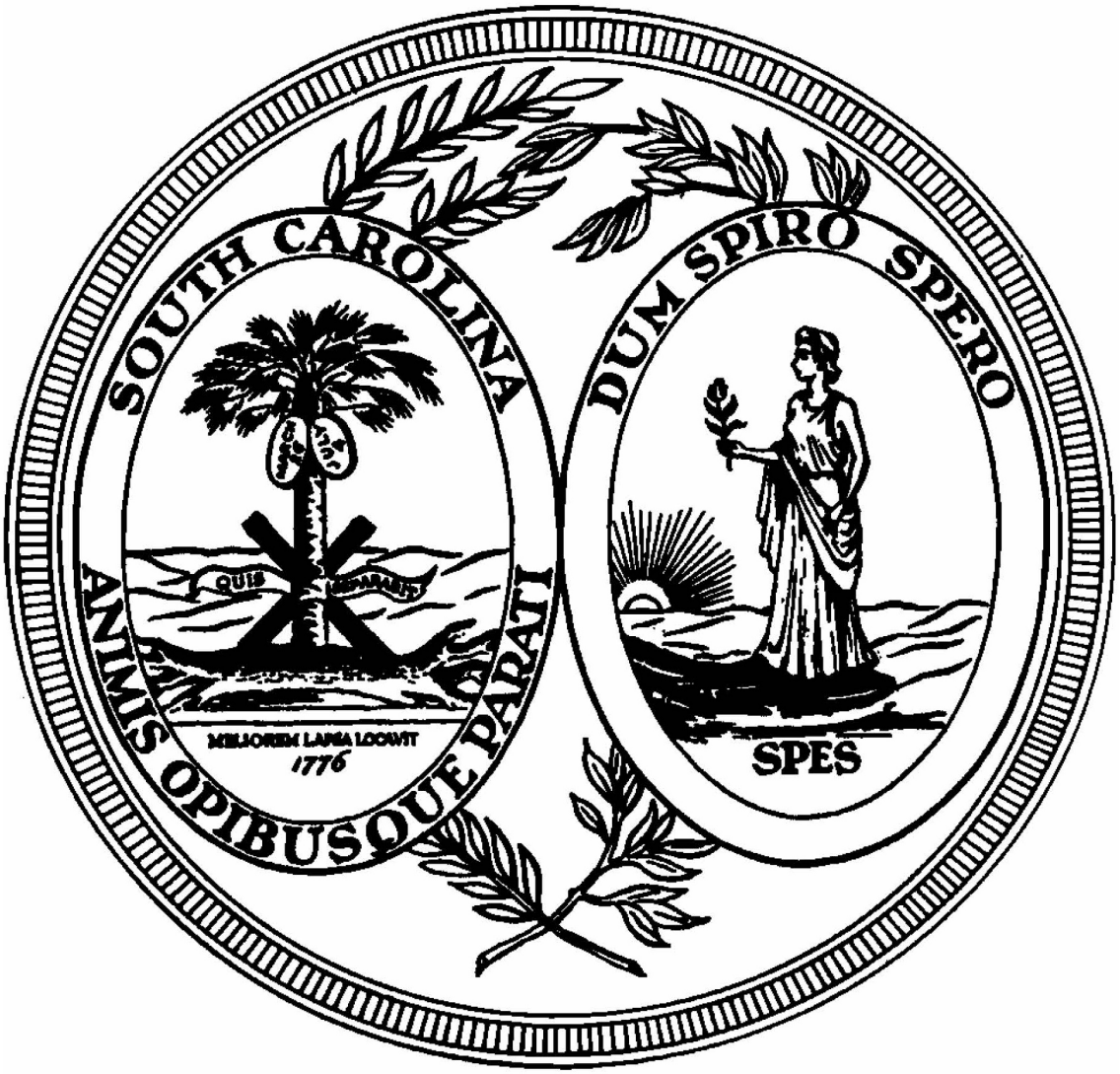
(iv) Certain non-cash activity, such as food stamp benefits, is recorded as revenue and expenditure in the fiscal year in which the resources are distributed to the beneficiaries.

(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, 2024, were as follows (expressed in thousands):

Budgetary funds	**Budgetary General Fund**	**Major Special Revenue Funds**		
GAAP funds	**General Fund**	**Department Program Services**	**Local Government Infrastructure**	**Department of Transportation Special Revenue**
Net increase (decrease) in fund balance—budgetary basis	$ (747,661)	$ —	$ —	$ —
Perspective differences:				
Other Budgeted Funds net increase (decrease) allocated among the State's major governmental GAAP funds	814,066	(384,054)	(272)	—
Basis of accounting differences	(1,695,671)	318,370	178,762	42,902
Entity differences	9,889	(1,027)	—	—
Net increase (decrease) in fund balance—GAAP basis	**$ (1,619,377)**	**$ (66,711)**	**$ 178,490**	**$ 42,902**


SOUTH CAROLINA
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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, 2024
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina Retirement System

	2024	2023	2022	2021
State's Proportion of the Net Pension Liability	12.15%	12.03%	12.47%	12.54%
State's Proportionate Share of the Net Pension Liability	$ 2,936,979	$ 2,917,526	$ 2,699,303	$ 3,203,359
State Covered Payroll	$ 1,198,730	$ 1,183,193	$ 1,173,557	$ 1,101,602
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	245.01%	246.58%	230.01%	290.79%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.60%	57.10%	60.70%	50.70%

PORS - South Carolina Police Officers Retirement System

State's Proportion of the Net Pension Liability	26.57%	25.34%	26.57%	27.46%
State's Proportionate Share of the Net Pension Liability	$ 808,834	$ 759,998	$ 683,623	$ 910,737
State Covered Payroll	$ 363,341	$ 354,014	$ 379,401	$ 370,843
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	222.61%	214.68%	180.18%	245.59%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.80%	66.40%	70.40%	58.80%

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.

The ten-year schedule of annual money-weighted rate of returns for pension plan investments can be found on page 105.

2020	2019	2018	2017	2016	2015
12.75%	12.96%	13.05%	12.94%	12.87%	12.70%
$ 2,910,713	$ 2,905,027	$ 2,938,212	$ 2,763,455	$ 2,441,249	$ 2,185,979
$ 1,101,602	$ 1,079,349	$ 1,021,083	$ 954,763	$ 973,471	$ 958,913
264.23%	269.15%	287.75%	289.44%	250.78%	227.96%
54.40%	54.10%	53.30%	52.91%	56.99%	59.92%
28.24%	29.17%	28.97%	28.88%	30.05%	30.37%
$ 809,373	$ 826,613	$ 793,572	$ 732,637	$ 654,937	$ 581,343
$ 364,884	$ 337,092	$ 328,193	$ 316,491	$ 337,916	$ 338,025
221.82%	245.22%	241.80%	231.49%	193.82%	171.98%
62.70%	61.70%	60.90%	60.44%	64.57%	67.55%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRS and PORS Contributions
For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina Retirement System

	2024	2023	2022	2021
Contractually Required Contribution	$ 317,283	$ 259,762	$ 227,385	$ 209,454
Contributions in Relation to the Contractually Required Contribution	(317,283)	(259,762)	(227,385)	(209,454)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 1,299,705	$ 1,198,730	$ 1,183,193	$ 1,173,557
Contributions as a Percentage of Covered Payroll	24.41%	21.67%	19.22%	17.85%

PORS - South Carolina Police Officers Retirement System

Contractually Required Contribution	$ 114,060	$ 90,439	$ 73,378	$ 69,088
Contributions in Relation to the Contractually Required Contribution	(114,060)	(90,439)	(73,378)	(69,088)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 436,018	$ 363,341	$ 354,014	$ 379,401
Contributions as a Percentage of Covered Payroll	26.16%	24.89%	20.73%	18.21%

2020	2019	2018	2017	2016	2015
$ 186,054	$ 186,054	$ 168,903	$ 152,191	$ 131,856	$ 130,062
(186,054)	(186,054)	(168,903)	(152,191)	(131,856)	(130,062)
$ —	$ —	$ —	$ —	$ —	$ —
$ 1,101,602	$ 1,101,602	$ 1,079,349	$ 1,021,083	$ 954,763	$ 973,471
16.89%	16.89%	15.65%	14.90%	13.81%	13.36%
$ 71,887	$ 66,834	$ 61,790	$ 55,534	$ 50,546	$ 49,915
(71,887)	(66,834)	(61,790)	(55,534)	(50,546)	(49,915)
$ —	$ —	$ —	$ —	$ —	$ —
$ 370,843	$ 364,884	$ 337,092	$ 328,193	$ 316,491	$ 337,916
19.38%	18.32%	18.33%	16.92%	15.97%	14.77%

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

	2024	2023	2022	2021
Contractually Required Contribution	$ 6,286	$ 6,308	$ 6,279	$ 5,956
Contributions in Relation to the Contractually Required Contribution	(6,286)	(6,308)	(6,279)	(5,956)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
Covered Payroll	$ 1,000	$ 1,204	$ 1,249	$ 1,570
Contributions as a Percentage of Covered Payroll	628.60%	523.92%	502.72%	379.36%

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.

2020	2019	2018	2017	2016	2015
$ 5,804	$ 5,804	$ 5,428	$ 4,539	$ 4,501	$ 4,275
(6,329)	$ (5,804)	(5,428)	(4,539)	(4,501)	(4,275)
$ (525)	$ —	$ —	$ —	$ —	$ —
$ 1,866	$ 1,866	$ 1,961	$ 2,316	$ 2,338	$ 2,383
311.04%	311.04%	276.80%	195.98%	192.51%	179.40%

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

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	$ 263	$ 275	$ 364	$ 358
Interest	4,698	4,815	4,937	5,003
Difference Between Actual and Expected Experience	(289)	(420)	379	60
Assumption Changes	—	—	1,386	—
Benefit Payments	(6,328)	(6,348)	(6,315)	(6,348)
Net Change in Total Pension Liability	(1,656)	(1,678)	751	(927)
Total Pension Liability - Beginning	70,147	71,825	71,074	72,001
Total Pension Liability - Ending (a)	$ 68,491	$ 70,147	$ 71,825	$ 71,074
Plan Fiduciary Net Position				
Contributions - Employer	$ 6,308	$ 6,279	$ 5,956	$ 6,329
Contributions - Member	155	164	184	222
Refunds of Contributions to Members	—	—	(77)	—
Retirement Benefits	(6,313)	(6,332)	(6,222)	(6,323)
Death Benefits	(15)	(16)	(16)	(25)
Net Investment Income (Loss)	3,106	(1,045)	9,444	(443)
Administrative Expense	(22)	(23)	(23)	(18)
Other	(135)	(206)	(45)	—
Net Change in Plan Fiduciary Net Position	3,084	(1,179)	9,201	(258)
Plan Fiduciary Net Position - Beginning	42,476	43,655	34,454	34,712
Plan Fiduciary Net Position - Ending (b)	$ 45,560	$ 42,476	$ 43,655	$ 34,454
Net Pension Liability - Ending (a) - (b)	$ 22,931	$ 27,671	$ 28,170	$ 36,620
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.52%	60.55%	60.78%	48.48%
Covered Payroll	$ 1,204	$ 1,249	$ 1,570	$ 1,866
Net Pension Liability as a Percentage of Covered Payroll	1904.57%	2215.45%	1794.27%	1962.49%

2020	2019	2018	2017	2016	2015
$ 440	$ 464	$ 488	$ 493	$ 553	$ 572.00
5,149	5,200	5,293	5,301	5,380	5,437
(1,135)	138	(348)	798	(294)	(2,585)
—	—	2,330	—	—	—
(6,515)	(6,468)	(6,737)	(6,656)	(6,660)	(6,861)
(2,061)	(666)	1,026	(64)	(1,021)	(3,437)
74,062	74,728	73,702	73,766	74,787	78,224
$ 72,001	$ 74,062	$ 74,728	$ 73,702	$ 73,766	$ 74,787
$ 5,804	$ 5,428	$ 4,539	$ 4,501	$ 4,275	$ 4,063
162	287	468	292	369	384
(17)	—	—	(22)	—	(41)
(6,480)	(6,452)	(6,678)	(6,625)	(6,639)	(6,799)
(18)	(16)	(59)	(9)	(21)	(20)
1,887	2,376	3,329	(266)	500	4,545
(20)	(18)	(17)	(18)	(18)	(17)
—	—	19	(147)	(18)	15
1,318	1,605	1,601	(2,294)	(1,552)	2,130
33,394	31,789	30,188	32,482	34,034	31,904
$ 34,712	$ 33,394	$ 31,789	$ 30,188	$ 32,482	$ 34,034
$ 37,289	$ 40,668	$ 42,939	$ 43,514	$ 41,284	$ 40,753
48.21%	45.09%	42.54%	40.96%	44.03%	45.51%
$ 1,866	$ 1,961	$ 2,316	$ 2,338	$ 2,383	$ —
1998.34%	2073.84%	1854.02%	1861.16%	1732.44%	—%

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

	2024	2023	2022	2021
Contractually Required Contribution	$ 24,180	$ 23,064	$ 22,477	$ 22,000
Contributions in Relation to the Contractually Required Contribution	(24,180)	(23,064)	(22,477)	(22,000)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
Covered Payroll	$ 33,639	$ 32,037	$ 31,104	$ 30,346
Contributions as a Percentage of Covered Payroll	71.88%	71.99%	72.26%	72.50%

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.

2020	2019	2018	2017	2016	2015
$ 21,998	$ 11,730	$ 11,043	$ 10,534	$ 10,202	$ 10,109
(21,998)	(11,730)	(11,043)	(10,534)	(10,202)	(10,109)
$ —	$ —	$ —	$ —	$ —	$ —
$ 30,346	$ 22,347	$ 22,347	$ 21,958	$ 21,267	$ 18,138
72.49%	52.49%	49.42%	47.97%	47.97%	55.73%

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

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	$ 9,791	$ 9,515	$ 8,718	$ 8,919
Interest	31,468	30,554	29,199	28,154
Benefit Changes	—	—	—	—
Difference Between Actual and Expected Experience	(9,303)	(249)	4,000	3,262
Assumption Changes	—	—	17,439	—
Benefit Payments	(27,697)	(26,099)	(25,941)	(25,673)
Net Change in Total Pension Liability	4,259	13,721	33,415	14,662
Total Pension Liability - Beginning	458,503	444,782	411,367	396,705
Total Pension Liability - Ending (a)	$ 462,762	$ 458,503	$ 444,782	$ 411,367
Plan Fiduciary Net Position				
Contributions - Employer	$ 20,164	$ 19,577	$ 19,100	$ 19,098
Contributions - Nonemployer	2,900	2,900	2,900	2,900
Contributions - Member	4,236	3,012	3,587	4,966
Refunds of Contributions to Members	—	—	—	(182)
Retirement Benefits	(27,686)	(26,089)	(25,746)	(25,301)
Death Benefits	(11)	(10)	(195)	(190)
Net Investment Income (Loss)	15,272	(5,202)	47,659	(2,361)
Administrative Expense	(110)	(114)	(109)	(86)
Other	191	(83)	237	563
Net Change in Plan Fiduciary Net Position	14,956	(6,009)	47,433	(593)
Plan Fiduciary Net Position - Beginning	206,674	212,683	165,250	165,843
Plan Fiduciary Net Position - Ending (b)	$ 221,630	$ 206,674	$ 212,683	$ 165,250
Net Pension Liability - Ending (a) - (b)	$ 241,132	$ 251,829	$ 232,099	$ 246,117
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.89%	45.08%	47.82%	40.17%
Covered Payroll	$ 32,037	$ 31,104	$ 30,346	$ 30,346
Net Pension Liability as a Percentage of Covered Payroll	752.67%	809.64%	764.84%	811.04%

2020	2019	2018	2017	2016	2015
$ 6,645	$ 6,521	$ 6,186	$ 5,886	$ 5,760	$ 5,571
21,737	21,271	20,404	20,022	19,440	18,857
—	—	—	—	666	—
80,801	(3,548)	(995)	(3,085)	(1,138)	(3,240)
—	—	13,790	—	—	—
(17,950)	(17,811)	(18,602)	(17,191)	(16,836)	(16,684)
91,233	6,433	20,783	5,632	7,892	4,504
305,472	299,039	278,256	272,624	264,732	260,228
$ 396,705	$ 305,472	$ 299,039	$ 278,256	$ 272,624	$ 264,732
$ 11,730	$ 11,043	$ 10,534	$ 10,202	$ 10,109	$ 9,659
—	—	—	—	—	—
2,840	3,016	2,928	2,303	3,153	2,448
—	—	(629)	(60)	—	—
(17,947)	(17,655)	(17,679)	(16,989)	(16,832)	(16,675)
(3)	(156)	(293)	(143)	(4)	(10)
9,183	11,723	16,399	(871)	2,216	19,962
(92)	(86)	(79)	(75)	(71)	(68)
96	—	253	(3)	286	195
5,807	7,885	11,434	(5,636)	(1,143)	15,511
160,036	152,151	140,717	146,353	147,496	131,985
$ 165,843	$ 160,036	$ 152,151	$ 140,717	$ 146,353	$ 147,496
$ 230,862	$ 145,436	$ 146,888	$ 137,539	$ 126,271	$ 117,236
41.81%	52.39%	50.88%	50.57%	53.68%	55.72%
$ 22,347	$ 22,347	$ 21,958	$ 21,267	$ 18,138	$ 20,407
1033.08%	650.81%	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

	2024	2023	2022	2021
Contractually Required Contribution	$ 3,837	$ 3,984	$ 4,405	$ 5,188
Contributions in Relation to the Contractually Required Contribution	(5,290)	(5,290)	(5,290)	(5,290)
Contribution Deficiency/(Excess)	$ (1,453)	$ (1,306)	$ (885)	$ (102)
Covered Payroll	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	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.

2020	2019	2018	2017	2016	2015
$ 5,262	$ 5,290	$ 4,814	$ 4,509	$ 4,570	$ 4,591
(5,290)	(5,290)	(4,814)	(4,591)	(4,591)	(4,591)
$ (28)	$ —	$ —	$ (82)	$ (21)	$ —
N/A	N/A	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

	2024	2023	2022	2021
Total Pension Liability				
Service Cost	$ 782	$ 791	$ 696	$ 805
Interest	4,706	4,654	4,754	4,731
Difference Between Actual and Expected Experience	(392)	(59)	(960)	(627)
Assumption Changes	—	—	971	—
Benefit Payments	(4,669)	(4,607)	(4,574)	(4,514)
Net Change in Total Pension Liability	427	779	887	395
Total Pension Liability - Beginning	69,167	68,388	67,501	67,106
Total Pension Liability - Ending (a)	$ 69,594	$ 69,167	$ 68,388	$ 67,501
Plan Fiduciary Net Position				
Contributions - Employer	$ 5,290	$ 5,290	$ 5,290	$ 5,290
Retirement Benefits	(4,669)	(4,607)	(4,574)	(4,514)
Net Investment Income (Loss)	2,776	(878)	7,996	(352)
Administrative Expense	(21)	(22)	(20)	(15)
Net Change in Plan Fiduciary Net Position	3,376	(217)	8,692	409
Plan Fiduciary Net Position - Beginning	39,567	39,784	31,092	30,683
Plan Fiduciary Net Position - Ending (b)	$ 42,943	$ 39,567	$ 39,784	$ 31,092
Net Pension Liability - Ending (a) - (b)	$ 26,651	$ 29,600	$ 28,604	$ 36,409
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.71%	57.21%	58.17%	46.06%
Covered Payroll	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

2020	2019	2018	2017	2016	2015
$ 786	$ 804	$ 696	$ 689	$ 690	$ 697
4,764	4,743	4,589	4,594	4,481	4,417
(1,501)	(767)	(843)	(992)	612	(262)
—	—	4,161	—	—	—
(4,534)	(4,411)	(4,426)	(4,310)	(4,249)	(4,248)
(485)	369	4,177	(19)	1,534	604
67,591	67,222	63,045	63,064	61,530	60,926
$ 67,106	$ 67,591	$ 67,222	$ 63,045	$ 63,064	$ 61,530
$ 5,290	$ 4,814	$ 4,591	$ 4,591	$ 4,591	$ 4,586
(4,534)	(4,411)	(4,425)	(4,310)	(4,249)	(4,248)
1,616	1,902	2,533	(121)	313	2,806
(16)	(14)	(13)	(12)	(11)	(10)
2,356	2,291	2,686	148	644	3,134
28,327	26,036	23,350	23,202	22,558	19,424
$ 30,683	$ 28,327	$ 26,036	$ 23,350	$ 23,202	$ 22,558
$ 36,423	$ 39,264	$ 41,186	$ 39,695	$ 39,862	$ 38,972
45.72%	41.91%	38.73%	37.04%	36.79%	36.66%
N/A	N/A	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 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

	2024	2023	2022	2021
State's Proportion of the Net OPEB Liability	19.68%	19.28%	20.07%	20.31%
State's Proportionate Share of the Net OPEB Liability	$ 2,576,094	$ 2,932,247	$ 4,178,384	$ 3,665,881
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.24%	9.64%	7.48%	8.39%
State Covered Payroll	$ 2,103,956	$ 1,902,583	$ 1,919,893	$ 1,830,287
Net Pension Liability as a Percentage of Covered Payroll	122.44%	154.12%	217.64%	200.29%

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

The ten-year schedule of annual money-weighted rate of returns for pension plan investments can be found on page 107.

