

A large, black-outlined map of the state of South Carolina serves as a background for the title text. The text is centered within the map's boundaries.

**STATE OF
SOUTH CAROLINA**

**ANNUAL
COMPREHENSIVE
FINANCIAL
REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30,
2025**

Prepared by the Comptroller General's Office

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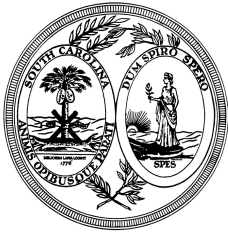
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Introductory Section



Letter of Transmittal
Certificate of Achievement
Principal State Officials
Organizational Chart



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January 28, 2026

**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, 2025. 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 Mauldin & Jenkins, LLC, 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, 2025. 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 5.5 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 Other Budgeted Funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is exercised at both the departmental and agency level. 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.

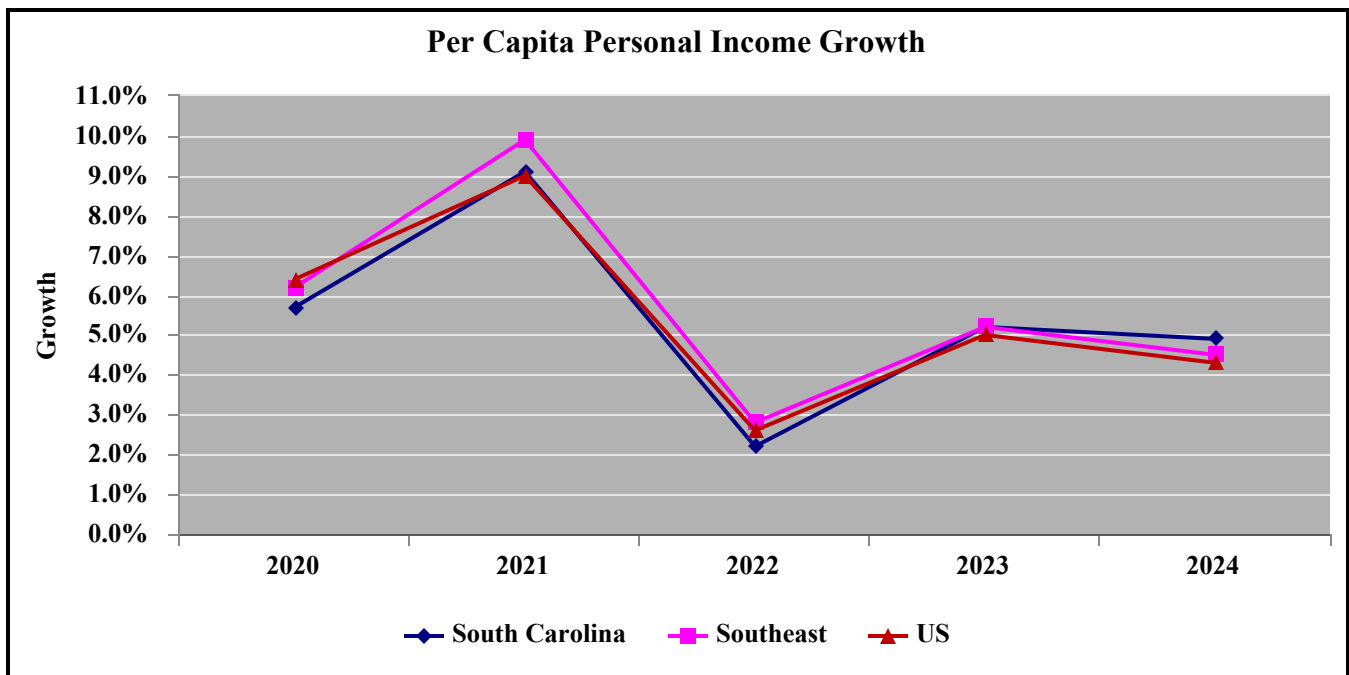
During the year ended June 30, 2025, total non-farm employment in the State increased by 38,000 (or 1.6%) to 2,420,400. Industry sector gains during that period were as follows: Education and Health Services (+17,900); Government (+10,600); Construction (+8,400); Professional and Business Services (+4,000); Mining, Logging, Information, and Other Services (+3,300); and Financial Activities (+2,500). Declines were experienced in Manufacturing (-6,200); Leisure and Hospitality (-1,500); and Trade, Transportation, and Utilities (-1,000).

South Carolina's unemployment rate was 4.1% in June 2025, which increased from the June 2024 rate of 3.6%. The State's unemployment rate was 4.3% in August 2025, the most recent month available. In comparison, the U.S. unemployment rate was 4.1% in June 2025 and 4.3% in August 2025.

The South Carolina Leading Index (SCLI) increased by 0.16 points from June 2024 to June 2025 to 102.99. Above the 100 mark, the SCLI forecasts generally improving economic conditions for South Carolina over the upcoming three to six months. The SCLI closed the month of August 2025 at 102.86, the most recent month available.

The number of real estate closings increased by 4.2% between June 2024 and June 2025 due in large part to falling mortgage rates and slowing inflation on housing. However, real estate selling prices in South Carolina have increased, with the median price of homes sold increasing 0.9% between June 2024 and June 2025. In addition, the number of residential building permits decreased by 12.6% compared to a year ago and the dollar amount of those permits decreased by 5.7% between June 2024 and June 2025.

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 2025.

The State ended fiscal year 2025 with a positive budgetary-basis General Fund balance after reservation of \$6.604 billion, which was made up of legislatively-approved agency carryover appropriations of \$3.426 billion, the Contingency Reserve of \$332.294 million, the General Reserve of \$739.568 million, the Capital Reserve of \$369.784 million, and an unassigned surplus of \$1.736 billion.

MAJOR INITIATIVES

The State continues to fund programs related to job creation. In calendar year 2024 the State committed \$23.724 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 Isuzu North America Corporation to Greenville County, Eaton to Union County, TS Conductor to Jasper County, and Homanit to Clarendon County. Isuzu is expected to create over 700 jobs, Eaton is expected to create 700 jobs, TS Conductor is expected to create 462 jobs, and Homanit is expected to create 300 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 2024 alone, the State attracted more than \$5.38 billion in new capital investment from manufacturing companies, which resulted in the creation of more than 5,500 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 \$38.027 billion in 2024, which is an increase of 2.0% from 2023. In 2024, 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 \$349.965 billion in 2024. Between 2023 and 2024, real GDP grew 6.9% compared to the southeast states' average growth of 6.0% 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 2024 had the third lowest unionization rate in the nation, at 2.8% 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 2025 survey. In this 2025 survey, South Carolina ranked first in the nation in business incentive programs, overall cost of doing business, and site readiness programs.

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, 2024. This was the thirty-seventh 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.

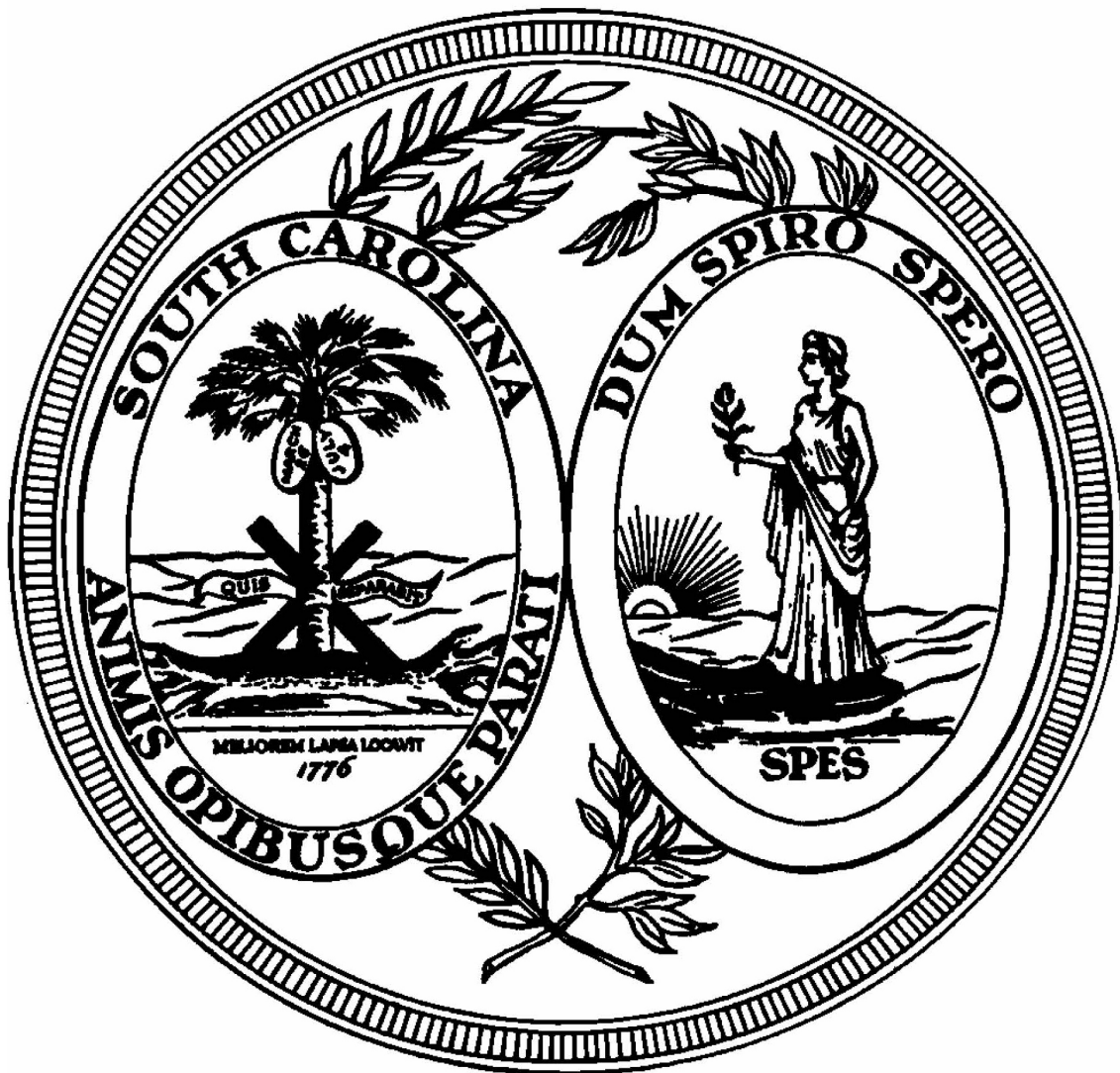
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility to be awarded a Certificate of Achievement.

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,

A handwritten signature in blue ink, reading "Brian J. Gaines". The signature is fluid and cursive, with the first name "Brian" and last name "Gaines" clearly distinguishable.

Brian J. Gaines
Comptroller General



**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, 2024

Christopher P. Morill

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

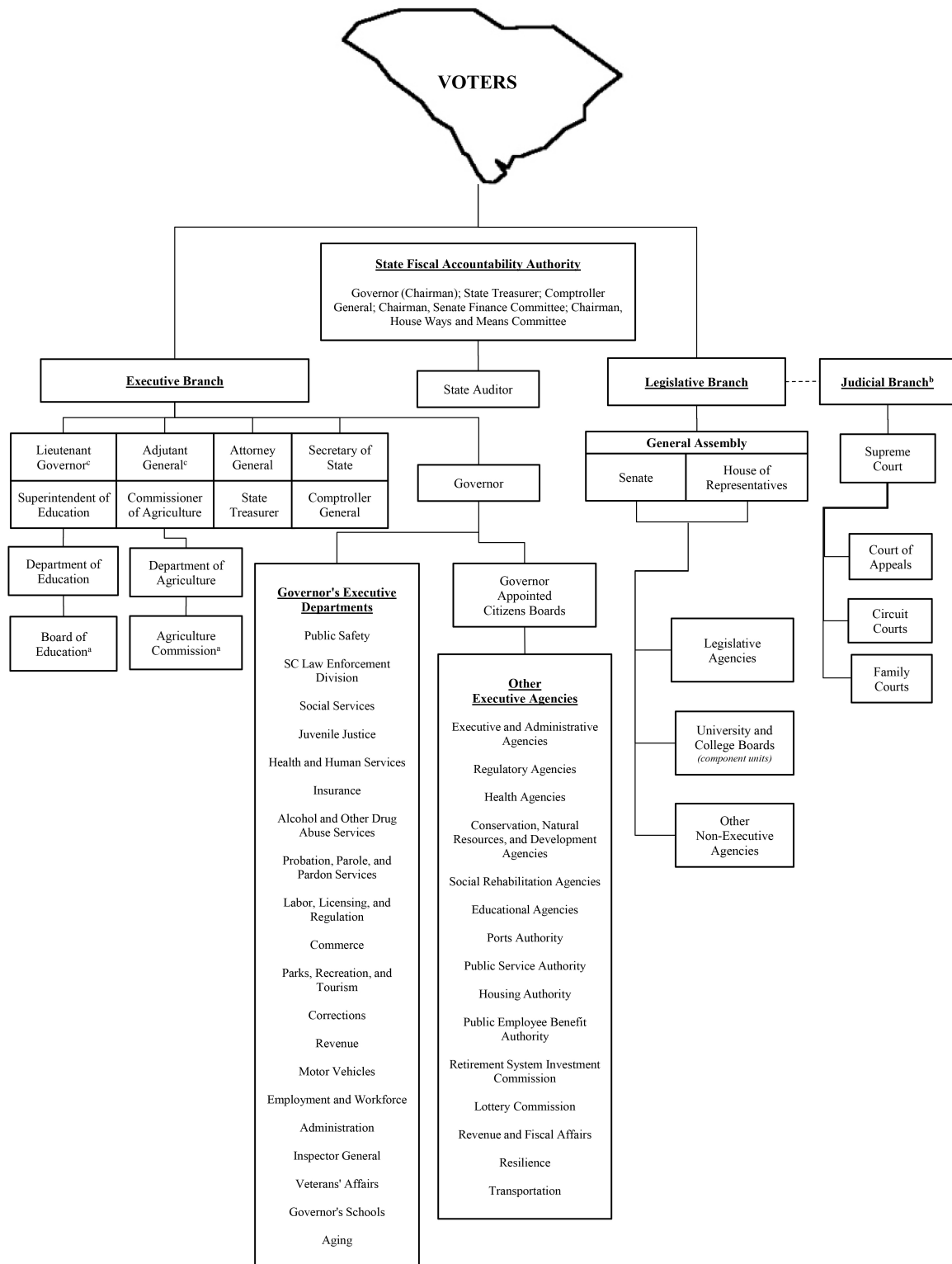
JUDICIAL

John W. Kittredge, Chief Justice, Supreme Court

The State's citizens elect the legislative and executive branch officials named above. This list is as of June 30, 2025.

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

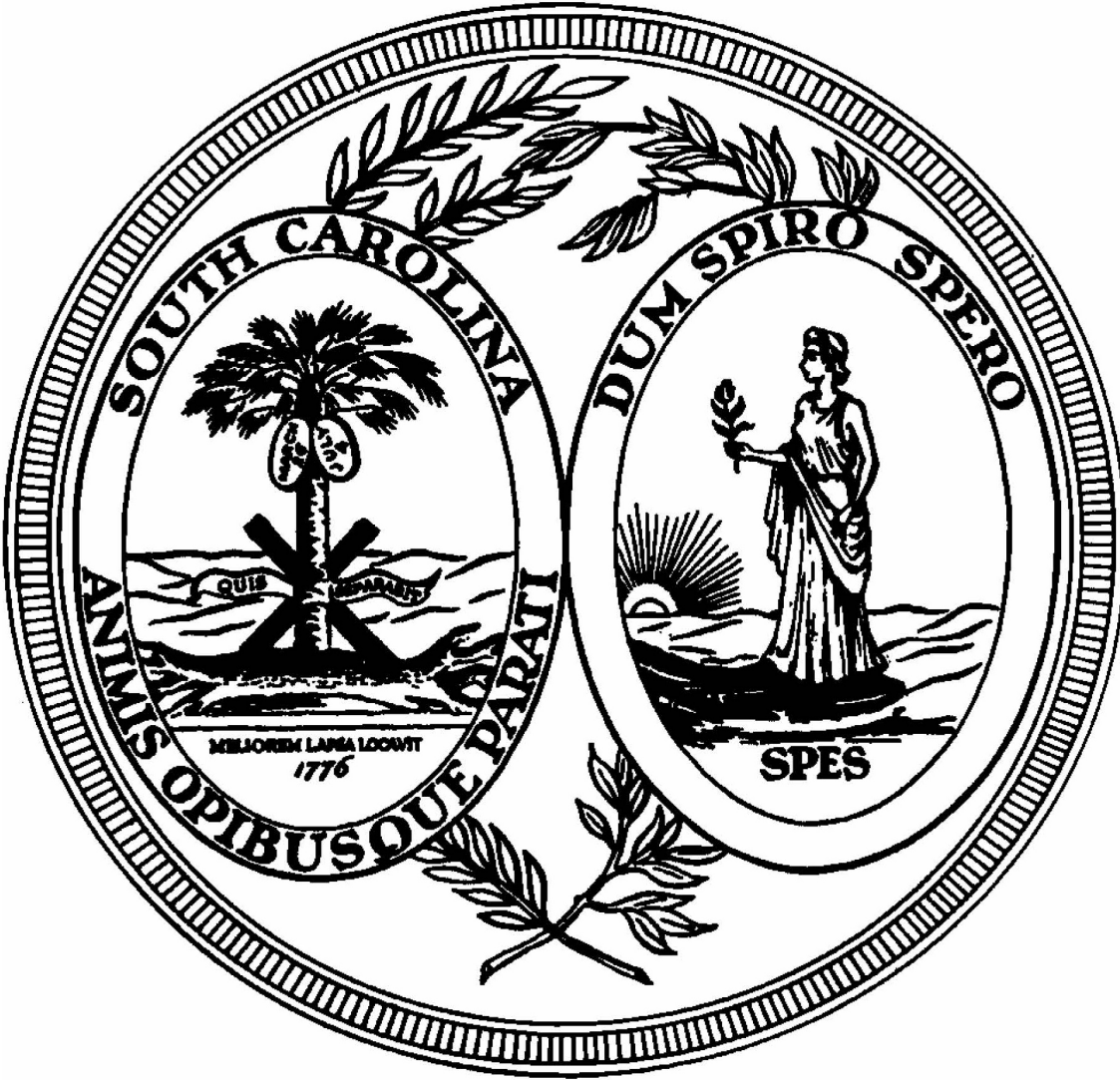
Organizational Chart



^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.



Financial Section



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



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, 2025, 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, 2025, 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 percentage 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 Mauldin & Jenkins, LLC 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 Mauldin & Jenkins, LLC 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
<u>Government-Wide</u>						
Governmental Activities	50.14%	8.73%	0.06%	0.06%	1.17%	0.16%
Business-type Activities	-	-	-	-	92.15%	85.06%
Component Units	6.61%	17.62%	-	-	93.39%	82.38%
<u>Fund Statements</u>						
Governmental Funds	19.05%	8.40%	0.11%	0.06%	0.29%	0.18%
Enterprise Funds	-	-	-	-	90.61%	85.06%
Internal service Funds	31.09%	5.02%	-	-	22.72%	2.30%
Fiduciary Funds	-	-	0.14%	0.22%	99.39%	98.36%

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 2024 financial statements have been restated to correct a misstatement and to 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.

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

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.

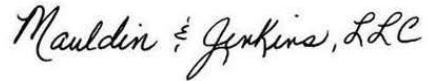
The Honorable Henry D. McMaster, Governor
and
Members of the General Assembly
State of South Carolina

Other Reporting Required by *Government Auditing Standards*

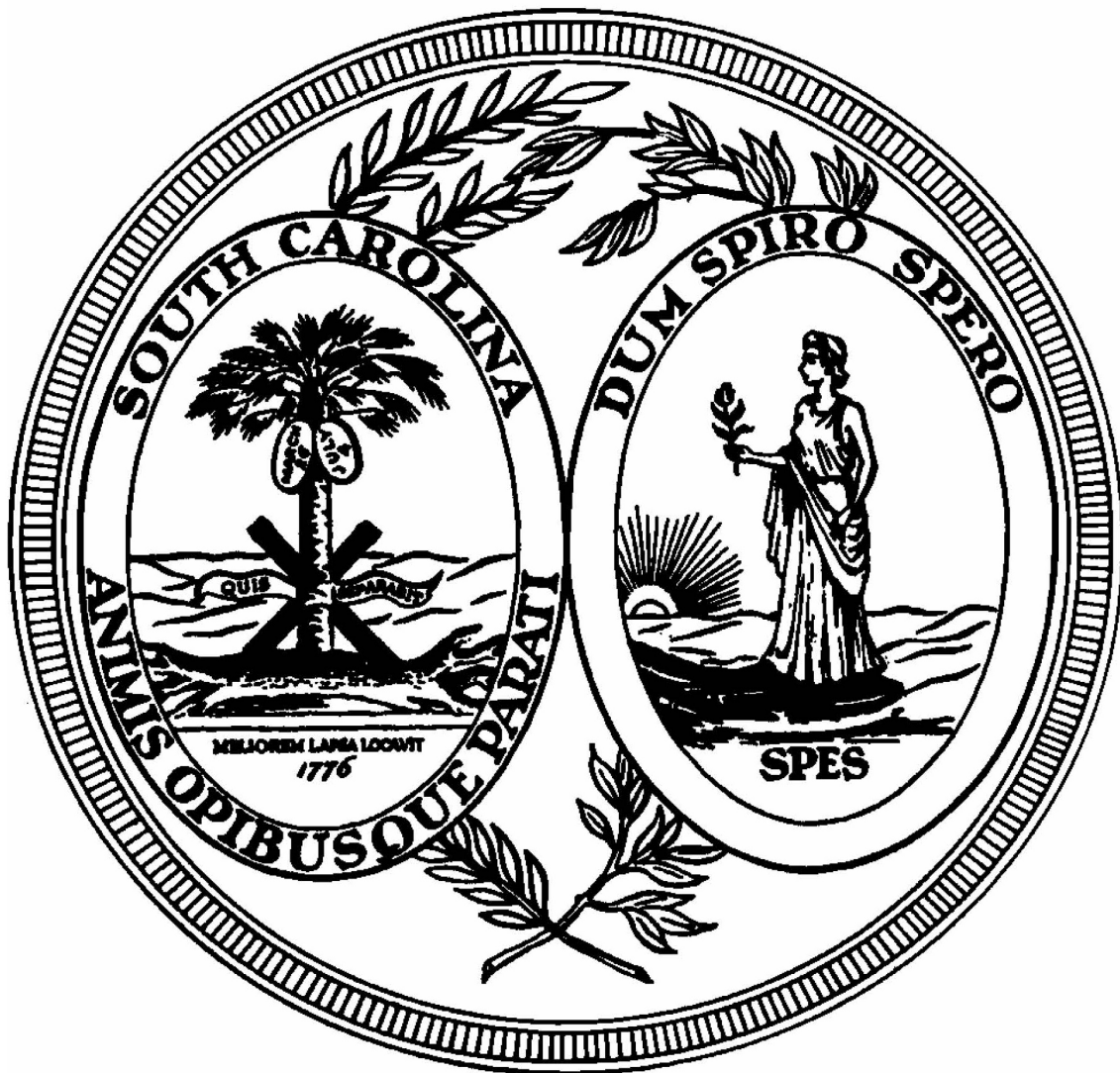
In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of the State's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and 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
January 28, 2026



Columbia, South Carolina
January 28, 2026



**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, 2025. 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, 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 190 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 192 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
	2025	2024 as Restated	2025	2024	2025	2024 as Restated	2025-2024
Assets							
Current and other assets	\$ 27,711,309	\$ 28,955,991	\$ 2,443,196	\$ 2,278,554	\$ 30,154,505	\$ 31,234,545	(3.5%)
Capital and lease assets	23,929,376	22,177,321	341,390	295,719	24,270,766	22,473,040	8.0%
Total assets	51,640,685	51,133,312	2,784,586	2,574,273	54,425,271	53,707,585	1.3%
Deferred Outflows of Resources	2,328,379	1,682,387	12,307	10,409	2,340,686	1,692,796	38.3%
Liabilities							
Long-term liabilities	10,844,126	9,639,835	220,163	238,461	11,064,289	9,878,296	12.0%
Other liabilities	8,515,568	9,860,554	265,590	192,667	8,781,158	10,053,221	(12.7%)
Total liabilities	19,359,694	19,500,389	485,753	431,128	19,845,447	19,931,517	(0.4%)
Deferred Inflows of Resources	1,884,204	2,066,902	12,115	14,429	1,896,319	2,081,331	(8.9%)
Net Position							
Net investment in capital assets	22,168,854	20,459,092	328,385	284,321	22,497,239	20,743,413	8.5%
Restricted	7,215,716	8,222,878	1,963,697	1,861,416	9,179,413	10,084,294	(9.0%)
Unrestricted	3,340,596	2,566,438	6,943	(6,612)	3,347,539	2,559,826	30.8%
Total net position	\$ 32,725,166	\$ 31,248,408	\$ 2,299,025	\$ 2,139,125	\$ 35,024,191	\$ 33,387,533	4.9%

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 \$3.348 billion at June 30, 2025. This represents an increase of net position of \$787.713 million over the prior year. Most of this increase resulted from a \$889.757 million, or 10.4%, increase in retail sales and use tax revenues. The increase in retail sales and use tax revenue collections can be attributed to a strong State economy with a growing population.

The State's business-type activities reported a balance of \$6.943 million in unrestricted net position. This represents an increase of \$13.555 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 in 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 and more cash on hand to invest.

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
	2025	2024 as Restated	2025	2024	2025	2024 as Restated	2025-2024
Revenues							
Program revenues:							
Charges for services	\$ 6,585,501	\$ 4,895,909	\$ 271,394	\$ 310,673	\$ 6,856,895	\$ 5,206,582	31.7%
Operating grants and contributions	14,047,040	13,734,062	—	2	14,047,040	13,734,064	2.3%
Capital grants and contributions	1,259,664	1,285,601	37,671	8,371	1,297,335	1,293,972	0.3%
General revenues:							
Individual income tax	6,697,254	5,925,530	—	—	6,697,254	5,925,530	13.0%
Retail sales and use tax	9,413,123	8,523,366	—	—	9,413,123	8,523,366	10.4%
Other taxes	5,197,715	4,840,246	—	—	5,197,715	4,840,246	7.4%
Unrestricted grants and contributions	39	306	—	—	39	306	(87.3)%
Unrestricted investment income	1,236,950	1,126,039	77,596	63,735	1,314,546	1,189,774	10.5%
Tobacco legal settlement	64,333	67,953	—	—	64,333	67,953	(5.3)%
Opioid legal settlement	23,228	4,399	—	—	23,228	4,399	428.0%
Other	877,248	935,111	1,053	1,368	878,301	936,479	(6.2)%
Total revenues	45,402,095	41,338,522	387,714	384,149	45,789,809	41,722,671	9.7%
Expenses							
Governmental activities:							
General government	11,488,739	11,018,645	—	—	11,488,739	11,018,645	4.3%
Education	9,174,964	8,676,056	—	—	9,174,964	8,676,056	5.8%
Health	13,419,601	12,959,759	—	—	13,419,601	12,959,759	3.5%
Social services	2,921,449	2,651,952	—	—	2,921,449	2,651,952	10.2%
Administration of justice	1,817,651	1,504,038	—	—	1,817,651	1,504,038	20.9%
Resources, environment, and economic development	2,182,278	1,946,306	—	—	2,182,278	1,946,306	12.1%
Transportation	2,918,439	1,705,635	—	—	2,918,439	1,705,635	71.1%
Other	6,625	7,421	—	—	6,625	7,421	(10.7)%
Business-type activities:							
Unemployment compensation benefits	—	—	164,934	157,722	164,934	157,722	4.6%
Second Injury Fund	—	—	2,977	71	2,977	71	4093.0%
Other	—	—	55,494	139,495	55,494	139,495	(60.2)%
Total expenses	43,929,746	40,469,812	223,405	297,288	44,153,151	40,767,100	8.3%
Excess (deficiency) before transfers	1,472,349	868,710	164,309	86,861	1,636,658	955,571	71.3%
Net transfers	4,409	5,440	(4,409)	(5,440)	—	—	—%
Change in net position	1,476,758	874,150	159,900	81,421	1,636,658	955,571	71.3%
Net position at beginning of year, as restated	31,248,408	30,374,258	2,139,125	2,057,704	33,387,533	32,431,962	2.9%
Net position, end of year	\$32,725,166	\$31,248,408	\$ 2,299,025	\$ 2,139,125	\$35,024,191	\$33,387,533	4.9%

Changes in Net Position

The State's total net position of its governmental activities and its business-type activities increased by \$1.637 billion, or 4.9%, 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 \$1.477 billion, or 4.7%. Revenue increased from last year by \$4.064 billion, or 9.8%, which was mostly comprised of an increase of \$1.976 billion, or 9.9%, in program revenue and an increase of \$2.087 billion, or 9.7%, 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 \$3.460 billion, or 8.5%, for the fiscal year ended June 30, 2025. These expenses were mostly associated with services provided for transportation. Exhibit 4 compares the cost of these services with their program revenues— revenues derived directly from the program itself or from parties outside the State's taxpayers or citizenry. The difference between the two represents the net cost of these services that taxes and other general revenues financed. For the fiscal year ended June 30, 2025, the State used \$22.038 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 \$4.409 million to the State's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2025 fiscal year:

- Individual income tax revenues increased by \$771.724 million, or 13.0%, retail sales and use tax revenues increased by \$889.757 million, or 10.4%, and other taxes revenues increased by \$357.469 million, or 7.4%. Overall tax collections increased by \$2.019 billion, or 10.5%, during fiscal year 2025 as the State continued to experience economic growth. Additionally, individual income tax collections increased even with lower tax rates being enacted again within the 2025 fiscal year.
- Operating grants and contributions increased by \$312.978 million, or 2.3%, over the prior year. This was primarily due to an increase in federal grant monies from federal economic stimulus funding and general federal grants.
- Unrestricted investment income increased by \$110.911 million, or 9.8%, from the previous fiscal year. This increase was attributed to more investable cash on hand during the current fiscal year versus the prior fiscal year and an aggressive investment strategy within State laws.
- General government expenses increased by \$470.094 million, or 4.3% over the prior year. The increase in general government expenses was mostly attributable to a larger fiscal year 2025 budget versus the State's 2024 budget. This increase included a larger subsidy for State employee healthcare cost increases and increases in health insurance claims.
- Education expenses increased by \$498.908 million, or 5.8% 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 expenses increased by \$459.842 million, or 3.5% over the previous fiscal year. These increases are attributed to increases in Medicaid and public assistance food payments over the previous year.
- Social services expenses increased by \$269.497 million, or 10.2%, due to the increase in demand for services as the nation's overall economy began to see slowing growth.
- Transportation expenses increased by \$1.212 billion, or 71.0%. The increase in spending was primarily a result of making up for the prior year where 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.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2025

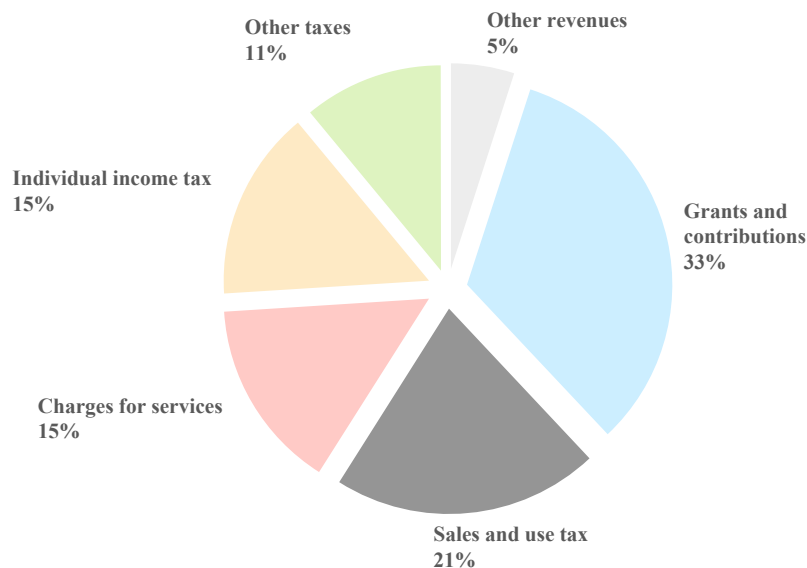
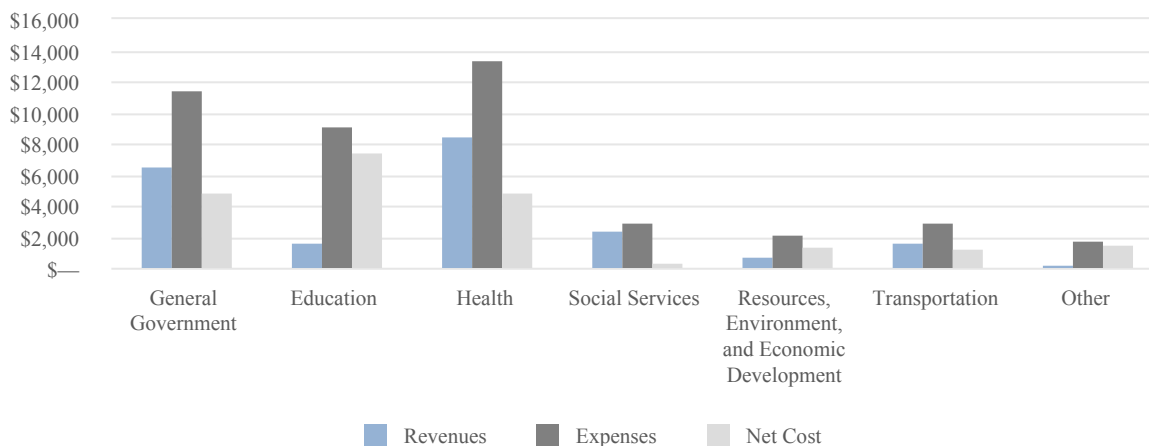


Exhibit 4
Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2025
(In Millions)



	General Government	Education	Health	Social Services	Resources, Environment, and Economic Development	Transportation	Other
Revenues	\$6,591	\$1,639	\$8,554	\$2,479	\$756	\$1,654	\$220
Expenses	\$11,489	\$9,175	\$13,420	\$2,921	\$2,182	\$2,918	\$1,824
Net Cost	\$4,898	\$7,536	\$4,866	\$442	\$1,426	\$1,264	\$1,604

Business-type Activities

The net position of the State's business-type activities increased by \$159.900 million, or 7.5%.