2020	2019	2018	2017
20.73%	20.92%	20.95%	20.95%
$ 3,134,761	$ 2,964,579	$ 2,837,273	$ 3,030,783
8.44%	7.91%	7.60%	6.62%
$ 1,804,721	$ 1,767,564	$ 1,704,840	N/A
173.70%	167.72%	166.42%	N/A

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

	2024	2023	2022	2021
Contractually Required Contribution	$ 135,456	$ 121,009	$ 112,594	$ 118,591
Contributions in Relation to the Contractually Required Contribution	(135,456)	(121,009)	(112,594)	(118,591)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —
State Covered Payroll	$ 2,307,440	$ 2,103,956	$ 1,902,583	$ 1,919,893
Contributions as a Percentage of Covered Payroll	5.87%	5.75%	5.92%	6.18%

2020	2019	2018	2017	2016	2015
$ 146,271	$ 133,157	$ 102,826	$ 166,834	$ 157,065	$ 156,653
(146,271)	(133,157)	(102,826)	(102,887)	(95,903)	(119,745)
$ —	$ —	$ —	$ 63,947	$ 61,162	$ 36,908
$ 1,830,287	$ 1,804,721	$ 1,767,564	$ 1,704,840	N/A	N/A
7.99%	7.38%	5.82%	9.79 %	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

	2024	2023	2022	2021
State's Proportion of the Net OPEB Liability	16.55%	16.71%	17.68%	17.91%
State's Proportionate Share of the Net OPEB Liability	$ 2,534	$ 1,939	$ 562	$ 54
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	68.01%	75.04%	92.84%	99.29%

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

2020	2019	2018	2017	2016	2015
18.55%	21.98%	21.71%	21.98%	—%	—%
$ 365	$ 673	$ 394	$ 151	$ —	$ —
95.17%	92.20%	95.29%	95.29%	—%	—%

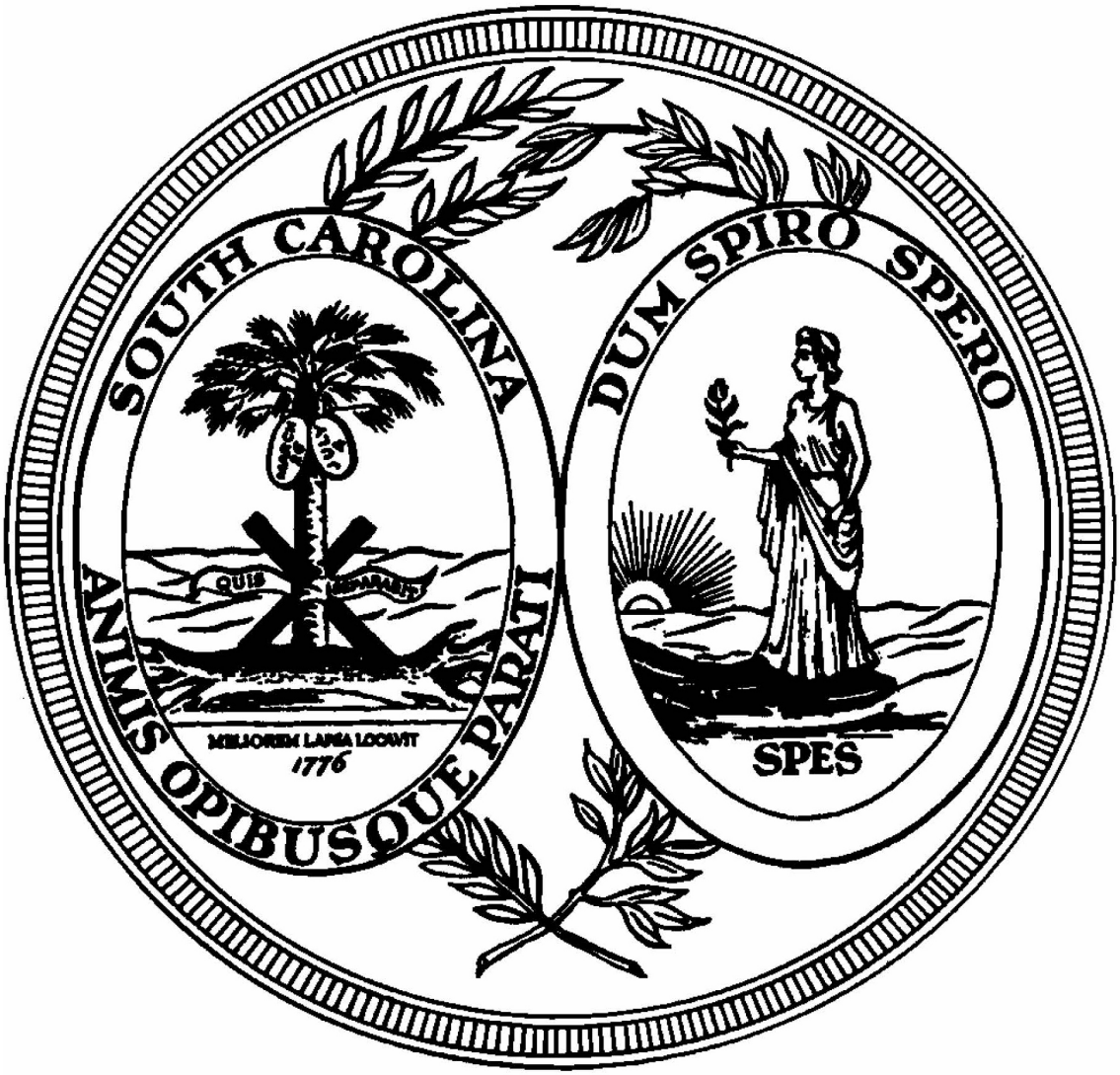
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's LTDITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2024	2023	2022	2021
Contractually Required Contribution	$ 1,303	$ 1,276	$ 1,339	$ 1,357
Contributions in Relation to the Contractually Required Contribution	(1,303)	(1,276)	(1,339)	(1,357)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —

2020	2019	2018	2017	2016	2015
$ 1,402	$ 1,656	$ 1,976	$ 2,918	$ 2,845	$ 2,256
(1,402)	(1,656)	(1,658)	(1,669)	(1,547)	(1,520)
$ —	$ —	$ 318	$ 1,249	$ 1,298	$ 736


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 two 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 donor-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.

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, 2024

(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	Accommodations and Local Option Sales Tax	Education Lottery	Tobacco Settlement Revenue Management Authority	State Tobacco Settlement	Public Telecommuni-cations
ASSETS						
Cash and cash equivalents	$ 29,520	$ 69,305	$ 84,317	$ 5,079	$ 24,071	$ 3,716
Investments	208,735	96,513	285,642	—	182,641	8,409
Invested securities lending collateral	16,209	9,031	26,727	—	17,091	787
Receivables, net:						
Accounts	—	—	—	—	—	—
Accrued interest	1,984	977	5,288	—	2,367	124
Sales and other taxes	1,160	192,790	—	—	—	1,009
Loans and notes	3,443	—	—	—	—	—
Due from Federal government and other grantors	—	—	—	—	—	—
Due from other funds	—	—	—	—	—	—
Due from component units	—	—	18,600	—	—	—
Restricted assets:						
Other	—	—	—	34,000	—	—
Prepaid items	—	—	336	—	—	—
Total assets	**$ 261,051**	**$ 368,616**	**$ 420,910**	**$ 39,079**	**$ 226,170**	**$ 14,045**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 2,583	$ —	$ 2,369	$ 13	$ —	$ 12
Accrued salaries and related expenditures	322	—	55	—	—	18
Retainages payable	—	—	—	—	—	—
Tax refunds payable	4	—	—	—	—	—
Intergovernmental payables	—	115,621	—	—	—	—
Due to other funds	146	—	20	—	—	8
Due to fiduciary funds	—	—	—	—	—	—
Due to component units	—	—	2,647	—	—	—
Unearned revenues	—	—	—	—	—	—
Securities lending collateral	16,209	9,031	26,727	—	17,091	787
Total liabilities	**19,264**	**124,652**	**31,818**	**13**	**17,091**	**825**
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	—	—	—	—	—	165
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**	**165**
Fund balances:						
Nonspendable	—	—	336	—	—	—
Restricted	231,839	243,964	388,756	39,066	209,079	13,055
Committed	9,948	—	—	—	—	—
Assigned	—	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total fund balances	**241,787**	**243,964**	**389,092**	**39,066**	**209,079**	**13,055**
Total liabilities and fund balances	**$ 261,051**	**$ 368,616**	**$ 420,910**	**$ 39,079**	**$ 226,170**	**$ 14,045**

Exhibit D-1

					PERMANENT			
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
$ 10,251	$ 358,551	$ 584,810	$ 492,329	$ 81	$ 588	$ 669	$ 1,077,808
—	74,313	856,253	88,360	953	9,355	10,308	954,921
1,927	6,725	78,497	8,217	36	175	211	86,925
—	79	79	—	—	—	—	79
—	998	11,738	908	13	111	124	12,770
—	11	194,970	—	—	—	—	194,970
—	—	3,443	—	—	—	—	3,443
—	—	—	2,363	—	—	—	2,363
—	67,336	67,336	—	—	—	—	67,336
—	—	18,600	5,770	—	—	—	24,370
—	—	34,000	—	—	—	—	34,000
—	9,124	9,460	—	—	—	—	9,460
$ 12,178	**$ 517,137**	**$ 1,859,186**	**$ 597,947**	**$ 1,083**	**$ 10,229**	**$ 11,312**	**$ 2,468,445**
$ 1,589	$ 27,103	$ 33,669	$ 9,389	$ —	$ —	$ —	$ 43,058
—	279	674	—	—	8	8	682
—	—	—	3,043	—	—	—	3,043
—	—	4	—	—	—	—	4
—	251,584	367,205	—	—	—	—	367,205
—	20,222	20,396	—	—	4	4	20,400
—	38,542	38,542	—	—	—	—	38,542
—	10,221	12,868	4,662	—	—	—	17,530
—	—	—	183,172	—	—	—	183,172
1,927	6,725	78,497	8,217	36	175	211	86,925
3,516	**354,676**	**551,855**	**208,483**	**36**	**187**	**223**	**760,561**
—	—	165	—	—	—	—	165
—	**—**	**165**	**—**	**—**	**—**	**—**	**165**
—	9,124	9,460	—	582	9,934	10,516	19,976
7,378	72,038	1,205,175	11,596	465	108	573	1,217,344
—	37,785	47,733	—	—	—	—	47,733
1,284	43,514	44,798	377,868	—	—	—	422,666
—	—	—	—	—	—	—	—
8,662	**162,461**	**1,307,166**	**389,464**	**1,047**	**10,042**	**11,089**	**1,707,719**
$ 12,178	**$ 517,137**	**$ 1,859,186**	**$ 597,947**	**$ 1,083**	**$ 10,229**	**$ 11,312**	**$ 2,468,445**

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	**Accommodations and Local Option Sales Tax**	**Education Lottery**	**Tobacco Settlement Revenue Management Authority**	**State Tobacco Settlement**	**Public Telecommu-nications**
Revenues:						
Taxes:						
Retail sales and use	$ 566	$ 1,671,644	$ —	$ —	$ —	$ —
Other	887	—	—	—	—	—
Licenses, fees, and permits	10,169	—	—	—	—	43,982
Interest and other investment income	11,756	5,304	18,923	65	8,233	485
Federal	992	—	—	—	—	—
Departmental services	118	—	—	—	—	—
Contributions	—	—	592,041	—	—	—
Fines and penalties	144	—	—	—	—	—
Tobacco legal settlement	—	—	—	67,953	—	—
Opioid legal settlement	—	—	—	—	—	—
Other	1,481	—	77	—	10	591
Total revenues	**26,113**	**1,676,948**	**611,041**	**68,018**	**8,243**	**45,058**
Expenditures:						
Current:						
General government	52,181	—	12,571	2,072	40,065	44,289
Education	—	—	599,899	—	—	—
Health and environment	9,762	—	(6)	—	113,878	—
Social services	—	—	—	—	—	—
Administration of justice	—	—	—	—	—	—
Resources and economic development	—	—	—	—	—	—
Capital outlay	182	—	11,609	—	—	39
Debt service:						
Principal retirement	—	—	980	—	—	27
Interest and fiscal charges	—	—	5	—	—	—
Intergovernmental	5,559	1,648,453	25,056	—	—	—
Total expenditures	**67,684**	**1,648,453**	**650,114**	**2,072**	**153,943**	**44,355**
Excess of revenues over (under) expenditures	**(41,571)**	**28,495**	**(39,073)**	**65,946**	**(145,700)**	**703**
Other financing sources (uses):						
Leases	—	—	1,563	—	—	39
Transfers in	62,438	—	119,961	—	240,753	—
Transfers out	(5,330)	—	(31,000)	(68,490)	(98,386)	—
Total other financing sources (uses)	**57,108**	**—**	**90,524**	**(68,490)**	**142,367**	**39**
Net change in fund balances	**15,537**	**28,495**	**51,451**	**(2,544)**	**(3,333)**	**742**
Fund balances at beginning of year	**195,618**	**215,469**	**337,641**	**41,610**	**212,412**	**12,313**
Restatements	**30,632**	**—**	**—**	**—**	**—**	**—**
Fund balances at beginning of year, as restated	**226,250**	**215,469**	**337,641**	**41,610**	**212,412**	**12,313**
Fund balances at end of year	**$ 241,787**	**$ 243,964**	**$ 389,092**	**$ 39,066**	**$ 209,079**	**$ 13,055**

Exhibit D-2

				PERMANENT				
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ —	$ —	$ 1,672,210	$ —	$ —	$ —	$ —	$ —	$ 1,672,210
—	5,055	5,942	—	—	—	—	—	5,942
—	18,126	72,277	—	—	—	849	849	73,126
1,221	4,896	50,883	535	41	—	248	289	51,707
—	—	992	21,920	—	—	—	—	22,912
—	39,319	39,437	3,955	—	—	—	—	43,392
—	135	592,176	—	—	—	—	—	592,176
—	6,682	6,826	—	—	—	—	—	6,826
—	—	67,953	—	—	—	—	—	67,953
4,399	—	4,399	—	—	—	—	—	4,399
—	196	2,355	11,934	—	—	—	—	14,289
5,620	**74,409**	**2,515,450**	**38,344**	**41**	**—**	**1,097**	**1,138**	**2,554,932**
—	14,421	165,599	—	—	—	—	—	165,599
—	7,553	607,452	—	—	—	—	—	607,452
7,709	122	131,465	—	7	—	—	7	131,472
—	165	165	—	—	—	—	—	165
—	3,939	3,939	—	—	—	—	—	3,939
—	350	350	—	—	—	151	151	501
—	617	12,447	335,012	—	—	—	—	347,459
—	37	1,044	—	—	—	—	—	1,044
—	6	11	1,509	—	—	—	—	1,520
—	40,802	1,719,870	34,871	—	—	—	—	1,754,741
7,709	**68,012**	**2,642,342**	**371,392**	**7**	**—**	**151**	**158**	**3,013,892**
(2,089)	**6,397**	**(126,892)**	**(333,048)**	**34**	**—**	**946**	**980**	**(458,960)**
—	—	1,602	—	—	—	—	—	1,602
—	11,694	434,846	853,121	—	—	751	751	1,288,718
—	(16,392)	(219,598)	(121,706)	—	—	(764)	(764)	(342,068)
—	**(4,698)**	**216,850**	**731,415**	**—**	**—**	**(13)**	**(13)**	**948,252**
(2,089)	**1,699**	**89,958**	**398,367**	**34**	**—**	**933**	**967**	**489,292**
10,751	**143,289**	**1,169,103**	**(8,903)**	**890**	**17,195**	**9,109**	**27,194**	**1,187,394**
—	**17,473**	**48,105**	**—**	**123**	**(17,195)**	**—**	**(17,072)**	**31,033**
10,751	**160,762**	**1,217,208**	**(8,903)**	**1,013**	**—**	**9,109**	**10,122**	**1,218,427**
$ 8,662	**$ 162,461**	**$ 1,307,166**	**$ 389,464**	**$ 1,047**	**$ —**	**$ 10,042**	**$ 11,089**	**$ 1,707,719**

General Reserve Fund Activity

Exhibit D-3

BUDGETARY GENERAL FUND

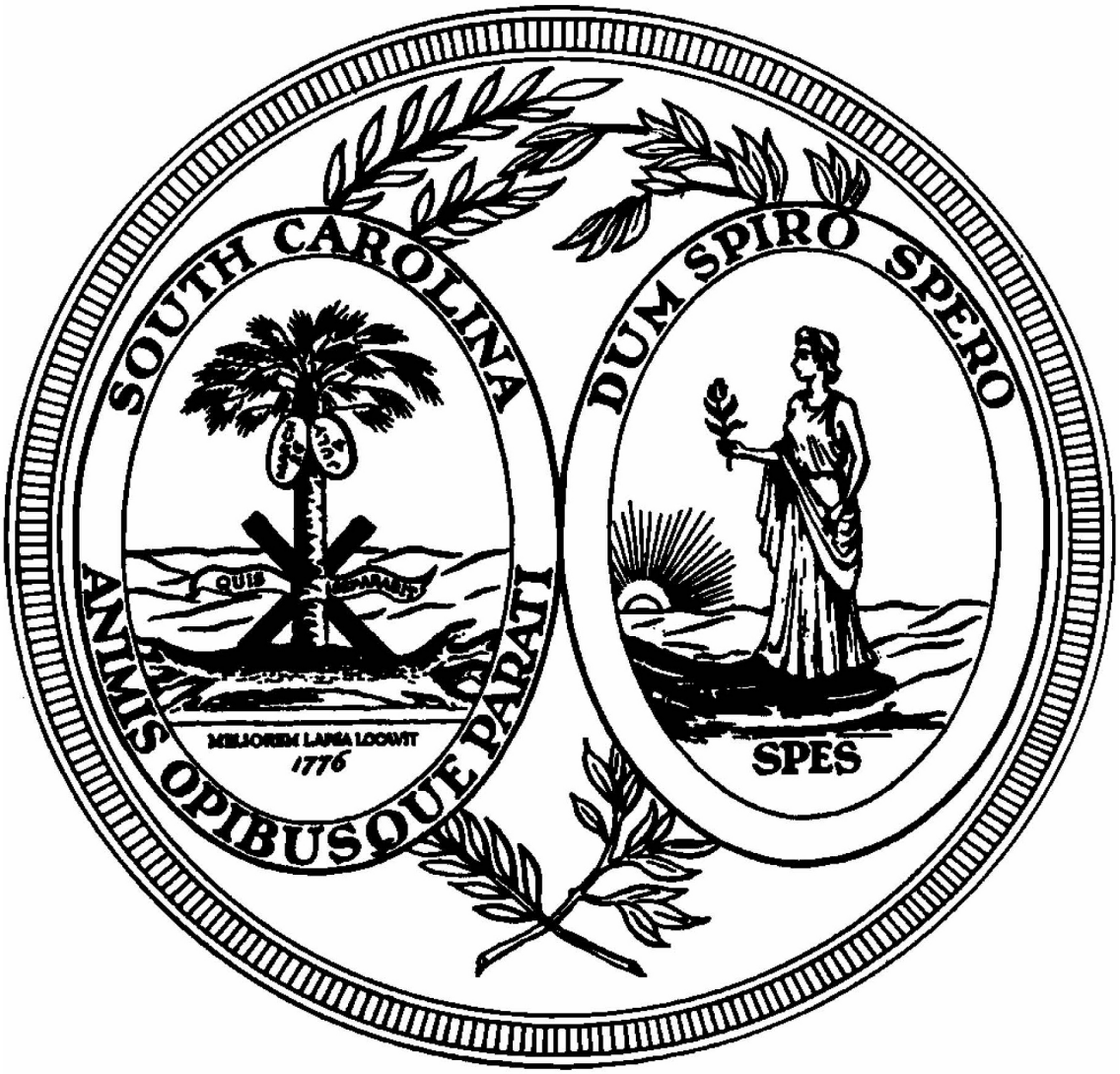
Last Ten Fiscal Years

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
2024	$ 575,285	$ 139,957	$ —	$ 715,242	$ 715,242	100%
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%