State of South Carolina

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, 2025 was \$1.915 billion, which was an increase of \$95.457 million, or 5.2%, 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, 2025 was \$48.434 million, which was an increase of \$6.824 million, or 16.4%, from last year.

Operating revenues of the Unemployment Compensation Fund decreased by \$37.802 million, or 15.6%, and operating expenses for the payment of unemployment compensation benefits increased by \$7.212 million, or 4.6%, during the 2025 fiscal year. The decreases in operating revenues resulted from increases for allowances for uncollectible receivables and the increase in operating expenses relate to the nationwide unemployment rate increasing during the 2025 fiscal year. The overall increase in the Unemployment Compensation Fund's net position occurred because of an increase in interest income of \$12.211 million, or 28.2% due to more investable cash on hand during the current fiscal year versus the prior fiscal year and an aggressive investment strategy within State laws. Also, net transfers out of the Unemployment Compensation Fund decreased by \$58 thousand, or 22.5%. Additionally, operating expenses for the Second Injury Fund have increased by \$2.906 million, or 4093.0%, and operating revenues for the payment of Second Injury Fund claims remained at a low level during the 2025 fiscal year due to the Second Injury Fund's closure plan that took effect in fiscal year 2019. The Second Injury Fund's operating expenses also increased because of increases for allowances for uncollectible receivables. The operating expenses of the Second Injury Fund increased due to a new and revised actuarial report on its claims. However, the Second Injury Fund's net position also increased during the 2025 fiscal year because of its strong interest earnings.

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, 2025.

Exhibit 5
Governmental Fund Balances
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 67,378	\$ 22,037	\$ —	\$ 10,359	\$ 11,643	\$ 111,417
Restricted	1,284,909	505,159	2,674,150	1,781,088	923,775	7,169,081
Committed	1,117,281	51,844	135,906	486,528	206,177	1,997,736
Assigned	3,018,180	474,813	—	563,110	534,825	4,590,928
Unassigned	3,466,215	(77,716)	—	—	—	3,388,499
Totals	\$ 8,953,963	\$ 976,137	\$ 2,810,056	\$ 2,841,085	\$ 1,676,420	\$ 17,257,661
 Change from prior year	 \$ (441,992)	 \$ 47,242	 \$ 217,097	 \$ 215,789	 \$ (30,411)	 \$ 7,725
Percentage change	(4.7)%	5.1%	8.4%	8.2%	(1.8)%	—%

At June 30, 2025, total ending fund balance for the State's governmental funds was \$17.258 billion, which represents an increase of \$7.725 million, or 0.04%, from the prior year. This total contains an unassigned fund balance of \$3.388 billion. The total also includes \$3.466 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 41.5% 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 \$772.830 million, or 13.1%, retail sales and use tax of \$843.373 million, or 12.3%; and other taxes of \$72.369 million, or 8.9%, were experienced from the prior year. These revenues grew due to a relatively strong consumer sentiment that existed within the State during the 2025 fiscal year. Additionally, the State lowered its individual income tax rates in the current fiscal year. This change coupled with an increasing population and a growth in nationwide wages caused individual income taxes to grow in the 2025 fiscal year. General Fund expenditures, increased by \$1.753 billion, or 9.4%. General Fund expenditures increased mostly within its education expenditures, resources, environment, and economic development expenditures, and transportation expenditures. General Fund education expenditures increased by \$448.255 million, or 42.1%, resources, environment, and economic development expenditures increased by \$409.898 million, or 81.3%, and transportation expenditures increased by \$423.170 million, or 296.9%. Education expenditures increased due to pay raises for teachers, aid to classrooms, tuition freezes, and monies appropriated for more school resource police officers. Resources, environment, and economic development expenditures saw increases due to the splitting up of the Department of Health and Environmental Control, which was all previously classified as health expenditures, to the Department of Public Health (considered health expenditures) and the Department of Environmental Services (classified as resources, environment, and economic development expenditures). Lastly, transportation expenditures increased due to \$500.000 million allocated to the State's bridges for emergency replacements and repairs.

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 2025 fiscal year, the total fund balance increased by \$47.242 million, or 5.1%, from the prior year. The increase in fund balance was primarily the result of an increase in federal grant funding of \$251.784 million, or 1.9% over the previous fiscal year. The increase in federal grant funding was related 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 \$217.097 million, or 8.4%, during the 2025 fiscal year, leaving a balance of \$2.810 billion at the end of the fiscal year. The increase was due to several infrastructure projects not reaching construction stage during the fiscal year, while total revenues remained steady in the current fiscal year versus the prior fiscal year. Also, interest income increased by \$24.850 million, or 26.5%, 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 \$215.789 million, or 8.2%, during the 2025 fiscal year, leaving a balance of \$2.841 billion at the end of the fiscal year. The increase in fund balance was primarily the result of previous gas tax increases for road projects and maintenance. DOT is in the process of undertaking many road projects, which as stated above, some have been delayed.

Nonmajor Governmental Funds are used to account for funds that are restricted for specific purposes, including education, healthcare, and local governments. The \$30.411 million, or 1.8%, decrease in fund balance during the 2025 fiscal year was primarily the result of the \$467.774 million, or 388.8%, increase in capital outlay expenditures partially offset by an increase in sales and use tax revenues of \$44.368 million, or 2.7%. The increases in capital outlay correspond to the increase in capital assets detailed on page 34.

Proprietary Funds

Exhibit 6 shows the components of the net position for the State's various proprietary funds at June 30, 2025.

Exhibit 6
Proprietary Fund Net Position
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Fund Net Position	Enterprise Funds				Internal Service Funds
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Total Enterprise	
Net investment in capital assets	\$ —	\$ —	\$ 328,385	\$ 328,385	\$ 100,018
Restricted, expendable	1,915,263	48,434	—	1,963,697	—
Unrestricted	—	—	6,943	6,943	799,728
Totals	\$ 1,915,263	\$ 48,434	\$ 335,328	\$ 2,299,025	\$ 899,746
 Change from prior year	 \$ 95,457	 \$ 6,824	 \$ 57,619	 \$ 159,900	 \$ 39,899
Percentage change	5.2%	16.4%	20.7%	7.5%	4.6%

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 \$95.457 million, or 5.2%, 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 \$7.212 million as a result of the nationwide unemployment rate rising during the 2025 fiscal year, while its operating revenues decreased by \$37.802 million because of increases for allowances for uncollectible receivables.

The net position of the *Second Injury Fund*, a major enterprise fund, increased by \$6.824 million, or 16.4%, 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* increased by \$57.619 million, or 20.7%, over the prior year. The increase in the State's *nonmajor enterprise funds'* net position was primarily due to Palmetto Railways' recognition of \$37.671 million in capital contributions relating to its Camp Hall project.

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 \$39.899 million, or 4.6%, in the 2025 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. \$16.048 million, or 40.2%, of the increase in the State's internal service funds' net position can be attributed to the State Employee Insurance Fund. While the State Employee Insurance Fund's operating revenues and operating expenses approximately net to \$0, the fund's interest earnings of \$23.085 million led to the increase in net position.

Budgetary General Fund Highlights

Estimated revenues for the 2025 fiscal year were \$12.321 billion. Actual revenues at June 30, 2025, were \$1.737 billion, or 14.1%, over the estimated revenue used in the fiscal year 2025 budget appropriations act. This also represented an increase in collections over the prior year of \$1.146 billion, or 8.9%. Individual income and sales tax collections are the fund's major revenue sources. Individual income tax collections ended the year over the adjusted estimate by \$818.985 million and sales tax collections ended the year over the adjusted estimate by \$185.859 million.

State of South Carolina

Actual expenditures were \$226.955 million less than actual revenues. Also, expenditures were kept \$3.445 billion under fiscal year 2025 adjusted appropriations. In addition, \$19.283 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 2025 ended with a budgetary surplus, which resulted in a budgetary General Fund balance after reservation of \$6.604 billion.

See the *Required Supplementary Information* section on pages 192 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 2025 fiscal year, the State had \$24.271 billion invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of \$1.798 billion, or 8.0%, over the previous fiscal year (*see Exhibit 7-1*).

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

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percent Change
	2025	2024	2025	2024	2025	2024	2025-2024
Land and improvements	\$ 2,770,473	\$ 2,608,642	\$ 229,229	\$ 229,537	\$ 2,999,702	\$ 2,838,179	5.7%
Infrastructure	12,429,759	11,604,415	—	—	12,429,759	11,604,415	7.1%
Buildings and improvements	919,893	923,935	9,348	9,875	929,241	933,810	(0.5)%
Vehicles	465,381	382,635	—	17	465,381	382,652	21.6%
Machinery and equipment	272,629	247,200	4,838	4,231	277,467	251,431	10.4%
Works of art and historical treasures	1,328	1,388	—	—	1,328	1,388	(4.3)%
Construction in progress	6,612,119	6,117,346	97,975	52,059	6,710,094	6,169,405	8.8%
Intangible assets	4,822	1,161	—	—	4,822	1,161	315.3%
Lease assets	400,900	227,600	—	—	400,900	227,600	76.1%
Subscription assets	52,072	62,999	—	—	52,072	62,999	(17.3)%
Total	\$ 23,929,376	\$ 22,177,321	\$ 341,390	\$ 295,719	\$ 24,270,766	\$ 22,473,040	8.0%

Growth in capital asset investment occurred mostly in infrastructure. The Department of Transportation transferred \$1.070 billion from construction in progress to infrastructure in fiscal year 2025 and added an additional \$1.502 billion to its infrastructure 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 starting on page 112 of this report for additional information on the State’s capital assets.

Debt Outstanding

At June 30, 2025, the State had \$1.787 billion in bonds and notes outstanding - an increase of \$51.978 million, or 3.0%, 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
	2025	2024	2025	2024	2025	2024	2025-2024
General obligation bonds	\$ 37,636	\$ 78,435	\$ —	\$ —	\$ 37,636	\$ 78,435	(52.0)%
Revenue bonds and notes	78,083	60,250	10,610	10,845	88,693	71,095	24.8%
Infrastructure Bank bonds	1,216,257	1,311,793	—	—	1,216,257	1,311,793	(7.3)%
Leases payable	394,230	213,914	—	—	394,230	213,914	84.3%
Subscriptions payable	50,406	60,007	—	—	50,406	60,007	(16.0)%
Total	\$ 1,776,612	\$ 1,724,399	\$ 10,610	\$ 10,845	\$ 1,787,222	\$ 1,735,244	3.0%

The issuances of debt slightly exceeded the repayment of principal on outstanding debt, resulting in an increase in debt outstanding for governmental activities of \$52.213 million, or 3.0%. The majority of the increase relates to the issuance of a net \$170.715 million in new leases and subscriptions payable, while the total balance of notes and bonds decreased by a net \$118.502 million.

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, 2025, 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, 2025, 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: \$134.987 million for highway bonds, \$764.918 million for general obligation bonds (excluding institution and highway bonds), \$60.271 million for economic development bonds, and \$63.138 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements starting on page 145 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 \$739.568 million balance at June 30, 2025, which was \$24.326 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 6.0% 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 2026

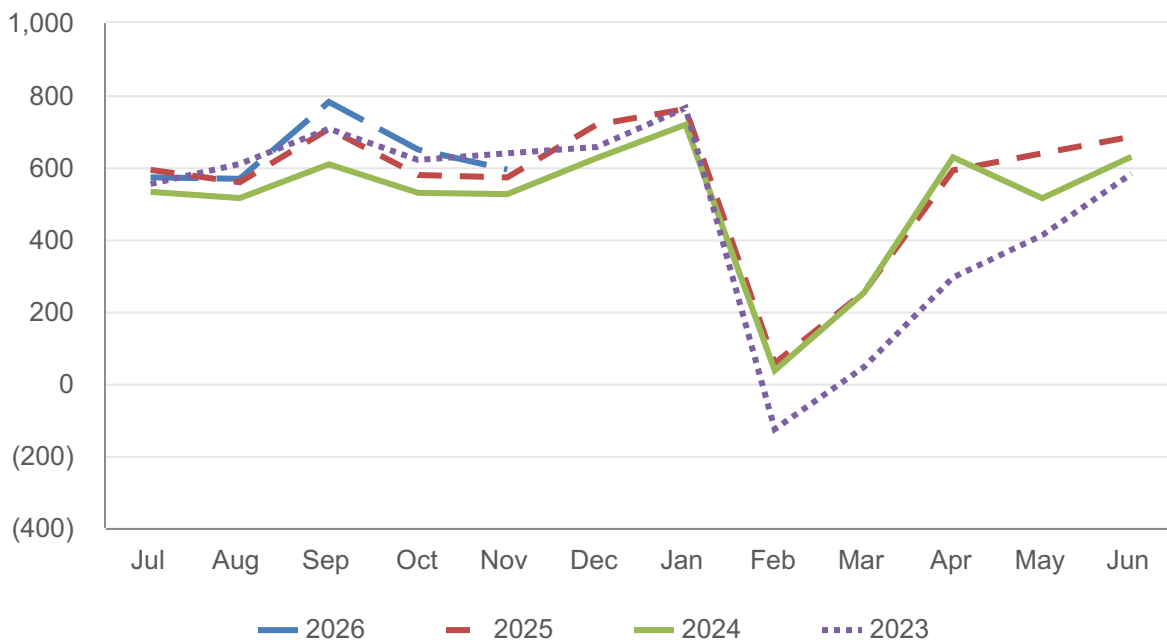
In May 2025, the State Board of Economic Advisors (BEA) forecast that there would be \$14.492 billion of budgetary General Fund revenues for fiscal year 2026, which was \$434.186 million, or 3.1%, more than actual corresponding revenues collected in fiscal year 2025. In November 2025, the BEA increased its 2026 fiscal year forecast another \$189.480 million. As a result, forecasted Budgetary General Fund revenues for fiscal year 2026 are currently \$623.666 million, or 4.4%, above actual revenue collections in fiscal year 2025.

Economic Conditions

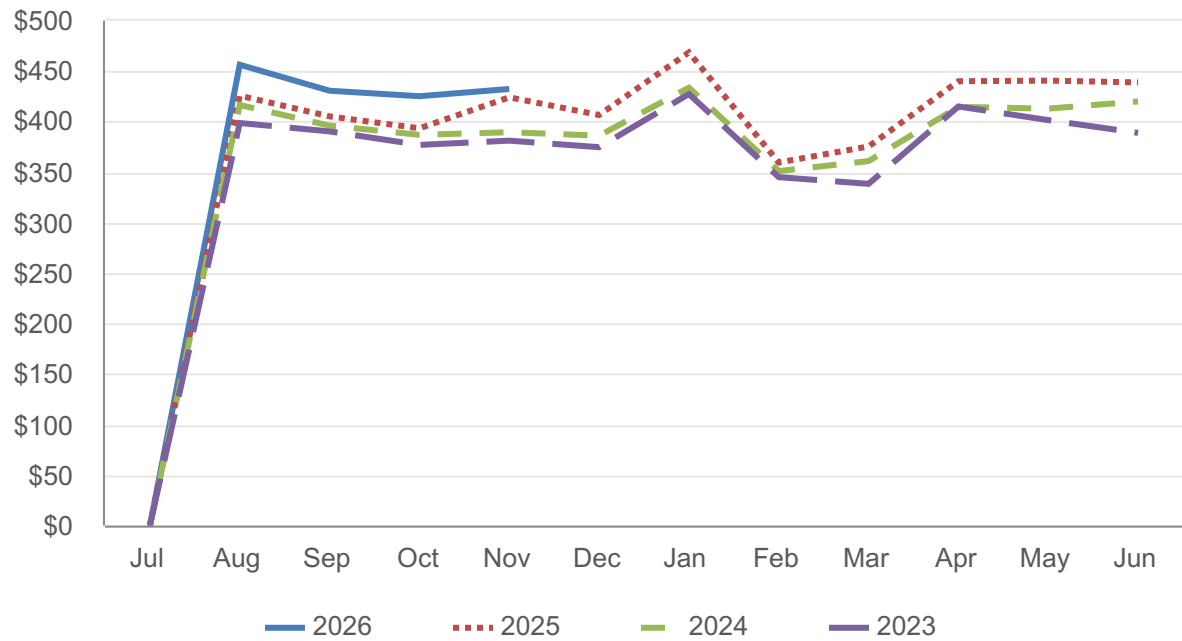
Budgetary General Fund revenues for the first five months of fiscal year 2026 were \$5.843 billion, which was an increase of \$208.423 million, or 3.7%, compared to the same period for fiscal year 2025. Total individual income taxes collected have increased by \$156.319 million, or 5.2%, compared to the same period in the prior year. Sales taxes have increased by \$96.072 million, or 5.8%, over the first five months of fiscal year 2025.

Individual Income Taxes

(Expressed in Millions)



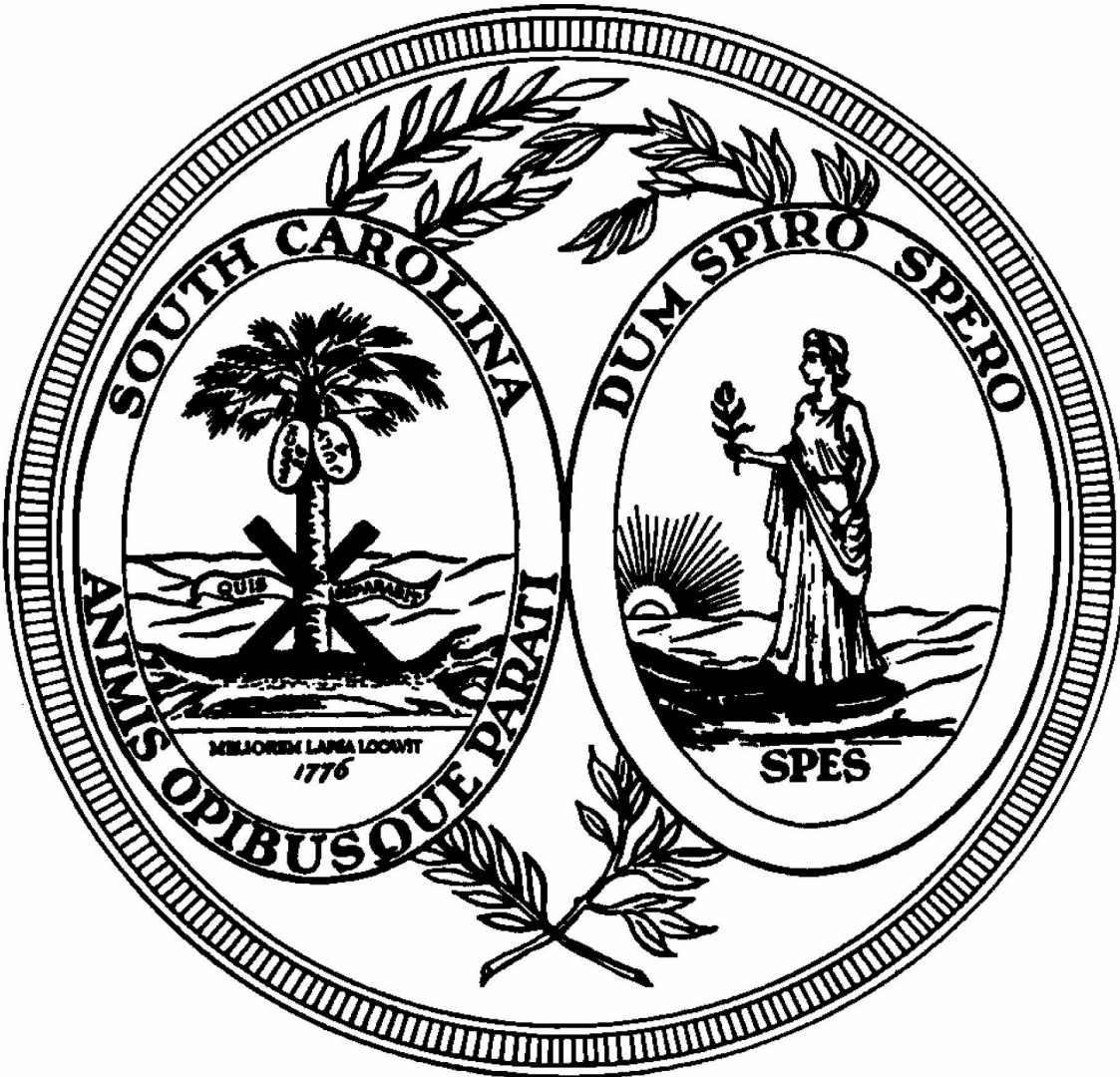
Sales Tax
(Expressed in Millions)



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



**BASIC
FINANCIAL STATEMENTS**

Statement of Net Position

June 30, 2025

(Expressed in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Cash and cash equivalents	\$ 5,647,963	\$ 2,089,004	\$ 7,736,967	\$ 4,812,115
Investments	14,012,885	220,154	14,233,039	2,999,185
Invested securities lending collateral	909,059	8,903	917,962	92,748
Receivables, net:				
Accounts	1,101,538	41,311	1,142,849	632,578
Contributions	45	—	45	279,860
Accrued interest	277,249	3,178	280,427	30,818
Income taxes	1,070,873	—	1,070,873	—
Sales and other taxes	1,081,489	—	1,081,489	—
Student accounts	—	—	—	80,206
Patient accounts	16,751	—	16,751	701,574
Loans and notes	901,420	—	901,420	40,283
Assessments	—	117,306	117,306	—
Leases	9,165	182	9,347	146,825
Due from Federal government and other grantors	1,270,466	502	1,270,968	232,940
Internal balances	39,590	(39,590)	—	—
Due from component units	48,457	—	48,457	—
Due from primary government	—	—	—	1,321,161
Inventories	58,342	1,830	60,172	374,452
Restricted assets:				
Cash and cash equivalents	1,157,366	12	1,157,378	2,591,437
Investments	—	—	—	2,701,028
Accounts receivable	6,000	—	6,000	—
Loans receivable	—	—	—	1,648,252
Other	22,419	—	22,419	106,935
Prepaid items	79,907	404	80,311	89,450
Other assets	325	—	325	803,788
Regulatory assets	—	—	—	3,599,157
Other regulatory assets	—	—	—	908,645
Investment in joint venture	—	—	—	32,886
Capital assets-nondepreciable	9,374,442	320,866	9,695,308	4,025,336
Capital assets-depreciable, net	14,554,934	20,524	14,575,458	12,615,977
Total assets	\$ 51,640,685	\$ 2,784,586	\$ 54,425,271	\$ 40,867,636
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	\$ —	\$ —	\$ —	\$ 2,659
Deferred loss on refunding of bonds	21,752	—	21,752	210,535
Asset retirement obligation	—	—	—	502,785
Pension related	939,431	4,549	943,980	1,142,354
Other post-employment benefits related	1,367,196	7,758	1,374,954	1,869,819
Total deferred outflows	\$ 2,328,379	\$ 12,307	\$ 2,340,686	\$ 3,728,152

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
LIABILITIES				
Accounts payable	\$ 1,373,902	\$ 15,418	\$ 1,389,320	\$ 871,004
Accrued salaries and related expenses	224,610	1,712	226,322	444,911
Accrued interest payable	—	33	33	83,716
Retainages payable	5,663	2,395	8,058	60,822
Tax refunds payable	1,273,644	72,235	1,345,879	—
Payables-aid to individuals/families	19,265	—	19,265	—
Prizes payable	—	—	—	45,101
Unemployment benefits payable	—	1,258	1,258	—
Intergovernmental payables	867,741	121,064	988,805	—
Due to fiduciary funds	41,733	—	41,733	—
Due to component units	1,318,892	—	1,318,892	—
Due to primary government	—	—	—	48,457
Asset retirement obligation	—	—	—	504,198
Unearned revenues	1,991,678	40,167	2,031,845	401,680
Deposits	38,110	300	38,410	14,099
Amounts held in custody for others	—	2,093	2,093	33,888
Securities lending collateral	909,059	8,903	917,962	92,748
Liabilities payable from restricted assets:				
Accrued interest payable	12,829	—	12,829	28,892
Other	—	—	—	15,913
Other liabilities	438,442	12	438,454	1,092,777
Long-term liabilities:				
Due within one year	1,146,819	16,677	1,163,496	701,950
Due in more than one year	9,697,307	203,486	9,900,793	24,989,285
Total liabilities	\$ 19,359,694	\$ 485,753	\$ 19,845,447	\$ 29,429,441
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	\$ —	\$ —	\$ —	\$ 38,622
Deferred gain on refunding of bonds	17,089	—	17,089	2,041
Deferred nuclear decommissioning costs	—	—	—	220,145
Deferred service concession arrangement receipts	—	—	—	11,608
Deferred nonexchange revenues	95,333	—	95,333	45
Deferred public-private partnership receipts	—	—	—	24,615
Deferred public-public partnership receipts	100,085	—	100,085	—
Regulatory asset: Toshiba settlement	—	—	—	224,202
Pension related	262,620	2,602	265,222	293,540
Other post-employment benefits related	1,400,199	9,336	1,409,535	1,841,136
Lease related	8,878	177	9,055	139,559
Total deferred inflows	\$ 1,884,204	\$ 12,115	\$ 1,896,319	\$ 2,795,513
NET POSITION				
Net investment in capital assets	\$ 22,168,854	\$ 328,385	\$ 22,497,239	\$ 7,948,367
Restricted:				
Expendable:				
General government	988,441	—	988,441	—
Education	671,211	—	671,211	2,377,419
Health	464,778	—	464,778	—
Transportation	1,781,088	—	1,781,088	5,116
Capital projects	50,171	—	50,171	3,032,601
Debt service	1,246,340	—	1,246,340	278,243
Loan programs	—	—	—	526,854
Insurance programs	—	48,434	48,434	—
Administration of justice	55,010	—	55,010	—
Resources and economic development	1,927,517	—	1,927,517	—
Social programs	19,713	—	19,713	—
Unemployment compensation benefits	—	1,915,263	1,915,263	—
Other	—	—	—	46,220
Nonexpendable:				
Education	426	—	426	1,543,533
Health	206	—	206	—
Resources and Economic Development	10,815	—	10,815	—
Unrestricted	3,340,596	6,943	3,347,539	(3,387,519)
Total net position	\$ 32,725,166	\$ 2,299,025	\$ 35,024,191	\$ 12,370,834

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

Statement of Activities

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

Functions	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net Revenues (Expenses)
Primary government:					
Governmental activities:					
General government	\$ 11,488,739	\$ 5,374,238	\$ 1,164,790	\$ 52,003	\$ (4,897,708)
Education	9,174,964	84,343	1,554,903	153	(7,535,565)
Health	13,419,601	231,503	8,290,025	31,984	(4,866,089)
Social services	2,921,449	18,421	2,353,227	107,321	(442,480)
Administration of justice	1,817,651	129,634	90,359	34	(1,597,624)
Resources, environment, and economic development	2,182,278	150,640	593,453	11,580	(1,426,605)
Transportation	2,918,439	596,722	283	1,056,589	(1,264,845)
Interest expense	6,625	—	—	—	(6,625)
Total governmental activities	43,929,746	6,585,501	14,047,040	1,259,664	(22,037,541)
Business-type activities:					
Unemployment compensation benefits	164,934	205,099	—	—	40,165
Second Injury	2,977	885	—	—	(2,092)
Other enterprise activities	55,494	65,410	—	37,671	47,587
Total business-type activities	223,405	271,394	—	37,671	85,660
Total primary government	\$ 44,153,151	\$ 6,856,895	\$ 14,047,040	\$ 1,297,335	\$ (21,951,881)
Component units:					
Public Service Authority	\$ 2,118,469	\$ 1,916,851	\$ 29,208	\$ 34	\$ (172,376)
Medical University of South Carolina	6,624,481	6,139,956	571,426	22,737	109,638
University of South Carolina	1,886,626	1,355,852	312,482	150,211	(68,081)
Clemson University	1,569,797	1,245,502	279,903	130,817	86,425
State Ports Authority	460,873	426,473	93,750	442,837	502,187
Housing Authority	329,077	161,293	210,474	—	42,690
Lottery Commission	2,304,830	2,304,213	253	—	(364)
Nonmajor component units	2,509,782	1,385,129	712,160	861,456	448,963
Total component units	\$ 17,803,935	\$ 14,935,269	\$ 2,209,656	\$ 1,608,092	\$ 949,082

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net position:				
Net revenues (expenses)	\$ (22,037,541)	\$ 85,660	\$ (21,951,881)	\$ 949,082
General revenues:				
Taxes:				
Individual income	6,697,254	—	6,697,254	—
Retail sales and use	9,413,123	—	9,413,123	—
Corporate income	1,350,878	—	1,350,878	—
Gas and motor vehicle	1,571,486	—	1,571,486	—
Insurance	295,106	—	295,106	—
Hospital	984,000	—	984,000	—
Other	996,245	—	996,245	—
Total taxes	21,308,092	—	21,308,092	—
Unrestricted grants and contributions	39	—	39	—
Unrestricted investment income	1,236,950	77,596	1,314,546	—
State Appropriations	—	—	—	1,599,534
Tobacco legal settlement	64,333	—	64,333	—
Opioid legal settlement	23,228	—	23,228	—
Other revenues	877,248	1,053	878,301	—
Additions to endowments	—	—	—	81,310
Transfers—internal activities	4,409	(4,409)	—	—
Total general revenues, additions to endowments, and transfers.....	23,514,299	74,240	23,588,539	1,680,844
Change in net position	1,476,758	159,900	1,636,658	2,629,926
Net position at beginning of year	31,269,284	2,139,125	33,408,409	9,742,126
Restatements.....	(20,876)	—	(20,876)	(1,218)
Net position at beginning of year, as restated	31,248,408	2,139,125	33,387,533	9,740,908
Net position at end of year	\$ 32,725,166	\$ 2,299,025	\$ 35,024,191	\$ 12,370,834

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

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2025

(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure
ASSETS			
Cash and cash equivalents	\$ 39,971	\$ 308,949	\$ 128,063
Investments	10,331,400	1,569,549	620,434
Invested securities lending collateral	564,421	68,550	75,600
Receivables, net:			
Accounts	160,154	268,429	19,046
Contributions	—	45	—
Accrued interest	160,047	28,002	13,359
Income taxes	1,070,873	—	—
Sales and other taxes	874,382	2,165	—
Patient accounts	14,410	2,341	—
Loans and notes	26,046	36	866,392
Leases	6,940	2,225	—
Due from Federal government and other grantors	24,903	1,088,342	30,507
Due from other funds	101,888	45,287	12,163
Due from component units	5,451	—	2,000
Interfund receivables	43,657	—	64,320
Inventories	32,847	15,041	—
Restricted assets:			
Cash and cash equivalents	20,269	—	1,137,097
Accounts receivable, net	—	—	6,000
Other	—	—	22,419
Prepaid items	29,914	6,996	—
Other assets	28	—	—
Total assets	\$ 13,507,601	\$ 3,405,957	\$ 2,997,400
LIABILITIES			
Accounts payable	\$ 431,957	\$ 547,353	\$ 4,618
Accrued salaries and related expenditures	146,257	41,421	103
Retainages payable	18	1,509	—
Tax refunds payable	1,273,639	1	—
Payable—aid to individuals/families	4,230	15,035	—
Intergovernmental payables	108,704	327,448	57,419
Due to other funds	998,720	90,704	44
Due to fiduciary funds	—	—	—
Due to component units	685,650	6,462	—
Interfund payables	—	249	—
Unearned revenues	28,531	1,254,410	—
Deposits	4	—	34,789
Securities lending collateral	564,421	68,550	75,600
Other liabilities	198,192	14,285	—
Total liabilities	4,440,323	2,367,427	172,573
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	11,538	59,959	14,771
Deferred nonexchange revenues	95,333	—	—
Lease related	6,444	2,434	—
Total deferred inflows of resources	113,315	62,393	14,771
FUND BALANCES			
Nonspendable	67,378	22,037	—
Restricted	1,284,909	505,159	2,674,150
Committed	1,117,281	51,844	135,906
Assigned	3,018,180	474,813	—
Unassigned	3,466,215	(77,716)	—
Total fund balances	8,953,963	976,137	2,810,056
Total liabilities, deferred inflows and fund balances	\$ 13,507,601	\$ 3,405,957	\$ 2,997,400

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
\$ 2,507,808	\$ 1,464,383	\$ 4,449,174
—	877,414	13,398,797
105,694	58,893	873,158
278,008	33,818	759,455
—	—	45
48,908	15,467	265,783
—	—	1,070,873
—	204,942	1,081,489
—	—	16,751
5,787	3,159	901,420
—	—	9,165
124,866	1,848	1,270,466
657,354	255,524	1,072,216
49	17,730	25,230
—	—	107,977
6,180	—	54,068
—	—	1,157,366
—	—	6,000
—	—	22,419
3,976	196	41,082
203	—	231
\$ 3,738,833	\$ 2,933,374	\$ 26,583,165
\$ 342,725	\$ 39,427	\$ 1,366,080
31,467	777	220,025
—	3,955	5,482
—	4	1,273,644
—	—	19,265
—	374,152	867,723
7,627	4,589	1,101,684
—	41,499	41,499
15,139	611,641	1,318,892
64,320	—	64,569
327,468	121,761	1,732,170
3,308	—	38,101
105,694	58,893	873,158
—	—	212,477
897,748	1,256,698	9,134,769
—	256	86,524
—	—	95,333
—	—	8,878
—	256	190,735
10,359	11,643	111,417
1,781,088	923,775	7,169,081
486,528	206,177	1,997,736
563,110	534,825	4,590,928
—	—	3,388,499
2,841,085	1,676,420	17,257,661
\$ 3,738,833	\$ 2,933,374	\$ 26,583,165

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

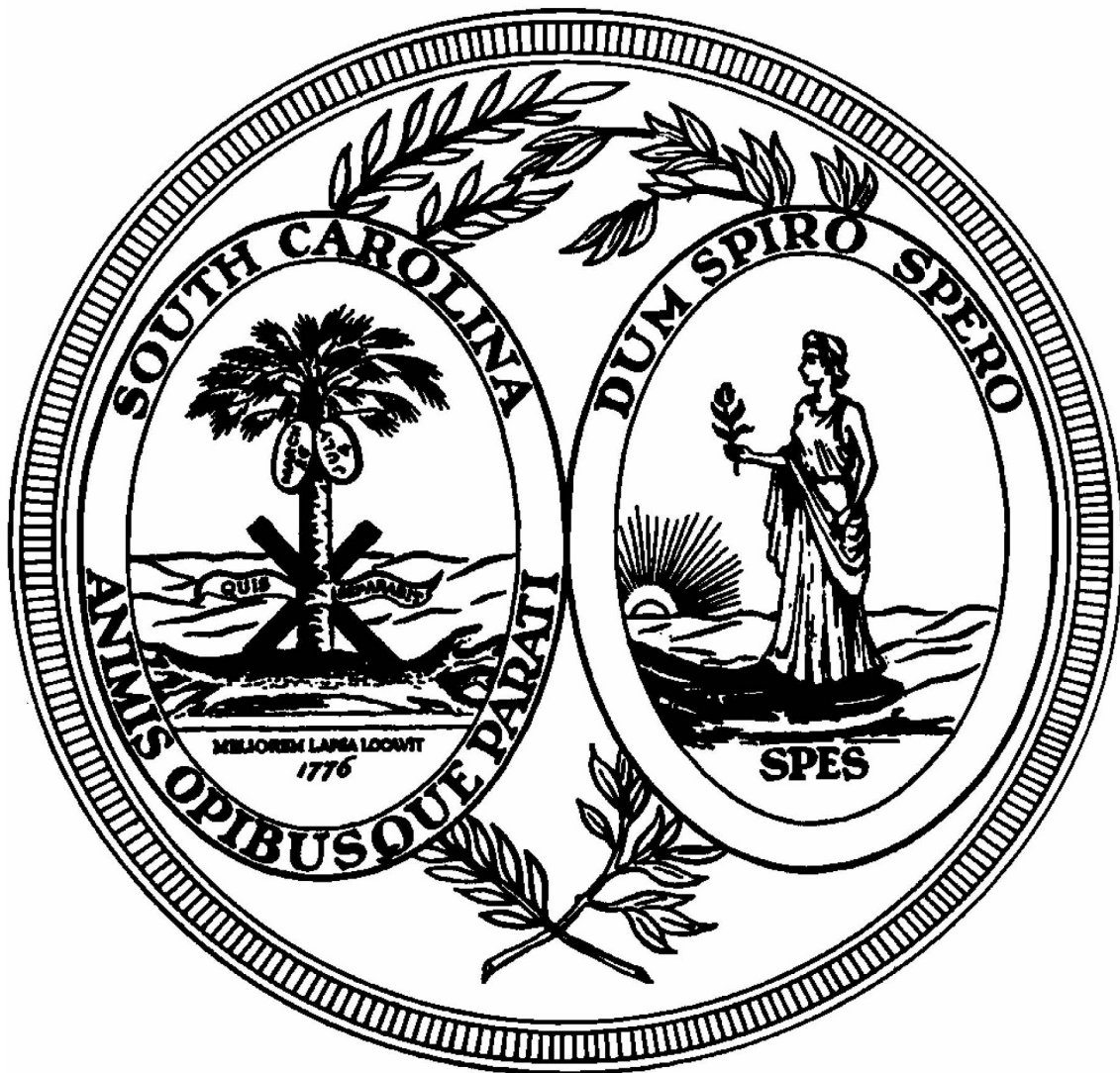
Exhibit B-1a

June 30, 2025

(Expressed in Thousands)

Total fund balances—governmental funds	\$	17,257,661
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:		
Nondepreciable and nonamortizable capital assets	\$	9,360,866
Depreciable and amortizable capital assets		23,136,741
Accumulated depreciation and amortization		(8,682,982)
Total capital assets		23,814,625
Deferred outflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred loss on refunding bonds		21,752
Difference between expected and actual retirement plan experience		357,414
Net difference between projected and actual earnings on investments		16,436
Pension and OPEB contributions made after the measurement date		603,840
Changes in proportion and differences between contributions and proportionate share of plan contributions		526,166
Changes in assumptions		770,470
Deferred inflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred gain on refunding bonds		(17,089)
Deferred public-public partnership receipts		(100,085)
Net difference between projected and actual earnings on investments		(167,835)
Difference between expected and actual retirement plan experience		(499,228)
Changes in proportion and differences between contributions and proportionate share of plan contributions		(300,419)
Changes in assumptions		(672,267)
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		86,524
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		899,746
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		(35,350)
Notes payable		(47,193)
Bonds payable		(1,284,783)
Accrued interest on bonds		(12,829)
Leases and Subscriptions Payable		(430,083)
Compensated absences		(520,106)
Net pension liability		(4,054,253)
Net OPEB liability		(3,263,954)
Other		(223,994)
Total long-term liabilities		(9,872,545)
Net position of governmental activities	\$	32,725,166

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



**Statement of Revenues, Expenditures,
and Changes in Fund Balances**
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

	General Fund	Departmental Program Services
Revenues:		
Taxes:		
Individual income	\$ 6,675,614	\$ 53
Retail sales and use	7,690,715	5,830
Corporate income	1,350,878	—
Gas and motor vehicle	1,486	—
Insurance	294,450	656
Hospital	984,000	—
Other	887,299	97,716
Licenses, fees, and permits	964,578	49,157
Interest and other investment income	684,860	111,098
Federal	46,273	13,326,267
Local and private grants	8,224	76,642
Departmental services	654,580	94,873
Contributions	16,275	136,215
Fines and penalties	90,692	7,350
Tobacco legal settlement	—	—
Opioid legal settlement	—	—
Other	381,597	374,828
Total revenues	20,731,521	14,280,685
Expenditures:		
Current:		
General government	938,492	281,967
Education	1,512,502	206,915
Health	4,283,377	8,885,867
Social services	403,362	2,394,188
Administration of justice	1,355,530	62,475
Resources, environment, and economic development	914,129	172,822
Transportation	565,708	2,100
Capital outlay	359,416	96,280
Debt service:		
Principal retirement	79,289	27,169
Interest and fiscal charges	23,748	4,026
Intergovernmental	9,887,686	2,198,449
Total expenditures	20,323,239	14,332,258
Excess of revenues over (under) expenditures	408,282	(51,573)
Other financing sources (uses):		
Bonds and notes issued	28,846	—
Refunding bonds issued	—	—
Premium on bonds issued	—	—
Payment to refunded bond escrow agent	—	—
Leases and subscriptions issued	177,578	70,719
Transfers in	64,956	72,330
Transfers out	(1,121,654)	(44,234)
Total other financing sources (uses)	(850,274)	98,815
Net change in fund balances	(441,992)	47,242
Fund balances at beginning of year	9,395,955	928,895
Restatements	—	—
Fund balances at beginning of year, as restated	9,395,955	928,895
Fund balances at end of year	\$ 8,953,963	\$ 976,137

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

Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Totals
\$ 21,587	\$ —	\$ —	\$ 6,697,254
—	—	1,716,578	9,413,123
—	—	—	1,350,878
—	1,570,000	—	1,571,486
—	—	—	295,106
—	—	—	984,000
—	—	6,109	991,124
152,369	—	66,320	1,232,424
118,765	165,997	65,460	1,146,180
35,097	1,020,454	64,816	14,492,907
29,362	—	—	114,228
545	443,894	50,376	1,244,268
36,135	—	548,240	736,865
—	—	6,383	104,425
—	—	64,333	64,333
—	—	23,228	23,228
687	4,807	10,295	772,214
394,547	3,205,152	2,622,138	41,234,043
4	—	110,802	1,331,265
—	—	645,729	2,365,146
—	—	165,921	13,335,165
—	—	225	2,797,775
—	—	5,468	1,423,473
2,189	—	14,647	1,103,787
1,528	1,752,911	—	2,322,247
79	1,600,998	588,093	2,644,866
62,539	6,555	988	176,540
46,620	421	262	75,077
73,816	—	1,789,501	13,949,452
186,775	3,360,885	3,321,636	41,524,793
207,772	(155,733)	(699,498)	(290,750)
—	—	—	28,846
149,660	—	—	149,660
13,553	—	—	13,553
(167,068)	—	—	(167,068)
79	4,660	11,261	264,297
13,101	372,003	763,547	1,285,937
—	(5,141)	(105,721)	(1,276,750)
9,325	371,522	669,087	298,475
217,097	215,789	(30,411)	7,725
2,592,959	2,625,296	1,707,719	17,250,824
—	—	(888)	(888)
2,592,959	2,625,296	1,706,831	17,249,936
\$ 2,810,056	\$ 2,841,085	\$ 1,676,420	\$ 17,257,661

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, 2025

(Expressed in Thousands)

Net change in fund balances—total governmental funds..... \$ 7,725

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	\$ 2,644,866	
Depreciation and amortization expense	(509,106)	
Excess of capital outlay over depreciation expense		2,135,760

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	44,130
--	--------

Loss on disposals of capital assets are reported as an expense in the Statement of Activities	(428,760)
---	-----------

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	(178,506)	
Bond premiums net of discounts	(13,553)	
Leases and subscriptions cancelled	17,931	
Leases and subscriptions issued	(264,297)	
Bonds, notes, and leases issued		(438,425)

Gains and losses on bond refundings and hedging portion of derivatives are considered deferred outflows of resources in the Statement of Net Position	(20,741)
---	----------

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	176,540	
Payment to refunded bond escrow agent	167,068	
Total long-term debt repayment		343,608

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	39,899
---	--------

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	5,121
--	-------

Exhibit B-2a

Increase in general operating expense due to the increase in expense for the amortization of deferred outflows and inflows of resources	\$	844,070
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	\$	(391)
Unamortized bond premiums and discounts		38,623
Accrued interest payable		1,500
Compensated absences payable		(254,753)
Net pension liability		(97,990)
Net OPEB liability		(740,207)
Other long-term liabilities		(2,411)
Total additional expenses		<u>(1,055,629)</u>
Change in net position of governmental activities	\$	<u><u>1,476,758</u></u>

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

Statement of Net Position

PROPRIETARY FUNDS

June 30, 2025

(Expressed in Thousands)

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,955,021	\$ 5,514	\$ 128,469	\$ 2,089,004	\$ 1,198,789
Investments	10,196	191,306	18,652	220,154	6,001
Invested securities lending collateral	448	8,410	45	8,903	35,901
Receivables, net:					
Accounts	30,575	1	10,681	41,257	342,077
Accrued interest	173	2,992	13	3,178	11,466
Assessments	117,306	—	—	117,306	—
Leases	—	—	90	90	—
Due from Federal government and other grantors	502	—	—	502	—
Due from other funds	—	—	7,949	7,949	36,315
Due from component units	—	—	—	—	23,227
Inventories	—	—	1,830	1,830	4,274
Restricted assets:					
Prepaid items	—	—	404	404	38,260
Total current assets	2,114,221	208,223	168,133	2,490,577	1,696,310
Long-term assets:					
Investments	—	—	—	—	608,087
Receivables, net:					
Accounts	—	—	54	54	6
Leases	—	—	92	92	—
Restricted assets:					
Cash and cash equivalents	—	—	12	12	—
Prepaid items	—	—	—	—	565
Other long-term assets	—	—	—	—	94
Non-depreciable capital assets	—	—	320,866	320,866	13,576
Depreciable capital assets, net	—	—	20,524	20,524	101,176
Total long-term assets	—	—	341,548	341,548	723,504
Total assets	\$ 2,114,221	\$ 208,223	\$ 509,681	\$ 2,832,125	\$ 2,419,814
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	\$ —	\$ —	\$ 4,549	\$ 4,549	\$ 13,003
Other post-employment benefits related	—	—	7,758	7,758	19,298
Total deferred outflows of resources	\$ —	\$ —	\$ 12,307	\$ 12,307	\$ 32,301

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 293	\$ 136	\$ 14,989	\$ 15,418	\$ 7,822
Accrued salaries and related expenses	—	—	1,712	1,712	4,585
Accrued interest payable	—	—	33	33	—
Retainages payable	—	—	2,395	2,395	—
Tax refunds payable	72,235	—	—	72,235	—
Unemployment benefits payable	1,258	—	—	1,258	—
Intergovernmental payables	121,057	7	—	121,064	18
Interfund payables	—	—	43,500	43,500	—
Tuition benefits payable	—	—	3,401	3,401	—
Policy claims	—	11,945	—	11,945	810,650
Due to other funds	3,667	—	372	4,039	10,757
Unearned revenues	—	—	40,167	40,167	259,508
Deposits	—	—	300	300	9
Amounts held in custody for others	—	2,093	—	2,093	—
Securities lending collateral	448	8,410	45	8,903	35,901
Revenue bonds payable	—	—	245	245	—
Leases payable	—	—	—	—	8,836
Compensated absences payable	—	—	1,086	1,086	3,743
Other current liabilities	—	—	12	12	4,184
Total current liabilities	198,958	22,591	108,257	329,806	1,146,013
Long-term liabilities:					
Retainages payable	—	—	—	—	181
Tuition benefits payable	—	—	9,850	9,850	—
Policy claims	—	137,198	—	137,198	262,027
Interfund payables	—	—	—	—	142
Notes payable	—	—	6,500	6,500	—
Revenue bonds payable	—	—	3,865	3,865	—
Leases payable	—	—	—	—	5,717
Compensated absences payable	—	—	1,387	1,387	7,004
Other long-term liabilities	—	—	—	—	142
Net pension liability	—	—	24,082	24,082	58,193
Net OPEB liability	—	—	20,604	20,604	49,880
Total long-term liabilities	—	137,198	66,288	203,486	383,286
Total liabilities	\$ 198,958	\$ 159,789	\$ 174,545	\$ 533,292	\$ 1,529,299
DEFERRED INFLOWS OF RESOURCES					
Pension related	\$ —	\$ —	\$ 2,602	\$ 2,602	\$ 3,368
Other post-employment benefits related	—	—	9,336	9,336	19,702
Lease related	—	—	177	177	—
Total deferred inflows of resources	\$ —	\$ —	\$ 12,115	\$ 12,115	\$ 23,070

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

Continued on Next Page

Statement of Net Position
PROPRIETARY FUNDS (Continued)
June 30, 2025
(Expressed in Thousands)

Exhibit B-3

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
NET POSITION					
Net investment in capital assets	\$ —	\$ —	\$ 328,385	\$ 328,385	\$ 100,018
Restricted:					
Expendable:					
Unemployment compensation benefits	1,915,263	—	—	1,915,263	—
Insurance programs	—	48,434	—	48,434	—
Unrestricted	—	—	6,943	6,943	799,728
Total net position	\$ 1,915,263	\$ 48,434	\$ 335,328	\$ 2,299,025	\$ 899,746

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

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

Exhibit B-4

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Operating revenues:					
Assessments	\$ 199,557	\$ —	\$ —	\$ 199,557	\$ —
Charges for services	—	885	46,649	47,534	4,074,060
Licenses, fees, and permits	—	—	18,732	18,732	355
Other operating revenues	5,542	—	29	5,571	905,098
Total operating revenues	205,099	885	65,410	271,394	4,979,513
Operating expenses:					
General operations and administration	—	2,977	46,749	49,726	537,752
Benefits and claims	164,934	—	—	164,934	4,467,274
Tuition plan disbursements	—	—	6,666	6,666	—
Depreciation and amortization	—	—	1,798	1,798	41,302
Other operating expenses	—	—	86	86	501
Total operating expenses	164,934	2,977	55,299	223,210	5,046,829
Operating income (loss)	40,165	(2,092)	10,111	48,184	(67,316)
Nonoperating revenues (expenses):					
Interest income	55,492	9,133	12,971	77,596	90,770
Interest expense	—	—	(214)	(214)	(3,707)
Local and private grants and contracts	—	—	—	—	5,263
Net other nonoperating revenues	—	—	1,053	1,053	18,070
Gains (Losses) on sale of capital assets	—	—	19	19	(4,062)
Total nonoperating revenues, net	55,492	9,133	13,829	78,454	106,334
Income (losses) before transfers and capital contributions	95,657	7,041	23,940	126,638	39,018
Transfers and contributions:					
Capital Contributions	—	—	37,671	37,671	39
Transfers in	—	—	6,994	6,994	24,583
Transfers out	(200)	(217)	(10,986)	(11,403)	(23,741)
Change in net position	95,457	6,824	57,619	159,900	39,899
Net position at beginning of year, as adjusted	1,819,806	41,610	277,709	2,139,125	859,847
Net position at end of year	\$ 1,915,263	\$ 48,434	\$ 335,328	\$ 2,299,025	\$ 899,746

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, 2025

(Expressed in Thousands)

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Cash flows from operating activities:					
Receipts from customers, patients, and third-party payers ...	\$ —	\$ —	\$ 95,056	\$ 95,056	\$ 4,672,836
Assessments received	208,035	—	—	208,035	—
Internal activity—payments from other funds	—	—	—	—	330,046
Other operating cash receipts	—	4,804	790	5,594	7,265
Claims and benefits paid	(132,811)	(10,033)	(13,458)	(156,302)	(4,418,162)
Payments to suppliers for goods and services	—	—	(27,941)	(27,941)	(470,732)
Payments to employees	—	—	(15,866)	(15,866)	(59,725)
Other operating cash payments	—	(2,976)	—	(2,976)	(5,747)
Net cash provided by (used in) operating activities	75,224	(8,205)	38,581	105,600	55,781
Cash flows from noncapital financing activities:					
Receipt of interest from other funds	\$ —	\$ —	\$ —	\$ —	\$ 195
Rental income cash receipts	—	—	1,336	1,336	—
Industrial development costs	—	—	(288)	(288)	—
Payment of bond issuance costs for other funds	—	—	—	—	(2,763)
Insurance claims	—	—	—	—	2,226
Local and private grants and contracts	—	—	—	—	5,263
Transfers in	—	—	6,994	6,994	24,583
Transfers out	(200)	(217)	(10,986)	(11,403)	(23,741)
Net cash used in noncapital financing activities	(200)	(217)	(2,944)	(3,361)	5,763

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Cash flows from capital and related financing activities:					
Capital appropriations	\$ —	\$ —	\$ 37,671	\$ 37,671	\$ —
Acquisition of capital assets	—	—	(48,197)	(48,197)	(24,031)
Principal payments on capital debt	—	—	(2,735)	(2,735)	(12,900)
Interest payments on capital debt	—	—	(309)	(309)	(944)
Proceeds from sale or disposal of capital assets	—	—	—	—	8,193
Net cash used in capital and related financing activities	—	—	(13,570)	(13,570)	(29,682)
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	\$ —	\$ —	\$ 6,400	\$ 6,400	\$ 101,619
Purchase of investments	(338)	(17,587)	—	(17,925)	(111,642)
Interest and dividends on investments	55,466	9,555	12,972	77,993	65,093
Realized gains on investments	—	—	—	—	14,885
Net cash provided by investing activities	55,128	(8,032)	19,372	66,468	69,955
Net increase (decrease) in cash and cash equivalents	130,152	(16,454)	41,439	155,137	101,817
Cash and cash equivalents at beginning of year	1,824,869	21,968	87,042	1,933,879	1,096,972
Cash and cash equivalents at end of year	\$ 1,955,021	\$ 5,514	\$ 128,481	\$ 2,089,016	\$ 1,198,789

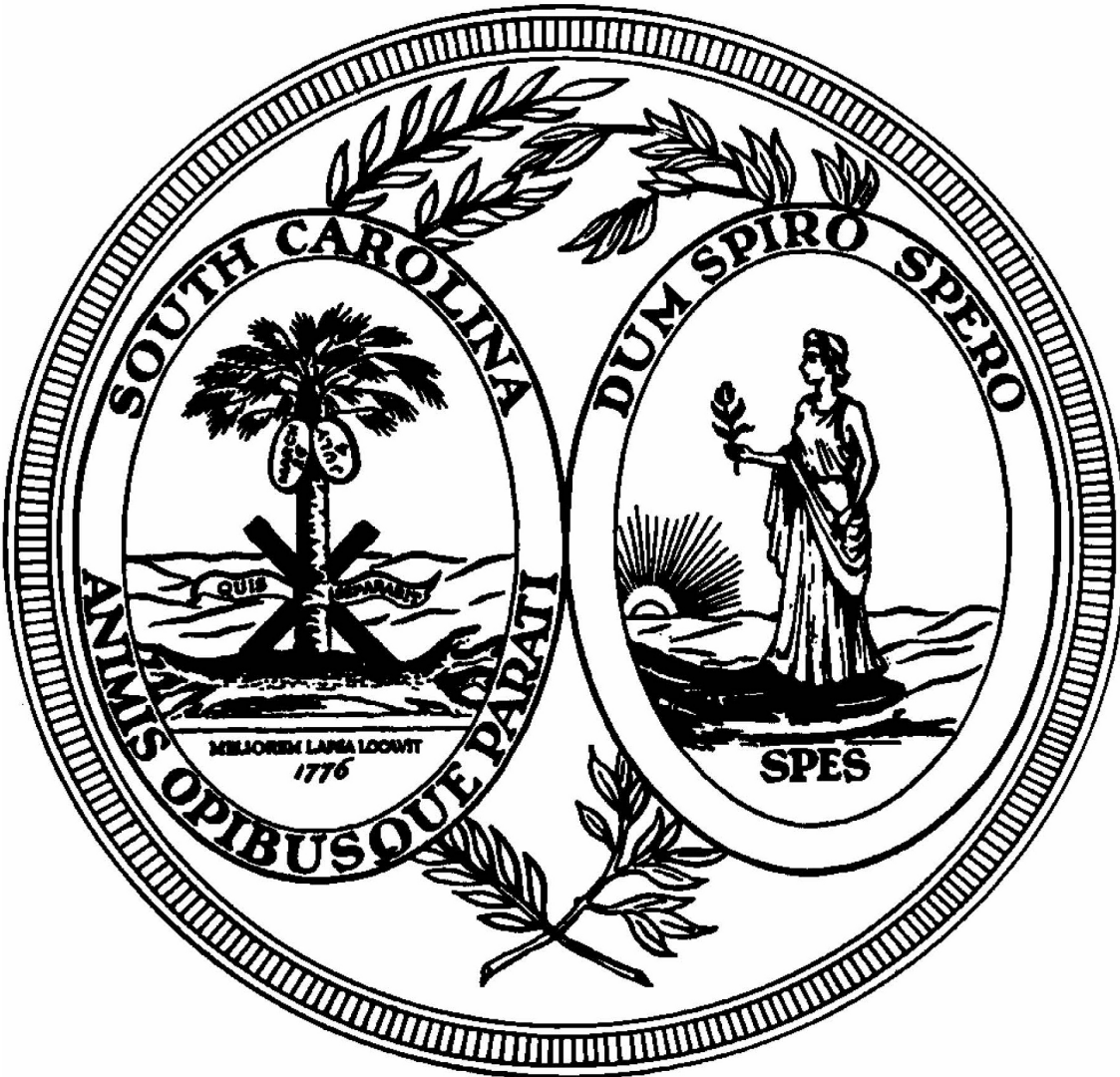
Statement of Cash Flows

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2025**(Expressed in Thousands)****Exhibit B-5**

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 40,165	\$ (2,092)	\$ 10,111	\$ 48,184	\$ (67,316)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	1,798	1,798	41,302
Realized gains (losses) on sale of assets	—	—	19	19	(4,062)
Other nonoperating revenues	—	—	3,465	3,465	7,265
Other nonoperating expenses	—	—	—	—	(5,747)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable, net	3,438	3,778	(4,187)	3,029	1,863
Due from Federal government and other grantors	(502)	—	—	(502)	—
Due from other funds	—	—	(7,518)	(7,518)	(2,724)
Inventories	—	—	(52)	(52)	1,281
Other assets	—	—	13	13	4,111
Deferred outflows	—	—	(1,895)	(1,895)	(10,137)
Accounts payable	(107)	137	8,128	8,158	(1,575)
Accrued salaries and related expenses	—	—	(165)	(165)	281
Tax refunds payable	(1,596)	—	—	(1,596)	—
Unemployment benefits payable	(388)	—	—	(388)	—
Tuition benefits payable	—	—	(6,792)	(6,792)	—
Policy claims	—	(10,035)	—	(10,035)	37,886
Due to other funds	34,214	7	(2,694)	31,527	7,903
Unearned revenues	—	—	40,167	40,167	22,247
Compensated absences payable	—	—	742	742	6,651
Other liabilities	—	—	(1,016)	(1,016)	18,790
Deferred inflows	—	—	(1,543)	(1,543)	(2,238)
Net cash provided by (used in) operating activities	\$ 75,224	\$ (8,205)	\$ 38,581	\$ 105,600	\$ 55,781
Noncash capital, investing, and financing activities:					
Assets acquired through the assumption of a liability	\$ —	\$ —	\$ —	\$ —	\$ 12,572
Disposal of capital assets	—	—	—	—	18,563
Increase in fair value of investments	—	—	435	435	8,353
Total noncash capital, investing, and financing activities	\$ —	\$ —	\$ 435	\$ 435	\$ 39,488

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



Statement of Fiduciary Net Position**Exhibit B-6****FIDUCIARY FUNDS****June 30, 2025****(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	\$ 6,259,738	\$ 6,262,861	\$ 102,725	\$ 290,834
Receivables, net:				
Accounts receivable	—	—	—	16,653
Contributions	433,790	—	—	—
Accrued interest	45,324	48,906	8,637	—
Unsettled investment sales	1,003,284	—	9,004	—
Other investment receivables	131	—	—	—
Total receivables	1,482,529	48,906	17,641	16,653
Due from other trust funds	107,491	—	—	78
Due from primary government	—	—	—	41,499
Investments, at fair value:				
Short term investments	218,621	—	—	10,691
Debt-domestic	2,286,076	3,276,992	—	—
Equity-international	22,278,285	—	—	—
Alternatives	20,330,486	—	—	—
Financial and other	263,986	6,186,817	7,324,990	—
Total investments	45,377,454	9,463,809	7,324,990	10,691
Invested securities lending collateral	355,923	2,295	3,894	470
Interfund receivables	—	—	—	234
Prepaid items	122	—	—	—
Capital assets, net	1,543	—	3,874	—
Total assets	\$ 53,584,800	\$ 15,777,871	\$ 7,453,124	\$ 360,459
LIABILITIES				
Accounts payable	\$ 2,421	\$ —	\$ 6,716	\$ 210,346
Accounts payable—unsettled investment purchases	141,803	—	8,551	—
Policy claims	693	—	—	—
Due to other trust funds	107,491	—	—	78
Due to component units	—	—	—	2,269
Intergovernmental payables	—	—	—	39,961
Deposits	—	—	—	2,979
Amounts held in custody for others	—	—	83	13,597
Securities lending collateral	356,982	2,295	3,894	470
Due to participants	—	—	—	2
Other liabilities	192,576	7	—	28
Total liabilities	\$ 801,966	\$ 2,302	\$ 19,244	\$ 269,730
NET POSITION				
Restricted for:				
Pension benefits	\$ 50,819,016	\$ —	\$ —	\$ —
Other post-employment benefits	1,963,818	—	—	—
External investment pool participants	—	15,775,569	—	—
Individuals, organizations, and other governments	—	—	7,433,880	90,729
Total net position	\$ 52,782,834	\$ 15,775,569	\$ 7,433,880	\$ 90,729

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

Statement of Changes in Fiduciary Net Position
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Exhibit B-7

	Pension and Other Post- Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private- Purpose Trust	Custodial Funds
Additions:				
Licenses, fees, and permits	\$ —	—	29	29,903
Charges for services	—	—	—	5
Contributions:				
Employer	3,820,372	—	—	—
Employee	1,398,575	—	—	—
Non-employer	106,451	—	—	—
Deposits from pool participants	—	22,951,793	—	—
Tuition plan deposits	—	—	880	—
Other	—	—	86,356	9,258
Total contributions	5,325,398	22,951,793	87,236	9,258
Tobacco legal settlement	—	—	—	—
Opioid legal settlement	—	—	78,927	—
Taxes:				
Retail sales and use	—	—	—	455,666
Other	—	—	—	9,076
Total taxes	—	—	—	464,742
Investment income:				
Interest income and net appreciation (depletion) in investments	5,791,577	738,826	674,161	(457)
Securities lending income	1,845	23	—	—
Total investment income (loss)	5,793,422	738,849	674,161	(457)
Less investment expense:				
Investment expense	577,864	—	—	—
Securities lending expense	16	—	—	—
Net investment income (loss)	5,215,542	738,849	674,161	(457)
Assets moved between pension trust funds	1,658	—	—	—
Transfers in	—	—	—	1,044
Total additions	10,542,598	23,690,642	840,353	504,495
Deductions:				
Regular retirement benefits	4,091,765	—	—	—
Supplemental retirement benefits	162	—	—	—
Deferred retirement benefits	414	—	—	—
Refunds of retirement contributions to members	192,915	—	—	—
Death benefit claims	30,355	—	—	—
Accidental death benefits	2,082	—	—	—
Other post-employment benefits	661,894	—	—	—
Withdrawals, pool participants	—	21,201,205	—	—
Distributions to pool participants	—	722,676	—	—
Depreciation	189	—	—	—
Administrative expense	22,350	7,385	17,672	163
Other expenses	—	—	29,626	468,237
Assets moved between pension trust funds	1,658	—	—	—
Transfers out	—	—	—	6,664
Total deductions	5,003,784	21,931,266	47,298	475,064
Change in net position	5,538,814	1,759,376	793,055	29,431
Net position, beginning	47,244,020	14,016,193	6,639,937	61,298
Restatements	—	—	888	—
Net position at beginning of year, as restated	47,244,020	14,016,193	6,640,825	61,298
Net position at end of year	\$ 52,782,834	\$ 15,775,569	\$ 7,433,880	\$ 90,729