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
MEMORIEM LAUDA LOCAVIT
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, 2024

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
ASSETS			
Current assets:			
Cash and cash equivalents	$ 5,185	$ 1,216	$ 59,472
Investments	—	24,265	—
Invested securities lending collateral	—	—	84
Receivables, net:			
Accounts	18	138	4,439
Participants	—	—	—
Accrued interest	—	—	14
Leases	—	—	—
Due from other funds	—	—	—
Inventories	1,350	—	427
Prepaid items	9	—	407
Total current assets	**6,562**	**25,619**	**64,843**
Long-term assets:			
Receivables, net:			
Accounts	—	—	—
Leases	—	—	—
Restricted assets:			
Cash and cash equivalents	—	—	12
Non-depreciable capital assets	—	—	274,452
Depreciable capital assets, net	461	—	18,936
Total long-term assets	461	—	293,400
Total assets	**$ 7,023**	**$ 25,619**	**$ 358,243**
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	$ 484	$ —	$ 1,019
Other post-employment benefits related	644	—	2,096
Total deferred outflows of resources	**$ 1,128**	**$ —**	**$ 3,115**

Exhibit E-1

Other Enterprise	Totals
$ 21,157	$ 87,030
36	24,301
3	87
49	4,644
—	—
1	15
463	463
429	429
—	1,777
—	416
22,138	119,162
25	25
494	494
—	12
498	274,950
1,372	20,769
2,389	296,250
$ 24,527	**$ 415,412**
$ 2,643	$ 4,146
3,523	6,263
$ 6,166	**$ 10,409**

Continued on Next Page

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2024

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
LIABILITIES			
Current liabilities:			
Accounts payable	$ 1	$ 6	$ 4,463
Accrued salaries and related expenses	139	—	900
Accrued interest payable	—	—	128
Retainages payable	—	—	425
Intergovernmental payables	—	—	—
Interfund payables	—	—	46,000
Tuition benefits payable	—	6,628	—
Due to other funds	74	—	—
Due to fiduciary funds	—	—	—
Unearned revenues	—	—	—
Deposits	—	—	300
Securities lending collateral	—	—	84
Liabilities payable from restricted assets:			
Revenue bonds payable	—	—	235
Compensated absences payable	106	—	297
Other current liabilities	—	—	12
Total current liabilities	320	6,634	52,844
Long-term liabilities:			
Tuition benefits payable	—	13,414	—
Notes payable	—	—	6,500
Revenue bonds payable	—	—	4,110
Compensated absences payable	83	—	12
Net pension liability	2,597	—	10,970
Net OPEB liability	1,788	—	7,391
Total long-term liabilities	4,468	13,414	28,983
Total liabilities	**$ 4,788**	**$ 20,048**	**$ 81,827**
DEFERRED INFLOWS OF RESOURCES			
Pension related	$ 119	$ —	$ 353
Other post-employment benefits related	1,178	—	4,758
Lease related	—	—	—
Total deferred inflows of resources	**$ 1,297**	**$ —**	**$ 5,111**
NET POSITION			
Net investment in capital assets	$ 461	$ —	$ 281,990
Unrestricted	1,605	5,571	(7,570)
Total net position (deficit)	**$ 2,066**	**$ 5,571**	**$ 274,420**

Exhibit E-1

Other Enterprise	Totals
$ 535	5,005
838	1,877
—	128
—	425
—	—
—	46,000
—	6,628
478	552
14	14
—	—
—	300
3	87
—	235
693	1,096
—	12
2,561	62,359
—	13,414
—	6,500
—	4,110
539	634
14,166	27,733
9,754	18,933
24,459	71,324
$ 27,020	**$ 133,683**
$ 643	$ 1,115
6,429	12,365
949	949
$ 8,021	**$ 14,429**
$ 1,870	284,321
(6,218)	(6,612)
$ (4,348)	**$ 277,709**

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2024
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
Operating revenues:			
Charges for services	$ 23,881	$ —	$ 21,494
Contributions	—	2	—
Licenses, fees, and permits	—	—	—
Other operating revenues	—	—	39
Total operating revenues	**23,881**	**2**	**21,533**
Operating expenses:			
General operations and administration	20,061	330	13,949
Tuition plan disbursements	—	6,763	—
Depreciation and amortization	118	—	1,505
Other operating expenses	—	—	—
Total operating expenses	**20,179**	**7,093**	**15,454**
Operating income (loss)	**3,702**	**(7,091)**	**6,079**
Nonoperating revenues (expenses):			
Interest income	—	8,001	2,673
Interest expense	—	—	(301)
Net other nonoperating revenues (expenses)	—	—	1,015
Gains (losses) on sale of capital assets	—	—	(82,929)
Total nonoperating revenues	**—**	**8,001**	**(79,542)**
Income (loss) before transfers	**3,702**	**910**	**(73,463)**
Transfers and contributions:			
Federal capital grants and contracts	—	—	2,642
Capital contributions	—	—	5,729
Transfers in	129	—	—
Transfers out	(1,115)	—	—
Change in net position	**2,716**	**910**	**(65,092)**
Net position (deficit), at beginning of year	**(650)**	**4,661**	**339,512**
Net position (deficit) at end of year	**$ 2,066**	**$ 5,571**	**$ 274,420**

Exhibit E-2

Other Enterprise	Totals
$ 2,224	$ 47,599
—	2
20,134	20,134
—	39
22,358	**67,774**
13,455	47,795
—	6,763
277	1,900
108	108
13,840	**56,566**
8,518	**11,208**
20	10,694
—	(301)
20	1,035
—	(82,929)
40	**(71,501)**
8,558	**(60,293)**
—	2,642
—	5,729
12,651	12,780
(16,587)	(17,702)
4,622	**(56,844)**
(8,970)	**334,553**
$ (4,348)	**$ 277,709**

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers	$ 23,880	$ —	$ 23,485	$ 21,864
Tuition plan contributions received	—	8	—	—
Claims and benefits paid	—	(13,363)	—	—
Payments to suppliers for goods and services	(18,267)	(332)	(5,864)	(6,042)
Payments to employees	(1,854)	—	(6,414)	(14,678)
Capital grants and gifts received	—	—	2,642	—
Other operating cash receipts	—	—	—	11
Other operating cash payments	—	—	—	—
Net cash provided by (used in) operating activities	**3,759**	**(13,687)**	**13,849**	**1,155**
Cash flows from noncapital financing activities:				
Rental income cash receipts	—	—	1,511	—
Industrial development costs	—	—	(456)	—
Transfers in	129	—	—	12,651
Transfers out	(1,115)	—	—	(16,587)
Net cash provided by (used in) noncapital financing activities	**(986)**	**—**	**1,055**	**(3,936)**
Cash flows from capital and related financing activities:				
Capital appropriations	—	—	5,729	—
Acquisition of capital assets	(289)	—	(18,958)	(244)
Proceeds from capital grants	—	—	—	—
Principal payments on capital debt	—	—	(5,225)	—
Interest payments on capital debt	—	—	(288)	—
Proceeds from sale or disposal of capital assets	—	—	—	12
Net cash provided by (used in) capital and related financing activities	**(289)**	**—**	**(18,742)**	**(232)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	—	6,745	—	—
Purchase of investments	—	—	—	—
Interest and dividends on investments	—	8,001	2,671	15
Net cash provided by (used in) investing activities	**—**	**14,746**	**2,671**	**15**
Net increase (decrease) in cash and cash equivalents	**2,484**	**1,059**	**(1,167)**	**(2,998)**
Cash and cash equivalents at beginning of year	**2,701**	**157**	**60,651**	**24,155**
Cash and cash equivalents at end of year	**$ 5,185**	**$ 1,216**	**$ 59,484**	**$ 21,157**

Exhibit E-3

	Totals
$	69,229
	8
	(13,363)
	(30,505)
	(22,946)
	2,642
	11
	—
	5,076
	1,511
	(456)
	12,780
	(17,702)
	(3,867)
	5,729
	(19,491)
	—
	(5,225)
	(288)
	12
	(19,263)
	6,745
	—
	10,687
	17,432
	(622)
	87,664
$	**87,042**

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2024

(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)	$ 3,702	$ (7,091)	$ 6,079	$ 8,518
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	118	—	1,505	277
Realized gains and losses on sale of assets	—	—	—	—
Interest and dividends on investments and interfund loans	—	—	—	—
Other nonoperating revenues	—	—	7,817	11
Effect of change in operating assets and liabilities:				
Accounts receivable, net	(2)	5	1,927	(66)
Due from other funds	—	—	(2)	(428)
Inventories	45	—	51	—
Other assets	(9)	—	35	—
Deferred outflows	(37)	—	444	768
Accounts payable	(40)	(1)	2,031	(276)
Accrued salaries and related expenses	14	—	(31)	(147)
Tuition benefits payable	—	(6,600)	—	—
Due to other funds	11	—	(5,000)	(1,977)
Unearned revenues	—	—	(266)	—
Compensated absences payable	27	—	14	(120)
Other liabilities	(158)	—	(789)	(4,817)
Deferred inflows	88	—	34	(588)
Net cash provided by (used in) operating activities	**$ 3,759**	**$ (13,687)**	**$ 13,849**	**$ 1,155**
Noncash capital, investing, and financing activities:				
Transfer of capital assets	$ —	$ —	$ (84,089)	$ —
Decrease in fair value of investments	—	560	—	—
Total noncash capital, investing, and financing activities	**$ —**	**$ 560**	**$ (84,089)**	**$ —**

Exhibit E-3

	Totals
$	11,208
	1,900
	—
	—
	7,828
	1,864
	(430)
	96
	26
	1,175
	1,714
	(164)
	(6,600)
	(6,966)
	(266)
	(79)
	(5,764)
	(466)
$	**5,076**
$	(84,089)
	560
$	**(83,529)**

Combining Statement of Net Position

INTERNAL SERVICE FUNDS

June 30, 2024

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,548	$ 642,476	$ 399,463	$ 26,708
Investments	—	—	—	2,891
Invested securities lending collateral	33,670	36,209	33,046	270
Receivables, net:				
Accounts	35,717	236,114	79,016	203
Accrued interest	3,978	23	5,128	41
Leases	—	—	—	—
Due from other funds	24,819	—	—	483
Due from component units	20,095	193	—	105
Inventories	—	—	—	1,404
Prepaid items	39,049	355	69	1,569
Total current assets	159,876	915,370	516,722	33,674
Long-term assets:				
Investments	589,541	—	—	—
Accounts receivable, net	—	—	—	—
Leases receivable	—	—	—	—
Prepaid items	—	—	—	1,899
Other long-term assets	—	—	104	—
Non-depreciable capital assets	—	—	4,978	6,339
Depreciable capital assets, net	—	83	2,280	54,418
Total long-term assets	589,541	83	7,362	62,656
Total assets	**$ 749,417**	**$ 915,453**	**$ 524,084**	**$ 96,330**
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	$ 610	$ 3,049	$ 905	$ 3,837
Other post-employment benefits related	910	2,739	1,996	5,114
Total deferred outflows of resources	**$ 1,520**	**$ 5,788**	**$ 2,901**	**$ 8,951**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 13,113	$ 3,715	$ 8,949	$ 1,096,972
—	—	3,281	6,172
—	—	307	103,502
991	604	45	352,690
—	—	35	9,205
—	—	9	9
479	—	1,760	27,541
127	—	—	20,520
—	4,151	—	5,555
—	—	—	41,042
14,710	8,470	14,386	1,663,208
—	—	—	589,541
—	6	—	6
—	—	10	10
—	—	—	1,899
—	—	—	104
—	—	—	11,317
40,863	3,924	941	102,509
40,863	3,930	951	705,386
$ 55,573	**$ 12,400**	**$ 15,337**	**$ 2,368,594**
$ 282	$ 1,003	$ —	$ 9,686
377	1,337	—	12,473
$ 659	**$ 2,340**	**$ —**	**$ 22,159**

Continued on Next Page

Combining Statement of Net Position

INTERNAL SERVICE FUNDS (Continued)

June 30, 2024

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
LIABILITIES				
Current liabilities:				
Accounts payable	$ 49	$ —	$ 164	$ 1,676
Accrued salaries and related expenses	347	998	438	1,283
Accrued interest payable	—	—	—	—
Intergovernmental payables	—	—	—	19
Policy claims	394,317	346,172	43,005	—
Due to other funds	208	—	—	1,030
Due to fiduciary funds	—	—	—	—
Due to component units	—	—	—	—
Unearned revenues	132,383	21,883	77,706	5,263
Deposits	—	—	9	—
Assets held in custody for others	—	—	—	25
Securities lending collateral	33,670	36,209	33,046	270
Notes payable	—	—	—	—
Leases payable	—	—	283	7,123
Compensated absences payable	229	956	217	1,038
Other current liabilities	—	—	1,888	—
Total current liabilities	561,203	406,218	156,756	17,727
Long-term liabilities:				
Retainages payable	—	—	—	—
Policy claims	—	—	251,298	—
Interfund payables	—	—	—	142
Leases payable	—	—	1,893	8,054
Compensated absences payable	51	389	38	685
Other long-term liabilities	—	—	144	—
Net pension liability	4,775	14,215	6,066	20,573
Net OPEB liability	3,254	9,726	4,051	14,165
Total long-term liabilities	8,080	24,330	263,490	43,619
Total liabilities	**$ 569,283**	**$ 430,548**	**$ 420,246**	**$ 61,346**
DEFERRED INFLOWS OF RESOURCES				
Pension related	$ 21	$ 58	$ 436	$ 936
Other post-employment benefits related	1,931	6,102	3,044	9,335
Lease related	—	—	—	—
Total deferred inflows of resources	**$ 1,952**	**$ 6,160**	**$ 3,480**	**$ 10,271**
NET POSITION				
Net investment in capital assets	$ —	$ 83	$ 5,082	$ 45,580
Restricted:				
Expendable:				
Insurance programs	—	484,450	—	—
Unrestricted	179,702	—	98,177	(11,916)
Total net position (deficit)	**$ 179,702**	**$ 484,533**	**$ 103,259**	**$ 33,664**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 59	$ 1	$ 7,442	$ 9,391
99	552	588	4,305
—	—	—	—
—	—	42	61
—	—	—	783,494
46	168	1,088	2,540
—	—	15	15
—	—	238	238
—	—	—	237,235
—	—	—	9
—	—	—	25
—	—	307	103,502
—	—	—	—
—	91	519	8,016
64	233	—	2,737
—	—	—	1,888
268	1,045	10,239	1,153,456
—	—	181	181
—	—	—	251,298
—	—	—	142
—	322	249	10,518
43	154	—	1,360
—	—	—	144
1,519	5,383	—	52,531
1,046	3,706	—	35,948
2,608	9,565	430	352,122
$ 2,876	**$ 10,610**	**$ 10,669**	**$ 1,505,578**
$ 69	$ 245	$ —	$ 1,765
689	2,443	—	23,544
—	—	19	19
$ 758	**$ 2,688**	**$ 19**	**$ 25,328**
$ 40,863	$ 3,511	$ (8)	$ 95,111
—	—	—	484,450
11,735	(2,069)	4,657	280,286
$ 52,598	**$ 1,442**	**$ 4,649**	**$ 859,847**

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Operating revenues:				
Charges for services	$ 209,712	$ 3,360,401	$ 91,021	$ 67,544
Licenses, fees, and permits	—	—	—	236
Other operating revenues	—	807,042	—	—
Total operating revenues	**209,712**	**4,167,443**	**91,021**	**67,780**
Operating expenses:				
General operations and administration	75,671	305,061	6,128	65,675
Benefits and claims	170,127	3,805,836	64,727	—
Depreciation and amortization	—	49	332	15,516
Other operating expenses	—	—	20	193
Total operating expenses	**245,798**	**4,110,946**	**71,207**	**81,384**
Operating income (loss)	**(36,086)**	**56,497**	**19,814**	**(13,604)**
Nonoperating revenues (expenses):				
Interest income	27,054	19,099	19,011	121
Interest expense	—	—	(41)	(497)
Net other nonoperating revenues (expenses)	1	—	28	3,865
Losses on sale of capital assets	—	—	—	(9)
Total nonoperating revenues (expenses)	**27,055**	**19,099**	**18,998**	**3,480**
Income (loss) before transfers	**(9,031)**	**75,596**	**38,812**	**(10,124)**
Transfers and contributions:				
Capital Contributions	—	—	—	306
Transfers in	—	—	—	19,861
Transfers out	(1,583)	—	—	(16,917)
Change in net position	**(10,614)**	**75,596**	**38,812**	**(6,874)**
Net position (deficit), at beginning of year	**190,316**	**408,937**	**64,447**	**40,538**
Net position (deficit) at end of year	**$ 179,702**	**$ 484,533**	**$ 103,259**	**$ 33,664**

Exhibit E-5

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 47,541	$ 13,927	$ 18,540	$ 3,808,686
81	—	—	317
—	—	—	807,042
47,622	**13,927**	**18,540**	**4,616,045**
19,398	12,867	13,856	498,656
—	1,220	—	4,041,910
13,234	566	388	30,085
606	7	163	989
33,238	**14,660**	**14,407**	**4,571,640**
14,384	**(733)**	**4,133**	**44,405**
—	—	119	65,404
—	(3)	(2,787)	(3,328)
8,866	1,524	—	14,284
(177)	—	—	(186)
8,689	**1,521**	**(2,668)**	**76,174**
23,073	**788**	**1,465**	**120,579**
—	—	—	306
2,068	1,417	—	23,346
(15,076)	(740)	(741)	(35,057)
10,065	**1,465**	**724**	**109,174**
42,533	**(23)**	**3,925**	**750,673**
$ 52,598	**$ 1,442**	**$ 4,649**	**$ 859,847**

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Cash flows from operating activities:				
Receipts from customers	$ 94,801	$ 4,143,474	$ 5,557	$ —
Internal activity–payments from other funds	110,879	—	80,833	74,074
Other operating cash receipts	1	—	28	2,028
Claims paid	(130,176)	—	(60,780)	—
Payments to suppliers for goods and services	(73,935)	(4,072,222)	(159)	(51,994)
Payments to employees	(4,043)	(11,726)	(5,475)	(21,744)
Other operating cash payments	—	—	—	(1,311)
Net cash provided by (used in) operating activities	**(2,473)**	**59,526**	**20,004**	**1,053**
Cash flows from noncapital financing activities:				
Receipt of interest from other funds	—	—	—	—
Payment of bond issuance costs for other funds	—	—	—	—
Insurance claims	—	—	—	—
Transfers in	—	—	—	19,861
Transfers out	(1,583)	—	—	(16,917)
Net cash used in noncapital financing activities	**(1,583)**	**—**	**—**	**2,944**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	(66)	(3,925)	(9,478)
Proceeds from issuance of capital debt	—	—	—	2,258
Principal payments on capital debt	—	—	(268)	(938)
Interest payments on capital debt	—	—	(41)	(497)
Proceeds from sale or disposal of capital assets	—	—	—	1,660
Net cash used in capital and related financing activities	**—**	**(66)**	**(4,234)**	**(6,995)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	64,339	—	—	—
Purchase of investments	(90,040)	—	—	(289)
Interest on investments	13,143	19,094	—	111
Realized gain on investments	3,121	—	17,842	—
Net cash provided by (used in) investing activities	**(9,437)**	**19,094**	**17,842**	**(178)**
Net increase (decrease) in cash and cash equivalents	**(13,493)**	**78,554**	**33,612**	**(3,176)**
Cash and cash equivalents at beginning	**16,041**	**563,922**	**365,851**	**29,884**
Cash and cash equivalents at end of year	**$ 2,548**	**$ 642,476**	**$ 399,463**	**$ 26,708**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ —	$ 14,741	$ —	$ 4,258,573
48,708	—	16,745	331,239
20	1,524	—	3,601
—	—	—	(190,956)
(24,920)	(6,071)	4,590	(4,224,711)
(1,581)	(10,388)	(9,024)	(63,981)
—	—	—	(1,311)
22,227	**(194)**	**12,311**	**112,454**
—	—	119	119
—	—	(2,760)	(2,760)
1,842	—	—	1,842
2,068	1,417	—	23,346
(15,076)	(740)	(741)	(35,057)
(11,166)	**677**	**(3,382)**	**(12,510)**
(21,555)	(652)	(412)	(36,088)
—	413	264	2,935
—	(142)	(360)	(1,708)
—	(6)	(28)	(572)
7,181	—	—	8,841
(14,374)	**(387)**	**(536)**	**(26,592)**
—	—	—	64,339
—	—	(1,332)	(91,661)
—	—	—	32,348
—	—	—	20,963
—	—	(1,332)	25,989
(3,313)	**96**	**7,061**	**99,341**
16,426	**3,619**	**1,888**	**997,631**
$ 13,113	**$ 3,715**	**$ 8,949**	**$ 1,096,972**