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

Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2025

(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	\$ 193,097	\$ 1,133,268	\$ 1,103,656	\$ 827,769	\$ 461,096
Investments	213,276	1,397,912	734,253	5,486	15,468
Invested securities lending collateral	—	3,124	26,704	28,883	1,401
Receivables, net:					
Accounts	205,419	39,516	39,908	121,651	48,196
Contributions	—	50,188	89,940	95,362	—
Accrued interest	—	—	10,040	9,777	1,206
Student accounts	—	492	15,339	—	—
Patient accounts	—	701,574	—	—	—
Loans and notes	—	65	5,888	—	—
Leases	—	1,894	53,055	7,281	5,786
Due from Federal government and other grantors	—	45,883	46,428	61,704	32,899
Due from primary government	—	45,125	48,011	55,499	238,729
Inventories	340,154	—	2,567	3,471	13,545
Restricted assets:					
Cash and cash equivalents	95,320	189,455	715,102	653,492	78,400
Investments	414,630	—	9,034	1,265,970	—
Loans receivable	—	10,071	4,340	800	—
Other	—	—	5,905	92,080	—
Prepaid items	6,567	3,941	2,945	31,491	6,775
Other assets	107,437	562,357	5,354	7,629	10,344
Regulatory asset	3,599,157	—	—	—	—
Other regulatory assets	908,645	—	—	—	—
Investment in joint venture	32,886	—	—	—	—
Capital assets-nondepreciable	948,280	583,360	294,806	448,894	1,287,649
Capital assets-depreciable, net	4,462,255	1,541,338	1,445,757	1,727,425	1,079,759
Total assets	\$ 11,527,123	\$ 6,309,563	\$ 4,659,032	\$ 5,444,664	\$ 3,281,253
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	\$ 2,659	\$ —	\$ —	\$ —	\$ —
Unamortized loss on refunded and defeased debt	166,970	7,303	12,080	1,970	21,481
Asset retirement obligation	502,785	—	—	—	—
Pension related	27,578	499,633	190,335	154,232	36,552
Other post-employment benefits related	57,682	838,603	305,148	247,074	27,541
Total deferred outflows of resources	\$ 757,674	\$ 1,345,539	\$ 507,563	\$ 403,276	\$ 85,574
LIABILITIES					
Accounts payable	\$ 227,800	\$ 397,172	\$ 26,043	\$ 77,509	\$ 42,748
Accrued salaries and related expenses	12	290,927	42,779	38,157	7,783
Accrued interest payable	39,982	2,032	5,476	8,531	21,842
Retainages payable	25,161	2,420	3,804	10,719	15,048
Prizes payable	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—
Due to primary government	—	849	8,849	7,764	2,000
Asset retirement obligation	504,198	—	—	—	—
Unearned revenues	—	28,940	44,439	76,701	341
Deposits	—	—	2,414	1,066	—
Amounts held in custody for others	—	—	22,404	1,563	—
Securities lending collateral	—	3,124	26,704	28,883	1,401
Liabilities payable from restricted assets:					
Accrued interest payable	—	—	—	—	—
Other	—	—	—	—	—
Other liabilities	337,375	318,924	22,616	311,338	92,039
Long-term liabilities:					
Due within one year	133,605	216,447	92,749	70,013	34,354
Due in more than one year	8,425,896	4,840,260	2,682,997	2,405,084	1,573,530
Total liabilities	\$ 9,694,029	\$ 6,101,095	\$ 2,981,274	\$ 3,037,328	\$ 1,791,086
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	38,622	—	—	—	—
Deferred gain on refunding	—	—	—	—	—
Deferred nuclear decommissioning costs	220,145	—	—	—	—
Deferred service concession arrangement receipts	—	—	10,089	1,519	—
Deferred nonexchange revenues	—	—	—	—	—
Deferred public-private partnership receipts	—	—	21,205	—	—
Regulatory asset: Toshiba settlement	224,202	—	—	—	—
Pension related	26,417	82,848	42,799	30,154	27,698
Other post-employment benefits related	41,487	639,296	370,266	253,810	21,842
Lease related	—	1,112	48,940	7,300	5,424
Total deferred inflows of resources	\$ 550,873	\$ 723,256	\$ 493,299	\$ 292,783	\$ 54,964
NET POSITION					
Net investment in capital assets	1,919,010	906,080	1,004,668	1,063,276	1,025,034
Restricted:					
Expendable:					
Education	—	737,938	397,650	645,570	—
Transportation	—	—	—	—	—
Capital projects	—	200,230	634,799	628,670	233,590
Debt service	15,766	24,443	3,488	10,713	41,755
Loan programs	—	—	—	—	—
Other	—	—	—	—	—
Nonexpendable:					
Education	—	216,742	495,291	516,458	—
Unrestricted	105,119	(1,254,682)	(843,874)	(346,858)	220,398
Total net position	\$ 2,039,895	\$ 830,751	\$ 1,692,022	\$ 2,517,829	\$ 1,520,777

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

Housing Authority	Lottery Commission	Nonmajor Component Units	Total
\$ 3,686	\$ 28,108	\$ 1,061,435	\$ 4,812,115
—	—	632,790	2,999,185
9,660	—	22,976	92,748
2,444	56,802	118,642	632,578
—	—	44,370	279,860
1,432	—	8,363	30,818
—	—	64,375	80,206
—	—	—	701,574
20,748	—	13,582	40,283
—	—	78,809	146,825
1,169	—	44,857	232,940
2,376	—	931,421	1,321,161
—	4,712	10,003	374,452
254,407	402	604,859	2,591,437
384,951	—	626,443	2,701,028
1,630,090	—	2,951	1,648,252
6,927	—	2,023	106,935
17,170	—	20,561	89,450
—	8,288	102,379	803,788
—	—	—	3,599,157
—	—	—	908,645
—	—	—	32,886
—	—	462,347	4,025,336
5,099	18,378	2,335,966	12,615,977
<u>\$ 2,340,159</u>	<u>\$ 116,690</u>	<u>\$ 7,189,152</u>	<u>\$ 40,867,636</u>
\$ —	\$ —	\$ —	\$ 2,659
—	—	731	210,535
—	—	—	502,785
2,835	2,611	228,578	1,142,354
4,488	4,247	385,036	1,869,819
<u>\$ 7,323</u>	<u>\$ 6,858</u>	<u>\$ 614,345</u>	<u>\$ 3,728,152</u>
\$ —	\$ 3,704	\$ 96,028	\$ 871,004
1,323	1,204	62,726	444,911
—	—	5,853	83,716
—	—	3,670	60,822
—	45,101	—	45,101
—	—	—	—
—	17,558	11,437	48,457
—	—	—	504,198
32,066	766	218,427	401,680
—	—	10,619	14,099
—	—	9,921	33,888
9,660	—	22,976	92,748
28,892	—	—	28,892
14,569	—	1,344	15,913
4,357	576	5,552	1,092,777
24,589	5,644	124,549	701,950
1,611,497	42,467	3,407,554	24,989,285
<u>\$ 1,726,953</u>	<u>\$ 117,020</u>	<u>\$ 3,980,656</u>	<u>\$ 29,429,441</u>
\$ —	\$ —	\$ —	\$ 38,622
2,041	—	—	2,041
—	—	—	220,145
—	—	—	11,608
—	—	45	45
—	—	3,410	24,615
—	—	—	224,202
699	1,038	81,887	293,540
5,052	5,467	503,916	1,841,136
—	—	76,783	139,559
<u>\$ 7,792</u>	<u>\$ 6,505</u>	<u>\$ 666,041</u>	<u>\$ 2,795,513</u>
\$ 746	(379)	2,029,932	7,948,367
—	—	596,261	2,377,419
—	—	5,116	5,116
—	—	1,335,312	3,032,601
131,670	—	50,408	278,243
452,799	—	74,055	526,854
—	402	45,818	46,220
—	—	315,042	1,543,533
27,522	—	(1,295,144)	(3,387,519)
<u>\$ 612,737</u>	<u>\$ 23</u>	<u>\$ 3,156,800</u>	<u>\$ 12,370,834</u>

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2025

(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	\$ 2,118,469	\$ 1,916,851	\$ 29,208	\$ 34	\$ (172,376)	\$ —	
Medical University of South Carolina	6,624,481	6,139,956	571,426	22,737	109,638	—	
University of South Carolina	1,886,626	1,355,852	312,482	150,211	(68,081)	23,117	
Clemson University	1,569,797	1,245,502	279,903	130,817	86,425	53,708	
State Ports Authority	460,873	426,473	93,750	442,837	502,187	—	
Housing Authority	329,077	161,293	210,474	—	42,690	—	
Lottery Commission	2,304,830	2,304,213	253	—	(364)	—	
Nonmajor component units	2,509,782	1,385,129	712,160	861,456	448,963	4,485	
Totals	\$ 17,803,935	\$ 14,935,269	\$ 2,209,656	\$ 1,608,092	\$ 949,082	\$ 81,310	

State Appropriations	Net Position (Deficit) Beginning	Restatements	Net Position (Deficit) Beginning (as Restated)	Net Position Ending
\$ —	\$ 2,212,271	\$ —	\$ 2,212,271	\$ 2,039,895
266,012	455,101	—	455,101	830,751
424,706	1,312,280	—	1,312,280	1,692,022
272,253	2,105,443	—	2,105,443	2,517,829
—	1,018,590	—	1,018,590	1,520,777
—	570,046	—	570,047	612,737
—	387	—	387	23
636,563	2,068,008	(1,218)	2,066,789	3,156,800
\$ 1,599,534	\$ 9,742,126	\$ (1,218)	\$ 9,740,908	\$ 12,370,834

Notes to the Financial Statements—Contents

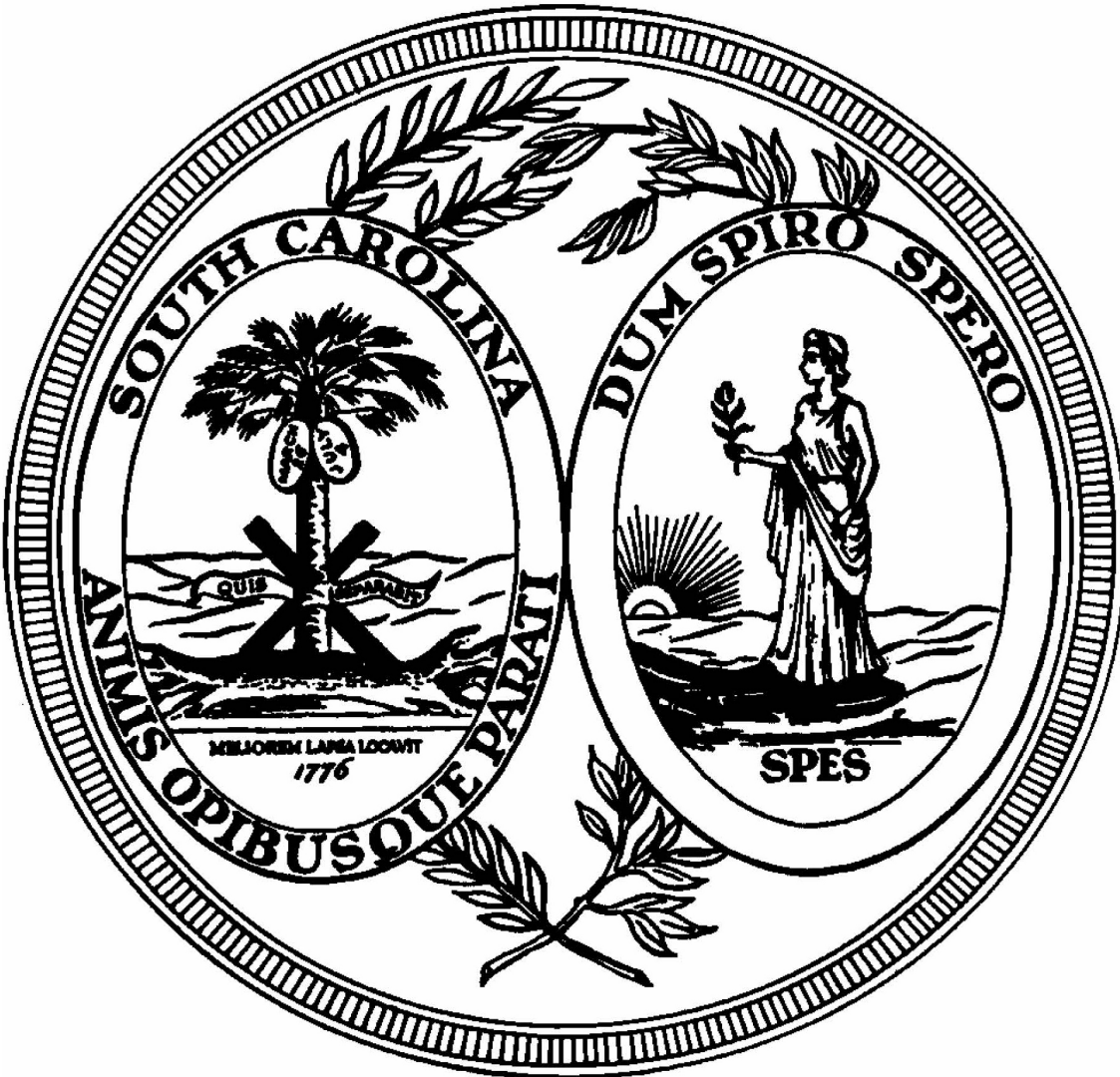
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Notes to the Financial Statements

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, 2025.

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.

State of South Carolina

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, 2024. 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, 2024. 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, 2025. 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, 2024. A financial benefit/burden relationship exists between the State and the Public Service Authority.

State of South Carolina

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 six 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, 2024.

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, 2024. 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, 2024.

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.

State of South Carolina

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://sechildren.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>

State of South Carolina

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 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.

State of South Carolina

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, cash in the federal treasury, and cash in transit. Certain cash balances held by the State Treasurer's Office are pooled and invested in various instruments as a part of the State's cash management pool, an internal investment pool. Cash equivalents are investments in short-term, highly liquid securities having a maturity at the time of purchase of three months or less, with necessary adjustments for the cash management pool. Restricted cash and cash equivalents represents cash on deposit with external parties held for compliance with laws, regulations, and contractual obligations. The State of South Carolina Department of Employment and Workforce Unemployment Compensation Fund as required by law all resources/deposits not necessary for current benefit payments are placed on deposit with the U.S. Treasury.

e. Cash Management Pool

In order to maximize the State's earning potential, all amounts not required for operations are held in investment securities within the cash management pool, which is administered by the State Treasurer. Amounts required for operations are liquidated as needed. As such, cash balances may be negative for reporting purposes as cash outflow for investment purchases may outstrip investments classified as cash equivalents. In order to properly reflect the General Fund account position, any negative cash balance will be eliminated in the accompanying statements and offset against investments. As of June 30, 2025, the General Fund had a negative cash and cash equivalents balance of \$1.702 billion related to pooled cash and investment activity. Accordingly, the balance was reclassified to investments. See Note 4 starting on page 85 for further detail.

While most of the primary government as well as most of the State's blended and discretely presented component units participate in the cash management pool, significant exceptions include the State's Pension and Other Post Employment Benefit Trust Funds, 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).

The State's cash management pool consists of a general fund portfolio and several special deposit investment portfolios. The State Treasurer records the equity interest of each fund within each investment portfolio. All general fund investment portfolio earnings are credited to the state General Fund rather than to each fund's equity interest. In contrast, each special deposit investment portfolio has designated earnings beneficiaries and earnings are returned accordingly.

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, 2025.

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.

State of South Carolina

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 and historical treasures	10 - 50
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 \$3.599 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.

In accordance with GASB Statement No. 101, liabilities for compensated absences are recognized as employees earn benefits and when it is probable that the benefits will result in future compensation. Employee compensated absence expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the statement of net position and as a component of benefit expenses in the statement of revenues, expenses, and changes in net position.

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 budgetary general fund 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 external 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, 2025, \$3.719 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 127 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, 2025, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 101, *Compensated Absences*, requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Statement No. 102, *Certain Risk Disclosures*, establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints.

NOTE 3: DEFICITS OF INDIVIDUAL FUNDS

The accompanying fund financial statements display deficit fund balances and deficit net position balances for individual major and nonmajor funds. Nonmajor funds had the following deficit net position balances (expressed in thousands) at June 30, 2025:

Other Internal Service Funds	\$ (16,772)
Other Enterprise Funds	(638)
Component units:	
Denmark Technical College	(5,554)
Connector 2000	(131,902)
South Carolina Medical Malpractice Association	(60,188)

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, 2025 (amounts expressed in thousands):

Statements			Notes			
			Note 4	Note 19	Non-Major DCUs *	Total
Current Assets						
Cash and cash equivalents	\$ 25,465,240	Cash On hand	\$ 259	\$ 404	\$ 203	\$ 866
Investments	78,801,081	Carrying value of cash	3,516,543	1,528,969	422,139	5,467,651
Invested securities lending collateral	1,373,292	Investments	99,870,763	4,615,943	1,369,028	105,855,734
		Invested securities lending collateral	1,373,292	—	—	1,373,292
Long term investments	608,087					
Restricted Assets						
Cash and cash equivalents	3,748,815					
Investments	2,701,028					
	<u>\$112,697,543</u>		<u>\$104,760,857</u>	<u>\$ 6,145,316</u>	<u>\$ 1,791,370</u>	<u>\$112,697,543</u>

* 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 starting on page 106.

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 (starting on page 78) for additional information on deposits.

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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, 2025 was \$2.915 billion and the bank balance was \$3.503 billion. As of June 30, 2025, the reported amount of the primary government's deposits outside of the State Treasurer was \$480.741 million and the bank balance was \$484.555 million. Of the \$341.168 million bank balance exposed to custodial credit risk, \$34.266 million was uninsured and uncollateralized and \$302.248 million was uninsured and collateralized with securities held by the pledging financial institution, and \$4.654 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, 2025 cash on hand was \$259 thousand.

b. Investments

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

Liquidity

In order to maximize the State's earning potential, all amounts not required for operations are held in investment securities within the cash management pool, which is administered by the State Treasurer. Cash balances may be negative for reporting purposes due to how investment purchases and related investment cash equivalents are reported. Cash of those funds that do not retain interest can be utilized for investment purchases; however, the reporting of the resulting investment activity is reported in the fund which receives the investment benefit.

At June 30, 2025, the General Fund within pooled cash and investments, after adjusting for internal pooled investment activity, reported negative cash and cash equivalents totaling \$1.702 billion. These deficit cash balances have been offset to investments as consistent with Treasury practices should an actual liquidity constriction occur. The deficit balances are the result of reporting conventions. The State has an overall positive cash balance and sufficient investments in place to cover any balances as presented.

Asset Type	Pooled Cash and Investments	Cash and Investments outside of the Pool	General Fund Presentation before Pooled Cash and Investments Reclass	Pooled Cash and Investments Reclass	General Fund as Presented on Exhibit B-1
Cash and Cash Equivalents	\$ (1,701,897)	\$ 39,971	\$ (1,661,926)	\$ 1,701,897	\$ 39,971
Investments	11,997,733	35,565	12,033,297	(1,701,897)	10,331,400
Restricted Cash	20,269	—	20,269	—	20,269

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.

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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, 2025 (amounts expressed in thousands):

Investments by Fair Value Level	At 6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments				
U.S. treasuries	\$ 15,456,247	\$ 15,447,274	\$ 8,973	\$ —
U.S. agencies	196,105	—	196,105	—
Common stock	42,785	42,785	—	—
Other equity securities	9,520	9,505	15	—
Corporate bonds	7,871,004	5,532	7,865,472	—
Municipal bonds	265	49	216	—
Repurchase agreements	2,066,322	—	2,066,322	—
Commercial paper	12,093,236	—	12,093,236	—
Money market mutual funds	205,450	205,450	—	—
Bond mutual funds	2,573	2,573	—	—
Guaranteed investment contracts	73,933	—	—	73,933
Other	10,336,723	7,118,720	3,210,423	7,580
Total investments by fair value level	\$ 48,354,163	\$ 22,831,888	\$ 25,440,762	\$ 81,513
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	\$ 424	\$ —	N/A	N/A
Total investments measured at the NAV	424	—		
Total investments measured at fair value	\$ 48,354,587			

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. 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 custodied by the State Treasurer are required to be insured, registered, or held by the State or its agent in the name of the State Treasurer as custodian.

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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, 2025 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 to Credit Risk	Total
U.S. treasuries	\$ 8,973	\$ —	\$ —	\$ —	\$ —	\$ 15,447,274	\$ 15,456,247
U.S. agencies	—	196,105	—	—	—	—	196,105
Common stock	190	—	52	19	—	42,524	42,785
Other equity securities	12	—	—	2	—	9,506	9,520
Corporate bonds	430,229	470,661	3,269,653	3,143,218	3,752	553,491	7,871,004
Municipal bonds	25	122	49	20	—	49	265
Repurchase agreements	—	—	—	—	—	2,066,322	2,066,322
Commercial paper	—	9,389,694	1,064,846	1,438,856	—	199,840	12,093,236
Money market mutual funds	3	—	—	—	—	205,447	205,450
Bond mutual funds	769	—	—	—	—	1,804	2,573
Guaranteed investment contracts	—	18,433	55,500	—	—	—	73,933
Other	—	2,503,123	677,332	—	—	7,156,692	10,337,147
Totals	\$ 440,201	\$ 12,578,138	\$ 5,067,432	\$ 4,582,115	\$ 3,752	\$ 25,682,949	\$ 48,354,587

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, 2025, the State Treasurer had no investments that exceeded the 5% threshold for any single issuer.

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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 addresses interest rate risk in their Comprehensive Investment Policy. This plan limits exposure to types of securities, issuers, and minimum liquidity amounts. The Asset allocation for each of the Treasury investment portfolios is dependent on several factors including: *"an assessment of future economic conditions, including inflation and interest rate levels"*. In addition, the State General Fund's investment objectives as stated in the State's comprehensive investment plan is to attain a competitive interest rate in relation to prevailing budgetary and economic environments while taking into account the State's investment risk constraints and cash flow characteristics of the portfolio. 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, 2025, the maturities of the securities that will mature were limited according to the following segmented time distribution (amounts expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in years)				
		Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	\$ 15,447,274	\$ —	\$ 3,156,050	\$ 11,456,798	\$ 802,061	\$ 32,365
U.S. agencies	96,106	—	1,262	6,650	9,924	78,270
Corporate bonds	7,182,909	—	1,918,635	4,578,693	605,090	80,491
Repurchase agreements	1,094,437	—	1,094,437	—	—	—
Commercial paper	1,451,581	—	1,451,581	—	—	—
Money market funds	3	—	3	—	—	—
Other	104,968	—	104,968	—	—	—
Totals	\$ 25,377,278	\$ —	\$ 7,726,936	\$ 16,042,141	\$ 1,417,075	\$ 191,126

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, 2025, 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 Type	Fair Value	Investment Maturities (in years)				
		Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	\$ 8,973	\$ —	\$ —	\$ 8,973	\$ —	\$ —
U.S. agencies	99,999	—	99,999	—	—	—
Common stock	42,785	42,785	—	—	—	—
Other equity securities	9,520	9,520	—	—	—	—
Corporate bonds	688,095	244	574,974	112,868	9	—
Municipal bonds	265	49	—	165	25	26
Repurchase agreements	971,885	—	971,885	—	—	—
Commercial paper	10,641,655	—	10,641,655	—	—	—
Money market funds	205,447	585	—	—	—	204,862
Bond mutual funds	2,573	2,257	316	—	—	—
Guaranteed investment contracts	73,933	—	—	—	—	73,933
Other	10,232,179	7,043,720	3,180,455	8,004	—	—
Totals	\$ 22,977,309	\$ 7,099,160	\$ 15,469,284	\$ 130,010	\$ 34	\$ 278,821

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, 2025. At June 30, 2025, 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, 2025, the State experienced no losses on its securities lending transactions because of borrower defaults.

For the fiscal year ended June 30, 2025, 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, 2025, 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, 2025, the fair value of securities on loan was \$1.015 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 \$1.017 billion, of which \$1.017 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, 2025, the carrying amount of the Systems' deposits was \$120.304 million and the bank balance was .

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.

State of South Carolina

The Systems had the following recurring fair value measurements as of June 30, 2025 (amounts expressed in thousands):

	Fair Value Measurements Using			
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level	At 6/30/2025			
Short Term Investments				
Short Term Investment Funds (U. S. Regulated)	\$ 5,993,429	\$ 5,993,429	\$ —	\$ —
Commercial Paper	54,617	—	54,617	—
Certificates of Deposit	25,286	—	25,286	—
U. S. Treasury Bills	163,777	163,777	—	—
Municipals - 1 Year or Less	530	—	530	—
Private Placements - 1 Year or Less	1,270	—	1,270	—
Total Short Term Investments	6,238,909	6,157,206	81,703	—
Equity Allocation				
Global Public Equity				
Common Stocks	1,294,235	1,294,235	—	—
Real Estate Investment Trusts	249,701	249,701	—	—
Preferred	1,702	1,034	668	—
Total Global Public Equity	1,545,638	1,544,970	668	—
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	10,645	10,645	—	—
Mortgage Backed				
Federal National Mortgage Association	1,460	—	1,460	—
Municipals	3,362	—	3,362	—
Corporate				
Corporate Bonds	273,077	—	193,319	79,758
Asset Backed Securities	54,042	—	54,042	—
Private Placements	278,552	—	278,552	—
Total Fixed Income	621,138	10,645	530,735	79,758
Total Investments by Fair Value Level	\$ 8,405,685	\$ 7,712,821	\$ 613,106	\$ 79,758

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State of South Carolina

Recurring fair value measurements as of June 30, 2025, continued (amounts expressed in thousands):

Fair value of investments measured at net asset value (NAV)

Global Equity Common Stocks	\$ 20,718,839
Investment Grade Bonds	15,380
Emerging Debt	34,732
Hedge Funds	4,876,259
Private Equity	6,787,259
Private Debt	3,528,140
Private Real Estate	3,631,069
Private Infrastructure	1,507,759
Total investments measured at NAV	41,099,437
Total investments measured at fair value	\$ 49,505,122

	Fair Value Measurements Using		
	At 6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investment derivative instruments			
Cash Equivalents			
Options - Cash Equivalents	\$ 76	\$ —	\$ 76
Equity Investments			
Swaps - Equity	12,911	—	12,911
Options - Equity	897	382	515
Fixed Income Investments			
Options - Fixed Income	141	—	141
Futures - Fixed Income	145,642	145,642	—
Swaps - Fixed Income	5,778	—	5,778
Total investment derivative instruments	\$ 165,445	\$ 146,024	\$ 19,421
Total Invested Assets	\$ 49,670,567		

For investments measured at NAV (amounts in thousands):

	Fair Value at 6/30/2025	Unfunded Commitments ^a	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global Equity Common Stocks	\$ 20,718,839	\$ —	Daily/Monthly	5 - 30 Days
Investment Grade Bonds	15,380	—	Illiquid	Illiquid
Emerging Debt	34,732	—	Daily/Monthly	10 - 15 Days
Hedge Funds	4,876,259	—	Monthly/ Quarterly	2 - 90 Days
Private Equity	6,787,259	2,900,173	Illiquid	Illiquid
Private Debt	3,528,140	2,624,884	Illiquid	Illiquid
Private Real Estate	3,631,069	954,439	Illiquid	Illiquid
Private Infrastructure	1,507,759	192,307	Illiquid	Illiquid
Total investments measured at the NAV	\$ 41,099,437	\$ 6,671,803		

^a For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £13,907 and €258,990 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 27 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 21 of these funds invested through strategic partnership investments which may consist of underlying investments in more than one hedge fund. The fair values of the investments in this asset type have been determined using NAV per share of the investments or percent ownership of the NAV of the fund and reported by the Investment Managers. Redemptions are generally allowed monthly, provided adequate notice, however, it is common that funds have authority to require longer redemption timeframes and/or make the redemption subject to gates to mitigate any detrimental impact to the fund.

Private Equity Funds. This investment type includes 170 funds that consist of 85 investments in limited partnerships, 57 investments in co-investment funds, 18 investments on manager co-investment platforms, and 10 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 67 funds that consist of 39 investments in limited partnerships, 17 funds within strategic partnership investments, and 11 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, 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 35 funds that consist of 29 investments in limited partnerships, three investments in co-investment funds, and three 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 18 funds that consist of 11 investments in limited partnerships, and seven 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.

State of South Carolina

Disclosures for interest rate risk at June 30, 2025, 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)	\$ 5,993,429	\$ —	\$ 5,993,429	0.08
Invested Securities Lending Collateral	306,413	—	306,413	0.00
Commercial Paper	54,617	—	54,617	0.22
Certificates of Deposit	25,286	—	25,286	0.28
U. S. Treasury Bills	163,777	—	163,777	0.22
Municipals - 1 Year or Less	530	—	530	0.73
Private Placements - 1 Year or Less	1,270	—	1,270	0.01
Foreign Currency Options	76	76	—	
Total Short Term Investments	6,545,398	76	6,545,322	
Global Public Equity				
Preferred	1,702	—	1,702	11.48
Total Equity Investments	1,702	—	1,702	
Fixed Income Allocation				
U.S. Government:				
U. S. Government Treasuries	10,645	—	10,645	1.78
Mortgage Backed:				
Federal National Mortgage Association	1,460	—	1,460	7.18
Municipals	3,362	—	3,362	0.76
Corporate:				
Corporate Bonds	273,077	212,072	61,005	1.56
Asset Backed Securities	54,042	8,560	45,482	0.23
Private Placements	278,552	80,600	197,952	2.16
Investment Grade Bonds	15,380	—	15,380	5.50
Emerging Debt	34,732	—	34,732	5.84
Options - Fixed Income	141	—	141	154.85
Futures - Fixed Income	145,642	—	145,642	394.61
Swaps - Fixed Income	5,778	5,778	—	
Total Fixed Income	822,811	307,010	515,801	
Mixed Credit Hedge Fund Allocation				
Mixed Credit Hedge Funds	5,604	—	5,604	0.01
Total Mixed Credit Hedge Funds	5,604	—	5,604	
Total Invested Assets	\$ 7,375,515	\$ 307,086	\$ 7,068,429	
Total Portfolio Effective Duration (option adjusted duration)				8.34

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, 2025 were rated by Moody's and are presented below at fair value (amounts expressed in thousands):

State of South Carolina

Investment Type	AAA	AA	A	BAA	BA	B	CAA	CA	International & EMD Commingled Funds or Held in Strategic Partnerships	NR*	TOTAL
Short Term Investments											
Short Term Investment Funds (U. S. Regulated)	\$ 5,993,429	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 5,993,429
Invested Securities Lending Collateral	—	—	—	—	—	—	—	—	—	306,413	306,413
Commercial Paper	—	38,113	—	13,387	—	—	—	—	—	3,117	54,617
Certificates of Deposit	—	22,064	669	—	—	—	—	—	—	2,553	25,286
Municipals - 1 Year or Less	—	530	—	—	—	—	—	—	—	—	530
Private Placements - 1 Year or Less	—	—	1,270	—	—	—	—	—	—	—	1,270
Foreign Currency Options	—	—	—	—	—	—	—	—	—	76	76
Global Public Equity											
Preferred	—	—	—	350	796	—	—	—	—	556	1,702
Fixed Income Allocation											
Mortgage Backed:											
Federal National Mortgage Association	—	—	—	—	—	—	—	—	—	1,460	1,460
Municipals	891	2,471	—	—	—	—	—	—	—	—	3,362
Corporate:											
Corporate Bonds	—	14,001	24,550	4,441	1,958	11,103	1,281	1,211	—	214,532	273,077
Asset Backed Securities	9,197	8,892	6,732	8,734	2,525	—	5,654	—	—	12,308	54,042
Private Placements	14,302	20,094	20,652	24,908	13,001	3,946	1,433	—	—	180,216	278,552
Investment Grade Bonds	—	—	—	—	—	—	—	—	15,380	—	15,380
Emerging Debt	—	—	—	—	—	—	—	—	34,732	—	34,732
Options - Fixed Income	—	—	—	—	—	—	—	—	—	141	141
Futures - Fixed Income	—	—	—	—	—	—	—	—	—	145,642	145,642
Swaps - Fixed Income	—	—	—	—	—	—	—	—	—	5,778	5,778
Totals	\$ 6,017,819	\$ 106,165	\$ 53,873	\$ 51,820	\$ 18,280	\$ 15,049	\$ 8,368	\$ 1,211	\$ 50,112	\$ 872,792	\$ 7,195,489

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

^bU.S. Treasury Bills, Notes, and Bonds with a fair value of \$174.4 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, 2025, 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.

State of South Carolina

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2025 (amounts expressed in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Private Equity	Private Debt	Private Infrastructure	Fixed Income	Equity	Total
Australian Dollar	\$ —	\$ (31,114)	\$ —	\$ —	\$ 31,946	\$ —	\$ 832	\$ 1,664
Canadian Dollar	9	(235)	—	—	—	—	7,788	7,562
Euro Currency	(842)	(266,514)	291,869	31,767	162,399	34,516	10,706	263,901
Hong Kong Dollar	14	—	—	—	—	—	1,607	1,621
Japanese Yen	—	—	—	—	—	—	763	763
Pound Sterling	38	(56,306)	128,724	13,011	—	2,566	5,082	93,115
Swedish Krona	2	—	—	—	—	—	—	2
Totals	\$ (779)	\$ (354,169)	\$ 420,593	\$ 44,778	\$ 194,345	\$ 37,082	\$ 26,778	\$ 368,628

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 \$46.800 million and \$157.500 million, respectively, were held in trust by the clearing brokers on June 30, 2025. 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.

The 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.

State of South Carolina

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, 2025 (amounts expressed in thousands):

	Changes in Fair Value	
	Classification	Gain/(Loss)
Futures Contracts	Net appreciation	\$ 90,445
Forward Contracts	Net depreciation	(4,663)
Swaps	Net appreciation	12,020
Options	Net appreciation	399

	Fair Value			
	Forward Contracts	Futures	Options	Swaps
Cash & Cash Equivalents	\$ 1,891	\$ —	\$ 76	\$ —
Fixed Income	—	145,642	141	5,778
Global Public Equity	—	—	897	12,911
Totals	\$ 1,891	\$ 145,642	\$ 1,114	\$ 18,689

At June 30, 2025, 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 2025	Long	13,292	\$ 1,534,811	\$ 57,135
US 10YR NOTE FUTURE (CBT)	September 2025	Long	23,790	2,667,454	33,492
US 5YR NOTE FUTURE (CBT)	September 2025	Long	24,010	2,617,090	20,260
US 2YR NOTE FUTURE (CBT)	September 2025	Long	4,915	1,022,435	3,880
US ULTRA BOND FUTURE (CBT)	September 2025	Long	5,831	694,618	30,875
Totals				\$ 8,536,408	\$ 145,642

^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.

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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, 2025, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Bank of America	\$ 67,634	\$ 35	19.19%
Bank of New York Mellon Corp	40,451	(1,068)	11.48%
Barclays Bank PLC	1,923	(39)	0.55%
Goldman Sachs Bank USA/New York NY	260	(1)	0.07%
HSBC Bank USA NA/New York NY	73,227	(201)	20.78%
JPMorgan Chase Bank NA	8,965	(103)	2.54%
Morgan Stanley Capital Services LLC	576	(9)	0.16%
Royal Bank of Canada	86,116	(343)	24.44%
State Street Corp	76,267	(162)	20.79%
Totals	\$ 355,419	\$ (1,891)	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 SOFR, 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, 2025, for currency forwards, swap agreements, and options subject to credit risk (amounts expressed in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aa2	\$ (1,338)	\$ —	\$ 21	\$ (1,317)
Aa3	(170)	(89)	38	(221)
A1	(383)	18,778	184	18,579
A2	—	—	889	889
Total subject to credit risk	(1,891)	18,689	1,132	17,930
Centrally cleared:				
LCH Ltd	\$ —	\$ —	\$ (18)	\$ (18)
Total not subject to credit risk	—	—	(18)	(18)
Totals	\$ (1,891)	\$ 18,689	\$ 1,114	\$ 17,912

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At June 30, 2025, the Systems held swaps as shown in the tables below (amounts expressed in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value ¹	Gain (Loss) Since Trade
Barclays Bank PLC	Barclays US Agg Proxy	Variable	Fixed	Various	\$ 2,120,649	\$ 18,778	\$ 103,265
Morgan Stanley Capital Services	iBoxx Leveraged Loan Index	Variable	Fixed	9/20/2025	1,850	8	—
					<u>\$ 2,122,499</u>	<u>\$ 18,786</u>	<u>\$ 103,265</u>

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value ^a
Morgan Stanley Capital Services	Credit Default Swaps	Fixed	Variable	12/20/2029	870	(97)
					<u>\$ 870</u>	<u>\$ (97)</u>

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

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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, 2025, the Systems had the following option positions (amounts expressed in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
Put NOV 25 001.010 ED 112625	USD/EUR SPOT OPTION 2025	November 2025	2,987,000	\$ 1
Put NOV 25 001.010 ED 112425	USD/EUR SPOT OPTION 2025	November 2025	4,254,000	1
Put NOV 25 140.000 ED 111925	JPY/USD SPOT OPTION 2025	November 2025	1,450,000	28
Put NOV 25 130.000 ED 111925	JPY/USD SPOT OPTION 2025	November 2025	(1,450,000)	(7)
Put APR 26 140.000 ED 040126	JPY/USD SPOT OPTION 2026	April 2026	1,030,000	34
Call MAY 26 123.500 ED 052026	JPY/USD SPOT OPTION 2026	May 2026	207,000	19
Total Cash Equivalents				\$ 76
Call AUG 25 003.500 ED 081926	CCP IRS P SONIA	August 2025	4,200,000	\$ 40
Call AUG 25 003.000 ED 081926	CCP_OIS R SONIA 1D	August 2025	(4,200,000)	(20)
Put AUG 25 004.500 ED 081926	CCP OIS P SONIA	August 2025	(4,200,000)	(9)
Put AUG 25 005.500 ED 081926	CCP_OIS R SONIA 1D	August 2025	4,200,000	2
Call FEB 26 003.500 ED 021326	IRS P SOFR 1D	February 2026	3,310,000	57
Call FEB 26 003.000 ED 021326	IRS R SOFR1D	February 2026	(3,310,000)	(25)
Call FEB 26 003.500 ED 021326	IRS P SOFR 1D	February 2026	3,310,000	57
Call FEB 26 003.000 ED 021326	IRS R SOFR1D	February 2026	(3,310,000)	(25)
Call FEB 26 003.500 ED 021326	IRS P SOFR 1D	February 2026	3,310,000	57
Call FEB 26 003.000 ED 021326	IRS R SOFR1D	February 2026	(3,310,000)	(25)
Call FEB 26 003.500 ED 021326	IRS P SOFR 1D	February 2026	3,310,000	57
Call FEB 26 003.000 ED 021326	IRS R SOFR1D	February 2026	(3,310,000)	(25)
Total Fixed Income				\$ 141
Call JUL 25 030.000 ED 071625	CBOE Volatility INDE Index VIX	July 2025	(554)	(15)
Call JUL 25 025.000 ED 071625	CBOE Volatility INDE Index VIX	July 2025	554	23
Call AUG 25 028.000 ED 082025	CBOE Volatility INDE Index VIX	August 2025	323	35
Call AUG 25 040.000 ED 082025	CBOE Volatility INDE Index VIX	August 2025	(323)	(18)
Put SEP 25 5447.670 ED 093025	S&P 500 Index (SPX)	September 2025	17,439	685
Put SEP 25 4587.510 ED 093025	S&P 500 Index (SPX)	September 2025	(17,439)	(195)
Put SEP 25 679.520 ED 093025	MSCI ACWI	September 2025	(117,730)	(156)
Put SEP 25 806.930 ED 093025	MSCI ACWI	September 2025	117,730	538
Total Equity				\$ 897
Total				\$ 1,114

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.

State of South Carolina

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, 2025, the Systems' commitments, including commitments within Strategic Partnerships, are shown in the following table (amounts expressed in thousands):

	Total Commitment	Amount Funded To Date	Remaining Unfunded Commitment
Limited Partnerships USD			
Private Equity	\$ 9,192,638	\$ 6,615,523	\$ 2,577,115
Private Debt	7,902,772	5,277,888	2,624,884
Private Real Estate	5,446,076	4,491,637	954,439
Private Infrastructure	1,230,000	1,037,693	192,307
Totals	\$ 23,771,486	\$ 17,422,741	\$ 6,348,745
Limited Partnerships EUR			
Private Equity	€ 491,609	€ 232,619	€ 258,990
Private Debt	22,657	22,657	—
Private Infrastructure	125,000	125,000	—
Totals	€ 639,266	€ 380,276	€ 258,990
Limited Partnerships AUD			
Private Infrastructure	\$ 40,000	\$ 40,000	\$ —
Totals	\$ 40,000	\$ 40,000	\$ —
Limited Partnerships GBP			
Private Equity	£ 75,000	£ 61,093	£ 13,907
Private Debt	7,000	7,000	—
Private Infrastructure	22,000	22,000	—
Totals	£ 104,000	£ 90,093	£ 13,907

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, 2025, included U. S. Government securities, 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.

State of South Carolina

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, 2025, the fair value of securities on loan was \$299.149 million, the fair value of the invested cash collateral was \$306.437 million, and the securities lending obligations were \$306.437 million. Securities lending revenue, net of borrower rebates, was \$1.690 million, an increase of \$1.070 million 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, 2025, 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, 2025:

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Securities lent for cash collateral:						
Corporate bonds	\$ 6,294	\$ 1,176	\$ 8	\$ 40	\$ 7	\$ 7,525
Global Public Equity	243,927	45,588	306	1,544	259	291,624
Totals.....	\$ 250,221	\$ 46,764	\$ 314	\$ 1,584	\$ 266	\$ 299,149
Securities lent for non-cash collateral:						
U.S Government Securities	\$ 1,671	\$ 312	\$ 2	\$ 11	\$ 2	\$ 1,998
Global Public Equity	230,658	43,108	290	1,460	245	275,761
Totals.....	\$ 232,329	\$ 43,420	\$ 292	\$ 1,471	\$ 247	\$ 277,759
Cash collateral invested as follows:						
Repurchase agreements	\$ 256,320	\$ 47,900	\$ 322	\$ 1,622	\$ 273	\$ 306,437
Totals.....	\$ 256,320	\$ 47,900	\$ 322	\$ 1,622	\$ 273	\$ 306,437
Securities received as collateral:						
U.S Government Securities	\$ 27,073	\$ 5,060	\$ 34	\$ 171	\$ 29	\$ 32,367
Global Public Equity	98,717	18,449	124	625	105	118,020
Global Fixed Income	122,048	22,810	153	773	129	145,913
Totals.....	\$ 247,838	\$ 46,319	\$ 311	\$ 1,569	\$ 263	\$ 296,300

Schedule of Investment Returns ¹	
Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2025	11.34%
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)%

¹ Trailing periods reflect a performance correction that affected the time period 7/1/2015 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, 2025, 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.

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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, 2025 (amounts expressed in thousands):

Investments by Fair Value Level	Fair Value Measurements Using		
	At 6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Collateralized mortgage-backed obligations.....	\$ 14,980	\$ —	\$ 14,980
U.S. agencies.....	1,050,292	1,037,441	12,851
Corporate bonds.....	397,994	—	397,994
Financial paper.....	263,986	—	263,986
Repurchase agreements.....	118,357	118,357	—
Total Investments at Fair Value.....	\$ 1,845,609	\$ 1,155,798	\$ 689,811

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, 2025, 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	Not Rated
Collateralized mortgage-backed obligations.....	\$ 14,980	\$ —	\$ —	\$ —
U.S. agencies.....	1,050,292	—	—	—
Corporate bonds.....	26,300	94,389	266,708	10,598
Financial paper.....	8,738	163,076	82,334	9,837
Cash equivalents.....	—	—	—	118,357
Totals.....	\$ 1,100,310	\$ 257,465	\$ 349,042	\$ 138,792

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, 2025, the Trusts had the following investments with maturities disclosed by investment category and segmented time distribution (amounts expressed in thousands):

Investment Type	Investment Maturities (in years)				
	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
Collateralized mortgage-backed obligations.....	\$ 14,980	\$ —	\$ —	\$ 6	\$ 14,974
U.S. agencies.....	1,050,292	80,388	628,148	328,155	13,601
Corporate bonds.....	397,993	32,285	233,336	122,867	9,505
Financial paper.....	263,987	11,683	131,382	110,691	10,231
Cash equivalents.....	118,357	118,357	—	—	—
Totals.....	\$ 1,845,609	\$ 242,713	\$ 992,866	\$ 561,719	\$ 48,311

State of South Carolina

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, 2025. 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, 2025:

	Amount
Securities Lent for Cash Collateral:	
U.S. Government Securities	\$ 27,926
Corporate Bonds	21,560
Total	\$ 49,486
Cash Collateral invested as follows:	
Repurchase agreements	\$ 28,514
U.S. Government Securities	3,238
Corporate Bonds	18,793
Total	\$ 50,545

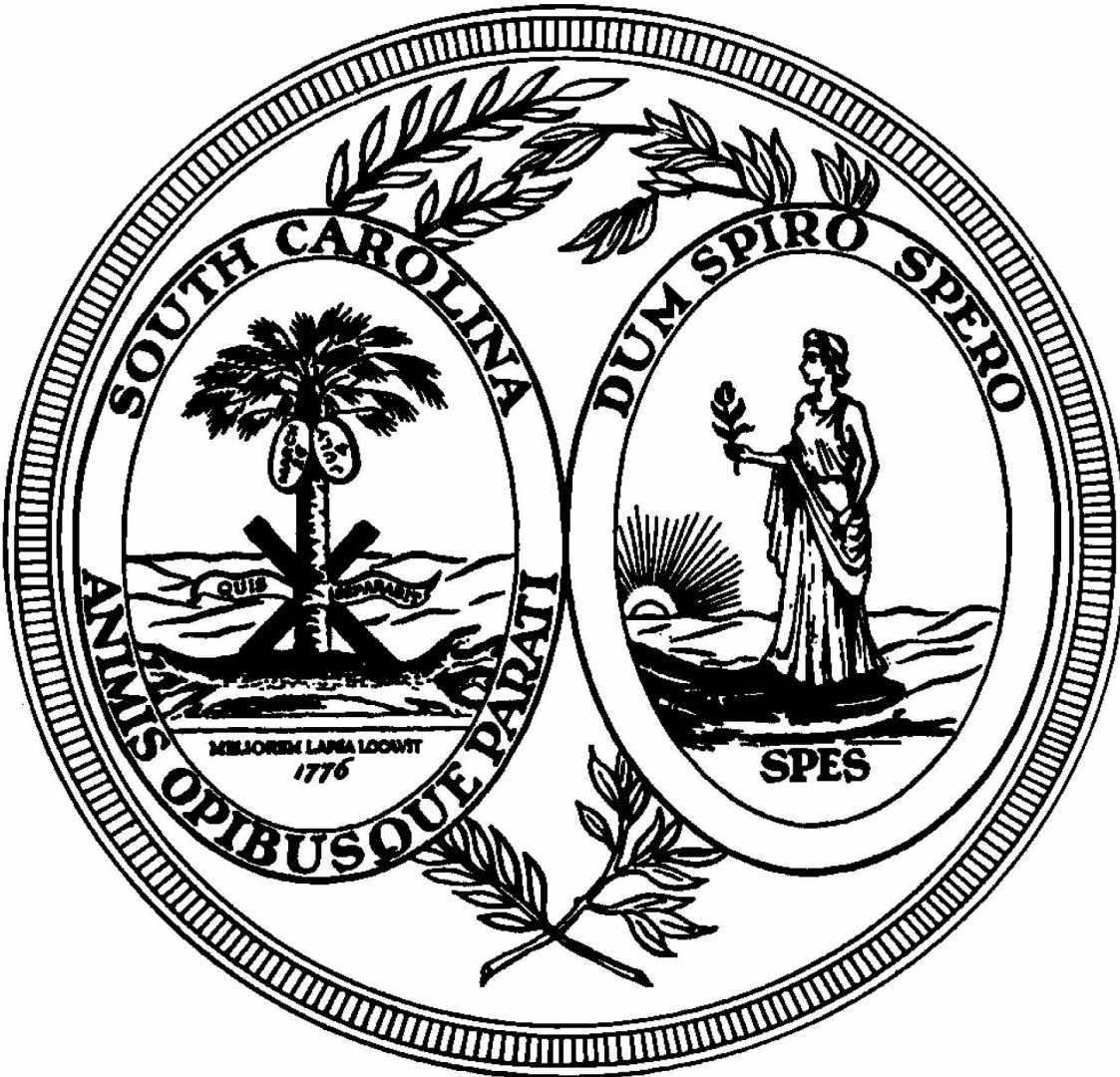
Schedule of Investment Returns

South Carolina Retiree Health Insurance Trust Fund

Fiscal Year Ending June 30	Annual Money Weighted Rate of Return, Net of Investment Expense
2025	12.94%
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
2025	6.10%
2024	3.01%
2023	(0.34)%
2022	(10.67)%
2021	(0.42)%
2020	10.57%
2019	8.13%
2018	0.14%
2017	1.00%



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, 2025, 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	\$ 450,808	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 450,808
Sales and other taxes	210,859	600	—	—	20,674	—	232,133
Patient accounts	—	—	—	—	—	—	—
Other	19,213	18,142	202	580	31	829	38,997
Total allowances for uncollectibles	\$ 680,880	\$ 18,742	\$ 202	\$ 580	\$ 20,705	\$ 829	\$ 721,938

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, 2025 were as follows:

	Business-type Activities (Enterprise Funds)	
	Unemployment Compensation Benefits	Second Injury
Assessments	\$ 124,921	\$ —
Other	130,715	303
Total allowances for uncollectibles	\$ 255,636	\$ 303

Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) on June 30, 2025 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	\$ 29,079	\$ 83,470	\$ 42	\$ —	\$ 9	\$ 6	\$ 112,606
Patient accounts	3,349	2,042	—	—	—	—	5,391
Loans and notes	7,498	36	811,697	54	2,685	—	821,970
Leases	6,432	759	—	—	—	—	7,191
Accounts receivable—restricted	—	—	6,000	—	—	—	6,000
Total long-term receivables, net	\$ 46,358	\$ 86,307	\$ 817,739	\$ 54	\$ 2,694	\$ 6	\$ 953,158

State of South Carolina

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, 2025, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	\$ 11,538	\$ —	\$ 11,538
Federal grants	59,959	1,387,011	1,446,970
Contributions	15,027	327,468	342,495
Departmental services	—	17,691	17,691
Total unearned revenues	\$ 86,524	1,732,170	\$ 1,818,694
Internal service funds		259,508	
Total governmental activities		\$ 1,991,678	

NOTE 6: CAPITAL ASSETS

The primary government's capital asset activity for the fiscal year ended June 30, 2025 was as follows (expressed in thousands):

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 2,589,977	\$ 163,919	\$ (10,100)	\$ 2,743,796
Construction in progress	6,117,346	1,666,358	(1,171,585)	6,612,119
Works of art and historical treasures	844	—	—	844
Intangibles	232	208	—	440
<i>Lease assets not being amortized:</i>				
Construction in progress	14,774	7,286	(4,817)	17,243
Total capital assets not being depreciated or amortized	8,723,173	1,837,771	(1,186,502)	9,374,442
<i>Capital assets being depreciated:</i>				
Land improvements	79,520	10,451	(847)	89,124
Infrastructure (road and bridge network)	17,014,155	1,070,047	(1,421)	18,082,781
Buildings and improvements	2,211,017	227,338	(188,574)	2,249,781
Vehicles	1,179,531	224,450	(104,166)	1,299,815
Machinery and equipment	821,534	135,918	(78,912)	878,540
Works of art and historical treasures	1,507	17	—	1,524
Intangibles	321,567	7,151	(29,329)	299,389
<i>Lease assets being amortized:</i>				
Land and improvements	9,623	20	(6)	9,637
Buildings and improvements	267,680	225,751	(20,655)	472,776
Machinery and equipment	13,472	2,733	(2,236)	13,969
Subscription assets	132,688	40,521	(72,622)	100,587
Total capital assets being depreciated or amortized	22,052,294	1,944,397	(498,768)	23,497,923
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Land improvements	(60,855)	(1,944)	352	(62,447)
Infrastructure (road and bridge network)	(5,409,740)	(244,297)	1,015	(5,653,022)
Buildings and improvements	(1,287,082)	(55,100)	12,294	(1,329,888)
Vehicles	(796,896)	(83,319)	45,781	(834,434)
Machinery and equipment	(574,334)	(61,218)	29,641	(605,911)
Works of art and historical treasures	(963)	(77)	—	(1,040)
Intangibles	(320,638)	(1,323)	26,954	(295,007)
<i>Lease assets being amortized:</i>				
Land and improvements	(1,692)	(567)	—	(2,259)
Buildings and improvements	(68,542)	(45,793)	12,017	(102,318)
Machinery and equipment	(7,715)	(2,375)	1,942	(8,148)
Subscription assets	(69,689)	(54,395)	75,569	(48,515)
Total accumulated depreciation and amortization	(8,598,146)	(550,408)	205,565	(8,942,989)
Total capital assets being depreciated or amortized, net	13,454,148	1,393,989	(293,203)	14,554,934
Governmental activities capital assets, net	\$ 22,177,321	\$ 3,231,760	\$ (1,479,705)	\$ 23,929,376

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 222,891	\$ —	\$ —	\$ 222,891
Construction in progress	52,059	47,819	(1,903)	97,975
Total capital assets not being depreciated	274,950	47,819	(1,903)	320,866
<i>Capital assets being depreciated:</i>				
Land improvements	8,430	177	—	8,607
Buildings and improvements	17,205	29	—	17,234
Vehicles	1,698	—	(465)	1,233
Machinery and equipment	13,613	2,138	(2,562)	13,189
Total capital assets being depreciated	40,946	2,344	(3,027)	40,263
Less accumulated depreciation for:				
Land improvements	(1,784)	(485)	—	(2,269)
Buildings and improvements	(7,330)	(556)	—	(7,886)
Vehicles	(1,681)	(2)	450	(1,233)
Machinery and equipment	(9,382)	(755)	1,786	(8,351)
Total accumulated depreciation	(20,177)	(1,798)	2,236	(19,739)
Total capital assets being depreciated, net	20,769	546	(791)	20,524
Business-type activities capital assets, net	\$ 295,719	\$ 48,365	\$ (2,694)	\$ 341,390

The following is a summary of governmental activities depreciation and amortization expense by function for the fiscal year ended June 30, 2025 (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	\$ 29,505	\$ 40,756	\$ 70,261
Education	51,801	—	51,801
Health	56,008	—	56,008
Social services	5,926	—	5,926
Administration of justice	57,602	546	58,148
Resources, environment, and economic development	33,660	—	33,660
Transportation	274,604	—	274,604
Total depreciation and amortization expense	\$ 509,106	\$ 41,302	\$ 550,408

At June 30, 2025, the primary government had outstanding commitments totaling \$3.754 billion for construction of capital projects, \$87.339 million for significant permanent improvement projects, \$1.674 million for software development projects, \$29.939 million for subscription-based information technology arrangements, and \$10.409 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.

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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, 2025:

	SCRS	PORS	GARS	JSRS	SCNG
Active Contributing Members	210,887	28,882	59	168	12,620
Retirees and Beneficiaries Currently Receiving Benefits ..	156,141	21,787	336	227	5,211
Terminated Members Entitled to But Not Yet Receiving Benefits	237,262	23,681	25	5	1,292
Total Membership	604,290	74,350	420	400	19,123

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, 2025, 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

State of South Carolina

Actuarially-determined employer contribution rates, expressed as percentages of compensation, for the fiscal year ended June 30, 2025, were as follows:

Plan	Rate
SCRS	18.56%
PORS	21.24%
JSRS	62.94%

Contributions to SCRS, PORS, and JSRS from the State were \$305.417 million, \$112.041 million, and \$25.606 million, respectively, for the year ended June 30, 2025. The GARS employer contribution of \$6.200 million was actuarially determined and included incidental death benefits. The State contributed \$5.290 million to fund, which was \$1.669 million more than the SCNG actuarially-determined employer contribution for the year ended June 30, 2025. 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, 2025, the State reported \$3.009 billion and \$843.794 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, 2023 actuarial valuations, using membership data as of July 1, 2023, projected forward to June 30, 2024, and financial information of the pension trust funds as of June 30, 2024, 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, 2024, the State's SCRS proportion was 12.83%, which was an increase of 0.68% from its proportion measured as of June 30, 2023. The State's PORS proportion of the net pension liability at June 30, 2023 was 28.13%, which was an increase of 1.56% from its proportion measured as of June 30, 2023.

The State's JSRS, GARS, and SCNG net pension liabilities were also measured by actuarial valuations as of July 1, 2023, using membership data as of July 1, 2023, projected forward to June 30, 2024, and financial information of the pension trust funds as of June 30, 2024, using generally accepted actuarial procedures. The State assumes 100% of the JSRS, GARS, and SCNG liabilities.

For the year ended June 30, 2025, the State recognized pension expenses of \$290.461 million for SCRS, \$107.101 million for PORS, \$26.204 million for JSRS, \$0.232 million for GARS, and \$2.274 million for SCNG, making the State's total pension expense \$0.426 billion 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 \$13.238 billion (or 56.45% of the total net SCRS pension liability) at June 30, 2025, with related pension expenses of approximately \$1.278 billion for the year ended June 30, 2025. Likewise, the State's effective share of the PORS net pension liability was approximately \$862.159 million at June 30, 2025 (or 28.74% of the total net PORS pension liability), with related pension expenses of approximately \$109.432 million for the year ended June 30, 2025. 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.

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At June 30, 2025, 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						
Differences Between Expected and Actual Experience ..	\$ 98,927	\$ 79,243	\$ 12,368	\$ —	\$ 47	\$ 190,585
State Contributions Subsequent to the Measurement Date	305,417	112,041	25,606	6,200	5,290	454,554
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	169,413	56,133	—	—	—	225,546
Changes in Assumptions	53,069	18,371	—	—	1,855	73,295
Total	\$ 626,826	\$ 265,788	\$ 37,974	\$ 6,200	\$ 7,192	\$ 943,980
Deferred Inflows of Resources						
Differences Between Expected and Actual Experience ..	\$ 3,720	\$ 4,838	\$ 4,622	\$ —	\$ 3,323	\$ 16,503
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	115,950	47,306	6,123	1,127	694	171,200
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	62,020	15,499	—	—	—	77,519
Total	\$ 181,690	\$ 67,643	\$ 10,745	\$ 1,127	\$ 4,017	\$ 265,222

\$454.554 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, 2026. 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
2026	\$ 53,638	\$ 20,674	\$ 773	\$ (96)	\$ 155	\$ 75,144
2027	46,429	26,012	601	(628)	(242)	72,172
2028	(26,211)	(2,755)	(714)	(462)	(742)	(30,884)
2029	68,029	37,714	668	235	347	106,993
2030	(2,166)	4,459	295	(176)	(337)	2,075
Thereafter	—	—	—	—	(1,296)	(1,296)
	\$ 139,719	\$ 86,104	\$ 1,623	\$ (1,127)	\$ (2,115)	\$ 224,204

The total pension liabilities in the July 1, 2023 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	3.00%	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, 2023.

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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 80.0% of Scale UMP projected from the year 2020. Assumptions used in the June 30, 2024 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 %	6.23 %	2.86 %
Bonds	26.0 %	2.60 %	0.68 %
Private Equity	9.0 %	9.60 %	0.86 %
Private Debt	7.0 %	6.90 %	0.48 %
Real Assets	12.0 %		
Real Estate	9.0 %	4.30 %	0.39 %
Infrastructure (Private)	3.0 %	7.30 %	0.22 %
Total Expected Real Return	100.0 %		5.49 %
Inflation for Actuarial Purposes			2.25 %
Total Expected Nominal Return			7.74 %

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	\$ 10,226	\$ 220	\$ 786
Interest	31,729	4,584	4,733
Difference Between Actual and Expected Experience	16,557	(684)	(678)
Assumption Changes	(2,574)	(241)	135
Benefit Payments	(29,192)	(6,256)	(4,738)
Net Change in Total Pension Liability	26,746	(2,377)	238
Total Pension Liability at June 30, 2024	462,762	68,491	69,594
Total Pension Liability at June 30, 2025 (a)	<u>\$ 489,508</u>	<u>\$ 66,114</u>	<u>\$ 69,832</u>
Plan Fiduciary Net Position			
Contributions - Employer	21,280	6,286	5,290
Contributions - Nonemployer	2,900	—	—
Contributions - Member	3,564	147	—
Retirement Benefits	(29,185)	(6,243)	(4,738)
Death Benefits	(7)	(13)	—
Net Investment Income (Loss)	23,612	4,813	4,316
Administrative Expense	(117)	(24)	(22)
Other	57	—	—
Net Change in Plan Fiduciary Net Position	22,104	4,966	4,846
Plan Fiduciary Net Position at June 30, 2024	221,630	45,560	42,943
Plan Fiduciary Net Position at June 30, 2025 (b)	<u>\$ 243,734</u>	<u>\$ 50,526</u>	<u>\$ 47,789</u>
Net Pension Liability at June 30, 2025 (a) - (b)	<u>\$ 245,774</u>	<u>\$ 15,588</u>	<u>\$ 22,043</u>

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	\$ 3,899,751	\$ 3,009,329	\$ 2,189,322
PORS	1,222,496	843,794	533,618
JSRS	299,642	245,774	200,121
GARS	20,905	15,588	10,635
SCNG	30,988	22,043	14,799

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e. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2025, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	SCNG	Totals
Receivables:						
Contributions	\$ 386,537	\$ 46,580	\$ 4	\$ 669	\$ —	\$ 433,790
Accrued interest	25,149	5,340	44	176	57	30,766
Unsettled investment sales	839,187	156,838	1,054	5,312	893	1,003,284
Other investment receivables	109	21	—	1	—	131
Total receivables	\$ 1,250,982	\$ 208,779	\$ 1,102	\$ 6,158	\$ 950	\$ 1,467,971
Due from other fiduciary funds	\$ 1,674	\$ 413	\$ —	\$ —	\$ —	\$ 2,087
Investments and invested securities						
 lending collateral:						
Short-term securities and opportunistic	\$ 182,864	\$ 34,176	\$ 230	\$ 1,157	\$ 194	\$ 218,621
Fixed income	688,232	128,626	865	4,356	732	822,811
Equity-international	18,634,461	3,482,650	23,409	117,947	19,818	22,278,285
Alternatives	17,005,242	3,178,162	21,362	107,635	18,085	20,330,486
Invested securities lending collateral	256,320	47,900	322	1,622	273	306,437
Total investments	\$ 36,767,119	\$ 6,871,514	\$ 46,188	\$ 232,717	\$ 39,102	\$ 43,956,640

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, 2025, \$856 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 (13.41%) 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, 2025 is as follows (expressed in thousands):

Covered payroll	\$ 2,424,760
Employee contributions to providers	218,228
Employer contributions to providers	121,238

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 2025. The IBD sets the employer contribution rate based on a pay-as-you-go basis. The State paid \$697.257 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2025. 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, 2025.

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, 2025, the State reported a liability of \$3.332 billion for its proportionate share of the SCRHITF net OPEB liability and reported a liability of \$2.920 million for its proportionate share of the LTDITF net OPEB liability. The net OPEB liabilities were measured as of June 30, 2024, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2023. At June 30, 2025, the State's proportion of the SCRHITF net OPEB liability was 20.66% and the State's proportion of the LTDITF net OPEB liability was 16.55%, based on its statutory contribution requirements. These SCRHITF proportion increased by 0.98% and the LTDITF proportion remained the same at —%, 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 \$12.005 billion (or 74.46% of the total net SCRHITF OPEB liability) at June 30, 2025, with related OPEB expenses of approximately \$570.401 million for the year ended June 30, 2025. Likewise, the State's effective share of the LTDITF net OPEB liability was approximately \$10.838 million at June 30, 2025 (or 63.32% of the total net LTDITF OPEB liability), with related OPEB expenses of approximately \$6.705 million for the year ended June 30, 2025. 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.

State of South Carolina

As a result of its requirement to contribute to the SCRHITF and LTDITF, the State recognized expenses of \$170.937 million for SCRHITF and \$1.807 million for LTDITF, for a total OPEB expense of \$172.744 million for the year ended June 30, 2025. At June 30, 2025, 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	\$ 173,181	\$ 704	\$ 173,885
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	16,250	538	16,788
State Contributions Subsequent to the Measurement Date	159,651	1,362	161,013
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	309,397	55	309,452
Changes in Assumptions	713,527	289	713,816
Total	\$ 1,372,006	\$ 2,948	\$ 1,374,954
Deferred Inflows of Resources			
Differences Between Expected and Actual Experience	\$ 493,088	\$ 253	\$ 493,341
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	231,744	98	231,842
Changes in Assumptions	684,066	286	684,352
Total	\$ 1,408,898	\$ 637	\$ 1,409,535

\$161.013 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, 2026. 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
2026	\$ (32,032)	\$ 155
2027	(37,111)	179
2028	(62,405)	301
2029	(77,747)	375
2030	(5,909)	29
Thereafter	18,661	(90)
	\$ (196,543)	\$ 949

The total OPEB liabilities in the June 30, 2023 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 6.50% and gradually decreasing to an ultimate rate of 4.25% over 14 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, 2023.

State of South Carolina

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 3.97% (updated from 3.86% in the 2024 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 3.97% (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 3.68% (updated from 3.57% in the 2024 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 3.97% (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 3.68%. 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.