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2024

(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)	$ (36,086)	$ 56,497	$ 19,814	$ (13,604)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	49	332	15,516
Realized losses on sale of assets	—	—	—	(9)
Other nonoperating revenues	1	—	28	2,028
Other nonoperating expenses	—	—	—	(814)
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	(18,970)	(2,729)	586
Due from other funds	(8,296)	(193)	—	4,929
Inventories	—	—	—	(716)
Other assets	(1,475)	(146)	643	(3,089)
Deferred outflows	349	1,203	740	(239)
Accounts payable	—	—	(130)	(4,605)
Accrued salaries and related expenses	15	83	37	123
Policy claims	39,951	26,720	3,918	—
Due to other funds	208	—	—	277
Unearned revenues	4,056	(4,806)	(1,273)	337
Compensated absences payable	25	87	28	163
Other liabilities	(1,223)	(1,914)	(1,476)	(472)
Deferred inflows	2	916	72	642
Net cash provided by (used in) operating activities	**$ (2,473)**	**$ 59,526**	**$ 20,004**	**$ 1,053**
Noncash capital, investing, and financing activities:				
Disposal of capital assets	$ —	$ —	$ —	$ 7,597
Increase in fair value of investments	9,972	—	—	—
Total noncash capital, investing, and financing activities	**$ 9,972**	**$ —**	**$ —**	**$ 7,597**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 14,384	$ (733)	$ 4,133	$ 44,405
13,234	566	388	30,085
(177)	—	—	(186)
20	1,524	—	3,601
—	—	—	(814)
270	285	(48)	(20,606)
991	528	(1,747)	(3,788)
—	(738)	—	(1,454)
—	—	—	(4,067)
85	108	—	2,246
(5,907)	(316)	7,624	(3,334)
9	(187)	588	668
—	—	—	70,589
(53)	(33)	1,373	1,772
—	—	—	(1,686)
(1)	6	—	308
(562)	(1,184)	—	(6,831)
(66)	(20)	—	1,546
$ 22,227	**$ (194)**	**$ 12,311**	**$ 112,454**
$ 13,948	$ 581	$ —	$ 22,126
—	—	—	9,972
$ 13,948	**$ 581**	**$ —**	**$ 32,098**

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, 2024

(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Offers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents	$ 3,048,746	$ 673,532	$ 7,118	$ 24,267	$ 11,029
Receivables:					
Contributions	449,659	53,865	7	847	1
Accrued interest	28,597	5,756	51	208	64
Unsettled investment sales	453,630	84,780	570	2,871	483
Other investment receivables	2	—	—	—	—
Total receivables	931,888	144,401	628	3,926	548
Due from other trust funds	—	142	—	—	—
Investments, at fair value:					
Short-term investments and opportunistic	198,938	37,180	250	1,259	212
Debt-domestic	1,070,675	200,102	1,345	6,777	1,139
Equity-international	16,876,914	3,154,177	21,201	106,823	17,948
Alternatives	16,034,474	2,996,732	20,142	101,491	17,053
Financial and other	—	—	—	—	—
Total investments	34,181,001	6,388,191	42,938	216,350	36,352
Invested securities lending collateral	258,217	48,259	324	1,634	275
Prepaid items	—	8	1	3	1
Capital assets, net	1,541	165	4	8	—
Total assets	**$ 38,421,393**	**$ 7,254,698**	**$ 51,013**	**$ 246,188**	**$ 48,205**
LIABILITIES					
Accounts payable	$ 3,668	$ 685	$ 5	$ 23	$ 4
Accounts payable–unsettled investment purchases	29,929	5,573	37	189	32
Policy claims	—	—	—	—	—
Due to other trust funds	105,402	1,949	—	—	—
Securities lending collateral	258,217	48,259	324	1,634	275
Other liabilities	104,685	20,113	121	608	105
Total liabilities	**$ 501,901**	**$ 76,579**	**$ 487**	**$ 2,454**	**$ 416**
NET POSITION					
Restricted for pension benefits	$ 37,919,492	$ 7,178,119	$ 50,526	$ 243,734	$ 47,789
Restricted for other post-employment benefits	—	—	—	—	—
Held in trust for pension and other post-employment benefits	**$ 37,919,492**	**$ 7,178,119**	**$ 50,526**	**$ 243,734**	**$ 47,789**

Exhibit F-1

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 72,156	$ 1,059	$ 3,837,907
—	—	504,379
12,720	256	47,652
—	—	542,334
—	—	2
12,720	256	1,094,367
107,209	—	107,351
—	—	237,839
1,333,208	26,373	2,639,619
—	—	20,177,063
—	—	19,169,892
248,650	4,808	253,458
1,581,858	31,181	42,477,871
59,010	939	368,658
—	—	13
—	—	1,718
$ 1,832,953	**$ 33,435**	**$ 47,887,885**
$ —	$ —	$ 4,385
—	—	35,760
—	696	696
—	—	107,351
60,366	966	370,041
—	—	125,632
$ 60,366	**$ 1,662**	**$ 643,865**
$ —	$ —	$ 45,439,660
1,772,587	31,773	1,804,360
$ 1,772,587	**$ 31,773**	**$ 47,244,020**

Combining Statement of Changes in Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2024

(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	$ 2,463,393	$ 407,497	$ 6,286	$ 21,280	$ 5,290
Employee	1,117,409	197,697	147	3,564	—
Nonemployer	88,706	12,470	—	2,900	—
Total contributions	3,669,508	617,664	6,433	27,744	5,290
Investment income:					
Interest income and net depletion in investments	3,999,548	751,070	5,330	26,216	4,754
Securities lending income	897	167	1	6	1
Total investment income	4,000,445	751,237	5,331	26,222	4,755
Less investment expense:					
Investment expense	412,400	77,058	518	2,610	439
Securities lending expense	—	—	—	—	—
Net investment income	3,588,045	674,179	4,813	23,612	4,316
Assets moved between pension trust funds	—	1,751	—	57	—
Total additions	**7,257,553**	**1,293,594**	**11,246**	**51,413**	**9,606**
Deductions:					
Regular retirement benefits	3,422,601	486,675	6,243	29,185	4,738
Supplemental retirement benefits	163	5	—	—	—
Deferred retirement benefits	—	—	—	—	—
Refunds of retirement contributions to members	152,910	26,309	—	—	—
Death benefit claims	29,386	2,977	13	7	—
Accidental death benefits	—	2,065	—	—	—
Other post-employment benefits	—	—	—	—	—
Depreciation	164	21	—	1	—
Administrative expense	17,991	3,348	24	116	22
Assets moved between pension trust funds	1,808	—	—	—	—
Total deductions	**3,625,023**	**521,400**	**6,280**	**29,309**	**4,760**
Change in net position	**3,632,530**	**772,194**	**4,966**	**22,104**	**4,846**
Net position at beginning of year	**34,286,962**	**6,405,925**	**45,560**	**221,630**	**42,943**
Net position at end of year	**$ 37,919,492**	**$ 7,178,119**	**$ 50,526**	**$ 243,734**	**$ 47,789**

Exhibit F-2

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 685,917	$ 7,876	$ 3,597,539
—	—	1,318,817
2,375	—	106,451
688,292	7,876	5,022,807
35,257	836	4,823,011
32,709	141	33,922
67,966	977	4,856,933
—	—	493,025
13	1	14
67,953	976	4,363,894
—	—	1,808
756,245	**8,852**	**9,388,509**
—	—	3,949,442
—	—	168
—	—	—
—	—	179,219
—	—	32,383
—	—	2,065
640,778	9,535	650,313
—	—	186
1,032	90	22,623
—	—	1,808
641,810	**9,625**	**4,838,207**
114,435	**(773)**	**4,550,302**
1,658,152	**32,546**	**42,693,718**
$ 1,772,587	**$ 31,773**	**$ 47,244,020**

Combining Statement of Fiduciary Net Position — Exhibit F-3

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2024

(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private-Purpose Trust	Totals
ASSETS				
Cash and cash equivalents	$ 1,797	$ 53,261	$ 469	$ 55,527
Receivables, net:				
Accrued interest	9,168	—	137	9,305
Unsettled investment sales	8,516	—	—	8,516
Investments	6,576,246	—	4,030	6,580,276
Invested securities lending collateral	—	7,704	353	8,057
Capital assets, net	—	—	3,874	3,874
Total assets	**$ 6,595,727**	**$ 60,965**	**$ 8,863**	**$ 6,665,555**
LIABILITIES				
Accounts payable	$ 4,437	$ 4,735	$ 8	$ 9,180
Accounts payable–unsettled investment	8,381	—	—	8,381
Amount held in custody for others	—	—	—	—
Securities lending collateral	—	7,704	353	8,057
Total liabilities	**$ 12,818**	**$ 12,439**	**$ 361**	**$ 25,618**
NET POSITION				
Held in trust for other purposes	**$ 6,582,909**	**$ 48,526**	**$ 8,502**	**$ 6,639,937**

Combining Statement of Changes in Fiduciary Net Position

Exhibit F-4

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private-Purpose Trust	Totals
Additions:				
Licenses, fees, and permits	$ —	$ —	$ 40	$ 40
Tuition plan deposits	1,478	—	—	1,478
Contributions	121,594	—	—	121,594
Opioid legal settlement	—	12,875	—	12,875
Interest income	699,029	—	271	699,300
Total additions	**822,101**	**12,875**	**311**	**835,287**
Deductions:				
Administrative expense	15,904	—	31	15,935
Other expenses	972	14,462	—	15,434
Total deductions	**16,876**	**14,462**	**31**	**31,369**
Change in net position	**805,225**	**(1,587)**	**280**	**803,918**
Net position at beginning of year	**5,777,684**	**50,113**	**8,222**	**5,836,019**
Net position at end of year	**$ 6,582,909**	**$ 48,526**	**$ 8,502**	**$ 6,639,937**

Statement of Fiduciary Net Position

Exhibit F-5

CUSTODIAL FUNDS

June 30, 2024

(Expressed in Thousands)

	Education Capital Improvements	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	$ —	$ 322,449	$ 322,449
Receivables, net:			
Accounts receivable	—	6,693	6,693
Due from primary government	—	38,594	38,594
Investments	—	9,164	9,164
Invested securities lending collateral	—	857	857
Interfund receivables	—	234	234
Total assets	**$ —**	**$ 377,991**	**$ 377,991**
LIABILITIES			
Accounts payable	$ —	$ 260,179	$ 260,179
Due to other funds	—	—	—
Due to component units	—	2,281	2,281
Intergovernmental payables	—	37,400	37,400
Deposits	—	2,106	2,106
Amount held in custody for others	—	13,834	13,834
Securities lending collateral	—	857	857
Due to participants	—	2	2
Other liabilities	—	34	34
Total liabilities	**$ —**	**$ 316,693**	**$ 316,693**
NET POSITION			
Held in trust for custodial funds	**$ —**	**$ 61,298**	**$ 61,298**

Statement of Changes in Fiduciary Net Position

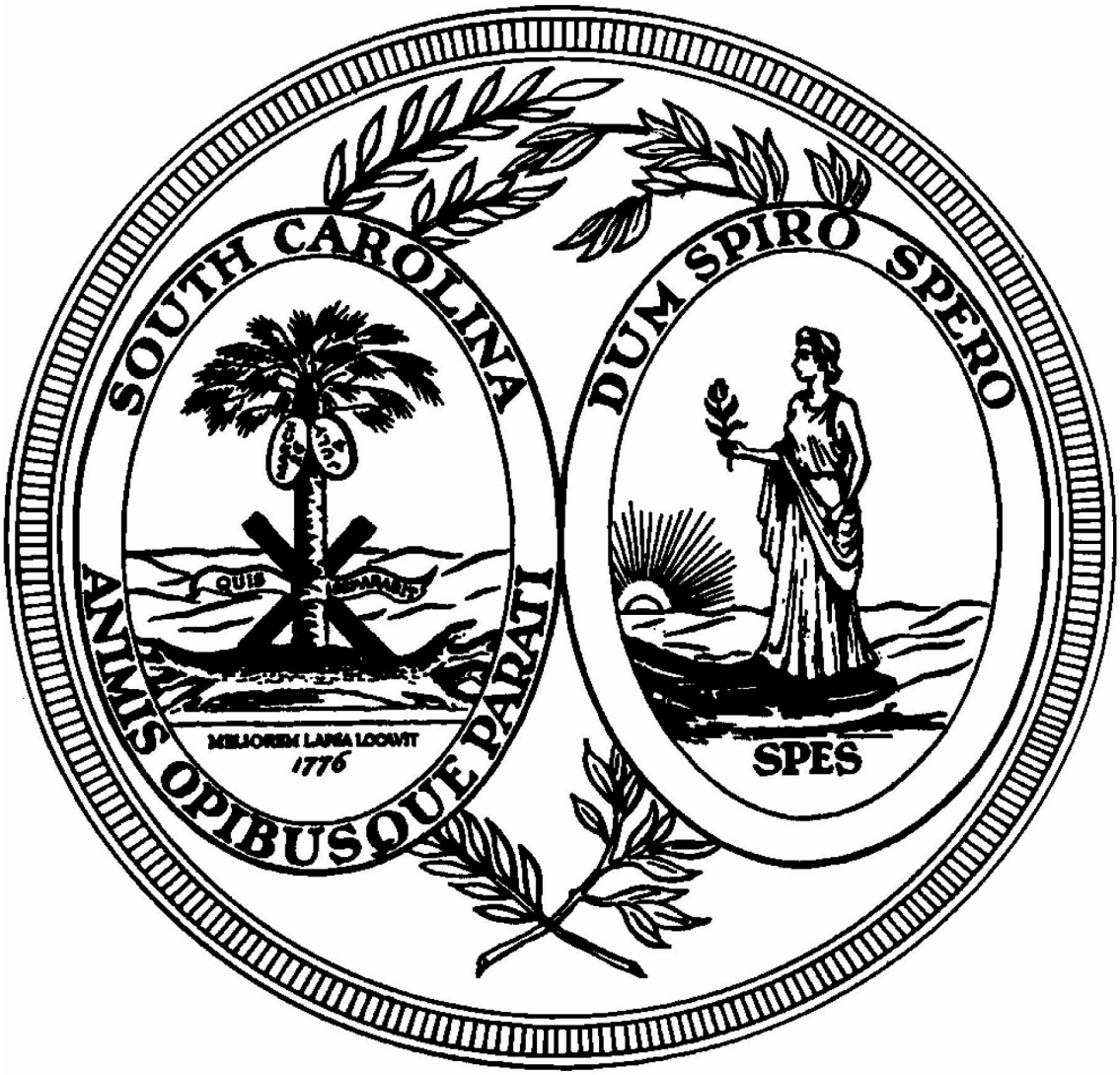
Exhibit F-6

CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

	Education Capital Improvements	Other Custodial Funds	Total
Additions:			
Licenses, fees, and permits	$ —	$ 10,081	$ 10,081
Contributions	—	4,065	4,065
Taxes:			
Retail sales and use	433,893	—	433,893
Other	—	8,184	8,184
Interest income	—	137	137
Transfers in	—	1,830	1,830
Total additions	**433,893**	**24,297**	**458,190**
Deductions:			
Administrative expense	—	339	339
Other expenses	433,893	1,519	435,412
Transfers out	—	8,808	8,808
Total deductions	**433,893**	**10,666**	**444,559**
Change in net position	**—**	**13,631**	**13,631**
Net position at beginning of year	**—**	**47,667**	**47,667**
Net position at end of year	**$ —**	**$ 61,298**	**$ 61,298**


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
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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, 2024

(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	$ 82,110	$ 103,692	$ 116,890	$ 51,683	$ 5,987	$ 12,228	$ 28,337
Investments	92,123	—	9,131	3,528	25,072	—	—
Invested securities lending collateral	3,694	14,325	5,644	1,495	637	463	2,723
Receivables, net:							
Accounts	73,849	67,784	5,002	48,319	24,646	72,959	1,680
Contributions	21,423	—	11,110	32	3,699	—	1,274
Accrued interest	—	2,178	617	—	—	—	207
Student accounts	3,461	882	1,332	426	2,331	8,399	1,954
Loans and notes	—	—	56	—	—	—	—
Leases	324	—	2,550	—	—	—	—
Due from Federal government and other grantors	6,914	2,141	4,586	1,158	516	6,802	1,440
Due from fiduciary funds	—	1,517	—	—	—	—	—
Due from primary government	461	—	—	222	343	542	214
Inventories	4,891	1,902	274	—	131	—	312
Restricted assets:							
Cash and cash equivalents	13,119	90,497	201,562	10,622	20,000	37,586	29,838
Investments	291,874	1,178	160,607	23,887	1,044	117	79,432
Loans receivable	—	51	—	367	—	2,640	3
Other	1,517	—	—	—	—	—	—
Prepaid items	1,763	2,699	4,964	1,231	29	213	1,305
Other assets	—	—	3,971	2,793	—	1,266	58
Capital assets-nondepreciable	24,388	90,107	80,608	30,538	4,315	8,462	4,888
Capital assets-depreciable, net	181,749	384,960	422,700	86,888	67,568	110,328	74,368
Total assets	$ 803,660	$ 763,913	$ 1,031,604	$ 263,189	$ 156,318	$ 262,005	$ 228,033
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	$ —	$ 61	$ 240	$ —	$ —	$ —	$ 448
Pension related	8,222	30,667	25,543	7,964	7,293	11,563	10,472
Other post-employment benefits related	18,485	47,755	39,122	11,971	14,765	15,231	17,611
Total deferred outflows of resources	$ 26,707	$ 78,483	$ 64,905	$ 19,935	$ 22,058	$ 26,794	$ 28,531
LIABILITIES							
Accounts payable	$ 26,470	$ 11,218	$ 13,809	$ 2,851	$ —	$ 4,341	$ 5,235
Accrued salaries and related expenses	3,166	15,980	13,027	164	2,144	283	6,329
Accrued interest payable	363	591	2,082	539	328	110	206
Retainages payable	345	1,111	1,315	954	—	—	418
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	2,642	1,921	—	736	3,178	24
Unearned revenues and deferred credits	3,829	6,421	7,982	979	4,750	5,399	17,035
Deposits	3,138	—	1,577	112	—	—	48
Amounts held in custody for others	—	198	1,238	137	—	—	6,275
Securities lending collateral	3,694	14,325	5,644	1,495	637	463	2,723
Liabilities payable from restricted assets	—	—	—	—	—	—	1,046
Other liabilities	2,430	2,074	3,123	600	36	508	33
Long-term liabilities:							
Due within one year	10,420	12,435	24,973	3,458	4,377	2,626	6,984
Due in more than one year	193,797	476,169	546,859	121,465	109,587	112,264	155,413
Total liabilities	$ 247,652	$ 543,164	$ 623,550	$ 132,754	$ 122,595	$ 129,172	$ 201,769
DEFERRED INFLOWS OF RESOURCES							
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —	$ —	$ 43
Deferred public-private partnership receipts	—	4,400	—	608	—	—	—
Pension related	4,646	5,367	5,380	2,138	706	1,325	6,518
Other post-employment benefits related	42,919	86,665	89,755	28,242	22,204	25,235	46,829
Lease related	324	—	2,457	—	—	—	—
Total deferred inflows of resources	$ 47,889	$ 96,432	$ 97,592	$ 30,988	$ 22,910	$ 26,560	$ 53,390
NET POSITION							
Net investment in capital assets	$ 159,303	$ 295,721	$ 242,012	$ 93,628	$ 49,667	$ 79,225	$ 66,450
Restricted:							
Expendable:							
Education	253,714	—	87,947	26,006	47,750	46,784	6,796
Transportation	—	—	—	—	—	—	—
Capital projects	68,146	144,762	131,245	46,802	15,814	—	—
Debt service	365	2,009	8,717	—	2,245	5,758	1,837
Loan programs	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	72,764	166	90,616	17,875	—	1,030	72,216
Unrestricted	(19,466)	(239,858)	(185,170)	(64,929)	(82,605)	270	(145,894)
Total net position (deficit)	**$ 534,826**	**$ 202,800**	**$ 375,367**	**$ 119,382**	**$ 32,871**	**$ 133,067**	**$ 1,405**

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
$ 37,041	$ 1,026	$ 142	$ 27,764	$ 63,033	$ 79,471	$ 20,701	$ 12,764	$ 1,575	$ 11,228	$ 31,917
11,925	—	83	—	39,665	23,905	142	122,224	—	3,929	7,046
—	—	—	—	27	—	—	767	—	—	—
1,552	2,866	239	1,509	3,366	—	3,146	2,608	—	1,340	9
—	—	—	—	2,449	—	—	—	—	—	33
—	—	—	—	874	136	—	—	—	13	—
309	1,692	488	2,525	618	4,953	6,644	5,802	4,918	543	1,021
—	—	—	—	—	19	—	—	—	—	—
—	—	—	—	10,040	—	3,410	—	—	—	—
901	1,448	1,911	611	1,139	14,317	1,077	1,027	720	1,146	2,961
—	—	—	—	—	764	—	—	—	—	—
363	5,933	—	1,656	727	192	1,165	929	199	1,305	641
—	74	112	273	1,209	—	—	—	—	43	—
—	13,178	—	12,329	6,528	239	2,579	9,239	1,331	—	—
—	—	—	—	—	—	1,979	—	—	—	1,505
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	629	—	115	—	—	5	—
66	453	22	150	133	355	97	581	34	312	549
—	—	—	—	—	—	—	107	—	—	—
2,787	17,866	179	4,073	82,601	14,344	4,206	3,279	5,258	106	5,721
21,387	34,645	5,390	38,100	108,573	77,389	30,170	96,106	6,434	18,837	50,844
$ 76,331	$ 79,181	$ 8,566	$ 88,990	$ 321,611	$ 216,084	$ 75,431	$ 255,433	$ 20,469	$ 38,807	$ 102,247
$ —	$ —	$ —	$ 161	$ —	$ —	$ —	$ 76	$ —	$ —	$ —
2,230	3,215	3,290	3,592	11,489	7,595	3,805	11,097	1,894	3,050	5,155
3,251	4,623	4,123	5,375	16,536	10,914	5,166	15,651	2,857	4,094	7,442
$ 5,481	$ 7,838	$ 7,413	$ 9,128	$ 28,025	$ 18,509	$ 8,971	$ 26,824	$ 4,751	$ 7,144	$ 12,597
$ 331	$ 3,146	$ 686	$ 574	$ 7,454	$ 3,921	$ 744	$ 2,059	$ 540	$ 881	$ 108
19	540	1,572	672	1,001	1,727	530	2,631	244	412	672
—	11	—	120	—	41	7	197	—	—	—
—	470	—	—	—	246	—	18	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	193	—	—	—	—	—	—	—	—
4,523	18,305	1,745	7,759	15,593	9,453	15,130	14,096	2,369	4,200	5,192
—	—	13	—	—	—	—	202	—	7	46
27	—	33	—	1,285	28	9	718	—	—	—
—	—	—	—	27	—	—	767	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	152	—	—	423	—	—	—	—	—	—
116	105	56	1,570	6,664	591	1,268	2,821	123	126	866
28,288	41,053	17,319	55,553	213,515	83,514	39,113	158,289	17,822	37,486	61,576
$ 33,304	$ 63,782	$ 21,617	$ 66,248	$ 245,962	$ 99,521	$ 56,801	$ 181,798	$ 21,098	$ 43,112	$ 68,460
$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
—	—	—	—	—	—	—	—	—	—	—
183	2,751	108	3,475	3,150	474	287	4,615	290	604	1,334
7,128	12,757	4,355	17,660	39,031	19,120	8,195	40,844	4,279	9,504	15,205
—	—	—	—	10,775	—	—	—	—	—	—
$ 7,311	$ 15,508	$ 4,463	$ 21,135	$ 52,956	$ 19,594	$ 8,482	$ 45,459	$ 4,569	$ 10,108	$ 16,539
$ 24,058	$ 48,956	$ 5,569	$ 33,364	$ 119,807	$ 90,242	$ 28,897	$ 78,687	$ 11,535	$ 18,855	$ 56,055
—	27	—	65	5,346	257	2,968	—	—	—	1,342
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	10,143	44,123	—	32,932	1,331	—	17,329
—	—	—	12,329	—	—	—	19,900	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	252	—	—	17,828	—	—	—	—	—	1,505
17,139	(41,506)	(15,670)	(35,023)	(102,406)	(19,144)	(12,746)	(76,519)	(13,313)	(26,124)	(46,386)
$ 41,197	**$ 7,729**	**$ (10,101)**	**$ 10,735**	**$ 50,718**	**$ 115,478**	**$ 19,119**	**$ 55,000**	**$ (447)**	**$ (7,269)**	**$ 29,845**

Continued on Next Page

Combining Statement of Net Position

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2024

(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	$ 33,363	$ 14,148	$ 106,587	$ 17,147	$ 19,385	$ 1,541	$ 48,370
Investments	7,918	104,369	—	—	29,507	—	—
Invested securities lending collateral	—	—	—	—	—	—	9,876
Receivables, net:							
Accounts	2,690	809	1,457	350	62	—	39,930
Contributions	26	104	—	—	49	—	—
Accrued interest	—	1,359	—	—	—	—	1,821
Student accounts	659	696	9,843	61	3,736	—	—
Loans and notes	—	—	—	—	—	—	5,798
Leases	—	—	—	—	626	—	—
Due from Federal government and other grantors	1,421	793	1,328	150	1,030	—	27
Due from fiduciary funds	—	—	—	—	—	—	—
Due from primary government	1,008	237	3,229	—	575	—	—
Inventories	794	117	304	114	—	51	—
Restricted assets:							
Cash and cash equivalents	—	—	—	161	—	18,053	73,203
Investments	—	—	—	—	—	—	—
Loans receivable	—	—	—	—	—	—	—
Other	—	—	—	—	17	—	—
Prepaid items	575	392	916	10	—	76	—
Other assets	—	—	—	—	328	98,595	—
Capital assets-nondepreciable	7,476	22,304	10,286	8,281	6,865	5	—
Capital assets-depreciable, net	58,447	70,252	124,021	1,458	39,576	115	—
Total assets	$ 114,377	$ 215,580	$ 257,971	$ 27,732	$ 101,756	$ 118,436	$ 179,025
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Pension related	7,228	6,253	12,557	1,034	5,117	—	—
Other post-employment benefits related	10,309	9,259	16,472	1,582	6,727	—	—
Total deferred outflows of resources	$ 17,537	$ 15,512	$ 29,029	$ 2,616	$ 11,844	$ —	$ —
LIABILITIES							
Accounts payable	$ 2,799	$ 4,246	$ 1,542	$ 25	$ 1,728	$ 85	$ 4,853
Accrued salaries and related expenses	590	84	1,427	—	423	—	—
Accrued interest payable	7	—	—	6	—	—	—
Retainages payable	—	—	2	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	—	—	—	—	61	—
Unearned revenues and deferred credits	7,281	7,966	20,385	4,913	5,622	1,080	—
Deposits	—	—	399	—	—	—	—
Amounts held in custody for others	—	—	—	—	3	—	—
Securities lending collateral	—	—	—	—	—	—	9,876
Liabilities payable from restricted assets	—	—	97	—	—	—	—
Other liabilities	87	—	52	—	—	—	—
Long-term liabilities:							
Due within one year	770	2,557	644	246	724	12,289	—
Due in more than one year	75,519	93,572	142,998	12,911	57,961	232,489	—
Total liabilities	$ 87,053	$ 108,425	$ 167,546	$ 18,101	$ 66,461	$ 246,004	$ 14,729
DEFERRED INFLOWS OF RESOURCES							
Deferred nonexchange revenues	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Deferred public-private partnership receipts	—	—	—	—	—	—	—
Pension related	201	921	4,625	51	1,107	—	—
Other post-employment benefits related	16,865	18,379	39,846	2,861	15,642	—	—
Lease related	—	—	—	—	622	—	—
Total deferred inflows of resources	$ 17,066	$ 19,300	$ 44,471	$ 2,912	$ 17,371	$ —	$ —
NET POSITION							
Net investment in capital assets	$ 65,469	$ 71,188	$ 133,537	$ 9,462	$ 46,086	$ (2,282)	$ —
Restricted:							
Expendable:							
Education	6,007	21,522	—	—	12,877	—	—
Transportation	—	—	—	—	—	3,852	—
Capital projects	8,883	—	31,220	—	—	—	—
Debt service	(6)	—	—	—	—	—	—
Loan programs	—	—	—	—	—	—	69,310
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	—	17,873	—	8	—	—	—
Unrestricted	(52,558)	(7,216)	(89,774)	(135)	(29,195)	(129,138)	94,986
Total net position (deficit)	**$ 27,795**	**$ 103,367**	**$ 74,983**	**$ 9,335**	**$ 29,768**	**$ (127,568)**	**$ 164,296**

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 Step to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
$ 2,421	$ 1,621	$ 16,209	$ 9,995	$ 25,004	$ 1,825	$ 985,205
5,088	69,459	—	11,458	—	2,294	568,866
—	—	1,318	—	169	—	41,138
4,268	721	718	2,079	178	57	364,193
—	2,683	—	—	—	—	42,882
—	—	—	102	—	—	7,307
—	—	—	—	—	—	63,293
—	7,381	—	—	—	—	13,254
—	15,958	29,555	—	—	—	62,463
—	—	—	—	3,583	3,664	62,811
—	—	—	—	—	—	2,281
954	—	—	—	—	1,098	21,993
—	—	262	—	—	—	10,863
—	—	622	—	—	—	540,686
—	—	—	—	—	—	561,623
—	—	—	—	—	—	3,061
—	—	—	—	—	—	2,283
2	339	9	—	445	81	17,801
—	—	—	928	—	—	108,046
—	7,077	4,463	—	—	—	450,483
—	32,240	9,852	—	642	475	2,153,514
$ 12,733	$ 137,479	$ 63,008	$ 24,562	$ 30,021	$ 9,494	$ 6,084,046
$ —	$ —	$ —	$ —	$ —	$ —	$ 986
231	—	1,108	—	2,046	—	193,710
310	166	1,522	—	2,898	—	294,217
$ 541	$ 166	$ 2,630	$ —	$ 4,944	$ —	$ 488,913
$ —	$ 489	$ 18	$ 408	$ 1,295	$ 2,017	$ 103,873
97	—	539	—	672	—	54,945
—	—	—	—	—	—	4,608
—	—	—	—	—	—	4,879
—	—	—	—	—	—	—
—	—	5,988	—	—	—	14,743
954	410	327	8,834	1,768	1,166	205,466
—	—	—	—	—	—	5,542
—	—	—	73	—	—	10,024
—	—	1,318	—	169	—	41,138
—	—	—	—	—	—	1,143
—	439	—	—	—	182	10,139
12	1,671	170	16,000	507	230	115,399
1,240	14,806	11,619	71,463	14,230	377	3,198,267
$ 2,303	$ 17,815	$ 19,979	$ 96,778	$ 18,641	$ 3,972	$ 3,770,166
$ —	$ —	$ —	$ —	$ —	$ —	$ 43
—	—	—	—	—	—	5,008
54	—	628	—	54	—	50,992
337	253	3,733	—	3,774	—	621,617
—	14,689	28,258	—	—	—	57,125
$ 391	$ 14,942	$ 32,619	$ —	$ 3,828	$ —	$ 734,785
$ —	$ 22,867	$ 8,648	$ —	$ 144	$ 37	$ 1,857,187
—	—	—	—	19,882	—	539,290
—	—	—	—	—	—	3,852
—	—	—	—	—	—	552,730
—	—	—	—	—	—	53,154
—	—	—	—	—	—	69,310
4,073	39,796	—	2,357	—	952	47,178
—	—	—	—	—	—	292,133
6,507	42,225	4,392	(74,573)	(7,530)	4,533	(1,346,826)
$ 10,580	$ 104,888	$ 13,040	$ (72,216)	$ 12,496	$ 5,522	$ 2,068,008

Combining Statement of Activities

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

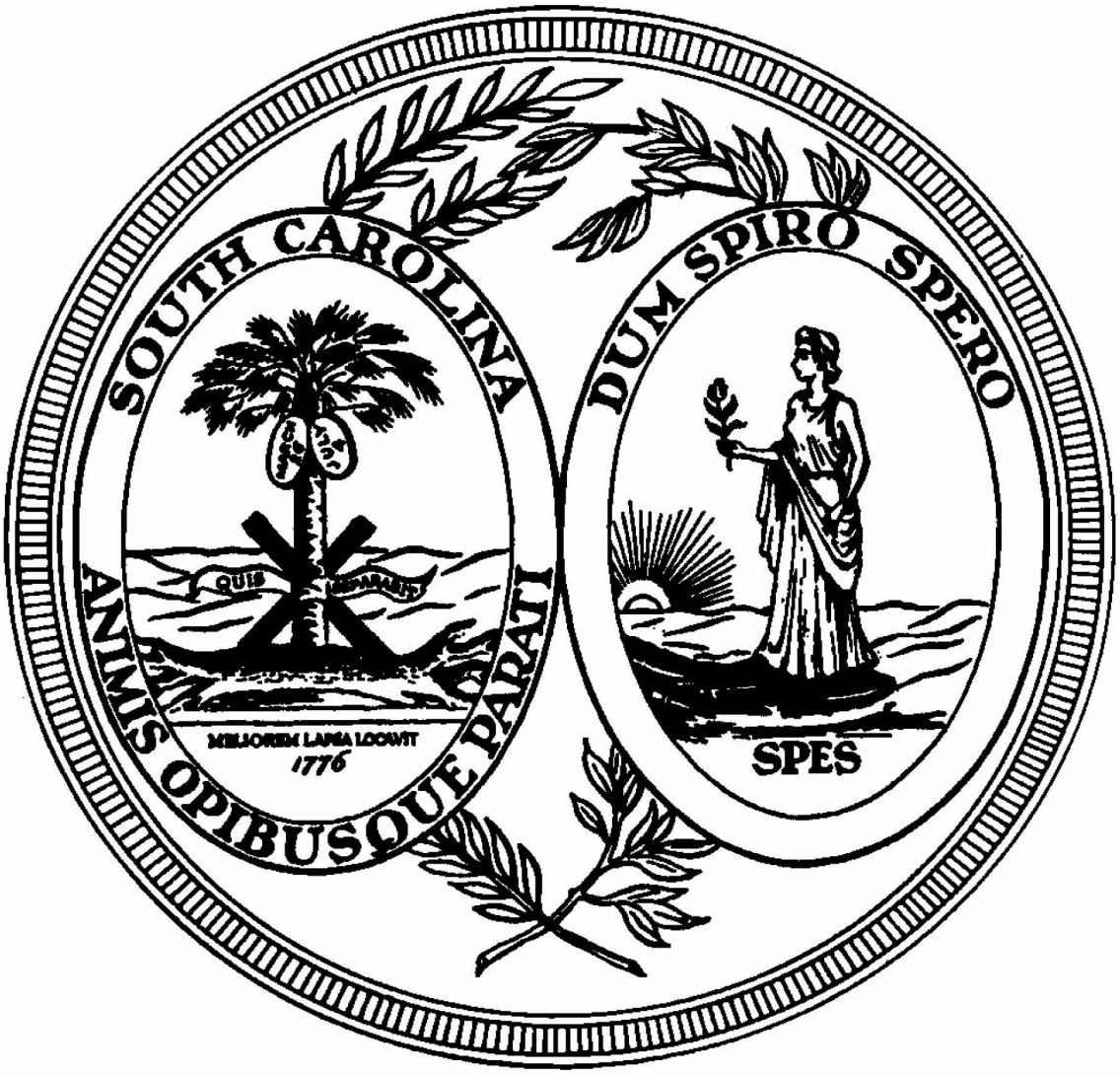
For the Fiscal Year Ended June 30, 2024

(Expressed in Thousands)

		Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenue (Expenses)	Additions to Endowments
The Citadel	$ 151,141	$ 104,754	$ 60,008	$ 29,026	$ 42,647	$ —
Coastal Carolina University	275,706	237,949	26,991	40,042	29,276	—
College of Charleston	334,660	301,281	54,899	23,704	45,224	5,154
Francis Marion University	92,606	43,401	20,390	9,000	(19,815)	—
Lander University	80,793	47,658	5,855	17,590	(9,690)	—
South Carolina State University	132,679	69,462	16,234	—	(46,983)	—
Winthrop University	153,181	80,822	17,877	12,708	(41,774)	1,063
Aiken Technical College	26,183	11,092	10,359	3,481	(1,251)	—
Central Carolina Technical College	31,182	12,302	11,450	3,231	(4,199)	—
Denmark Technical College	17,842	9,502	3,316	945	(4,079)	—
Florence- Darlington Technical College	41,556	16,665	19,400	1,385	(4,106)	—
Greenville Technical College	124,860	58,215	45,964	3,735	(16,946)	—
Horry- Georgetown Technical College	85,274	39,139	26,040	14,959	(5,136)	—
Technical College of the Lowcountry	23,491	10,909	9,254	5,318	1,990	—
Midlands Technical College	103,874	56,278	36,881	8,362	(2,353)	—
Northeastern Technical College	17,841	12,792	2,006	3,640	597	—
Orangeburg- Calhoun Technical College	27,342	9,471	10,494	1,896	(5,481)	—
Piedmont Technical College	56,581	23,373	20,518	1,361	(11,329)	—
Spartanburg Community College	74,830	28,275	25,869	3,499	(17,187)	—
Tri-County Technical College	71,464	37,488	29,069	10,607	5,700	—
Trident Technical College	128,143	54,491	47,104	375	(26,173)	—
Williamsburg Technical College	9,024	2,748	3,087	8,059	4,870	—
York Technical College	51,368	21,900	17,464	5,163	(6,841)	—
Connector 2000	24,478	16,494	534	—	(7,450)	—
South Carolina Education Assistance Authority	207	568	5,736	—	6,097	—
South Carolina Jobs- Economic Development Authority	13,575	1,434	12,992	—	851	—
South Carolina Research Authority	18,819	6,060	12,818	—	59	—
Patriots Point Development Authority	11,601	13,459	1,940	415	4,213	—
South Carolina Medical Malpractice Association	16,065	24,187	745	—	8,867	—
South Carolina First Steps to School Readiness Board of Trustees	69,095	—	10,909	—	(58,186)	—
Children's Trust Fund of S.C., Inc.	19,727	—	19,673	—	(54)	—
Totals	**$ 2,285,188**	**$ 1,352,169**	**$ 585,876**	**$ 208,501**	**$ (138,642)**	**$ 6,217**