State of South Carolina

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 (2.97% for SCRHITF and 2.68% for LTDITF) or 1.00% higher (4.97% for SCRHITF and 4.68% for LTDITF) than the current discount rates:

Plan	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
SCRHITF	\$ 3,954,845	\$ 3,331,518	\$ 2,832,457

Plan	1% Decrease (2.68%)	Current Discount Rate (3.68%)	1% Increase (4.68%)
LTDITF	\$ 3,241	\$ 2,920	\$ 2,610

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	\$ 2,739,507	\$ 3,331,518	\$ 4,099,433

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, 2025, for the OPEB plans administered by the Insurance Benefits Division were as follows:

	SCRHITF	LTDITF	Totals
Receivables:			
Accrued interest	<u>\$ 14,286</u>	<u>\$ 272</u>	<u>\$ 14,558</u>
Due from other fiduciary funds	<u>\$ 105,404</u>	<u>\$ —</u>	<u>\$ 105,404</u>
Investments and invested securities lending collateral:			
Domestic debt instruments	\$ 1,436,875	\$ 26,390	\$ 1,463,265
Financial paper	258,289	5,697	263,986
Invested securities lending collateral	47,621	1,865	49,486
Total investments	<u>\$ 1,742,785</u>	<u>\$ 33,952</u>	<u>\$ 1,776,737</u>

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

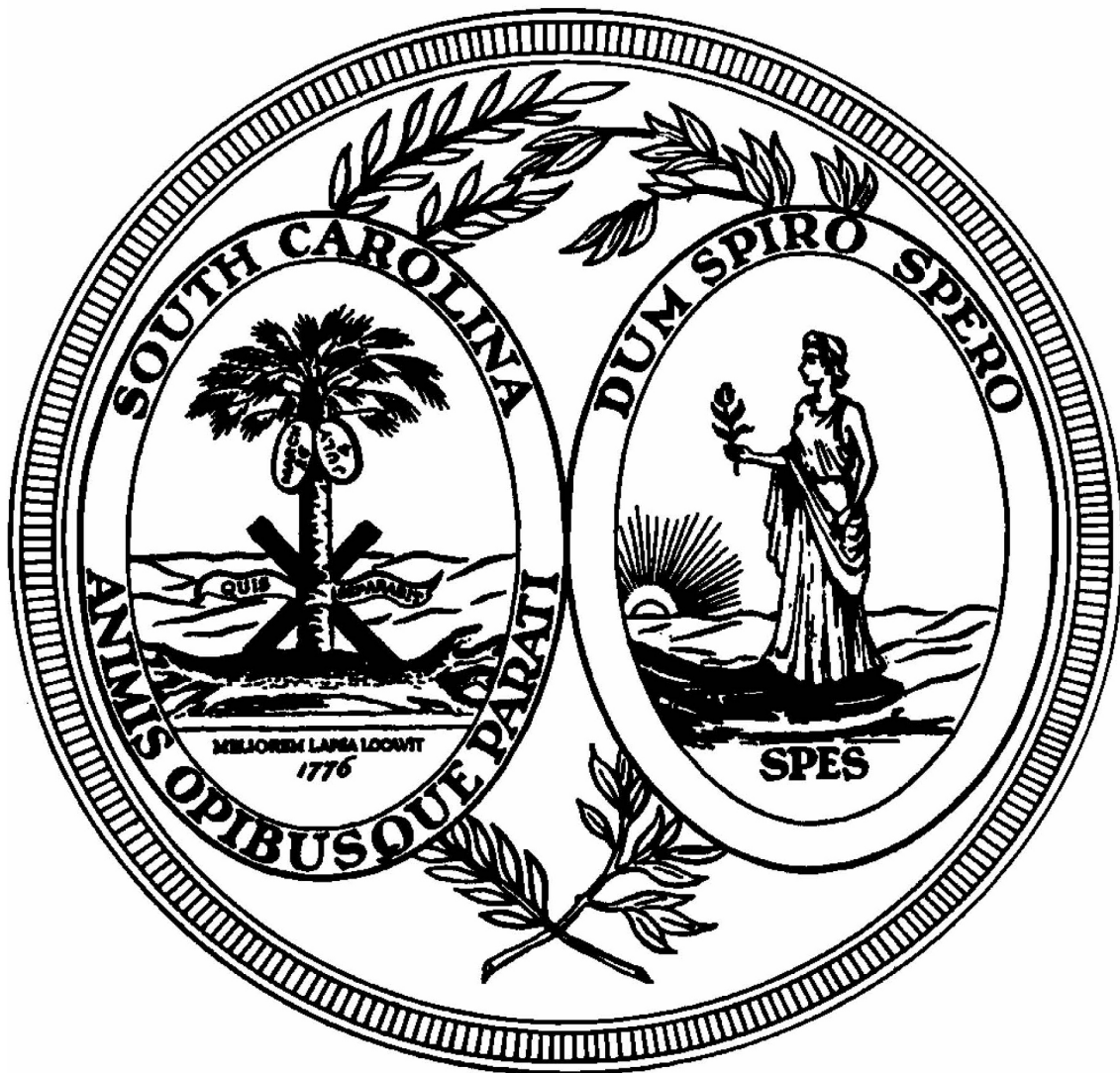
Details of all deferred outflows of resources and deferred inflows of resources at June 30, 2025 are as follows (expressed in thousands):

	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	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 2,659
Deferred amount on refunding	21,752	—	21,752	—	21,752	210,535
<u>Pensions:</u>						
Differences between expected and actual experience	187,213	2,377	189,590	995	190,585	182,609
State contributions subsequent to the measurement date	445,980	6,445	452,425	2,129	454,554	606,454
Change in proportion and differences between employer contributions and proportionate share of plan contributions	221,439	3,121	224,560	986	225,546	253,541
Changes in assumptions	71,796	1,060	72,856	439	73,295	99,750
<u>OPEB</u>						
Differences between expected and actual experience	170,201	2,610	172,811	1,074	173,885	252,335
Net differences between projected and actual earnings on OPEB plan investments	16,436	249	16,685	103	16,788	41,286
State contributions subsequent to the measurement date	157,860	2,349	160,209	804	161,013	219,213
Change in proportion and differences between employer contributions and proportionate share of plan contributions	304,727	3,360	308,087	1,365	309,452	328,086
Changes in assumptions	698,674	10,730	709,404	4,412	713,816	1,028,899
Total	\$ 2,296,078	\$ 32,301	\$ 2,328,379	\$ 12,307	\$ 2,340,686	\$ 3,728,152
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 38,622
Deferred gain on refunding	17,089	—	17,089	—	17,089	2,041
Deferred nuclear decommissioning costs	—	—	—	—	—	220,145
Deferred service concession arrangement receipts	—	—	—	—	—	11,608
Deferred nonexchange revenues	95,333	—	95,333	—	95,333	45
Deferred public-private partnership receipts	—	—	—	—	—	24,615
Deferred public-public partnership receipts	100,085	—	100,085	—	100,085	—
Toshiba Settlement	—	—	—	—	—	224,202
<u>Pensions:</u>						
Differences between expected and actual experience	16,352	106	16,458	45	16,503	7,032
Net differences between projected and actual earnings on pension plan investments	167,835	2,379	170,214	986	171,200	211,012
Change in proportion and differences between employer contributions and proportionate share of plan contributions	75,065	883	75,948	1,571	77,519	71,671
Changes in Assumptions	—	—	—	—	—	3,825
<u>OPEB:</u>						
Differences between expected and actual experience	482,876	7,416	490,292	3,049	493,341	718,213
Change in proportion and differences between employer contributions and proportionate share of plan contributions	225,354	3,685	229,039	2,803	231,842	150,959
Changes in assumptions	672,267	8,601	680,868	3,484	684,352	971,964
Lease related	8,878	—	8,878	177	9,055	139,559
Total	\$ 1,861,134	\$ 23,070	\$ 1,884,204	\$ 12,115	\$ 1,896,319	\$ 2,795,513

State of South Carolina

Details of all enterprise fund deferred outflows of resources and deferred inflows of resources at June 30, 2025 are as follows (expressed in thousands):

	Canteen	Palmetto Railways	Other Enterprise	Total
Deferred Outflows of Resources				
<u>Pensions:</u>				
Differences between expected and actual experience	\$ 101	\$ 298	\$ 596	\$ 995
State contributions subsequent to the measurement date	237	499	1,393	2,129
Change in proportion and differences between employer contributions and proportionate share of plan contributions	128	103	755	986
Changes in assumptions	41	160	238	439
<u>OPEB:</u>				
Differences between expected and actual experience	99	395	580	1,074
Net differences between projected and actual earnings on OPEB plan investments	10	37	56	103
State contributions subsequent to the measurement date	92	175	537	804
Change in proportion and differences between employer contributions and proportionate share of plan contributions	177	150	1,038	1,365
Changes in assumptions	405	1,626	2,381	4,412
Total	\$ 1,290	\$ 3,443	\$ 7,574	\$ 12,307
Deferred Inflows of Resources				
<u>Pensions:</u>				
Differences between expected and actual experience	\$ 5	\$ 11	\$ 29	\$ 45
Net differences between projected and actual earnings on pension plan investments	93	349	544	986
Change in proportion and differences between employer contributions and proportionate share of plan contributions	44	1,272	255	1,571
<u>OPEB:</u>				
Differences between expected and actual experience	280	1,124	1,645	3,049
Change in proportion and differences between employer contributions and proportionate share of plan contributions	131	1,905	767	2,803
Changes in assumptions	280	1,559	1,645	3,484
Lease related	—	—	177	177
Total	\$ 833	\$ 6,220	\$ 5,062	\$ 12,115



State of South Carolina

Details of all internal service fund deferred outflows of resources and deferred inflows of resources at June 30, 2025 are as follows (expressed in thousands):

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Motor Pool
Deferred Outflows of Resources					
<u>Pensions:</u>					
Differences between expected and actual experience ...	\$ 154	\$ 445	\$ 201	\$ 1,024	\$ 67
State contributions subsequent to the measurement date	493	1,580	684	2,395	157
Change in proportion and differences between employer contributions and proportionate share of plan contributions	11	1,060	52	1,297	85
Changes in assumptions	83	238	108	410	27
<u>OPEB:</u>					
Differences between expected and actual experience ...	209	592	274	997	65
Net differences between projected and actual earnings on OPEB plan investments	20	56	26	96	6
State contributions subsequent to the measurement date	170	545	210	925	60
Change in proportion and differences between employer contributions and proportionate share of plan contributions	7	—	604	1,785	117
Changes in assumptions	861	2,440	1,127	4,092	268
Total	\$ 2,008	\$ 6,956	\$ 3,286	\$ 13,021	\$ 852
Deferred Inflows of Resources					
<u>Pensions:</u>					
Differences between expected and actual experience ...	\$ 6	\$ 17	\$ 8	\$ 49	\$ 3
Net differences between projected and actual earnings on pension plan investments	181	521	235	936	61
Change in proportion and differences between employer contributions and proportionate share of plan contributions	11	—	195	440	29
<u>OPEB:</u>					
Differences between expected and actual experience ...	595	1,686	779	2,828	185
Change in proportion and differences between employer contributions and proportionate share of plan contributions	142	958	552	1,320	86
Changes in assumptions	826	2,339	1,080	2,828	185
Total	\$ 1,761	\$ 5,521	\$ 2,849	\$ 8,401	\$ 549

Prison Industries	Other Internal Service	Total
\$ 5	\$ 481	\$ 2,377
12	1,124	6,445
7	609	3,121
2	192	1,060
5	468	2,610
—	45	249
5	434	2,349
9	838	3,360
21	1,921	10,730
<u>\$ 66</u>	<u>\$ 6,112</u>	<u>\$ 32,301</u>

\$ —	\$ 23	\$ 106
5	440	2,379
2	206	883
15	1,328	7,416
7	620	3,685
15	1,328	8,601
<u>\$ 44</u>	<u>\$ 3,945</u>	<u>\$ 23,070</u>

State of South Carolina

Details of all discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2025 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	\$ 2,659	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred amount on refunding	166,970	7,303	12,080	1,970	21,481	—
Asset retirement obligation	502,785	—	—	—	—	—
<i>Pensions:</i>						
Differences between expected and actual experience	8,879	65,098	34,715	25,393	5,231	502
State contributions subsequent to the measurement date	13,979	236,220	114,065	84,895	14,812	1,857
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	160,123	23,348	30,656	13,810	207
Changes in assumptions	4,720	38,192	18,207	13,288	2,699	269
<i>OPEB:</i>						
Differences between expected and actual experience	5,648	92,777	50,145	37,048	6,865	670
Net differences between projected and actual earnings on OPEB plan investments	18,279	8,894	4,705	3,549	—	63
State contributions subsequent to the measurement date	8,932	85,100	39,802	30,139	2,416	635
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	270,811	3,893	24,093	—	360
Changes in assumptions	24,823	381,021	206,603	152,245	18,260	2,760
Total	\$ 757,674	\$ 1,345,539	\$ 507,563	\$ 403,276	\$ 85,574	\$ 7,323
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	\$ 38,622	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred gain on refunding	—	—	—	—	—	2,041
Deferred nuclear decommissioning costs	220,145	—	—	—	—	—
Deferred service concession arrangement receipts	—	—	10,089	1,519	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Deferred public-private partnership receipts	—	—	21,205	—	—	—
Toshiba Settlement	224,202	—	—	—	—	—
<i>Pensions:</i>						
Differences between expected and actual experience	337	2,484	1,343	984	205	19
Net differences between projected and actual earnings on pension plan investments	10,647	75,684	39,914	29,141	5,932	589
Change in proportion and differences between employer contributions and proportionate share of plan contributions	15,433	855	1,542	29	21,561	91
Changes in assumptions	—	3,825	—	—	—	—
<i>OPEB:</i>						
Differences between expected and actual experience	29,317	263,537	142,774	105,218	7,275	1,907
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	10,466	29,419	2,632	—	499
Changes in assumptions	12,170	365,293	198,073	145,960	14,567	2,646
Lease related	—	1,112	48,940	7,300	5,424	—
Total	\$ 550,873	\$ 723,256	\$ 493,299	\$ 292,783	\$ 54,964	\$ 7,792

State of South Carolina

Lottery Commission		Nonmajor Component Units	Total
\$	—	\$	—
	—		2,659
	—	731	210,535
	—	—	502,785
	513	42,278	182,609
	1,803	138,823	606,454
	24	25,373	253,541
	271	22,104	99,750
	666	58,516	252,335
	63	5,733	41,286
	631	51,558	219,213
	142	28,787	328,086
	2,745	240,442	1,028,899
\$	6,858	\$	614,345
			\$ 3,728,152

\$	—	\$	—	\$	38,622
	—		—		2,041
	—		—		220,145
	—		—		11,608
	—		45		45
	—		3,410		24,615
	—		—		224,202
	20		1,640		7,032
	593		48,512		211,012
	425		31,735		71,671
	—		—		3,825
	1,897		166,288		718,213
	939		107,004		150,959
	2,631		230,624		971,964
	—		76,783		139,559
\$	6,505	\$	666,041	\$	2,795,513

State of South Carolina

Details of all nonmajor discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2025 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	\$ —	\$ 27	\$ 217	\$ —	\$ —
<u>Pensions:</u>					
Differences between expected and actual experience	2,747	5,858	5,910	1,876	1,640
State contributions subsequent to the measurement date	5,703	19,158	20,306	6,170	3,831
Change in proportion and differences between employer contributions and proportionate share of plan contributions	80	5,817	4,311	313	622
Changes in assumptions	1,420	3,027	3,085	983	847
<u>OPEB:</u>					
Differences between expected and actual experience	3,913	8,303	8,675	2,660	2,264
Net Differences between projected and actual earnings on OPEB plan investments	375	798	832	253	218
State contributions subsequent to the measurement date	3,603	6,744	9,225	2,026	1,666
Change in proportion and differences between employer contributions and proportionate share of plan contributions	115	8,149	1,473	—	3,001
Changes in assumptions	16,080	34,105	35,642	10,927	9,295
Total	\$ 34,036	\$ 91,986	\$ 89,676	\$ 25,208	\$ 23,384
Deferred Inflows of Resources					
Deferred nonexchange revenues	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred public-private partnership receipts	—	2,923	—	487	—
<u>Pensions:</u>					
Differences between expected and actual experience	108	230	230	73	64
Net differences between projected and actual earnings on pension plan investments	3,119	6,650	6,767	2,155	1,861
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,935	274	980	726	2,656
<u>OPEB:</u>					
Differences between expected and actual experience	11,113	23,571	24,633	7,549	6,424
Change in proportion and differences between employer contributions and proportionate share of plan contributions	9,684	12,102	11,965	4,627	4,423
Changes in assumptions	15,416	32,698	34,171	10,472	8,912
Lease related	266	619	2,427	—	—
Total	\$ 43,641	\$ 79,067	\$ 81,173	\$ 26,089	\$ 24,340

State of South Carolina

South Carolina State University	Winthrop University	Aiken Technical College	Central Carolina Technical College	Denmark Technical College
\$ —	\$ 302	\$ —	\$ —	\$ —
2,100	2,479	515	732	300
7,374	8,730	1,747	2,450	760
3,916	115	11	7	1,240
1,077	1,295	276	392	154
2,812	3,571	713	977	383
273	344	67	94	36
1,932	3,412	551	736	231
4,766	48	28	41	1,836
11,566	14,664	2,937	4,013	1,578
<u>\$ 35,816</u>	<u>\$ 34,960</u>	<u>\$ 6,845</u>	<u>\$ 9,442</u>	<u>\$ 6,518</u>
\$ —	\$ 45	\$ —	\$ —	\$ —
—	—	—	—	—
83	96	19	28	12
2,368	2,841	603	858	339
401	8,666	46	1,904	815
7,992	10,135	2,030	2,774	1,091
1,566	16,995	834	4,056	1,203
11,088	14,059	2,816	3,848	1,513
—	—	—	—	—
<u>\$ 23,498</u>	<u>\$ 52,837</u>	<u>\$ 6,348</u>	<u>\$ 13,468</u>	<u>\$ 4,973</u>

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	Florence- Darlington Technical College	Greenville Technical College	Horry- Georgetown Technical College	Technical College of the Lowcountry	Midlands Technical College
Deferred Outflows of Resources					
Deferred amount on refunding	\$ 134	\$ —	\$ —	\$ —	\$ 51
<u>Pensions:</u>					
Differences between expected and actual experience ...	864	2,679	1,523	649	2,579
State contributions subsequent to the measurement date	2,876	9,127	5,272	2,176	9,434
Change in proportion and differences between employer contributions and proportionate share of plan contributions	2	7	1,148	893	67
Changes in assumptions	463	1,408	817	341	1,357
<u>OPEB:</u>					
Differences between expected and actual experience ...	1,166	3,639	2,123	869	3,407
Net Differences between projected and actual earnings on OPEB plan investments	112	350	204	82	320
State contributions subsequent to the measurement date	1,101	2,894	2,015	789	3,359
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	68	1,107	1,073	—
Changes in assumptions	4,789	14,947	8,719	3,579	14,037
Total	\$ 11,507	\$ 35,119	\$ 22,928	\$ 10,451	\$ 34,611
Deferred Inflows of Resources					
Deferred nonexchange revenues	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred public-private partnership receipts	—	—	—	—	—
<u>Pensions:</u>					
Differences between expected and actual experience ...	33	103	58	25	99
Net differences between projected and actual earnings on pension plan investments	1,012	3,086	1,785	747	2,973
Change in proportion and differences between employer contributions and proportionate share of plan contributions	2,008	1,432	192	—	3,247
<u>OPEB:</u>					
Differences between expected and actual experience ...	3,310	10,330	6,026	2,473	9,700
Change in proportion and differences between employer contributions and proportionate share of plan contributions	6,154	6,577	923	530	9,874
Changes in assumptions	4,591	14,330	8,359	3,431	13,457
Lease related	—	9,958	—	—	—
Total	\$ 17,108	\$ 45,816	\$ 17,343	\$ 7,206	\$ 39,350

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Northeastern Technical College	Orangeburg- Calhoun Technical College	Piedmont Technical College	Spartanburg Community College	Tri-County Technical College	Trident Technical College
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
348	692	1,201	1,466	1,475	2,710
1,171	2,335	4,008	5,222	5,035	9,180
566	39	138	1,360	316	1,669
187	360	620	775	767	1,427
469	879	1,538	1,989	1,975	3,617
44	83	144	191	190	339
391	811	1,412	1,914	1,603	2,772
923	8	314	1,746	260	562
1,931	3,623	6,338	8,171	8,110	14,901
<u>\$ 6,030</u>	<u>\$ 8,830</u>	<u>\$ 15,713</u>	<u>\$ 22,834</u>	<u>\$ 19,731</u>	<u>\$ 37,177</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—
13	27	47	56	58	104
408	789	1,363	1,697	1,683	3,127
155	901	729	1	436	1,322
1,335	2,503	4,380	5,647	5,605	10,297
307	1,875	1,765	92	1,323	6,347
1,851	3,473	6,077	7,833	7,775	14,285
—	—	—	—	—	—
<u>\$ 4,069</u>	<u>\$ 9,568</u>	<u>\$ 14,361</u>	<u>\$ 15,326</u>	<u>\$ 16,880</u>	<u>\$ 35,482</u>

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	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	\$ —	\$ —	\$ —	\$ —	\$ —
<u>Pensions:</u>					
Differences between expected and actual experience	232	1,148	23	—	236
State contributions subsequent to the measurement date	731	4,068	74	—	870
Change in proportion and differences between employer contributions and proportionate share of plan contributions	44	1,261	76	—	474
Changes in assumptions	121	606	13	—	127
<u>OPEB:</u>					
Differences between expected and actual experience	294	1,551	33	16	316
Net Differences between projected and actual earnings on OPEB plan investments	28	149	138	5	30
State contributions subsequent to the measurement date	226	1,484	3	—	311
Change in proportion and differences between employer contributions and proportionate share of plan contributions	112	959	176	—	530
Changes in assumptions	1,209	6,373	33	74	1,302
Total	<u>\$ 2,997</u>	<u>\$ 17,599</u>	<u>\$ 569</u>	<u>\$ 95</u>	<u>\$ 4,196</u>
Deferred Inflows of Resources					
Deferred nonexchange revenues	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred public-private partnership receipts	—	—	—	—	—
<u>Pensions:</u>					
Differences between expected and actual experience	9	44	1	—	9
Net differences between projected and actual earnings on pension plan investments	265	1,363	28	—	277
Change in proportion and differences between employer contributions and proportionate share of plan contributions	368	388	22	—	119
<u>OPEB:</u>					
Differences between expected and actual experience	836	4,404	95	100	899
Change in proportion and differences between employer contributions and proportionate share of plan contributions	546	2,024	58	—	889
Changes in assumptions	1,159	6,109	132	84	1,248
Lease related	—	536	—	35,215	27,762
Total	<u>\$ 3,183</u>	<u>\$ 14,868</u>	<u>\$ 336</u>	<u>\$ 35,399</u>	<u>\$ 31,203</u>

South Carolina First Steps to School Readiness Board of Trustees		Total
\$	—	\$ 731
	296	42,278
	1,015	138,823
	881	\$ 25,373
	159	22,104
	364	58,516
	34	5,733
	347	51,558
	1,492	28,787
	1,499	240,442
<u>\$</u>	<u>6,087</u>	<u>\$ 614,345</u>
\$	—	\$ 45
	—	3,410
	11	1,640
	348	48,512
	12	31,735
	1,036	166,288
	265	107,004
	1,437	230,624
	—	76,783
<u>\$</u>	<u>3,109</u>	<u>\$ 666,041</u>

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
2025	\$ 394,317	\$ 143,638	\$ (119,159)	\$ 418,796
2024	354,366	142,034	(102,083)	394,317

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, 2025 the IRF had no reinsurance recoverable receivables, but had expenses of \$72.904 million in reinsurance premiums for the 2025 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 SCRHTF for which claims liability information is also available in Note 8.

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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
2025	\$ 346,172	\$ 4,206,357	\$ (4,212,989)	\$ 339,540
2024	319,452	3,805,897	(3,779,177)	346,172

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
2025	\$ 294,303	\$ 80,862	\$ (60,824)	\$ 314,341
2024	290,385	64,699	(60,781)	294,303

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.

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At June 30, 2025 the Fund had a balance of \$871 thousand in reinsurance recoverable receivables and had expenses of \$3.605 million in reinsurance premiums for the 2025 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
2025	\$ 34,959	\$ 4,616	\$ (4,225)	\$ 35,350
2024	31,733	7,079	(3,853)	34,959

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
2025	\$ 159,178	\$ (2,969)	\$ (7,066)	\$ 149,143
2024	173,962	—	(14,784)	159,178

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

NOTE 11: LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

a. Leases Receivable

The State leases buildings and equipment to third parties with various terms and interest rates. As of June 30, 2025, the State's governmental activities receivables for lease payments totaled \$9.165 million and its business-type activities receivables for lease payments totaled \$182 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, 2025 the balance of the governmental activities deferred inflow of resources was \$8.878 million and the balance of the State's business-type activities deferred inflow of resources was \$177 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, 2025 (expressed in thousands):

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,975	\$ 486	\$ 90	\$ 6
2027	1,256	396	22	4
2028	518	341	22	3
2029	548	322	23	2
2030	576	302	25	1
2031-2035	2,304	1,186	—	—
2036-2040	1,188	745	—	—
2041-2045	800	256	—	—
Total lease receivable	\$ 9,165	\$ 4,034	\$ 182	\$ 16

Asset Type	Governmental Activities		Business-Type Activities	
	Current	Noncurrent	Current	Noncurrent
Land	\$ 1,523	\$ 1,032	\$ —	\$ —
Land Improvements (Depreciable)	4	11	—	—
Buildings and Improvements	80	268	90	92
Equipment	368	5,879	—	—
	\$ 1,975	\$ 7,190	\$ 90	\$ 92

For the fiscal year ended June 30, 2025, the State's governmental activities recognized \$2.901 million in lease revenue and \$484 thousand in related interest income and the State's business-type activities recognized \$772 thousand in lease revenue and \$13 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, 2025, the State recognized expenses for the lease variable payments related to index changes and payments based on performance of \$3.694 million. There were no residual guarantee or termination payments expensed for the fiscal year ended June 30, 2025.

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The following is a schedule by fiscal year of principal and interest payments due for leases payable as of June 30, 2025 (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 35,259	\$ 23,993
2027	31,839	23,686
2028	25,697	23,249
2029	23,320	22,161
2030	20,632	21,380
2031-2035	76,159	99,150
2036-2040	84,442	88,389
2041-2045	96,882	58,883
Total leases payable	\$ 394,230	\$ 360,891

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	-	13,650,933	0.01%	-	14.60%
Equipment	136	-	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, 2025, the State recognized expense for SBITA variable payments related to payments based on usage of \$117 thousand. There were no termination payments expensed for the fiscal year ended June 30, 2025

The following is a schedule by fiscal year of principal and interest payments due for subscriptions payable as of June 30, 2025 (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 21,562	\$ 3,509
2027	12,263	2,011
2028	5,842	1,235
2029	5,354	791
2030	5,014	392
2031-2035	371	19
Total subscription liabilities	\$ 50,406	\$ 7,957

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	-	\$ 3,727,659	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, 2025, were (net of unamortized premiums/discounts, expressed in thousands):

Governmental Activities:

State Economic Development bonds, 3.00% to 5.00%, maturing serially through 2029	\$	22,062
Infrastructure Bank bonds, 3.00%, maturing serially through 2028		10,373
Research University bonds, 3.00% to 4.00%, maturing serially through 2029		5,201
Totals—primary government	\$	37,636

At June 30, 2025, \$6.344 million of capital improvement bonds, \$106.000 million of State highway bonds, \$134.824 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, 2025, future debt service requirements for general obligation bonds for the primary government were (expressed in thousands):

Year Ending June 30	Governmental Activities	
	Principal	Interest
2026	\$ 7,985	\$ 1,050
2027	8,345	740
2028	7,650	471
2029	5,440	150
Total debt service requirements	\$ 29,420	\$ 2,411
Unamortized premiums	8,216	
Total principal outstanding	\$ 37,636	

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, 2025, was \$134.987 million for highway bonds, \$764.918 million for general obligation bonds excluding institution and highway bonds, \$60.271 million for economic development bonds, and \$63.138 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.

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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, 2025, were (net of unamortized premiums/discounts, expressed in thousands):

	Bonds	Notes
Primary Government:		
Governmental Activities:		
Infrastructure Bank bonds, 2.00% to 5.00%, maturing through 2041	\$ 1,216,257	\$ —
Department of Mental Health bonds, 3.25% to 5.00%, maturing through 2038	30,890	—
Elections Commission note, 3.29%, maturing through 2028	—	28,846
Department of Education note, 0.72%, maturing through 2027	—	9,299
Judicial Department note, 0.89%, maturing through 2026	—	921
Department of Public Safety note, 1.87%, maturing through 2030	—	4,522
Parks, Recreation, & Tourism note, 1.45%, maturing through 2026	—	298
Department of Commerce note, 3.63%, maturing through 2027	—	523
Department of Transportation note, 3.04%, maturing through 2032	—	2,784
Totals—governmental activities	\$ 1,247,147	\$ 47,193
Business-Type Activities:		
Palmetto Railways bonds, 3.18%, maturing through 2038	\$ 4,110	\$ —
Palmetto Railways note, 4.28%, maturing through 2047	—	6,500
Totals—business-type activities	\$ 4,110	\$ 6,500
Totals—primary government	\$ 1,251,257	\$ 53,693

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	\$97.368 million
General purpose for the debt	Provide financial assistance for major transportation projects for DOT
Term of commitment	FY 2041
% of revenue stream pledged	73.41%
Pledged revenue recognized	693.39
Principal & interest paid	112.66

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Debt Service Requirements

At June 30, 2025, future debt service requirements for revenue, Infrastructure Bank, and other bonds and notes of the primary government were as follows (expressed in thousands):

Year Ending June 30	Primary Government			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 90,746	\$ 28,149	\$ 245	\$ 7
2027	93,832	42,264	255	6
2028	85,399	38,466	265	6
2029	78,313	34,493	275	5
2030	87,462	30,882	285	5
2031-2035	437,411	91,714	1,630	16
2036-2040	184,205	32,668	1,155	4
2041-2045	41,655	1,041	—	—
2046-2047	—	—	6,500	5,163
Total debt service requirements	\$ 1,099,023	\$ 299,677	\$ 10,610	\$ 5,212
Net unamortized premiums	195,317		—	
Total principal outstanding	\$ 1,294,340		\$ 10,610	

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, 2025, in governmental functions for these entities as follows (expressed in thousands):

	Amount
Transportation	\$ 30,357
Total allocated interest expense	\$ 30,357

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, 2025, the following outstanding bonds of the primary government were considered defeased (expressed in thousands):

	Governmental Activities
Economic Development bonds	\$ 19,305
Tobacco Authority bonds	64,890
Totals	\$ 84,195

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, 2025, there was an arbitrage rebate liability associated with the State's Local Government Infrastructure Fund (a major governmental fund) of \$2.354 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, 2025, the outstanding balance of bonds issued was \$5.763 million with varying final maturities extending to May 21, 2044.

NOTE 13: CHANGES IN LIABILITIES

Changes in major classes of long-term liabilities for the fiscal year ended June 30, 2025, were (expressed in thousands):

	Balances at July 1, 2024 as Restated	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
Primary Government:					
<i>Governmental Activities</i>					
Policy claims	\$ 1,069,751	\$ 4,435,473	\$ (4,397,197)	\$ 1,108,027	\$ 817,272
Notes payable	27,590	28,846	(9,243)	47,193	16,626
General obligation bonds payable	64,205	—	(34,785)	29,420	7,985
Unamortized discounts and premiums	14,230	—	(6,014)	8,216	—
Total general obligation bonds payable	78,435	—	(40,799)	37,636	7,985
Infrastructure Bank bonds payable	1,101,330	149,660	(226,435)	1,024,555	72,570
Unamortized discounts and premiums	210,463	13,553	(32,314)	191,702	—
Total Infrastructure Bank bonds	1,311,793	163,213	(258,749)	1,216,257	72,570
Revenue bonds payable	28,750	—	(1,475)	27,275	1,550
Unamortized discounts and premiums	3,910	—	(295)	3,615	—
Total revenue bonds payable	32,660	—	(1,770)	30,890	1,550
Leases payable	213,914	223,913	(43,597)	394,230	35,259
Subscriptions payable	60,007	52,956	(62,557)	50,406	21,562
Compensated absences payable	269,450	572,207	(310,804)	530,853	171,993
Net pension liability	4,008,794	103,652	—	4,112,446	—
Net other post-employment benefit liability	2,559,695	754,139	—	3,313,834	—
Judgments and contingencies payable	2,746	—	(2,746)	—	—
Arbitrage payable	5,000	634	(3,280)	2,354	2,002
Total long-term liabilities	<u>\$ 9,639,835</u>	<u>\$ 6,335,033</u>	<u>\$ (5,130,742)</u>	<u>\$ 10,844,126</u>	<u>\$ 1,146,819</u>

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.