Exhibit G-2

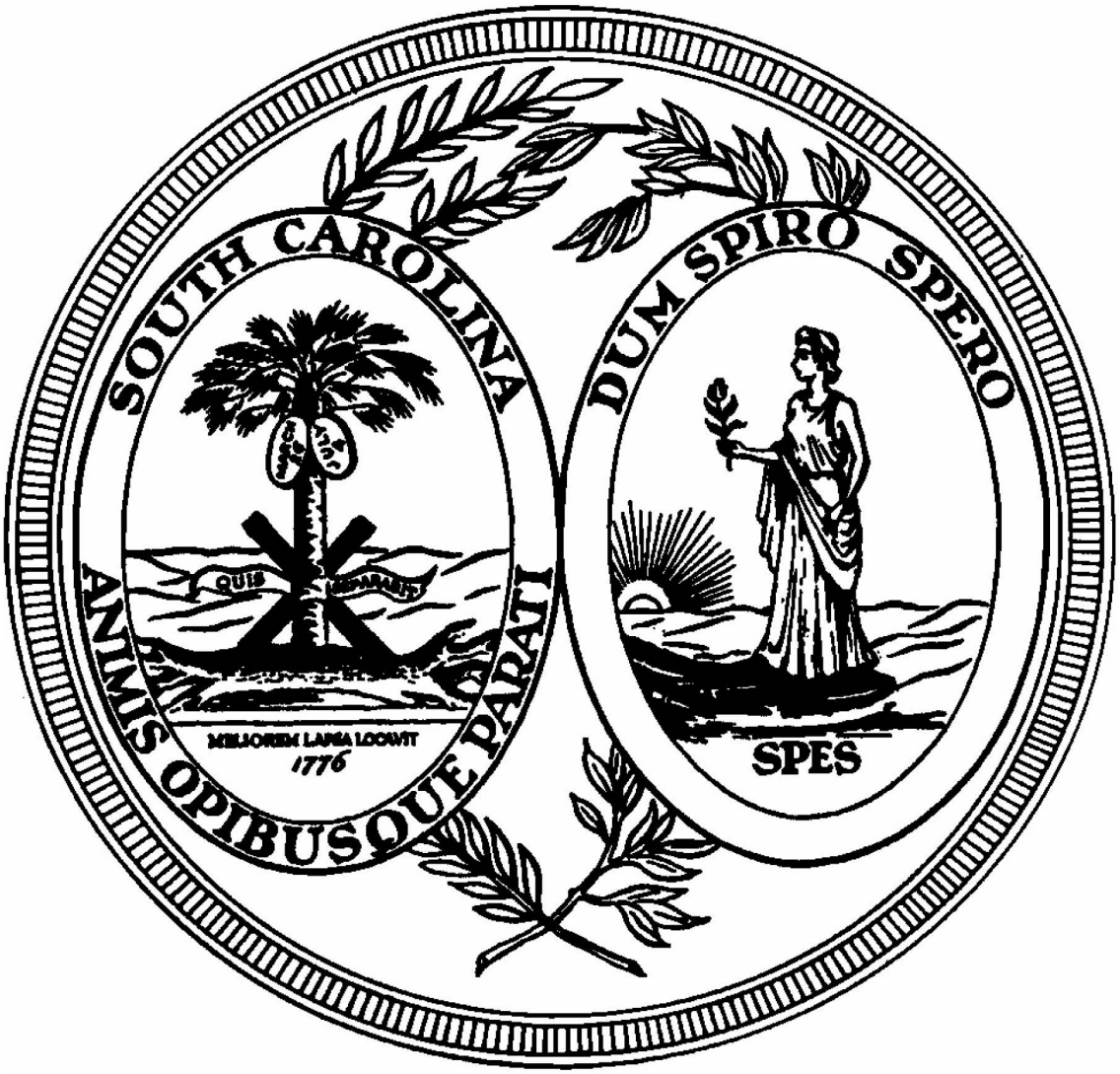
State Appropriations	Net Position (Deficit) Beginning	Restatements	Net Position (Deficit) Beginning (as Restated)	Net Position (Deficit) Ending
$ 22,179	$ 470,000	$ —	$ 470,000	$ 534,826
32,495	141,029	—	141,029	202,800
51,073	273,916	—	273,916	375,367
32,998	106,199	—	106,199	119,382
21,283	21,278	—	21,278	32,871
97,228	82,822	—	82,822	133,067
34,076	8,040	—	8,040	1,405
6,682	35,766	—	35,766	41,197
9,078	2,850	—	2,850	7,729
3,030	(9,052)	—	(9,052)	(10,101)
15,341	(500)	—	(500)	10,735
27,684	39,980	—	39,980	50,718
19,495	100,274	845	101,119	115,478
7,131	9,998	—	9,998	19,119
29,537	27,816	—	27,816	55,000
6,033	(8,025)	948	(7,077)	(447)
7,654	(9,442)	—	(9,442)	(7,269)
13,269	27,905	—	27,905	29,845
19,442	25,540	—	25,540	27,795
16,747	80,920	—	80,920	103,367
31,069	70,087	—	70,087	74,983
3,450	241	774	1,015	9,335
12,081	24,528	—	24,528	29,768
—	(120,118)	—	(120,118)	(127,568)
—	158,199	—	158,199	164,296
—	9,729	—	9,729	10,580
—	80,944	23,885	104,829	104,888
—	8,827	—	8,827	13,040
—	(81,083)	—	(81,083)	(72,216)
55,299	15,383	—	15,383	12,496
—	5,576	—	5,576	5,522
$ 574,354	**$ 1,599,627**	**$ 26,452**	**$ 1,626,079**	**$ 2,068,008**


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
DUM SPIRO SPERO
QUIS SEPARABIT
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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
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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 280

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 292

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 298

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 307

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 312

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			
	2024	2023 (as restated)	2022	2021 (as restated)
Governmental activities				
Net Investment in capital assets	$ 20,459,092	$ 18,942,599	$ 18,048,684	$ 17,534,618
Restricted	8,222,878	10,589,777	11,054,061	9,497,442
Unrestricted	2,587,314	862,758	(900,381)	(3,579,868)
Total governmental activities net position	**$ 31,269,284**	**$ 30,395,134**	**$ 28,202,364**	**$ 23,452,192**
Business-type activities				
Net Investment in capital assets	$ 284,321	$ 349,988	$ 307,828	$ 312,603
Restricted	1,861,416	1,723,151	1,588,210	1,366,066
Unrestricted	(6,612)	(15,435)	(38,917)	(118,814)
Total business-type activities net position	**$ 2,139,125**	**$ 2,057,704**	**$ 1,857,121**	**$ 1,559,855**
Primary government				
Net Investment in capital assets	$ 20,743,413	$ 19,292,587	$ 18,356,512	$ 17,847,221
Restricted	10,084,294	12,312,928	12,642,271	10,863,508
Unrestricted	2,580,702	847,323	(939,298)	(3,698,682)
Total primary government net position	**$ 33,408,409**	**$ 32,452,838**	**$ 30,059,485**	**$ 25,012,047**

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.

Fiscal year 2023 has been restated for a reclassification of fund balance classifications. See Note 15 on pages 152 - 154 for details. Amounts prior to 2023 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.

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

Further Disclosure Surrounding the 2022 Prior Period Adjustment:

The 2022 ACFR disclosed a prior period adjustment to the beginning fund balance in the general fund for an "error correction" in the amount of $3.530 billion (the "2022 PPA"). The State contracted with AlixPartners to perform forensic accounting procedures relating to, among other things, the $3.530 billion 2022 PPA and its underlying components as described below. After completing its work, AlixPartners issued a report, which is publicly available on the State's Department of Administration website. The AlixPartners report concludes at page 11 that "the cumulative net amount of the PPA, i.e., $3.5 billion, recorded in the fiscal year 2022 ACFR is accurate". The AlixPartners report also provides various recommendations to the State, including at page 46 that consideration be given to clarifying Note 15 of the 2022 ACFR to identify and quantify the specific components of the 2022 PPA.

In that regard, the 2022 PPA corrected three different errors, which netted to the $3.530 billion 2022 PPA to fund equity. Note 15 to the 2022 ACFR provided details about the most significant error that was corrected—an overstatement of fund equity that occurred due to a mapping error where certain appropriation-related cash transfers out in the State's Enterprise Resource Planning ("ERP") system were excluded from the ACFR mapping and therefore did not (in the ACFR) reduce cash and fund equity as should have occurred. This mapping error resulted in overstating fund equity as of July 1, 2021, by $5.899 billion. This amount was offset in part by two other errors that resulted in understating fund equity as of July 1, 2021. One of these errors, in the amount of $1.852 billion, related to the conversion in 2017 of State Treasury cash and investments from the State's legacy ERP system to the new ERP system. The other, in the amount of $516.91 million, related to a Department of Transportation-related adjustment, which also understated fund equity.

Source: South Carolina Comptroller General's Office

Table 1

Ended June 30	2020 (as restated)	2019 (as restated)	2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)
	$ 16,902,032	$ 16,039,329	$ 15,079,318	$ 14,133,938	$ 13,088,862	$ 12,667,605
	9,612,909	6,064,521	6,068,437	8,204,123	6,691,147	6,062,068
	(6,665,294)	(4,155,617)	(5,048,283)	(7,585,607)	(1,953,322)	(2,636,808)
	$ 19,849,647	**$ 17,948,233**	**$ 16,099,472**	**$ 14,752,454**	**$ 17,826,687**	**$ 16,092,865**
	$ 282,806	$ 221,494	$ 218,157	$ 216,697	$ 203,351	$ 146,739
	1,721,780	1,226,011	1,023,083	792,899	584,700	337,834
	(418,052)	(87,385)	(86,254)	(94,601)	(177,149)	(243,976)
	$ 1,586,534	**$ 1,360,120**	**$ 1,154,986**	**$ 914,995**	**$ 610,902**	**$ 240,597**
	$ 17,184,838	$ 16,260,823	$ 15,297,475	$ 14,350,635	$ 13,292,213	$ 12,814,344
	11,334,689	7,290,532	7,091,520	8,997,022	7,275,847	6,399,902
	(7,083,346)	(4,243,002)	(5,134,537)	(7,680,208)	(2,130,471)	(2,880,784)
	$ 21,436,181	**$ 19,308,353**	**$ 17,254,458**	**$ 15,667,449**	**$ 18,437,589**	**$ 16,333,462**

Changes in Net Position
Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2024	2023	2022	2021 (as restated)
Expenses				
Governmental activities:				
General government	$ 11,018,645	$ 12,309,745	$ 8,029,072	$ 9,116,349
Education	8,676,056	8,179,679	8,413,741	6,526,086
Health and environment	12,959,759	10,734,583	9,775,171	9,182,088
Social services	2,651,952	3,553,243	3,416,209	2,454,072
Administration of justice	1,504,038	1,495,855	1,124,187	1,105,213
Resources and economic development	1,946,306	982,370	618,983	497,985
Transportation	1,705,635	1,784,779	1,467,938	1,717,812
Unallocated interest expense	7,421	10,539	8,423	8,135
Total governmental activities expenses	**40,469,812**	**39,050,793**	**32,853,724**	**30,607,740**
Business-type activities:				
Unemployment compensation benefits	157,722	92,888	69,049	3,595,804
Second injury fund benefits	71	20,279	13,915	1,205
Other	139,495	50,212	51,553	106,315
Total business-type activities expenses	**297,288**	**163,379**	**134,517**	**3,703,324**
Total primary government expenses	**40,767,100**	**39,214,172**	**32,988,241**	**34,311,064**
Program Revenues				
Governmental activities:				
Charges for services:				
General government	4,073,091	4,135,257	3,874,192	3,761,937
Other activities	822,818	873,364	569,449	659,294
Operating grants and contributions	13,734,062	16,227,712	14,105,152	13,306,491
Capital grants and contributions	1,285,601	1,046,733	941,283	707,650
Total governmental activities program revenues	**19,915,572**	**22,283,066**	**19,490,076**	**18,435,372**
Business-type activities				
Charges for services:				
Unemployment compensation benefits	242,901	240,576	307,371	256,970
Second injury fund benefits	—	—	—	443
Other activities	67,772	71,956	69,367	68,252
Operating grants and contributions	2	5,207	39,439	2,969,920
Capital grants and contributions	8,371	42,557	36,159	20,966
Total business-type activities program revenues	**319,046**	**360,296**	**452,336**	**3,316,551**
Total primary government activities program revenues	**20,234,618**	**22,643,362**	**19,942,412**	**21,751,923**
Net Revenues (Expenses)				
Governmental activities	(20,554,240)	(16,767,727)	(13,363,648)	(12,172,368)
Business-type activities	21,758	196,917	317,819	(386,773)
Total primary government net revenues (expense)	**(20,532,482)**	**(16,570,810)**	**(13,045,829)**	**(12,559,141)**

Table 2

Ended June 30

2020 (as restated)	2019 (as restated)	2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)
$ 7,062,742	$ 6,770,289	$ 6,882,989	$ 5,177,107	$ 4,697,228	$ 5,352,363
5,823,521	5,423,877	5,172,412	7,389,682	4,906,919	4,742,995
8,752,298	8,388,003	8,054,071	7,605,746	7,683,019	7,832,147
1,783,102	1,602,584	1,671,031	1,635,316	1,832,743	1,821,016
1,108,841	1,013,366	975,102	875,406	883,458	873,450
486,460	473,172	387,666	701,952	463,630	389,814
1,755,788	1,524,462	1,602,716	1,387,806	1,052,559	1,068,894
10,888	18,211	18,335	25,865	23,537	33,322
26,783,640	**25,213,964**	**24,764,322**	**24,798,880**	**21,543,093**	**22,114,001**
3,038,557	149,581	182,537	199,409	208,710	226,470
1,484	12,085	285	600	27	7,461
56,490	64,908	60,142	52,900	45,855	55,325
3,096,531	**226,574**	**242,964**	**252,909**	**254,592**	**289,256**
29,880,171	**25,440,538**	**25,007,286**	**25,051,789**	**21,797,685**	**22,403,257**
3,501,970	3,227,055	3,055,388	2,797,733	2,732,909	2,592,512
661,031	628,071	672,590	608,357	543,485	657,266
9,677,634	8,711,747	9,253,825	9,127,975	8,823,007	8,388,996
905,754	673,255	977,834	813,622	582,940	680,842
14,746,389	**13,240,128**	**13,959,637**	**13,347,687**	**12,682,341**	**12,319,616**
292,409	342,263	344,552	385,759	429,895	442,545
—	16	60,291	59,848	59,874	60,000
52,065	51,908	53,758	51,405	46,759	44,208
2,377,360	5,497	5,660	22,708	11,909	14,335
53,113	—	—	18,998	39,480	12,567
2,774,947	**399,684**	**464,261**	**538,718**	**587,917**	**573,655**
17,521,336	**13,639,812**	**14,423,898**	**13,886,405**	**13,270,258**	**12,893,271**
(12,037,251)	(11,973,836)	(10,804,685)	(11,451,193)	(8,860,752)	(9,794,385)
(321,584)	173,110	221,297	285,809	333,325	284,399
(12,358,835)	**(11,800,726)**	**(10,583,388)**	**(11,165,384)**	**(8,527,427)**	**(9,509,986)**

Continued on Next Page

Changes in Net Position (Continued)

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2024	2023	2022	2021 (as restated)
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Individual income	$ 5,925,530	$ 5,884,974	$ 6,932,111	$ 5,584,914
Retail sales and use	8,523,366	7,423,406	7,092,123	6,106,578
Corporate income	1,250,049	1,219,636	1,048,315	573,618
Gas and motor vehicle	1,539,239	1,540,962	1,427,195	1,406,817
Insurance	279,165	265,952	236,704	224,996
Hospital	847,308	266,298	266,581	258,970
Other	924,485	896,495	923,472	837,842
Unrestricted grants and contributions	306	5	—	—
Unrestricted investment income	1,126,039	422,478	(573,226)	71,582
Tobacco legal settlement	67,953	75,499	88,544	88,349
Opioid legal settlement	4,399	10,690	—	—
Other revenues	935,111	914,464	751,363	927,258
Transfers	5,440	39,638	32,272	(310,364)
Total governmental activities	**21,428,390**	**18,960,497**	**18,225,454**	**15,770,560**
Business-type activities:				
Unrestricted investment income	63,735	42,053	10,944	48,517
Other revenues	1,368	1,251	775	1,213
Transfers	(5,440)	(39,638)	(32,272)	310,364
Total business-type activities	**59,663**	**3,666**	**(20,553)**	**360,094**
Total primary government	**21,488,053**	**18,964,163**	**18,204,901**	**16,130,654**
Change in Net Position				
Governmental activities	874,150	2,192,770	4,861,806	3,598,192
Business-type activities	81,421	200,583	297,266	(26,679)
Total primary government	**$ 955,571**	**$ 2,393,353**	**$ 5,159,072**	**$ 3,571,513**

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.

Further Disclosure Surrounding the 2022 Prior Period Adjustment:

The 2022 ACFR disclosed a prior period adjustment to the beginning fund balance in the general fund for an "error correction" in the amount of $3.530 billion (the "2022 PPA"). The State contracted with AlixPartners to perform forensic accounting procedures relating to, among other things, the $3.530 billion 2022 PPA and its underlying components as described below. After completing its work, AlixPartners issued a report, which is publicly available on the State's Department of Administration website. The AlixPartners report concludes at page 11 that "the cumulative net amount of the PPA, i.e., $3.5 billion, recorded in the fiscal year 2022 ACFR is accurate". The AlixPartners report also provides various recommendations to the State, including at page 46 that consideration be given to clarifying Note 15 of the 2022 ACFR to identify and quantify the specific components of the 2022 PPA.

In that regard, the 2022 PPA corrected three different errors, which netted to the $3.530 billion 2022 PPA to fund equity. Note 15 to the 2022 ACFR provided details about the most significant error that was corrected—an overstatement of fund equity that occurred due to a mapping error where certain appropriation-related cash transfers out in the State's Enterprise Resource Planning ("ERP") system were excluded from the ACFR mapping and therefore did not (in the ACFR) reduce cash and fund equity as should have occurred. This mapping error resulted in overstating fund equity as of July 1, 2021, by $5.899 billion. This amount was offset in part by two other errors that resulted in understating fund equity as of July 1, 2021. One of these errors, in the amount of $1.852 billion, related to the conversion in 2017 of State Treasury cash and investments from the State's legacy ERP system to the new ERP system. The other, in the amount of $516.91 million, related to a Department of Transportation-related adjustment, which also understated fund equity.

Source: South Carolina Comptroller General's Office

Table 2

Ended June 30						
2020 (as restated)	**2019 (as restated)**	**2018 (as restated)**	**2017 (as restated)**	**2016 (as restated)**	**2015 (as restated)**
$ 5,045,819	$ 4,835,821	$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800
5,167,804	5,004,470	4,688,789	4,436,958	4,279,959	4,357,672
362,569	396,207	404,164	340,327	408,297	377,329
1,263,560	1,198,220	1,084,630	883,891	698,090	666,772
215,722	204,755	191,016	168,974	156,766	152,314
268,702	261,448	260,715	267,235	265,689	263,557
760,619	731,276	711,502	661,573	666,017	645,783
40	14	38	—	90	1
470,543	365,453	160,636	191,486	109,748	67,343
71,750	80,723	81,605	73,533	71,119	70,419
—	—	—	—	—	—
594,187	723,194	150,635	154,778	53,026	280,491
(472,328)	21,016	9,201	2,559	918	3,972
13,748,987	**13,822,597**	**12,151,703**	**11,324,531**	**10,594,574**	**10,627,453**
55,291	48,530	34,132	22,777	28,952	16,306
2,618	4,510	4,545	1,802	8,946	3,141
472,328	(21,016)	(9,201)	(2,559)	(918)	(3,972)
530,237	**32,024**	**29,476**	**22,020**	**36,980**	**15,475**
14,279,224	**13,854,621**	**12,181,179**	**11,346,551**	**10,631,554**	**10,642,928**
1,711,736	1,848,761	1,347,018	(126,662)	1,733,822	833,068
208,653	205,134	250,773	307,829	370,305	299,874
$ 1,920,389	**$ 2,053,895**	**$ 1,597,791**	**$ 181,167**	**$ 2,104,127**	**$ 1,132,942**

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(expressed in thousands)

	For the Fiscal Year			
	2024	2023 (as restated)	2022 (as restated)	2021 (as restated)
General Fund				
Nonspendable	$ 117,234	$ 111,262	$ 146,639	$ 138,407
Restricted	1,613,350	2,265,603	1,586,639	1,307,224
Committed	1,664,154	1,173,428	826,611	627,935
Assigned	3,368,333	4,810,979	540,030	371,923
Unassigned, previously unreserved	2,632,884	2,654,060	7,501,115	4,618,659
Total General Fund	**$ 9,395,955**	**$ 11,015,332**	**$ 10,601,034**	**$ 7,064,148**
All other governmental funds				
Nonspendable	$ 73,147	$ 76,570	$ 70,381	$ 98,882
Restricted	6,055,526	7,584,021	7,028,843	5,951,213
Committed	986,163	201,130	90,058	486,210
Assigned	794,538	320,707	392,701	93,093
Unassigned, previously unreserved	(54,505)	(971,532)	(1,167,089)	(1,375,076)
Total all other governmental funds	**$ 7,854,869**	**$ 7,210,896**	**$ 6,414,894**	**$ 5,254,322**
Total fund balances, governmental funds	**$ 17,250,824**	**$ 18,226,228**	**$ 17,015,928**	**$ 12,318,470**

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

Fiscal year 2023 has been restated for a reclassification of fund balance classifications. Amounts prior to 2023 have not been restated. Additionally, fiscal years 2023 - 2015 have been restated for a reclassification of portions of the General Fund to nonmajor governmental funds and certain portions of nonmajor governmental funds to other nonmajor governmental funds. See Note 15 on pages 152 - 154 for details.

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.

Further Disclosure Surrounding the 2022 Prior Period Adjustment:

The 2022 ACFR disclosed a prior period adjustment to the beginning fund balance in the general fund for an "error correction" in the amount of $3.530 billion (the "2022 PPA"). The State contracted with AlixPartners to perform forensic accounting procedures relating to, among other things, the $3.530 billion 2022 PPA and its underlying components as described below. After completing its work, AlixPartners issued a report, which is publicly available on the State's Department of Administration website. The AlixPartners report concludes at page 11 that "the cumulative net amount of the PPA, i.e., $3.5 billion, recorded in the fiscal year 2022 ACFR is accurate". The AlixPartners report also provides various recommendations to the State, including at page 46 that consideration be given to clarifying Note 15 of the 2022 ACFR to identify and quantify the specific components of the 2022 PPA.

In that regard, the 2022 PPA corrected three different errors, which netted to the $3.530 billion 2022 PPA to fund equity. Note 15 to the 2022 ACFR provided details about the most significant error that was corrected—an overstatement of fund equity that occurred due to a mapping error where certain appropriation-related cash transfers out in the State's Enterprise Resource Planning ("ERP") system were excluded from the ACFR mapping and therefore did not (in the ACFR) reduce cash and fund equity as should have occurred. This mapping error resulted in overstating fund equity as of July 1, 2021, by $5.899 billion. This amount was offset in part by two other errors that resulted in understating fund equity as of July 1, 2021. One of these errors, in the amount of $1.852 billion, related to the conversion in 2017 of State Treasury cash and investments from the State's legacy ERP system to the new ERP system. The other, in the amount of $516.91 million, related to a Department of Transportation-related adjustment, which also understated fund equity.

Source: South Carolina Comptroller General's Office

Table 3

Ended June 30

2020 (as restated)	2019 (as restated)	2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)
$ 129,273	$ 125,746	$ 128,937	$ 120,194	$ 94,624	$ 74,743
886,843	1,159,117	1,099,159	570,781	495,028	467,045
507,269	520,128	505,425	2,137,028	1,142,072	976,846
263,888	187,427	252,357	397,688	416,089	369,967
2,313,878	1,514,460	716,642	(658,196)	1,667,703	1,118,186
$ 4,101,151	**$ 3,506,878**	**$ 2,702,520**	**$ 2,567,495**	**$ 3,815,516**	**$ 3,006,787**
$ 64,805	$ 739,642	$ 33,767	$ 35,322	$ 24,897	$ 800,713
6,266,611	3,601,780	4,288,631	3,831,174	3,687,904	2,616,674
598,891	559,507	496,120	588,668	465,712	475,586
351,797	155,657	22,572	11,099	5,311	6,842
(2,346,309)	(560,631)	(678,731)	(672,008)	(608,503)	(656,236)
$ 4,935,795	**$ 4,495,955**	**$ 4,162,359**	**$ 3,794,255**	**$ 3,575,321**	**$ 3,243,579**
$ 9,036,946	**$ 8,002,833**	**$ 6,864,879**	**$ 6,361,750**	**$ 7,390,837**	**$ 6,250,366**

Changes in Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2024	2023	2022	2021 (as restated)
Revenues				
Taxes:				
Individual income	$ 5,925,530	$ 5,884,974	$ 6,932,111	$ 5,584,914
Retail sales and use	8,523,366	7,423,406	7,092,123	6,106,578
Corporate Income	1,250,049	1,219,636	1,048,315	573,618
Gas and motor vehicle	1,539,239	1,540,962	1,427,195	1,406,817
Insurance	279,165	265,952	236,704	224,996
Hospital	847,308	266,298	266,581	258,970
Other	923,297	887,497	923,472	837,842
Licenses, fees, and permits	327,402	667,232	595,752	603,099
Interest and other investment income	1,060,635	402,107	(517,736)	54,138
Federal	14,279,691	16,459,340	14,406,853	12,867,888
Local and private grants	76,126	63,602	81,194	83,565
Departmental services	793,702	883,629	960,907	1,048,142
Contributions	683,354	712,855	654,027	645,413
Fines and penalties	98,743	92,863	83,201	122,392
Tobacco legal settlement	67,953	75,499	88,544	88,349
Opioid legal settlement	4,399	10,690	—	—
Other	836,587	834,672	668,582	1,327,382
Total revenues	**37,516,546**	**37,691,214**	**34,947,825**	**31,834,103**
Expenditures				
Current:				
General government	1,472,179	4,872,661	1,753,169	2,720,573
Education	1,934,400	1,778,888	2,483,057	2,141,294
Health and environment	12,981,788	10,840,478	10,577,094	9,933,674
Social services	2,586,039	3,420,082	3,254,723	2,302,586
Administration of justice	1,323,358	1,315,136	980,160	949,638
Resources and economic development	604,753	384,196	313,617	287,262
Transportation	1,398,292	1,434,152	1,232,267	1,278,263
Capital outlay	1,973,535	1,243,553	924,331	932,849
Debt service:				
Principal retirement	190,223	187,848	196,810	197,956
Interest and fiscal charges	66,084	68,218	85,576	81,966
Intergovernmental	14,121,779	11,048,407	8,613,205	7,369,274
Total expenditures	**38,652,430**	**36,593,619**	**30,414,009**	**28,195,335**
Excess of revenues over (under) expenditures	**(1,135,884)**	**1,097,595**	**4,533,816**	**3,638,768**

Table 4

Ended June 30					
2020 (as restated)	2019 (as restated)	2018 (as restated)	2017 (as restated)	2016 (as restated)	2015 (as restated)
$ 5,045,819	$ 4,835,821	$ 4,408,772	$ 4,143,217	$ 3,884,855	$ 3,741,800
5,167,804	5,004,470	4,688,789	4,436,958	4,279,959	4,357,672
362,569	396,207	404,164	340,327	408,297	377,329
1,263,560	1,198,220	1,084,630	883,891	698,090	666,772
215,722	204,755	191,016	168,974	156,766	152,314
268,702	261,448	260,715	267,235	265,689	263,557
760,619	731,276	711,502	661,573	666,017	645,783
508,433	467,948	517,788	552,790	614,339	588,594
403,451	312,458	144,282	150,870	99,540	47,926
9,958,601	8,789,089	8,944,281	8,934,219	8,311,023	8,434,117
53,146	63,530	66,549	70,056	62,100	57,977
1,032,295	1,054,200	956,978	927,982	841,391	808,512
577,733	653,431	589,190	503,409	531,825	448,014
71,298	80,891	167,951	165,561	180,244	187,524
71,750	80,723	81,605	73,533	71,119	70,419
—	—	—	—	—	—
521,833	633,051	638,490	562,690	468,076	338,467
26,283,335	**24,767,518**	**23,856,702**	**22,843,285**	**21,539,330**	**21,186,777**
1,447,895	1,555,513	751,755	494,823	749,510	771,349
1,911,543	1,695,174	1,542,147	3,501,049	1,028,316	971,961
9,466,754	9,022,513	8,718,457	8,012,719	8,112,805	8,090,340
1,698,581	1,561,296	1,649,460	1,609,263	1,816,736	1,802,517
941,911	913,759	879,750	781,949	805,266	814,443
298,392	257,044	307,441	486,808	246,418	221,350
1,230,737	1,071,061	1,131,924	950,390	436,148	718,487
1,178,586	1,003,394	1,012,966	985,878	656,003	599,316
157,123	181,319	254,783	261,033	261,979	278,729
109,800	102,464	126,883	127,391	161,055	171,106
6,551,933	6,301,993	7,027,182	6,726,753	6,168,555	6,509,788
24,993,255	**23,665,530**	**23,402,748**	**23,938,056**	**20,442,791**	**20,949,386**
1,290,080	**1,101,988**	**453,954**	**(1,094,771)**	**1,096,539**	**237,391**

Continued on Next Page

Changes in Fund Balances (Continued)

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2024	2023	2022	2021 (as restated)
Other financing sources (uses)				
Bonds and notes issued	—	1,009	25,860	6,672
Refunding bonds issued	—	—	370,445	92,905
Premiums on bonds issued	—	—	103,641	11,813
Termination payment to SWAP counterparties	—	—	—	(73,199)
Leases issued	136,351	63,066	20,523	5,786
Payments to refunded bond escrow agent	—	—	(407,480)	(103,588)
Transfers in	1,679,115	1,311,194	827,208	240,692
Transfers out	(1,654,986)	(1,262,564)	(776,555)	(538,325)
Total other financing sources (uses)	**160,480**	**112,705**	**163,642**	**(357,244)**
Net change in fund balances	**$ (975,404)**	**$ 1,210,300**	**$ 4,697,458**	**$ 3,281,524**
Debt service as a percentage of noncapital expenditures	**0.7%**	**0.7%**	**1.0%**	**1.0%**

Further Disclosure Surrounding the 2022 Prior Period Adjustment:

The 2022 ACFR disclosed a prior period adjustment to the beginning fund balance in the general fund for an "error correction" in the amount of $3.530 billion (the "2022 PPA"). The State contracted with AlixPartners to perform forensic accounting procedures relating to, among other things, the $3.530 billion 2022 PPA and its underlying components as described below. After completing its work, AlixPartners issued a report, which is publicly available on the State's Department of Administration website. The AlixPartners report concludes at page 11 that "the cumulative net amount of the PPA, i.e., $3.5 billion, recorded in the fiscal year 2022 ACFR is accurate". The AlixPartners report also provides various recommendations to the State, including at page 46 that consideration be given to clarifying Note 15 of the 2022 ACFR to identify and quantify the specific components of the 2022 PPA.

In that regard, the 2022 PPA corrected three different errors, which netted to the $3.530 billion 2022 PPA to fund equity. Note 15 to the 2022 ACFR provided details about the most significant error that was corrected—an overstatement of fund equity that occurred due to a mapping error where certain appropriation-related cash transfers out in the State's Enterprise Resource Planning ("ERP") system were excluded from the ACFR mapping and therefore did not (in the ACFR) reduce cash and fund equity as should have occurred. This mapping error resulted in overstating fund equity as of July 1, 2021, by $5.899 billion. This amount was offset in part by two other errors that resulted in understating fund equity as of July 1, 2021. One of these errors, in the amount of $1.852 billion, related to the conversion in 2017 of State Treasury cash and investments from the State's legacy ERP system to the new ERP system. The other, in the amount of $516.91 million, related to a Department of Transportation-related adjustment, which also understated fund equity.

Source: South Carolina Comptroller General's Office

Table 4

Ended June 30					
2020 (as restated)	**2019 (as restated)**	**2018 (as restated)**	**2017 (as restated)**	**2016 (as restated)**	**2015 (as restated)**
22,133	2,857	15,065	51,103	115,370	18,110
179,030	350,375	188,725	213,595	573,505	—
43,973	—	30,041	22,464	44,852	3,070
—	—	—	—	—	—
1,122	1,854	1,847	47	411	—
(224,858)	(350,375)	(203,580)	(229,205)	(692,095)	—
548,590	178,116	380,842	449,624	851,955	270,402
(1,017,217)	(146,861)	(363,765)	(441,944)	(850,066)	(262,971)
(447,227)	**35,966**	**49,175**	**65,684**	**43,932**	**28,611**
$ 842,853	**$ 1,137,954**	**$ 503,129**	**$ (1,029,087)**	**$ 1,140,471**	**$ 266,002**
1.1%	**1.3%**	**1.7%**	**1.7%**	**2.1%**	**2.2%**

Personal Income by Industry
Last Ten Calendar Years
(expressed in millions)

Sources	Calendar Year 2023	2022	2021
Farm earnings	$ 204	$ 636	$ 461
Agricultural services, forestry, fishing, and other	514	474	438
Mining	280	250	197
Construction	12,968	11,979	10,817
Manufacturing	24,475	23,070	20,974
Transportation and public utilities	8,338	8,154	7,501
Wholesale trade	9,072	8,574	7,499
Retail trade	12,672	12,018	11,710
Finance, insurance, and real estate	15,329	14,317	13,779
Services	71,969	66,906	61,433
Federal government, civilian	4,604	4,207	4,020
Military	4,117	3,680	3,729
State and local government	24,484	23,287	22,698
Other [a]	119,052	109,996	111,184
Total personal income	**$ 308,078**	**$ 287,548**	**$ 276,440**
Average effective rate [b]	[c]	1.8%	2.2%

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

2020	2019	2018	2017	2016	2015	2014
$ 155	$ 168	$ 172	$ 320	$ 200	$ 222	$ 278
489	430	433	401	383	370	341
177	188	155	147	121	104	80
10,278	10,261	9,476	9,144	8,032	7,281	6,744
19,829	20,803	19,941	18,982	18,251	17,869	16,943
6,778	6,633	6,216	5,889	5,623	5,410	5,001
6,977	6,607	6,292	6,103	5,783	5,696	5,333
10,667	10,009	9,630	9,176	8,887	8,588	8,225
12,031	11,594	9,954	10,471	9,983	9,634	8,614
55,105	55,658	53,234	49,830	46,830	44,798	42,503
3,866	3,615	3,478	3,314	3,219	3,125	2,981
3,520	3,333	3,244	3,368	3,570	3,591	3,535
22,592	21,913	21,241	20,357	19,721	19,135	18,481
97,830	83,083	76,476	72,886	69,424	66,232	61,779
$ 250,294	**$ 234,295**	**$ 219,942**	**$ 210,388**	**$ 200,027**	**$ 192,055**	**$ 180,838**
2.0%	2.0%	1.9%	1.9%	1.9%	1.8%	1.8%

Taxable Sales by Industry
Last Ten Fiscal Years
(expressed in millions)

Sources	For the Fiscal Year 2024	2023	2022	2021
Retail trade	$ 58,245	$ 58,654	$ 55,772	$ 50,075
Services	18,449	17,870	16,440	14,255
Transportation, communication, and utilities	18,573	18,731	10,371	10,359
Wholesale trade	5,969	5,541	4,924	4,034
Other	19,037	16,069	21,913	16,412
Total taxable sales [a]	**$ 120,273**	**$ 116,865**	**$ 109,420**	**$ 95,135**

Percent Distribution of Taxable Sales by Industry
Last Ten Fiscal Years

Sources	For the Fiscal Year 2024	2023	2022	2021
Retail trade	48.5%	50.2%	51.0%	52.6%
Services	15.3%	15.3%	15.0%	15.0%
Transportation, communication, and utilities	15.4%	16.0%	9.5%	10.9%
Wholesale trade	5.0%	4.7%	4.5%	4.2%
Other	15.8%	13.8%	20.0%	17.3%
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 2020	2019	2018	2017	2016	2015
$ 44,445	$ 44,641	$ 43,852	$ 42,980	$ 48,777	$ 45,579
12,808	13,045	12,534	11,773	12,479	11,661
10,089	9,951	10,093	10,206	5,379	5,027
3,655	3,448	3,234	3,033	3,132	2,927
11,281	8,590	5,955	7,344	1,711	1,599
$ 82,278	**$ 79,675**	**$ 75,668**	**$ 75,336**	**$ 71,478**	**$ 66,793**

Table 7

Ended June 30 2020	2019	2018	2017	2016	2015
54.0%	56.0%	57.9%	57.2%	68.2%	68.2%
15.6%	16.4%	16.6%	15.6%	17.5%	17.5%
12.3%	12.5%	13.3%	13.5%	7.5%	7.5%
4.4%	4.3%	4.3%	4.0%	4.4%	4.4%
13.7%	10.8%	7.9%	9.7%	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	
2023	0.0% - 6.4%	6	3,330	16,680	[b]
2022	0.0% - 6.5%	6	3,200	16,040	1.8%
2021	0.0% - 7.0%	6	3,110	15,560	2.2%
2020	0.0% - 7.0%	6	3,070	15,400	2.0%
2019	0.0% - 7.0%	6	3,030	15,150	2.0%
2018	0.0% - 7.0%	6	2,970	14,860	1.9%
2017	0.0% - 7.0%	6	2,930	14,670	1.9%
2016	0.0% - 7.0%	6	2,920	14,600	1.9%
2015	0.0% - 7.0%	6	2,910	14,550	1.8%
2014	0.0% - 7.0%	6	2,880	14,400	1.8%

[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 2022 and 2014

(dollars, except income level, expressed in thousands)

2022 [a]

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	243,485	9.4%	$ 3,079	58.4%
$75,001 - $100,000	122,312	4.7%	559	10.6%
$50,001 - $75,000	213,329	8.2%	662	12.6%
$25,001 - $50,000	407,166	15.7%	657	12.5%
$10,001 - $25,000	399,036	15.4%	188	3.6%
$10,000 and lower	1,206,015	46.6%	121	2.3%
Total	**2,591,343**	**100.0%**	**$ 5,266**	**100.0%**

2013

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	103,105	4.8%	$ 1,305,331	41.9%
$75,001 - $100,000	74,401	3.5%	385,332	12.4%
$50,001 - $75,000	146,985	6.9%	521,699	16.7%
$25,001 - $50,000	304,884	14.2%	585,688	18.8%
$10,001 - $25,000	352,120	16.4%	239,599	7.7%
$10,000 and lower	1,163,894	54.2%	77,039	2.5%
Total	**2,145,389**	**100.0%**	**$ 3,114,688**	**100.0%**

[a] Information for 2023 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			
	2024	**2023**	**2022**	**2021**
Governmental Activities				
General obligation bonds	$ 78,435	$ 141,344	$ 193,969	$ 265,229
Limited obligation bonds	—	—	—	—
Infrastructure Bank bonds	1,311,793	1,381,137	1,441,839	1,472,319
Revenue bonds	32,660	34,323	35,887	37,348
Notes payable	27,590	37,432	64,319	64,678
Leases	213,914	132,219	113,990	120,969
Subscriptions payable	60,007	74,433	88,450	—
Total governmental activities	**1,724,399**	**1,800,888**	**1,938,454**	**1,960,543**
Business-Type Activities				
Revenue bonds	4,345	4,570	4,990	5,185
Notes payable	6,500	6,500	6,500	6,500
Total business-type activities	**10,845**	**11,070**	**11,490**	**11,685**
Total primary government	**$ 1,735,244**	**$ 1,811,958**	**$ 1,949,944**	**$ 1,972,228**
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 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

2020	2019	2018	2017	2016	2015
$ 368,747	$ 457,555	$ 564,811	$ 756,172	$ 962,196	$ 1,126,138
—	—	—	—	—	185
1,558,524	1,645,007	1,729,005	1,788,232	1,854,451	1,942,456
38,704	39,964	41,109	44,270	14,144	17,680
89,670	94,384	105,045	86,971	66,875	61,185
2,267	2,488	1,745	1,871	3,395	4,493
—	—	—	—	—	—
2,057,912	**2,239,398**	**2,441,715**	**2,677,516**	**2,901,061**	**3,152,137**
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**
$ 2,069,787	**$ 2,251,453**	**$ 2,447,445**	**$ 2,683,411**	**$ 2,907,116**	**$ 3,158,347**
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			
	2024	**2023**	**2022**	**2021**
Governmental Activities				
Capital improvement bonds	$ —	$ —	$ —	$ —
State highway bonds	—	—	12,419	27,749
State school facilities bonds	—	—	—	—
Infrastructure Bank bonds	14,140	17,764	21,245	24,595
State economic development bonds	49,235	99,091	126,833	170,924
Research university infrastructure bonds	10,770	16,085	21,087	25,784
Air carrier hub terminal facilities bonds	4,290	8,404	12,385	16,177
Total governmental activities	**78,435**	**141,344**	**193,969**	**265,229**
Total primary government	**$ 78,435**	**$ 141,344**	**$ 193,969**	**$ 265,229**
Debt as a percentage of personal income	[a]	—%	0.1%	0.1%
Debt per capita expressed in actual dollars	[a]	$ 26	$ 37	$ 51