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	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
Primary Government:					
<i>Business-type Activities</i>					
Policy claims	\$ 159,178	\$ (2,969)	\$ (7,066)	\$ 149,143	\$ 11,945
Notes payable	6,500	—	—	6,500	—
Revenue bonds payable	4,345	—	(235)	4,110	245
Tuition benefits payable	20,042	—	(6,791)	13,251	3,401
Compensated absences payable	1,730	3,069	(2,326)	2,473	1,086
Net pension liability	27,733	—	(3,651)	24,082	—
Net other post-employment benefit liability	18,933	1,671	—	20,604	—
Total long-term liabilities	<u>\$ 238,461</u>	<u>\$ 1,771</u>	<u>\$ (20,069)</u>	<u>\$ 220,163</u>	<u>\$ 16,677</u>

NOTE 14: FUND BALANCES IN GOVERNMENTAL FUNDS

At June 30, 2025, 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	32,847	15,041	—	6,180	—	54,068
Prepaid Items	29,914	6,996	—	3,976	196	41,082
Long-Term Portion of Receivables ..	4,617	—	—	—	—	4,617
Permanent Principal	—	—	—	—	11,447	11,447
Other	—	—	—	203	—	203
Total Nonspendable	67,378	22,037	—	10,359	11,643	111,417
Restricted:						
General Government	495,420	170,240	—	—	316,817	982,477
Education	406,153	—	—	—	253,306	659,459
Health	192,635	226,750	—	—	33,389	452,774
Social Services	19,040	—	—	—	44	19,084
Administration of Justice	37,492	7,657	—	—	8,931	54,080
Resources, Environment, and Economic Development	134,169	100,512	1,427,810	—	12,333	1,674,824
Transportation	—	—	—	1,781,088	—	1,781,088
Capital Projects	—	—	—	—	50,171	50,171
Debt Service	—	—	1,246,340	—	—	1,246,340
Waste Management	—	—	—	—	248,784	248,784
Total Restricted	1,284,909	505,159	2,674,150	1,781,088	923,775	7,169,081
Committed:						
General Government	804,534	20,902	6,555	—	80,393	912,384
Education	1,718	—	—	—	—	1,718
Health	10,070	—	—	—	125,117	135,187
Social Services	964	—	—	—	—	964
Administration of Justice	125,203	—	—	—	—	125,203
Resources, Environment, and Economic Development	174,792	—	129,351	—	667	304,810
Transportation	—	30,942	—	486,528	—	517,470
Debt Service	—	—	—	—	—	—
Waste Management	—	—	—	—	—	—
Total Committed	1,117,281	51,844	135,906	486,528	206,177	1,997,736
Assigned:						
General Government	480,627	40,860	—	—	32,317	553,804
Education	478,741	—	—	—	5,034	483,775
Health	699,710	133,300	—	—	159	833,169
Social Services	67,806	29,814	—	—	964	98,584
Administration of Justice	205,511	59,904	—	—	—	265,415
Resources, Environment, and Economic Development	794,574	210,935	—	—	28	1,005,537
Transportation	287,646	—	—	563,110	—	850,756
Capital Projects	—	—	—	—	486,161	486,161
Debt Service	3,565	—	—	—	—	3,565
Waste Management	—	—	—	—	10,162	10,162
Total Assigned	3,018,180	474,813	—	563,110	534,825	4,590,928
Unassigned	3,466,215	(77,716)	—	—	—	3,388,499
Total Fund Balances	\$ 8,953,963	\$ 976,137	\$ 2,810,056	\$ 2,841,085	\$ 1,676,420	\$ 17,257,661

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, 2025, State law defines full funding as 6.0% 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 from 5.0% to 7.0% by 0.5% increments starting in fiscal year 2024. At June 30, 2025, the General Reserve Fund was fully funded at its statutorily required level with a balance of \$739.568 million.

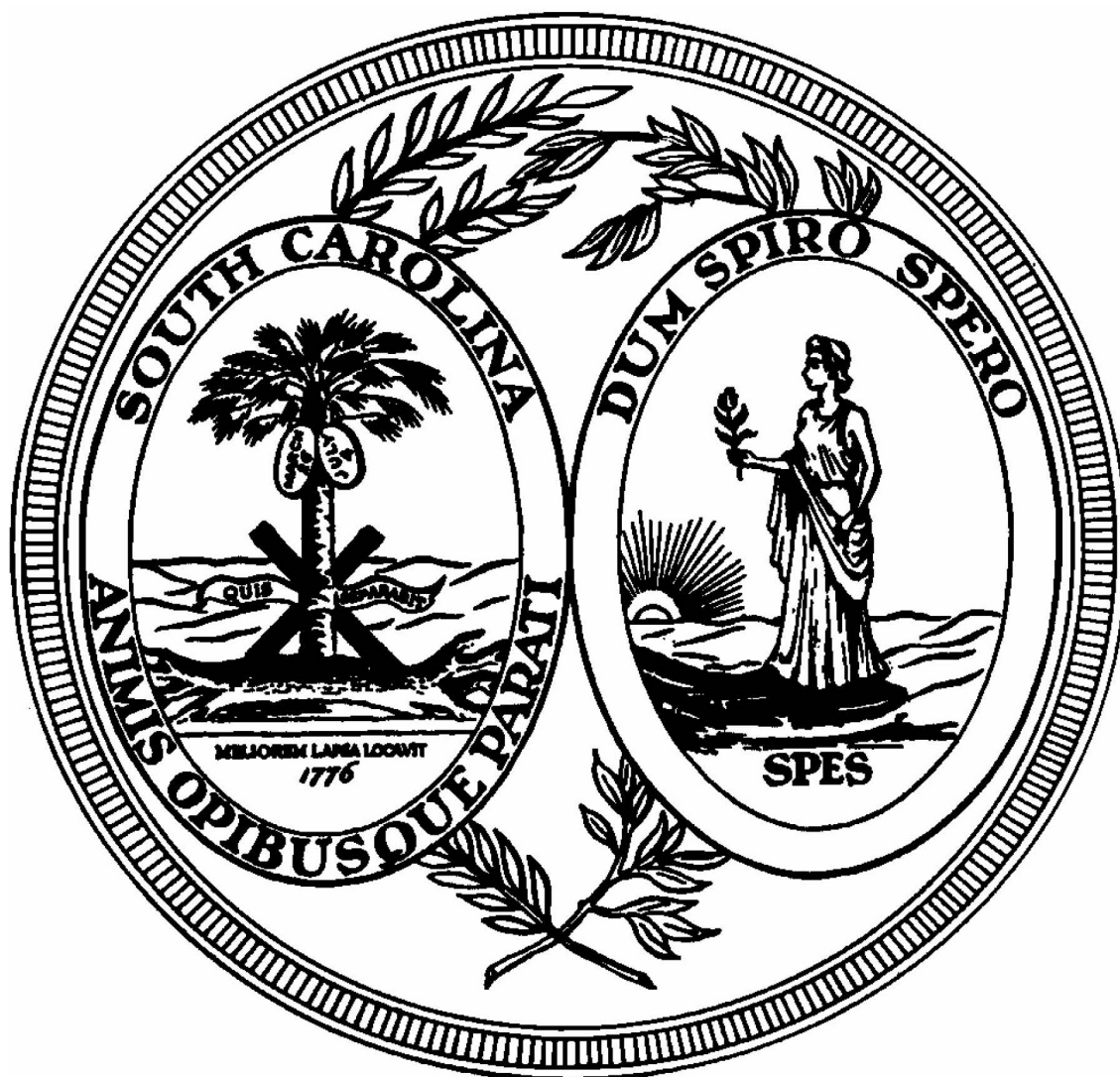
Capital Reserve Fund

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, 2025, the CRF was fully funded at its statutorily required level with a balance of \$369.784 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):

	7/1/2024 Fund Equity as Previously Reported	Change in Accounting Principle	Error Correction	7/1/2024 Fund Equity as Restated
Primary Government				
<u>Governmental Funds:</u>				
General Fund	\$ 9,395,955	\$ —	\$ —	\$ 9,395,955
Departmental Program Services	928,895	—	—	928,895
Local Government Infrastructure	2,592,959	—	—	2,592,959
Department of Transportation Special Revenue	2,625,296	—	—	2,625,296
Other Nonmajor Governmental Funds	1,707,719	—	(888)	1,706,831
Total Governmental Funds	\$ 17,250,824	\$ —	\$ (888)	\$ 17,249,936
Internal Service Funds	\$ 859,847	\$ —	\$ —	\$ 859,847
<u>Government-wide:</u>				
Capital assets	\$ 22,063,495	\$ —	\$ —	\$ 22,063,495
Net deferred outflows and inflows	(202,771)	—	—	(202,771)
Long-term liabilities	(8,702,111)	(19,988)	—	(8,722,099)
Total Government-wide	\$ 13,158,613	\$ (19,988)	\$ —	\$ 13,138,625
Total Governmental Activities	\$ 31,269,284	\$ (19,988)	\$ (888)	\$ 31,248,408
<u>Business-type Activities - Enterprise Funds:</u>				
Unemployment Compensation Fund	\$ 1,819,806	\$ —	\$ —	\$ 1,819,806
Second Injury Fund	41,610	—	—	41,610
Other nonmajor enterprise funds	277,709	—	—	277,709
Total Business-type Activities - Enterprise Funds	\$ 2,139,125	\$ —	\$ —	\$ 2,139,125
Total Primary Government	\$ 33,408,409	\$ (19,988)	\$ (888)	\$ 33,387,533
<u>Fiduciary Funds</u>				
Pension and Other Post-Employment Trust	\$ 47,244,020	\$ —	\$ —	\$ 47,244,020
Investment Trust Local Government				
Investment Pool	14,016,193	—	—	14,016,193
Private Purpose Trust	6,639,937	—	888	6,639,937
Custodial Funds	61,298	—	—	61,298
Total Fiduciary Funds	\$ 67,961,448	\$ —	\$ 888	\$ 67,962,336
<u>Component Units</u>				
Public Service Authority	\$ 2,212,271	\$ —	\$ —	\$ 2,212,271
Medical University of South Carolina	455,101	—	—	455,101
University of South Carolina	1,312,280	—	—	1,312,280
Clemson University	2,105,443	—	—	2,105,443
State Ports Authority	1,018,590	—	—	1,018,590
Housing Authority	570,047	—	—	570,047
Lottery Commission	387	—	—	387
Nonmajor component units	2,068,007	(3,196)	1,978	2,066,789
Total Component Units	\$ 9,742,126	\$ (3,196)	\$ 1,978	\$ 9,740,908

Change in Accounting Principle

The South Carolina Department of Transportation, a major governmental fund, implemented GASB Statement No. 101, *Compensated Absences*. Due to this implementation, the Department added an accrued leave balance of \$19.998 million related to unused and unpaid sick leave which increased the Department's compensated absence liability at June 30, 2024. Additionally, Lander University, Aiken Technical College, Denmark Technical College, Tri-County Technical College, and South Carolina First Steps to School Readiness Board of Trustees, all nonmajor discretely presented component units, had a total of \$3.196 million in restatements related to the implementation of GASB Statement No. 101. Lastly, the State and the remaining major and nonmajor component units reviewed the effects of GASB Statement No. 101 and deemed them immaterial. As such, and to comply with the new pronouncement, the State and the remaining component units accounted for their sick leave liabilities within the current fiscal year without restatements.

Error Corrections

During its fiscal year ended December 31, 2024, the South Carolina Opioid Recovery Fund Board determined that certain cash balances had been improperly reported between its Discretionary Opioid Recovery Fund, a nonmajor governmental fund, and its Guaranteed Opioid Recovery Fund, a private-purpose trust fund. As such \$888 thousand was restated increasing the cash and net position of its Guaranteed Opioid Recovery Fund and decreasing the cash and fund balance of the Discretionary Opioid Recovery Fund.

Lander University, a nonmajor discretely presented component unit, determined in its fiscal year ended June 30, 2025 that its leased assets in the previous fiscal year were overstated by \$2.476 million and its lease liabilities were overstated by \$5 thousand. Additionally, Lander University's Foundation determined that its previous fiscal year's lease receivables, deferred revenues, and capital assets were understated by a net of \$1.459 million. The net restatement of these errors decreased Lander University's total net position by \$1.022 million.

Francis Marion University, a nonmajor discretely presented component unit, found that its Foundation's pledges receivable was understated by \$3.000 million during its previous fiscal year ended June 30, 2024. The restatement increased Francis Marion's net position by \$3.000 million.

NOTE 16: INTERFUND AND INTRAFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2025 (expressed in thousands):

Funds	Due From	Due To
General Fund		
Departmental Program Services	\$ 88,737	\$ 44,287
Local Government Infrastructure	44	7,228
Department of Transportation Special Revenue Fund	2,772	657,354
Nonmajor governmental funds	2,875	252,149
Internal service	3,421	36,309
Unemployment Compensation	3,667	—
Nonmajor enterprise funds	372	1,393
	<u>101,888</u>	<u>998,720</u>
Departmental Program Services		
General Fund	44,287	88,737
Local Government Infrastructure	—	80
Nonmajor Governmental	105	1,738
Internal service	—	149
Nonmajor enterprise funds	895	—
	<u>45,287</u>	<u>90,704</u>
Local Government Infrastructure		
General Fund	7,228	44
Departmental Program Services	80	—
Department of Transportation Special Revenue Fund	4,855	—
	<u>12,163</u>	<u>44</u>
Department of Transportation Special Revenue Fund		
General Fund	657,354	2,772
Local Government Infrastructure	—	4,855
	<u>657,354</u>	<u>7,627</u>
Nonmajor Governmental Funds		
General Fund	252,149	2,875
Departmental Program Services	1,738	105
Internal service	35	—
Nonmajor enterprise funds	—	7
Nonmajor governmental Funds	1,602	1,602
	<u>255,524</u>	<u>4,589</u>
Internal Service		
General Fund	36,309	3,421
Departmental Program Services	—	895
Nonmajor governmental funds	—	35
Internal service	6	6
Nonmajor enterprise funds	—	6,400
	<u>36,315</u>	<u>10,757</u>
Unemployment Compensation		
General Fund	—	3,667
Nonmajor Enterprise Funds		
General Fund	1,393	372
Departmental Program Services	149	—
Internal service	6,400	—
Nonmajor Governmental Funds	7	—
	<u>7,949</u>	<u>372</u>
Governmental activities total	\$ 1,116,480	\$ 1,116,480

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The following table summarizes amounts due to Fiduciary Funds at June 30, 2025 (expressed in thousands).

Funds	Due From Primary Government	Due To Fiduciary Funds
Nonmajor governmental funds	\$ —	\$ 41,499
Fiduciary	41,499	—
	\$ 41,499	\$ 41,499

Funds	Due From Other Funds	Due To Other Funds
Fiduciary	\$ 107,569	\$ 107,569
	\$ 107,569	\$ 107,569

State of South Carolina

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	43,500	—	—
Internal service	142	—	142
	<u>43,657</u>	<u>—</u>	<u>157</u>
Departmental Program Services			
General Fund	—	15	—
Custodial funds	—	234	—
	<u>—</u>	<u>249</u>	<u>—</u>
Local Government Infrastructure			
Department of Transportation Special Revenue	64,320	—	—
Department of Transportation Special Revenue Fund			
Local Government Infrastructure	—	64,320	—
Nonmajor Enterprise Funds			
General Fund	—	43,500	—
Internal Service			
General Fund	—	142	—
Custodial Funds			
Departmental Program Services	234	—	—
Totals	\$ 108,211	\$ 108,211	\$ 157

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:

- \$64.320 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.
- \$43.500 million owed by the Palmetto Railways Fund, a nonmajor enterprise fund, to the General Fund. The \$43.500 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, with the first payment having occurred in September 2023.

State of South Carolina

The following table summarizes interfund transfers during the fiscal year ended June 30, 2025 (expressed in thousands):

Funds	Transfers In	Transfers Out
General Fund		
Departmental Program Services	\$ 28,648	\$ 43,709
Local Government Infrastructure	—	13,101
Department of Transportation	5,141	372,003
Nonmajor governmental funds	29,320	678,324
Unemployment Compensation Benefits	200	—
Nonmajor enterprise funds	1,195	100
Internal service	429	13,373
Custodial funds	23	1,044
	<u>64,956</u>	<u>1,121,654</u>
Departmental Program Services		
General Fund	43,709	28,648
Nonmajor governmental funds	6,251	14,157
Second Injury	217	—
Nonmajor enterprise funds	2,219	—
Internal service	13,293	1,429
Custodial funds	6,641	—
	<u>72,330</u>	<u>44,234</u>
Local Government Infrastructure		
General Fund	13,101	—
Department of Transportation		
General Fund	372,003	5,141
Nonmajor Governmental Funds		
General Fund	678,324	29,320
Departmental Program Services	14,157	6,251
Nonmajor governmental funds	69,656	69,656
Nonmajor enterprise funds	72	494
Internal Service	1,338	—
	<u>763,547</u>	<u>105,721</u>
Unemployment Compensation Benefits		
General Fund	—	200
Second Injury Fund		
Departmental Program Services	—	217
Nonmajor Enterprise Funds		
General Fund	100	1,195
Department Program Services	—	2,219
Nonmajor governmental funds	494	72
Internal Service	6,400	7,500
	<u>6,994</u>	<u>10,986</u>
Internal Service		
General Fund	13,373	429
Department Program Services	1,429	13,293
Nonmajor governmental funds	—	1,338
Nonmajor enterprise funds	7,500	6,400
Internal Service	2,281	2,281
	<u>24,583</u>	<u>23,741</u>
Custodial Funds		
General Fund	1,044	23
Department Program Services	—	6,641
Custodial funds	1,658	1,658
	<u>2,702</u>	<u>8,322</u>
Totals	\$ 1,320,216	\$ 1,320,216

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.

State of South Carolina

The following tables summarize intra-entity balances between the primary government and its discretely presented component units at June 30, 2025 (expressed in thousands):

Funds	Due From	Due To
General Fund		
MUSC	\$ —	\$ 35
USC	—	619
Clemson University	130	266
Housing Authority	—	2,376
Ports Authority	—	223,590
Nonmajor discretely presented component units	5,321	458,764
	<u>5,451</u>	<u>685,650</u>
Departmental Program Services		
MUSC	—	106
USC	—	2,129
Clemson University	—	931
Nonmajor discretely presented component units	—	3,296
	<u>—</u>	<u>6,462</u>
Local Government Infrastructure Fund		
Ports Authority	2,000	—
Department of Transportation Special Revenue Fund		
Ports Authority	—	15,139
Nonmajor discretely presented component units	49	—
	<u>49</u>	<u>15,139</u>
Nonmajor Governmental Funds		
MUSC	—	44,984
USC	—	45,263
Clemson University	172	54,302
Lottery Commission	17,558	—
Nonmajor discretely presented component units	—	467,092
	<u>17,730</u>	<u>611,641</u>
Internal Service		
MUSC	849	—
USC	8,849	—
Clemson University	7,462	—
Nonmajor discretely presented component units	6,067	—
	<u>23,227</u>	<u>—</u>
Governmental activities total	<u>48,457</u>	<u>1,318,892</u>
Fiduciary Funds		
Nonmajor discretely presented component units	—	2,269
Fiduciary funds total	<u>—</u>	<u>2,269</u>
Primary Government total	<u>48,457</u>	<u>1,321,161</u>

(continued)

State of South Carolina

Funds	Due From	Due To
MUSC		
General Fund	35	—
Departmental Program Services	106	—
Nonmajor governmental funds	44,984	—
Internal service	—	849
	<u>45,125</u>	<u>849</u>
USC		
General Fund	619	—
Departmental Program Services	2,129	—
Nonmajor governmental funds	45,263	—
Internal service	—	8,849
	<u>48,011</u>	<u>8,849</u>
Clemson University		
General Fund	266	130
Departmental Program Services	931	—
Nonmajor governmental funds	54,302	172
	<u>55,499</u>	<u>7,764</u>
Housing Authority		
General Fund	2,376	—
Ports Authority		
General Fund	223,590	—
Department of Transportation Special Revenue Fund	15,139	—
Local Government Infrastructure Fund	—	2,000
	<u>238,729</u>	<u>2,000</u>
Lottery Commission		
Nonmajor governmental funds	—	17,558
Nonmajor Discretely Presented Component Units		
General Fund	458,764	5,321
Departmental Program Services	3,296	—
Department of Transportation Special Revenue Fund	—	49
Nonmajor governmental funds	467,092	—
Fiduciary funds	2,269	—
Internal service	—	6,067
	<u>931,421</u>	<u>11,437</u>
Discretely presented component units total	1,321,161	48,457
Totals	\$ 1,369,618	\$ 1,369,618

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, 2025, the Educational Television Endowment of South Carolina, Inc., disbursed \$11.034 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 \$1.756 million at June 30, 2025.

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, 2025, the Authority entered into various transactions with SLC. Approximate amounts within the Authority that represent these transactions include: accounts receivable from SLC \$45.021 million; program revenue from SLC \$405 thousand; reimbursements to SLC for administrative costs \$38 thousand; and payable to SLC \$28 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 \$200.000 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. The Circuit Court has restored the takings case to the roster and this matter is waiting a trial. The parties have participated in settlement negotiations and multiple mediations involving the Governor's Office and the Attorney General's Office. A settlement appears to be possible, and the loss is reasonably possible.

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 \$175.615 million and \$40.369 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, 2025, no liabilities for pending disallowances were recognized by the primary government. While 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, 2025, 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 \$670.000 million remaining on agreements with various counties to provide financial assistance for highway and transportation facilities projects.
- The Department of Commerce has \$1.326 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, \$63.947 million will be funded by federal grants.
- The Office of Regulatory Staff has \$1.458 million for energy efficiency improvement projects. Federal grants will fund the entire \$1.458 million of this commitment.
- The Division of Aeronautics has \$61.086 million for grants made to municipal and county airports for capital improvements.
- The State Board for Technical and Comprehensive Education has \$33.008 million to provide training for new and expanding business and industry in the State.
- The Department of Public Safety has \$23.398 million for pass-through grants to various local governments and not-for-profit entities, of which \$7.942 million will be funded by federal grants.
- The South Carolina Law Enforcement Division has \$60.214 million for grant program activities and pass-through grants to subrecipients, in which the entire \$60.214 million will be funded by federal grants.
- The South Carolina Judicial Department has \$1.895 million outstanding commitments related to vendor service contracts.
- The South Carolina Attorney General's Office has \$10.358 million for pass-through grants to subrecipients, of which \$6.601 million will be funded by federal grants.
- The South Carolina Department of Revenue has \$22.961 million outstanding commitments for vendor contracts related to services for paper check and return processing.
- The Rural Infrastructure Authority has \$1.496 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 \$1.284 billion will be funded by federal grants.
- The Department of Environmental Services (previously part of the Department of Health and Environmental Control) has \$6.818 million in outstanding commitments for interim remediation and site cleanup of which \$4.500 million will be funded by a federal credit.
- The Office of Regulatory Staff has \$281.211 million in outstanding commitments for internet broadband infrastructure development, of which \$271.555 million will be funded by federal grants.
- The Department of Natural Resources has \$24.023 million in outstanding commitments for Recreational Boating Access and Wildlife Conservation Projects, of which \$23.929 million will be funded by federal grants.

d. Department of Environmental Services Remedial Activities

The Department of Environmental Services (DES) 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 2025 in maintaining these sites is \$6.145 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 2025, the budgeted \$3.981 million operating funds have been placed in care of the trustee. The balances in these two accounts at June 30, 2025 were \$3.325 million for capital improvements and \$4.976 million for operating expenditures.

NOTE 19: DISCRETELY PRESENTED COMPONENT UNITS

a. Deposits and Investments

Deposits

As of June 30, 2025, the reported amount of the major discretely presented component units' deposits held outside of the State Treasurer was \$1.529 billion and the bank balance was \$1.503 billion. Of the \$1.439 billion bank balance exposed to custodial credit risk, \$129.144 million was uninsured and uncollateralized, \$1.038 billion was uninsured and collateralized with securities held by the pledging financial institution, and \$272.079 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, 2025, cash on hand was \$404 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-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, 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.

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The major discretely presented component units had the following recurring fair value measurements as of June 30, 2025 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. treasuries	\$ 752,158	\$ 196,675	\$ 555,483	\$ —
U.S. agencies	566,181	—	566,181	—
Mortgage backed obligations	40,510	27,287	13,223	—
Common stock	739,011	739,011	—	—
Other equity securities	734,207	734,207	—	—
Corporate bonds	25,984	19,563	6,421	—
Repurchase agreements	110,000	—	110,000	—
Asset backed securities	270	—	270	—
Money market mutual funds	101,602	87,338	14,264	—
Bond mutual funds	302,643	189,290	113,353	—
Other	740,697	59,199	172,479	509,019
Total investments by fair value level	\$ 4,113,263	\$ 2,052,570	\$ 1,551,674	\$ 509,019
Fair value of investments measured at the net asset value (NAV)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Hedge funds ^a	\$ 238,778	None	Monthly to Annually	30-120 days
Private partnerships-equity and real assets ^b	263,902	161,149	N/A	N/A
Total investments measured at the NAV	\$ 502,680	\$ 161,149		
Total investments measured at fair value	\$ 4,615,943			

^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 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 five 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.

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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, 2025, the State's major discretely presented component units had \$825.056 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	\$ 429,710	\$ 239,801	\$ —	\$ —	\$ —	\$ 82,647
U.S. agencies	268,411	297,770	—	—	—	—
Mortgage backed obligations	—	—	—	—	—	40,510
Common stock	—	—	—	—	—	739,011
Other equity securities	—	—	—	—	—	961,531
Corporate bonds	—	—	1,636	4,784	—	19,564
Repurchase agreements	110,000	—	—	—	—	—
Asset backed securities	—	—	—	—	—	36,847
Money market mutual funds	—	—	—	—	—	101,602
Bond mutual funds	5,468	—	—	—	—	297,175
Other	147,150	2,728	—	—	—	829,598
Totals	\$ 960,739	\$ 540,299	\$ 1,636	\$ 4,784	\$ —	\$ 3,108,485

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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, 2025, the major discretely presented component units had the following investments with maturities disclosed by investment category and segmented time distribution (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in years)				
		Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	\$ 752,158	\$ 69,684	\$ 551,373	\$ 106,193	\$ 10,190	\$ 14,718
U.S. agencies	566,181	—	323,837	186,888	21,829	33,627
Mortgage backed obligations	40,510	27,287	—	—	—	13,223
Common Stock	739,011	739,011	—	—	—	—
Other equity securities	961,531	961,531	—	—	—	—
Corporate bonds	25,984	19,563	806	5,615	—	—
Repurchase agreements	110,000	—	110,000	—	—	—
Asset backed securities	36,847	36,847	—	—	—	—
Money market mutual funds	101,602	101,602	—	—	—	—
Bond mutual funds	302,643	296,468	5,468	—	707	—
Other	979,476	832,326	146,899	251	—	—
Totals	\$ 4,615,943	\$ 3,084,319	\$ 1,138,383	\$ 298,947	\$ 32,726	\$ 61,568

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, 2024, the Public Service Authority, a major discretely presented component unit, had 26.12% of its total investments with two issuers: 14.24% with the Federal Home Loan Bank and 11.88% 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, 2025, the Medical University Hospital Authority had 37.80% of its total investments with four issuers: 12.40% in Treasury Securities, 10.70% with the Federal Home Loan Bank, 9.00% with the Federal Farm Credit Bank, and 5.70% with 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.

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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, 2024	Increases	Decreases	Ending Balances December 31, 2024
Public Service Authority:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 178,551	\$ 8,916	\$ (7,053)	\$ 180,414
Construction in progress	431,202	542,101	(205,437)	767,866
<i>Total capital assets not being depreciated</i>	<i>609,753</i>	<i>551,017</i>	<i>(212,490)</i>	<i>948,280</i>
<i>Capital assets being depreciated:</i>				
Buildings and improvements (utility plant)	9,125,192	194,924	(68,921)	9,251,195
Vehicles	78,837	6,969	—	85,806
Machinery and equipment	55,681	10,808	(935)	65,554
Intangibles	124,474	4,952	(1,214)	128,212
<i>Total capital assets being depreciated</i>	<i>9,384,184</i>	<i>217,653</i>	<i>(71,070)</i>	<i>9,530,767</i>
<i>Less accumulated depreciation for:</i>				
Buildings and improvements (utility plant)	(4,697,573)	(261,327)	111,305	(4,847,595)
Vehicles	(54,300)	(5,811)	—	(60,111)
Machinery and equipment	(43,926)	(4,158)	843	(47,241)
Intangibles	(102,526)	(11,039)	—	(113,565)
<i>Total accumulated depreciation</i>	<i>(4,898,325)</i>	<i>(282,335)</i>	<i>112,148</i>	<i>(5,068,512)</i>
<i>Total capital assets being depreciated, net</i>	<i>4,485,859</i>	<i>(64,682)</i>	<i>41,078</i>	<i>4,462,255</i>
Public Service Authority capital assets, net	\$ 5,095,612	\$ 486,335	\$ (171,412)	\$ 5,410,535

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
State Ports Authority:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 882,650	\$ 4,774	\$ (21)	\$ 887,403
Construction in progress	267,615	256,591	(123,960)	400,246
<i>Total capital assets not being depreciated</i>	<u>1,150,265</u>	<u>261,365</u>	<u>(123,981)</u>	<u>1,287,649</u>
<i>Capital assets being depreciated:</i>				
Land improvements	783,080	27,240	—	810,320
Buildings and improvements	702,056	19,745	—	721,801
Machinery and equipment	469,905	50,978	(516)	520,367
<i>Lease assets being amortized:</i>				
Buildings and improvements	388	—	(388)	—
Machinery and equipment	14,272	408	(14,243)	437
Subscription assets	19,634	1,609	(1,874)	19,369
Total capital assets being depreciated or amortized	<u>1,989,335</u>	<u>99,980</u>	<u>(17,021)</u>	<u>2,072,294</u>
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Land improvements	(388,375)	(37,848)	8	(426,215)
Buildings and improvements	(277,025)	(23,266)	—	(300,291)
Machinery and equipment	(236,011)	(27,154)	433	(262,732)
<i>Lease assets being amortized:</i>				
Buildings and improvements	(262)	(126)	388	—
Machinery and equipment	(8,454)	(5,636)	14,047	(43)
Subscription assets	(2,143)	(2,986)	1,875	(3,254)
Total accumulated depreciation and amortization	<u>(912,270)</u>	<u>(97,016)</u>	<u>16,751</u>	<u>(992,535)</u>
<i>Total capital assets being depreciated or amortized, net</i>	<u>1,077,065</u>	<u>2,964</u>	<u>(270)</u>	<u>1,079,759</u>
State Ports Authority capital assets, net	<u>\$ 2,227,330</u>	<u>\$ 264,329</u>	<u>\$ (124,251)</u>	<u>\$ 2,367,408</u>

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Clemson University:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 43,539	\$ 186	\$ —	\$ 43,725
Construction in progress	223,677	335,809	(154,317)	405,169
<i>Total capital assets not being depreciated</i>	<u>267,216</u>	<u>335,995</u>	<u>(154,317)</u>	<u>448,894</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements	1,906,487	143,779	—	2,050,266
Vehicles	31,124	3,386	(626)	33,884
Machinery and equipment	640,974	50,389	(13,049)	678,314
Intangibles	22,783	—	—	22,783
<i>Lease assets being amortized:</i>				
Buildings and improvements	30,671	8,603	(703)	38,571
Machinery and equipment	4,429	47	(823)	3,653
Subscription assets	58,408	18,745	(3,847)	73,306
Total capital assets being depreciated or amortized	<u>2,694,876</u>	<u>224,949</u>	<u>(19,048)</u>	<u>2,900,777</u>
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Buildings and improvements	(646,551)	(45,624)	—	(692,175)
Vehicles	(22,024)	(2,501)	568	(23,957)
Machinery and equipment	(357,087)	(36,294)	11,138	(382,243)
Intangibles	(22,783)	—	—	(22,783)
<i>Lease assets being amortized:</i>				
Buildings and improvements	(7,401)	(3,481)	307	(10,575)
Machinery and equipment	(1,819)	(753)	823	(1,749)
Subscription assets	(22,793)	(20,924)	3,847	(39,870)
Total accumulated depreciation and amortization	<u>(1,080,458)</u>	<u>(109,577)</u>	<u>16,683</u>	<u>(1,173,352)</u>
<i>Total capital assets being depreciated or amortized, net</i>	<u>1,614,418</u>	<u>115,372</u>	<u>(2,365)</u>	<u>1,727,425</u>
Clemson University capital assets, net	<u><u>\$ 1,881,634</u></u>	<u><u>\$ 451,367</u></u>	<u><u>\$ (156,682)</u></u>	<u><u>\$ 2,176,319</u></u>

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	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Medical University of South Carolina:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 121,947	\$ 56,369	\$ (3,746)	\$ 174,570
Construction in progress	193,963	433,103	(218,325)	408,741
Works of art and historical treasures	15	34	—	49
<i>Total capital assets not being depreciated</i>	<u>315,925</u>	<u>489,506</u>	<u>(222,071)</u>	<u>583,360</u>
<i>Capital assets being depreciated:</i>				
Land improvements	16,047	—	(340)	15,707
Buildings and improvements	2,262,376	61,552	(5,482)	2,318,446
Vehicles	11,233	241	(688)	10,786
Machinery and equipment	653,898	125,976	(5,591)	774,283
Intangibles	137,202	14,379	(1,708)	149,873
<i>Lease assets being amortized:</i>				
Land improvements	5,380	—	—	5,380
Buildings and improvements	309,979	47,192	(26,675)	330,496
Machinery and equipment	122,259	12,435	(18,056)	116,638
Subscription assets	53,578	21,656	(520)	74,714
<i>Total capital assets being depreciated or amortized</i>	<u>3,571,952</u>	<u>283,431</u>	<u>(59,060)</u>	<u>3,796,323</u>
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Land improvements	(10,863)	(398)	340	(10,921)
Buildings and improvements	(1,289,173)	(95,639)	5,459	(1,379,353)
Vehicles	(7,449)	(1,248)	590	(8,107)
Machinery and equipment	(494,088)	(65,526)	12,757	(546,857)
Intangibles	(108,709)	(14,757)	—	(123,466)
<i>Lease assets being amortized:</i>				
Land improvements	(227)	(77)	—	(304)
Buildings and improvements	(86,405)	(32,653)	15,716	(103,342)
Machinery and equipment	(48,639)	(21,603)	17,712	(52,530)
Subscription assets	(17,294)	(13,117)	306	(30,105)
<i>Total accumulated depreciation and amortization</i>	<u>(2,062,847)</u>	<u>(245,018)</u>	<u>52,880</u>	<u>(2,254,985)</u>
<i>Total capital assets being depreciated or amortized, net</i>	<u>1,509,105</u>	<u>38,413</u>	<u>(6,180)</u>	<u>1,541,338</u>
MUSC capital assets, net	<u><u>\$ 1,825,030</u></u>	<u><u>\$ 527,919</u></u>	<u><u>\$ (228,251)</u></u>	<u><u>\$ 2,124,698</u></u>