[a] Not yet available

Source: South Carolina Comptroller General's Office

Table 11

Ended June 30

2020	2019	2018	2017	2016	2015
$ —	$ —	$ 8,698	$ 26,564	$ 55,629	$ 99,296
69,852	109,839	162,628	213,686	263,083	311,034
—	—	—	9,021	31,500	76,909
27,649	30,746	33,725	36,630	39,326	42,061
206,967	230,095	251,837	342,669	426,280	427,646
44,538	63,654	81,348	97,783	113,410	133,165
19,741	23,221	26,575	29,819	32,968	36,027
368,747	**457,555**	**564,811**	**756,172**	**962,196**	**1,126,138**
$ 368,747	**$ 457,555**	**$ 564,811**	**$ 756,172**	**$ 962,196**	**$ 1,126,138**
0.2%	0.2%	0.3%	0.4%	0.5%	0.6%
$ 72	$ 90	$ 112	$ 152	$ 196	$ 232

Computation of Legal Debt Margin

June 30, 2024

(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		
2022-2023 Budgetary General Fund revenues pledged for highway bonds [d]	$	10,948
2022-2023 other revenues pledged for highway bonds		883,493
2022-2023 revenues pledged for highway bonds		894,441
15% of 2022-2023 revenues pledged for highway bonds		134,166
Less: maximum annual debt service for highway bonds [f]		—
Legal debt service margin at June 30, 2024--highway bonds	$	134,166
GENERAL OBLIGATION BONDS (EXCLUDING INSTITUTION BONDS, HIGHWAY BONDS, AND ANTICIPATION NOTES) [e]		
2022-2023 Budgetary General Fund revenues	$	12,326,129
Less: 2022-2023 Budgetary General Fund revenues pledged for highway bonds		10,948
2022-2023 net Budgetary General Fund revenues		12,315,181
6% of 2022-2023 net Budgetary General Fund revenues		738,911
Less: maximum annual debt service for general obligation bonds excluding institution and highway bonds and bond anticipation notes [b]		19,177
Legal debt service margin at June 30, 2024--general obligation bonds excluding institution and highway bonds and bond anticipation notes	$	719,734

Table 12

ECONOMIC DEVELOPMENT BONDS [a]		
2022-2023 Budgetary General Fund revenues	$	12,326,129
Less: 2022-2023 Budgetary General Fund revenues pledged for highway bonds		10,948
2022-2023 net Budgetary General Fund revenues		12,315,181
0.5% of 2022-2023 net Budgetary General Fund revenues		61,576
Less: maximum annual debt service for economic development bonds [c]		4,229
Legal debt service margin at June 30, 2024--economic development bonds	**$**	**57,347**
RESEARCH UNIVERSITY INFRASTRUCTURE BONDS		
2022-2023 Budgetary General Fund revenues	$	12,326,129
Less: 2022-2023 Budgetary General Fund revenues pledged for highway bonds		10,948
2022-2023 net Budgetary General Fund revenues		12,315,181
0.5% of 2022-2023 net Budgetary General Fund revenues		61,576
Less: maximum annual debt service for research university infrastructure bonds [b]		4,801
Legal debt service margin at June 30, 2024--research university infrastructure bonds	**$**	**56,775**

[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, 2024, the maximum annual debt service will occur in the fiscal year ending June 30, 2025.

[c] As of June 30, 2024, the maximum annual debt service will occur in the fiscal year ending June 30, 2028.

[d] For the fiscal year ended June 30, 2024, there were no net Budgetary General Fund revenues pledged for State institution bonds and anticipation notes.

[e] 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.

[f] As of June 30, 2024, 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			
	2024	**2023**	**2022**	**2021**
State Highway Bonds				
Debt service limitation	$ 134,166	$ 130,920	$ 122,382	$ 114,737
Debt service applicable to limit	—	—	10,732	13,900
Legal debt margin at June 30	**$ 134,166**	**$ 130,920**	**$ 111,650**	**$ 100,837**
Legal debt margin as a percentage of debt service limitation	**100.0%**	**100.0%**	**91.2%**	**87.9%**
General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes				
Debt service limitation	$ 738,911	$ 779,593	$ 626,856	$ 550,095
Debt service applicable to limit	19,177	29,798	29,798	29,798
Legal debt margin at June 30	**$ 719,734**	**$ 749,795**	**$ 597,058**	**$ 520,297**
Legal debt margin as a percentage of debt service limitation	**97.4%**	**96.2%**	**95.2%**	**94.6%**
Economic Development Bonds				
Debt service limitation	$ 61,576	$ 64,966	$ 52,238	$ 45,841
Debt service applicable to limit	4,229	4,229	4,229	4,229
Legal debt margin at June 30	**$ 57,347**	**$ 60,737**	**$ 48,009**	**$ 41,612**
Legal debt margin as a percentage of debt service limitation	**93.1%**	**93.5%**	**91.9%**	**90.8%**
Research University Infrastructure Bonds				
Debt service limitation	$ 61,576	$ 64,966	$ 52,238	$ 45,841
Debt service applicable to limit	4,801	4,801	4,801	4,801
Legal debt margin at June 30	**$ 56,775**	**$ 60,165**	**$ 47,437**	**$ 41,040**
Legal debt margin as a percentage of debt service limitation	**92.2%**	**92.6%**	**90.8%**	**89.5%**

Source: South Carolina Comptroller General's Office

Table 13

Ended June 30

2020	2019	2018	2017	2016	2015
$ 115,049	$ 108,261	$ 105,579	$ 104,142	$ 99,210	$ 96,244
39,452	39,452	53,171	53,915	54,646	56,534
$ 75,597	**$ 68,809**	**$ 52,408**	**$ 50,227**	**$ 44,564**	**$ 39,710**
65.7%	**63.6%**	**49.6%**	**48.2%**	**44.9%**	**41.3%**
$ 527,560	$ 486,794	$ 454,285	$ 440,260	$ 416,987	$ 392,469
42,392	44,785	52,936	83,191	111,150	141,006
$ 485,168	**$ 442,009**	**$ 401,349**	**$ 357,069**	**$ 305,837**	**$ 251,463**
92.0%	**90.8%**	**88.3%**	**81.1%**	**73.3%**	**64.1%**
$ 43,963	$ 40,566	$ 37,857	$ 36,688	$ 34,749	$ 32,706
4,229	4,489	4,489	17,678	22,771	24,473
$ 39,734	**$ 36,077**	**$ 33,368**	**$ 19,010**	**$ 11,978**	**$ 8,233**
90.4%	**88.9%**	**88.1%**	**51.8%**	**34.5%**	**25.2%**
$ 43,963	$ 40,566	$ 37,857	$ 36,688	$ 34,749	$ 32,706
17,274	19,375	19,375	19,375	19,375	21,521
$ 26,689	**$ 21,191**	**$ 18,482**	**$ 17,313**	**$ 15,374**	**$ 11,185**
60.7%	**52.2%**	**48.8%**	**47.2%**	**44.2%**	**34.2%**

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					
2024	$ —	$ —	$ —	$ —	N/A
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
Infrastructure Bank Bonds					
2024	$ 245,959	$ 61,395	$ 50,355	$ 111,750	2.20
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

Demographic Statistics
Last Ten Calendar Years

Table 15

Year	Population at July 1 [a]	Per Capita Income [b]	Average Annual Unemployment Rate [c]
2023	5,373,555	$ 56,123	3.5%
2022	5,282,955	53,615	3.6%
2021	5,193,848	52,822	5.4%
2020	5,132,151	48,769	8.1%
2019	5,077,543	46,149	3.7%
2018	5,021,059	43,804	3.9%
2017	4,965,753	42,368	4.4%
2016	4,910,768	40,732	4.9%
2015	4,852,678	39,577	5.3%
2014	4,792,246	37,735	6.2%

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	2023		2014	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Services	951,961	41.9%	776,247	40.1%
State and local	327,883	14.4%	313,168	16.2%
Retail trade	271,907	11.9%	247,564	12.8%
Manufacturing	263,909	11.6%	234,224	12.1%
Finance, insurance, and real estate	118,325	5.2%	94,051	4.9%
Construction	115,061	5.0%	84,744	4.4%
Transportation and public utilities	96,455	4.2%	69,793	3.6%
Wholesale trade	84,033	3.7%	69,471	3.6%
Federal government, civilian	37,402	1.6%	32,687	1.7%
Agricultural services, forestry, fishing, and other	10,059	0.4%	10,211	0.5%
Mining	2,227	0.1%	1,132	0.1%
Total wage and salary employment	**2,279,222**	**100.0%**	**1,933,292**	**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: South Carolina Department of Commerce

Ten Largest Employers

Table 17

Latest Completed Calendar Year and Nine Years Prior
(Listed alphabetically)

2023	2014
BMW Manufacturing Corp.	Bi-Lo, Inc.
U.S. Department of Defense	Blue Cross/Blue Shield of South Carolina
Food Lion LLC	Greenville County School District
Medical Univ of SC Hospital Authority	Greenville Health 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
School District of Greenville County	U.S. Postal Service
Spartanburg Regional Medical Center	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

N**ote**: 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 2024	2023	2022	2021
General government	7,689	6,146	5,876	5,954
Education	3,668	2,731	2,664	2,720
Health and environment	12,115	9,131	8,709	9,203
Social services	5,864	4,771	4,564	4,510
Administration of justice	10,808	7,882	7,277	7,786
Resources and economic development	2,324	1,890	1,801	1,752
Transportation	4,524	3,615	3,534	3,793
Other	63	67	72	74
Totals	**47,055**	**36,233**	**34,497**	**35,792**

Source: South Carolina Comptroller General's Office

Table 18

as of June 30

2020	2019	2018	2017	2016	2015
6,011	5,977	6,265	6,243	6,102	6,068
2,787	2,800	2,898	2,974	2,898	2,857
10,112	9,982	9,818	9,493	9,489	9,741
4,673	4,416	4,062	3,730	3,675	3,438
8,424	8,425	8,755	8,659	8,578	8,886
1,782	1,744	1,742	1,630	1,607	1,612
4,135	4,236	4,342	4,530	4,602	4,361
78	86	81	82	76	66
38,002	**37,666**	**37,963**	**37,341**	**37,027**	**37,029**

Operating Indicators by Function
Last Ten Fiscal Years

	For the Fiscal Year			
	2024	2023	2022	2021
General government				
Individual income tax returns processed	2,668,979	2,683,519	2,517,836	2,812,397
Corporate income tax returns processed	157,490	156,989	135,746	147,433
Department of Motor Vehicles transactions	50,850,640	49,005,641	45,855,228	18,970,964
Workers' compensation cases reviewed	58,857	55,285	57,986	58,327
Education				
Per pupil spending	17,463 *	16,702 *	15,562	15,671
Public school enrollment	793,860	789,231	781,231	766,819
Average operating miles per school bus	14,367	14,291	14,291	15,142
State Museum visitors	121,160	111,958	79,604	58,168
Health and environment				
Medicaid eligible participants	1,327,109	1,656,339	1,568,318	1,456,437
Women, Infant and Children (WIC) participants	100,137	97,370	87,508	86,521
Community mental health center clients	55,098	55,257	59,687	50,000
Social services				
Average food stamp households per month	283,848	304,517	302,461	292,308
Child Protective Services investigations	36,896	37,131	36,749	34,756
Administration of justice				
Adult prison average daily population	16,142	15,976	15,437	15,807
Juvenile facility average daily population	237	311	287	394
Resources and economic development				
Dept of Commerce capital investment projects	81	120	153	126
Welcome Center visitors	6,102,466	7,080,501	5,450,885	1,995,469
Hunting and fishing licenses processed	1,022,390	967,299	974,369	1,043,309
Transportation				
Miles of surface repairs	127,410	123,576	117,762	137,489
Miles of roadway inspections	471,821	445,448	434,889	437,389
Unemployment compensation benefits				
Initial claims	117,595	120,924	87,592	265,652
Total benefit weeks claimed	741,541	662,106	869,077	3,575,435
Tuition prepayment program				
Individual accounts	1,399	1,602	1,806	2,046
Insurance claims processing				
Second Injury Fund claims paid	843	846	894	959
Other				
Public railway carloads (calendar year)	91,284	97,967	115,093	98,919

* Estimated spending

Source: South Carolina Comptroller General's Office

Table 19

Ended June 30					
2020	**2019**	**2018**	**2017**	**2016**	**2015**
2,284,026	2,424,308	2,433,317	3,058,609	2,995,483	2,582,598
136,102	136,143	133,959	126,000	129,511	212,072
15,599,029	15,744,086	15,447,021	14,681,110	14,113,064	13,401,505
66,825	65,827	67,255	64,802	63,480	63,164
14,487	14,060	13,601	13,043	12,368	12,007
787,069	781,493	774,004	769,130	760,500	753,485
11,845	14,800	14,400	14,600	14,798	14,715
141,718	170,907	208,300	161,335	161,372	181,284
1,449,935	1,436,247	1,424,134	1,413,345	1,424,039	1,336,550
85,242	86,354	109,864	101,563	107,257	114,562
50,000	57,559	84,528	82,560	82,241	80,792
275,382	264,179	345,511	342,551	371,331	382,054
33,188	37,951	38,099	26,347	24,980	19,784
18,171	18,743	19,559	20,483	20,671	21,183
396	413	435	514	534	560
129	162	157	132	150	146
2,540,977	4,692,510	3,232,816	2,954,241	3,018,376	2,054,310
1,024,817	904,258	845,333	875,912	918,677	995,773
140,566	173,578	143,334	139,399	171,818	160,674
400,097	360,112	349,335	364,882	198,161	178,761
739,569	128,980	139,336	114,951	159,186	179,984
3,284,932	802,474	863,828	964,485	1,197,550	956,586
2,374	2,707	5,317	5,486	5,575	5,662
1,147	1,256	1,380	1,336	1,567	1,759
101,282	104,010	106,490	135,267	133,147	117,550

Capital Assets by Function
Last Ten Fiscal Years

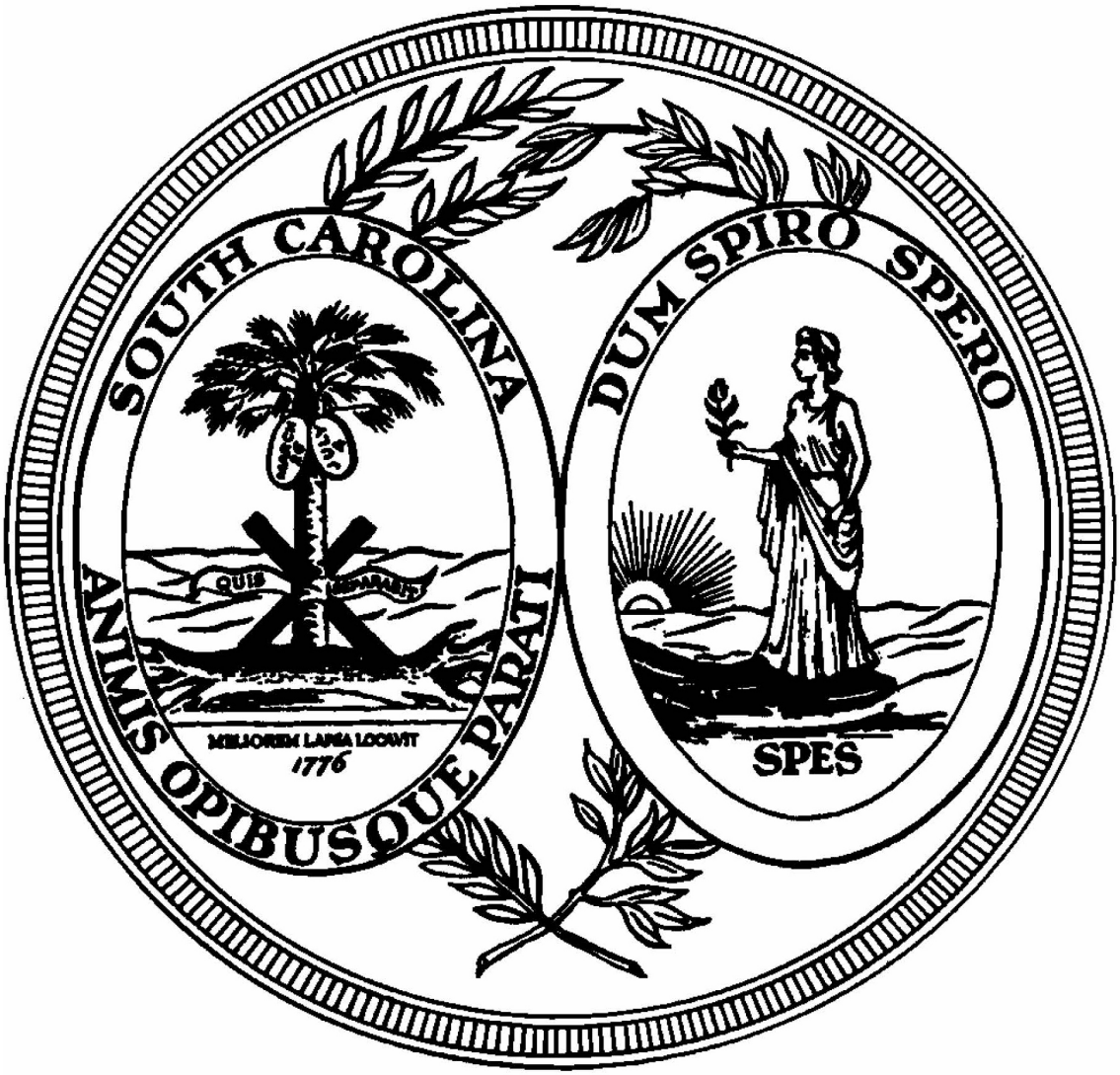
	For the Fiscal Year			
	2024	2023	2022	2021
General government				
Buildings and facilities	37	42	42	42
State armories	56	56	56	56
Fleet vehicles	4,006	3,748	3,543	3,350
Motor vehicle district offices	66	66	66	66
Education				
School buses	5,648	5,629	5,653	5,689
Television transmitters	10	10	10	10
Vocational training/client centers	34	34	34	34
Health and environment				
Mental health buildings	123	123	113	117
Community mental health centers	84	76	70	71
Special needs centers and homes	10	10	10	10
Social services				
Buildings and facilities	63	63	63	63
Administration of justice				
Adult correctional institutions	21	21	21	21
Juvenile correctional facilities	5	5	5	5
Highway patrol district offices	7	7	7	7
Highway patrol vehicles	1,335	1,299	1,414	1,459
Resources and economic development				
Acres of State parks	99,991	96,707	92,995	92,816
Acres of State forests	99,353	97,392	94,462	94,462
State parks and historical sites	58	58	54	54
State farmers' markets	3	3	3	3
DNR vehicles and boats	1,647	1,483	1,801	1,777
Transportation				
Miles of State highways (calendar year)	41,271	41,282	41,295	41,297
Weigh stations	9	9	9	9
Traffic cameras	547	547	547	537
Miles of cable median barriers	481	486	502	502
Other				
Rail yards	4	4	4	4
State-owned locomotives	13	13	12	12

Source: South Carolina Comptroller General's Office

Table 20

Ended June 30

2020	2019	2018	2017	2016	2015
41	41	44	45	49	49
56	56	59	57	57	58
3,769	3,617	3,607	3,325	3,000	3,029
66	66	66	67	67	66
5,643	5,684	5,681	5,671	5,617	5,776
10	10	11	11	11	11
34	34	34	34	35	35
113	115	127	139	141	144
70	70	71	68	64	64
10	10	10	10	10	10
65	65	65	67	69	69
21	21	21	23	23	24
5	5	5	5	5	5
6	6	6	6	6	6
1,586	1,703	1,628	1,551	1,442	1,442
92,495	92,259	91,144	86,445	86,445	86,445
94,462	94,462	94,462	94,462	94,462	94,462
53	53	53	53	53	53
3	3	3	3	3	3
1,669	1,863	1,732	1,753	1,645	1,169
41,299	41,315	41,330	41,358	41,377	41,391
8	8	8	8	8	8
517	485	447	379	359	360
476	476	490	490	490	480
4	4	4	3	3	3
12	12	12	12	12	10



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was $1,065.00; 75 copies were printed at a cost of $14.20 each.