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	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
University of South Carolina:				
<i>Capital assets not being depreciated:</i>				
Land and improvements	\$ 112,926	\$ 3,179	\$ —	\$ 116,105
Construction in progress	35,610	125,681	(39,352)	121,939
Works of art and historical treasure	56,142	620	—	56,762
<i>Total capital assets not being depreciated</i>	<u>204,678</u>	<u>129,480</u>	<u>(39,352)</u>	<u>294,806</u>
<i>Capital assets being depreciated:</i>				
Land improvements	110,488	—	—	110,488
Buildings and improvements	2,298,030	43,874	(194)	2,341,710
Vehicles	20,890	2,652	(659)	22,883
Machinery and equipment	272,554	28,942	(13,590)	287,906
Intangibles	91,611	107	(2,168)	89,550
<i>Lease assets being amortized:</i>				
Land improvements	701	408	(555)	554
Buildings and improvements	31,443	33,475	(8,426)	56,492
Machinery and equipment	771	638	(385)	1,024
Subscription assets	29,881	32,734	(11,278)	51,337
<i>Total capital assets being depreciated or amortized</i>	<u>2,856,369</u>	<u>142,830</u>	<u>(37,255)</u>	<u>2,961,944</u>
<i>Less accumulated depreciation and amortization for:</i>				
<i>Capital assets being depreciated:</i>				
Land improvements	(69,151)	(4,133)	—	(73,284)
Buildings and improvements	(1,061,326)	(52,472)	194	(1,113,604)
Vehicles	(15,795)	(1,671)	611	(16,855)
Machinery and equipment	(188,506)	(18,473)	10,478	(196,501)
Intangibles	(78,634)	(4,688)	2,786	(80,536)
<i>Lease assets being amortized:</i>				
Land improvements	(456)	(176)	555	(77)
Buildings and improvements	(9,144)	(11,712)	3,422	(17,434)
Machinery and equipment	(471)	(214)	385	(300)
Subscription assets	(13,890)	(14,984)	11,278	(17,596)
<i>Total accumulated depreciation and amortization</i>	<u>(1,437,373)</u>	<u>(108,523)</u>	<u>29,709</u>	<u>(1,516,187)</u>
<i>Total capital assets being depreciated or amortized, net</i>	<u>1,418,996</u>	<u>34,307</u>	<u>(7,546)</u>	<u>1,445,757</u>
USC capital assets, net	<u>\$ 1,623,674</u>	<u>\$ 163,787</u>	<u>\$ (46,898)</u>	<u>\$ 1,740,563</u>

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Lottery Commission:				
<i>Capital assets not being depreciated:</i>				
Construction in progress	614	—	(614)	—
Total capital assets not being depreciated	614	—	(614)	—
<i>Capital assets being depreciated:</i>				
Buildings and improvements	\$ 1,463	\$ 282	\$ —	\$ 1,745
Vehicles	566	—	—	566
Machinery and equipment	4,757	575	—	5,332
Intangibles	556	—	—	556
<i>Lease assets being amortized:</i>				
Buildings and improvements	2,362	5,792	—	8,154
Subscription assets	29,066	—	—	29,066
Total capital assets being depreciated or amortized	38,770	6,649	—	45,419
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Buildings and improvements	(1,361)	(73)	—	(1,434)
Vehicles	(350)	(42)	—	(392)
Machinery and equipment	(4,445)	(307)	—	(4,752)
Intangibles	(556)	—	—	(556)
<i>Lease assets being amortized:</i>				
Buildings and improvements	(2,359)	(534)	—	(2,893)
Subscription assets	(12,762)	(4,252)	—	(17,014)
Total accumulated depreciation and amortization	(21,833)	(5,208)	—	(27,041)
Total capital assets being depreciated or amortized, net	16,937	1,441	—	18,378
Lottery Commission capital assets, net	\$ 17,551	\$ 1,441	\$ (614)	\$ 18,378
	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Housing Authority:				
<i>Capital assets being depreciated:</i>				
Machinery and equipment	\$ 2,933	\$ 81	\$ —	\$ 3,014
<i>Lease assets being amortized:</i>				
Buildings and improvements	4,244	—	—	4,244
Machinery and equipment	56	—	—	56
Subscription assets	—	1,400	—	1,400
Total capital assets being depreciated or amortized	7,233	1,481	—	8,714
Less accumulated depreciation and amortization for:				
<i>Capital assets being depreciated:</i>				
Machinery and equipment	(2,435)	(298)	—	(2,733)
<i>Lease assets being amortized:</i>				
Buildings and improvements	(283)	(424)	—	(707)
Machinery and equipment	(14)	(11)	—	(25)
Subscription assets	—	(150)	—	(150)
Total accumulated depreciation and amortization	(2,732)	(883)	—	(3,615)
Housing Authority capital assets, net	\$ 4,501	\$ 598	\$ —	\$ 5,099

State of South Carolina

During the fiscal year ended June 30, 2025, 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	\$ 282,335
State Ports Authority	97,016
Clemson University	109,577
MUSC	245,018
USC	108,523
Lottery Commission	5,208
Housing Authority	883

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

	Outstanding Construction Commitments
Public Service Authority	\$ 711,920
State Ports Authority	157,004
MUSC	190,685
USC	474,108
Clemson University	286,108

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 2024. Policies are subject to deductibles ranging from \$2,500 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 2024, 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, 2024. There have been no third-party claims for environmental damages for 2024.

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 \$3.700 million for the primary policy and \$1.100 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, 2024.

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
2024	\$ 2,737	\$ 165	\$ (596)	\$ 2,306
2023	2,684	1,066	(1,013)	2,737

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, 2025, the Ports Authority's receivables for lease payments totaled \$5.786 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the State Ports Authority's lease-related deferred inflow of resources was \$5.424 million. For the fiscal year ended June 30, 2025, the Ports Authority recognized \$1.286 million in lease revenue and \$356 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, 2025 (expressed in thousands):

Fiscal Year Ending June 30	State Ports Authority	
	Principal	Interest
2026	\$ 467	\$ 206
2027	487	186
2028	507	166
2029	529	144
2030	552	121
2031-2035	1,294	384
2036-2040	451	260
2041-2045	524	187
2046-2050	608	102
Thereafter	367	85
Total	\$ 5,786	\$ 1,841

Clemson University leases buildings to third parties with various terms and interest rates. As of June 30, 2025, Clemson University's receivables for lease payments totaled \$7.281 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the Clemson University's lease-related deferred inflow of resources was \$7.300 million. For the fiscal year ended June 30, 2025, Clemson University recognized \$111 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, 2025 (expressed in thousands):

Fiscal Year Ending June 30	Clemson University	
	Principal	Interest
2026	\$ 213	\$ 233
2027	231	226
2028	250	218
2029	270	210
2030	292	201
2031-2035	1,811	845
2036-2040	2,484	501
2041-2043	1,730	86
Total	\$ 7,281	\$ 2,520

The Medical University of South Carolina leases buildings to third parties with various terms and interest rates. As of June 30, 2025, the Medical University of South Carolina's receivables for lease payments totaled \$1.894 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the Medical University of South Carolina's lease-related deferred inflow of resources was \$1.112 million. For the fiscal year ended June 30, 2025, the Medical University of South Carolina recognized \$948 thousand in lease revenue.

State of South Carolina

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, 2025 (expressed in thousands):

Fiscal Year Ending June 30	Medical University of South Carolina	
	Principal	Interest
2026	\$ 204	\$ 32
2027	112	29
2028	114	27
2029	116	25
2030	118	23
2030-2034	621	82
2035-2039	609	24
Total	\$ 1,894	\$ 242

The University of South Carolina leases land and buildings to third parties with various terms and interest rates. As of June 30, 2025, the University of South Carolina's receivables for lease payments totaled \$53.055 million. The total deferred inflow of resources associated with these leases will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the University of South Carolina's lease-related deferred inflow of resources was \$48.940 million. For the fiscal year ended June 30, 2025, the University of South Carolina recognized \$4.577 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, 2025 (expressed in thousands):

Fiscal Year Ending June 30	University of South Carolina	
	Principal	Interest
2026	\$ 1,310	\$ 2,133
2027	1,344	2,073
2028	1,408	2,012
2029	1,472	1,948
2030	1,539	1,881
2031-2035	7,356	8,314
2036-2040	6,955	6,604
2041-2045	5,156	4,704
Thereafter	26,515	17,730
Total	\$ 53,055	\$ 47,399

State of South Carolina

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, 2025 for the State's major discretely presented component units are as follows (expressed in thousands):

Fiscal Year Ending June 30	Medical University of South Carolina		University of South Carolina	
	Principal	Interest	Principal	Interest
2026	\$ 48,376	\$ 14,710	\$ 11,415	\$ 3,288
2027	44,345	12,702	11,936	2,359
2028	45,786	14,021	3,440	1,555
2029	30,034	7,482	1,559	1,354
2030	27,297	10,644	1,361	1,237
2031-2035	65,030	19,182	5,824	4,635
2036-2040	27,466	6,388	4,126	2,478
2041-2045	12,242	2,082	4,063	746
Thereafter	8,082	1,158	—	—
Total lease liabilities	\$ 308,658	\$ 88,369	\$ 43,724	\$ 17,652

Fiscal Year Ending June 30	Clemson University		State Ports Authority	
	Principal	Interest	Principal	Interest
2026	\$ 3,847	\$ 777	\$ 129	\$ 33
2027	2,522	683	129	26
2028	2,222	601	136	19
2029	1,843	534	143	12
2030	1,438	472	152	4
2031-2035	5,942	1,643	—	—
2036-2040	3,931	739	—	—
2041-2045	1,701	115	—	—
Total lease liabilities	\$ 23,446	\$ 5,564	\$ 689	\$ 94

Fiscal Year Ending June 30	Lottery Commission		Housing Authority	
	Principal	Interest	Principal	Interest
2026	\$ 408	\$ 287	\$ 343	\$ 147
2027	448	264	372	132
2028	491	238	390	116
2029	536	210	421	100
2030	584	180	454	82
2031-2035	2,957	355	1,778	128
Total lease liabilities	\$ 5,424	\$ 1,534	\$ 3,758	\$ 705

State of South Carolina

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, 2025 for the State's major discretely presented component units are as follows (expressed in thousands):

Fiscal Year Ending June 30	Medical University of South Carolina		University of South Carolina	
	Principal	Interest	Principal	Interest
2026	\$ 10,178	\$ 156	\$ 11,913	\$ 676
2027	8,239	123	9,473	373
2028	3,228	93	3,272	134
2029	648	10	1,626	45
2030	654	4	10	—
Total subscription liabilities	\$ 22,947	\$ 386	\$ 26,294	\$ 1,228

Fiscal Year Ending June 30	Clemson University		State Ports Authority	
	Principal	Interest	Principal	Interest
2026	\$ 11,504	\$ 617	\$ 1,684	\$ 882
2027	5,158	332	2,127	778
2028	4,284	202	1,987	660
2029	2,700	93	2,091	549
2030	422	28	2,190	433
2031-2034	914	35	6,617	551
Total subscription liabilities	\$ 24,982	\$ 1,307	\$ 16,696	\$ 3,853

Fiscal Year Ending June 30	Lottery Commission		Housing Authority	
	Principal	Interest	Principal	Interest
2026	\$ 4,480	\$ 598	\$ 79	\$ 30
2027	4,723	355	87	26
2028	4,131	101	94	22
2029	—	—	103	17
2030	—	—	112	12
2031	—	—	121	6
Total subscription liabilities	\$ 13,334	\$ 1,054	\$ 596	\$ 113

State of South Carolina

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, 2025, were (net of unamortized premiums/discounts, expressed in thousands):

Clemson University institution bonds, 2.00% to 5.00%, maturing serially through 2042	\$	267,644
University of South Carolina bonds, 2.625% to 5.00%, maturing serially through 2037		91,919
Medical University of South Carolina institution bonds, 3.00% to 5.00%, maturing serially through 2040		37,600

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):

Year Ending June 30	Clemson University		Medical University of South Carolina	
	Principal	Interest	Principal	Interest
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	19,485	6,780	3,105	825
2031 - 2035	82,700	23,025	12,495	2,445
2036 - 2040	48,570	9,423	6,640	531
2041 - 2042	14,790	1,118	—	—
Total debt service requirements	\$ 237,650	\$ 74,523	\$ 33,330	\$ 8,417
Unamortized premiums	29,994		4,270	
Total principal outstanding	\$ 267,644		\$ 37,600	

Year Ending June 30	University of South Carolina	
	Principal	Interest
2026	\$ 10,915	\$ 3,232
2027	7,400	2,694
2028	7,760	2,332
2029	8,125	1,962
2030	7,895	1,639
2031 - 2035	36,240	4,204
2036 - 2037	5,395	244
Total debt service requirements	\$ 83,730	\$ 16,307
Unamortized premiums	8,189	
Total principal outstanding	\$ 91,919	

State of South Carolina

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 \$417.720 million were outstanding at June 30, 2025.

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, 2025 and December 31, 2024 (for PSA), were (net of unamortized premiums/discounts, expressed in thousands):

	<u>Bonds</u>	<u>Notes</u>
Major Discretely Presented Component Units:		
Public Service Authority bonds, 1.49% to 6.45%, maturing serially through 2056	\$ 7,654,467	\$ 438,466
Clemson University bonds and notes, 1.40% to 5.00%, maturing serially through 2055	615,378	38,220
University of South Carolina bonds and notes, 1.14% to 5.00%, maturing serially through 2052	572,152	188
Medical University of South Carolina bonds and notes, 0.00% to 6.16%, maturing serially through 2056	765,446	36,394
State Ports Authority bonds and notes, 2.09% to 5.25%, maturing serially through 2060	1,050,740	304,382
Housing Authority bonds, 0.10% to 6.50%, maturing serially through 2056	1,600,949	—

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, 2024, the carrying value of the Public Service Authority's debt was \$7.112 billion.

State of South Carolina

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):

Year Ending December 31	Public Service Authority	
	Principal	Interest
2025	\$ 131,299	\$ 361,344
2026	499,606	336,233
2027	241,350	327,774
2028	184,749	320,915
2029	179,000	312,435
2030-2034	881,067	1,158,726
2035-2039	1,206,200	1,208,019
2040-2044	1,185,651	923,178
2045-2049	1,329,984	611,943
2050-2054	1,353,981	275,362
2055-2056	357,969	25,894
Total debt service requirements	\$ 7,550,856	\$ 5,861,823
Unamortized discounts and premiums	542,077	
Total principal outstanding	\$ 8,092,933	

Year Ending June 30	State Ports Authority		State Housing Authority	
	Principal	Interest	Principal	Interest
2026	\$ 32,490	\$ 49,216	\$ 23,035	\$ 62,903
2027	33,698	48,080	31,595	67,007
2028	34,883	46,894	33,530	65,684
2029	36,132	45,651	35,025	64,253
2030	37,404	44,379	35,720	62,758
2031-2035	274,818	197,554	212,100	289,929
2036-2040	142,359	157,768	251,165	244,366
2041-2045	156,188	125,845	295,420	188,303
2046-2050	191,610	89,723	323,650	118,251
2051-2055	233,935	47,409	278,050	39,644
2056-2060	116,975	9,361	5,125	166
Total debt service requirements	\$ 1,290,492	\$ 861,880	\$ 1,524,415	\$ 1,203,264
Unamortized premiums and discounts	64,630		76,534	
Total principal outstanding	\$ 1,355,122		\$ 1,600,949	

State of South Carolina

Year Ending June 30	Clemson University		University of South Carolina	
	Principal	Interest	Principal	Interest
2026	\$ 15,570	\$ 26,311	\$ 21,566	\$ 22,500
2027	18,744	24,221	22,662	21,579
2028	18,666	23,382	21,387	20,468
2029	19,458	22,671	22,448	19,420
2030	20,363	21,833	23,520	18,299
2031-2035	115,044	96,809	123,550	73,548
2036-2040	139,011	73,246	101,880	45,291
2041-2045	151,245	44,681	69,270	24,718
2046-2050	70,595	19,338	58,770	9,911
2051-2055	48,165	6,102	13,270	608
Total debt service requirements	\$ 616,861	\$ 358,594	\$ 478,323	\$ 256,342
Unamortized discounts and premiums	36,737		94,017	
Total principal outstanding	\$ 653,598		\$ 572,340	

Year Ending June 30	Medical University of South Carolina	
	Principal	Interest
2026	\$ 49,892	\$ 26,536
2027	52,715	25,297
2028	54,418	23,597
2029	51,072	21,851
2030	77,300	20,154
2031-2035	197,201	69,987
2036-2040	133,808	45,094
2041-2045	137,943	20,213
2046-2050	24,004	6,650
2051-2055	18,865	2,871
2056	4,260	175
Total debt service requirements	\$ 801,478	\$ 262,425
Unamortized discounts and premiums	362	
Total principal outstanding	\$ 801,840	

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, 2025, the outstanding balance of bonds issued was \$515.505 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, 2025, the outstanding balance of bonds issued after June 30, 1995, was \$8.886 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, 2025 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The Public Service Authority has recorded a \$172.461 million liability for commercial paper notes at its fiscal year ended December 31, 2024. The paper is issued for valid corporate purposes with terms not to exceed 120 days. The Authority has \$400.000 million in revolving credit agreements to support the issuance of commercial paper. There was \$227.539 million in unused capacity within the revolving credit agreements as of December 31, 2024.

State of South Carolina

The University of South Carolina Educational Foundation, a discretely presented component unit of USC, has three unsecured revolving lines of credit with a maximum borrowing limit of \$30.0 million and bears interest at the Term SOFR (4.45% as of June 30, 2025) plus 1.0%. As of June 30, 2025, the line of credit had an outstanding balance of \$14.516 million. Interest only payments are due monthly and the entire principal balance, along with any outstanding interest, are due on October 20, 2025, October 21, 2025, and May 21, 2027.

f. Changes in Liabilities

	Balances at January 1, 2024	Increases	Decreases	Balances at December 31, 2024	Amounts Due Within One Year
Public Service Authority					
Policy claims	\$ 2,737	\$ 165	\$ (596)	\$ 2,306	\$ 2,306
Notes payable	403,860	34,606	—	438,466	1,394
Revenue bonds payable	6,784,085	1,310,055	(981,750)	7,112,390	129,905
Unamortized discounts and premiums	475,585	108,315	(41,823)	542,077	—
Total revenue bonds payable	7,259,670	1,418,370	(1,023,573)	7,654,467	129,905
Compensated absences payable	21,886	3,878	(2,307)	23,457	—
Net pension liability	302,480	—	(22,907)	279,573	—
Net OPEB liability	150,037	11,195	—	161,232	—
Total long-term liabilities	<u>\$ 8,140,670</u>	<u>\$ 1,468,214</u>	<u>\$ (1,049,383)</u>	<u>\$ 8,559,501</u>	<u>\$ 133,605</u>

	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
State Ports Authority					
Notes payable	\$ 323,847	\$ —	\$ (19,465)	\$ 304,382	\$ 20,050
Revenue bonds payable	997,950	—	(11,840)	986,110	12,440
Unamortized discounts and premiums	67,282	—	(2,652)	64,630	—
Total revenue bonds payable	1,065,232	—	(14,492)	1,050,740	12,440
Leases payable	6,102	716	(6,129)	689	129
Subscription IT asset payable	16,608	1,605	(1,517)	16,696	1,684
Compensated absences payable	2,471	—	(406)	2,065	51
Net pension liability	183,897	—	(31,654)	152,243	—
Net OPEB liability	61,430	19,639	—	81,069	—
Total long-term liabilities	<u>\$ 1,659,587</u>	<u>\$ 21,960</u>	<u>\$ (73,663)</u>	<u>\$ 1,607,884</u>	<u>\$ 34,354</u>

State of South Carolina

	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
<i>Housing Authority</i>					
Revenue bonds payable	\$ 1,119,095	\$ 500,000	\$ (94,680)	\$ 1,524,415	\$ 23,035
Unamortized discounts and premiums	55,013	29,928	(8,407)	76,534	—
Total revenue bonds payable	1,174,108	529,928	(103,087)	1,600,949	23,035
Compensated absences payable	1,022	1,590	—	2,612	1,132
Leases payable	4,073	—	(315)	3,758	343
Subscription IT asset payable	—	682	(86)	596	79
Net pension liability	15,886	—	(603)	15,283	—
Net OPEB liability	10,735	2,153	—	12,888	—
Total long-term liabilities	<u>\$ 1,205,824</u>	<u>\$ 534,353</u>	<u>\$ (104,091)</u>	<u>\$ 1,636,086</u>	<u>\$ 24,589</u>

	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
<i>Clemson University</i>					
Notes payable	\$ 39,908	\$ —	\$ (1,688)	\$ 38,220	\$ 1,665
General obligation bonds payable	253,670	—	(16,020)	237,650	16,820
Unamortized discounts and premiums	32,221	—	(2,227)	29,994	—
Total general obligation bonds payable	285,891	—	(18,247)	267,644	16,820
Revenue bonds payable	511,649	117,585	(50,593)	578,641	13,905
Unamortized discounts and premiums	30,719	9,210	(3,192)	36,737	—
Total revenue bonds	542,368	126,795	(53,785)	615,378	13,905
Leases payable	19,700	8,590	(4,844)	23,446	3,847
Subscription IT asset payable	27,830	12,926	(15,774)	24,982	11,504
Compensated absences payable	38,283	24,237	(19,171)	43,349	22,272
Net pension liability	742,129	8,866	—	750,995	—
Net OPEB liability	565,549	145,534	—	711,083	—
Total long-term liabilities	<u>\$ 2,261,658</u>	<u>\$ 326,948</u>	<u>\$ (113,509)</u>	<u>\$ 2,475,097</u>	<u>\$ 70,013</u>

	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
<i>Medical University of South Carolina</i>					
Notes payable	\$ 22,845	\$ 15,810	\$ (2,261)	\$ 36,394	\$ 7,156
General obligation bonds payable	35,775	—	(2,445)	33,330	2,565
Unamortized discounts and premiums	5,018	—	(748)	4,270	—
Total general obligation bonds payable	40,793	—	(3,193)	37,600	2,565
Revenue bonds payable	743,116	75,000	(53,032)	765,084	42,736
Unamortized discounts and premiums	512	—	(150)	362	—
Total revenue bonds	743,628	75,000	(53,182)	765,446	42,736
Leases payable	303,629	54,665	(49,636)	308,658	48,376
Subscription IT asset payable	11,854	21,152	(10,059)	22,947	10,178
Compensated absences payable	44,671	108,953	(31,929)	121,695	105,436
Net pension liability	1,908,339	75,615	—	1,983,954	—
Net OPEB liability	1,374,097	405,916	—	1,780,013	—
Total long-term liabilities	<u>\$ 4,449,856</u>	<u>\$ 757,111</u>	<u>\$ (150,260)</u>	<u>\$ 5,056,707</u>	<u>\$ 216,447</u>

State of South Carolina

	Balances at July 1, 2024	Increases	Decreases	Balances at June 30, 2025	Amounts Due Within One Year
Lottery Commission					
Compensated absences payable	\$ 1,112	\$ 790	\$ (677)	\$ 1,225	\$ 756
Leases payable	51	5,424	(51)	5,424	408
Subscription IT asset payable	17,584	—	(4,250)	13,334	4,480
Net pension liability	15,907	—	(594)	15,313	—
Net OPEB liability	10,587	2,228	—	12,815	—
Total long-term liabilities	<u>\$ 45,241</u>	<u>\$ 8,442</u>	<u>\$ (5,572)</u>	<u>\$ 48,111</u>	<u>\$ 5,644</u>
University of South Carolina					
Notes payable	\$ 1,334	\$ —	\$ (1,146)	\$ 188	\$ 46
General obligation bonds payable	94,085	—	(10,355)	83,730	10,915
Unamortized discounts and premiums	9,644	—	(1,455)	8,189	—
Total general obligation bonds payable	103,729	—	(11,810)	91,919	10,915
Revenue bonds payable	499,530	—	(21,395)	478,135	21,520
Unamortized discounts and premiums	97,622	—	(3,605)	94,017	—
Total revenue bonds	597,152	—	(25,000)	572,152	21,520
Leases payable	27,333	34,571	(18,180)	43,724	11,415
Subscription IT asset payable	10,999	32,235	(16,940)	26,294	11,913
Compensated absences payable	43,215	4,316	—	47,531	36,940
Net pension liability	1,033,431	—	(4,142)	1,029,289	—
Net OPEB liability	780,313	184,336	—	964,649	—
Total long-term liabilities	<u>\$ 2,597,506</u>	<u>\$ 255,458</u>	<u>\$ (77,218)</u>	<u>\$ 2,775,746</u>	<u>\$ 92,749</u>

Short-Term Debt

The Clemson University, the University of South Carolina, and the Medical University of South Carolina may issue bond anticipation notes (BANS) or lines of credit 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, 2025 included: a line of credit for USC, BANS for Clemson University and MUSC, 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, 2024	Increases	Decreases	Balances at December 31, 2024
Public Service Authority				
Commercial paper notes	<u>\$ 183,363</u>	<u>\$ 68,724</u>	<u>\$ (79,626)</u>	<u>\$ 172,461</u>
Clemson University				
Bond anticipation notes	<u>\$ 160,155</u>	<u>\$ 185,350</u>	<u>\$ (160,155)</u>	<u>\$ 185,350</u>
University of South Carolina				
Line of credit	<u>\$ 9,250</u>	<u>\$ 5,916</u>	<u>\$ (650)</u>	<u>\$ 14,516</u>
Medical University of South Carolina				
Bond anticipation notes	<u>\$ 45,075</u>	<u>\$ 45,150</u>	<u>\$ (45,075)</u>	<u>\$ 45,150</u>

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, 2024, the trade guarantees are an amount not to exceed approximately \$126.100 million.

Interested parties may obtain a copy of TEA's financial statements by writing to:

The Energy Authority
1301 Riverplace Blvd. Suite 2700
Jacksonville, Florida 32207
<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 \$218.000 million. 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 \$19.400 million during the Authority's fiscal year ended December 31, 2024.

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, 2025.

Clemson University provided computer services and information systems development to other State agencies for a fee. These fees totaled \$246 thousand and \$35.331 million, respectively, for the fiscal year ended June 30, 2025.

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, 2024, as follows (expressed in thousands):

Customer	Revenue	Revenue
Central Electric Power Cooperative, Inc.....	\$ 1,109,000	58%

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

State Ports Authority

During the fiscal year ended June 30, 2025, of the State Ports Authority's total revenues, three customers accounted for approximately 18%, 16%, and 13% 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

Purchase Commitments – Public Service Authority

At December 31, 2024, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling \$877.000 million for coal and \$832.500 million for power. In addition, at December 31, 2024, the Authority had commitments for nuclear fuel and nuclear fuel conversion contracts of \$99.500 million over the next nine years.

The Authority amended a service agreement to an approximate amount of \$25.500 million. The agreement provides unplanned maintenance coverage, rotor replacement and auxiliary parts replacement in addition to a contract performance manager, initial spare parts, parts and services for specified planned maintenance outages, remote monitoring and diagnostics of the turbine generators and combustion tuning for the gas turbines. The contract term extends through 2027.

Purchase Commitments – Ports Authority

At June 30, 2025, the Ports Authority had construction commitments of approximately \$157.004 million and non-construction commitments for property, plant and equipment of approximately \$714 thousand.

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

The Housing Authority, a major discretely presented component unit, had commitments of \$67.847 million from the Housing Trust Fund for affordable housing projects and developments as of June 30, 2025.

NOTE 20: SUBSEQUENT EVENTS

a. Debt Activity

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

- In July 2025, the South Carolina Housing Authority, a major discretely presented component unit, paid off the remaining Single Family 1998 Series Indenture Bonds totaling \$5.375 million prior to maturity.
- On September 17, 2025, the South Carolina State Fiscal Accounting Authority, reported within the General Fund, issued a note for \$1.202 million.
- On October 9, 2025, the State Housing Authority, a major discretely presented component unit, issued \$195.000 million in mortgage revenue bonds, Series 2025C.
- On October 28, 2025, Clemson University, a major discretely presented component unit, issued \$173.915 million in higher education revenue bonds and higher education refunding bonds, Series 2025A.
- On November 14, 2025, the South Carolina Department of Probation, Parole and Pardon, reported within the General Fund, issued a note for \$1.567 million.
- On December 4, 2025, South Carolina State University, a nonmajor discretely presented component unit, issued \$72.000 million in Future Advance Project Funding Bonds, Series 2025-4.
- On December 18, 2025, the Medical University of South Carolina, a major discretely presented component unit, issued \$254.370 million in Federal Housing Authority Insured Mortgage Revenue Bonds, Series 2025.

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

In January 2025, the Authority launched a process for requesting proposals from parties interested in acquiring one or both of the two partially built AP1000 nuclear generating units (formerly referred to as Virgil C. Summer Nuclear Station Units 2 and 3) located at the Virgil C. Summer Nuclear Generating Station in Fairfield County, South Carolina (the Nuclear Units) and the related assets, completing one or both of such units or pursuing alternative uses of the equipment and/or the site. The Authority received fourteen formal proposals in response to its request for proposals. After a comprehensive review process, the Authority in October 2025 approved the proposal from Brookfield Asset Management (Brookfield) to complete the Nuclear Units. The proposed non-binding terms include a \$2.7 billion cash payment to the Authority if Brookfield reaches a final investment decision to move forward with the transaction, subject to the terms of the memorandum of understanding (MOU) and the negotiation and execution of definitive agreements, plus a targeted 25% ownership share for the Authority as tenants in common, with proportional capacity, once the Nuclear Units begin commercial operation. The binding provisions of the MOU, among other things, establish an exclusive feasibility period, a timeline for reaching a final investment decision regarding the transaction, and the reimbursement of certain expenses incurred by the Authority in connection with the transaction, including expenses incurred prior to the execution of the MOU and through its termination, in each case subject to the terms and limitations set forth in the MOU.

The Authority is unable to predict the outcome of the feasibility period, including whether the transaction will be ultimately consummated. There can be no assurance that Brookfield will reach a final investment decision, that definitive agreements will be executed, or that the transaction will be consummated on the terms described or at all.

c. Cook Settlement and Recovery

A class action lawsuit filed in August 2017 relating to the Authority's decision to suspend construction of the Nuclear Units was resolved in March 2020 with the parties entering into a settlement agreement (the Cook Settlement Agreement) that included, among other things, the Authority's agreement to hold its rates consistent with rates projected in the 2019 Reform Plan for a period beginning in August 2020 and ending in January 2025 (the Rate Freeze Period), subject to certain permitted exceptions for costs and expenses incurred during such period (Cook Rate Freeze Exceptions) which exceptions could be collected by the Authority after the Rate Freeze Period ended (such agreement to hold rates is referred to herein as the Rate Freeze). As required by the Cook Settlement Agreement, the Authority identified and included the Cook Rate Freeze Exceptions in reports filed annually with the court. The total amount of Cook Rate Freeze Exceptions reported by the Authority in the Annual Cook Compliance Reports filed through April 30, 2025 was \$951.4 million.

In June 2025, the court approved an agreement allowing the Authority to recover \$550 million of the Cook Rate Freeze Exceptions (the Resolution Amount), plus interim interest incurred on debt incurred to finance the Resolution Amount from January 1, 2025 through June 30, 2025, plus the costs of issuance of the debt incurred to finance the Resolution Amount and the interim interest (together, the Recovery Amount). As of January 2, 2026, the Authority has borrowed under its revolving credit agreements or issued commercial paper notes in a combined total amount of approximately \$562.5 million to fund a portion of the Cook Deferred Expenses, of which amount approximately \$547.3 million is outstanding.

The Recovery Amount will be financed by the Authority and collected via a line-item charge (the Cook Charge) on customer bills over the 10-year period from July 1, 2025 to June 30, 2035. The Cook Charge will consist of the amount of debt service on the debt issued to finance the Recovery Amount and amounts to collect an 8% contribution to the Public Service Authority's Capital Improvement Fund, payments to the State, and sums in lieu of taxes, in each case related to that debt service. The Resolution Amount of \$550 million in the Exceptions Agreement will result in the Authority collecting 78% of the \$703.8 million Cook Exceptions Regulatory Asset recorded as of December 31, 2024. The Authority wrote down the Cook Exceptions Regulatory Asset to \$550 million in the fiscal year ending December 31, 2024, which increased expenses by \$154 million and reduced reinvested earnings by this same amount.

d. Medical University Hospital Authority Citadel Mall Purchase

On December 17, 2025, the Medical University Hospital Authority, which is a component unit of the Medical University of South Carolina, a major discretely presented component unit of the State, purchased the Citadel Mall property in Charleston, SC for \$83.5 million. The Medical University Hospital Authority plans to utilize the mixed-use retail and medical property for expanding education, research, and clinical care.

e. South Carolina Ports Authority Sale of the Union Pier Terminal

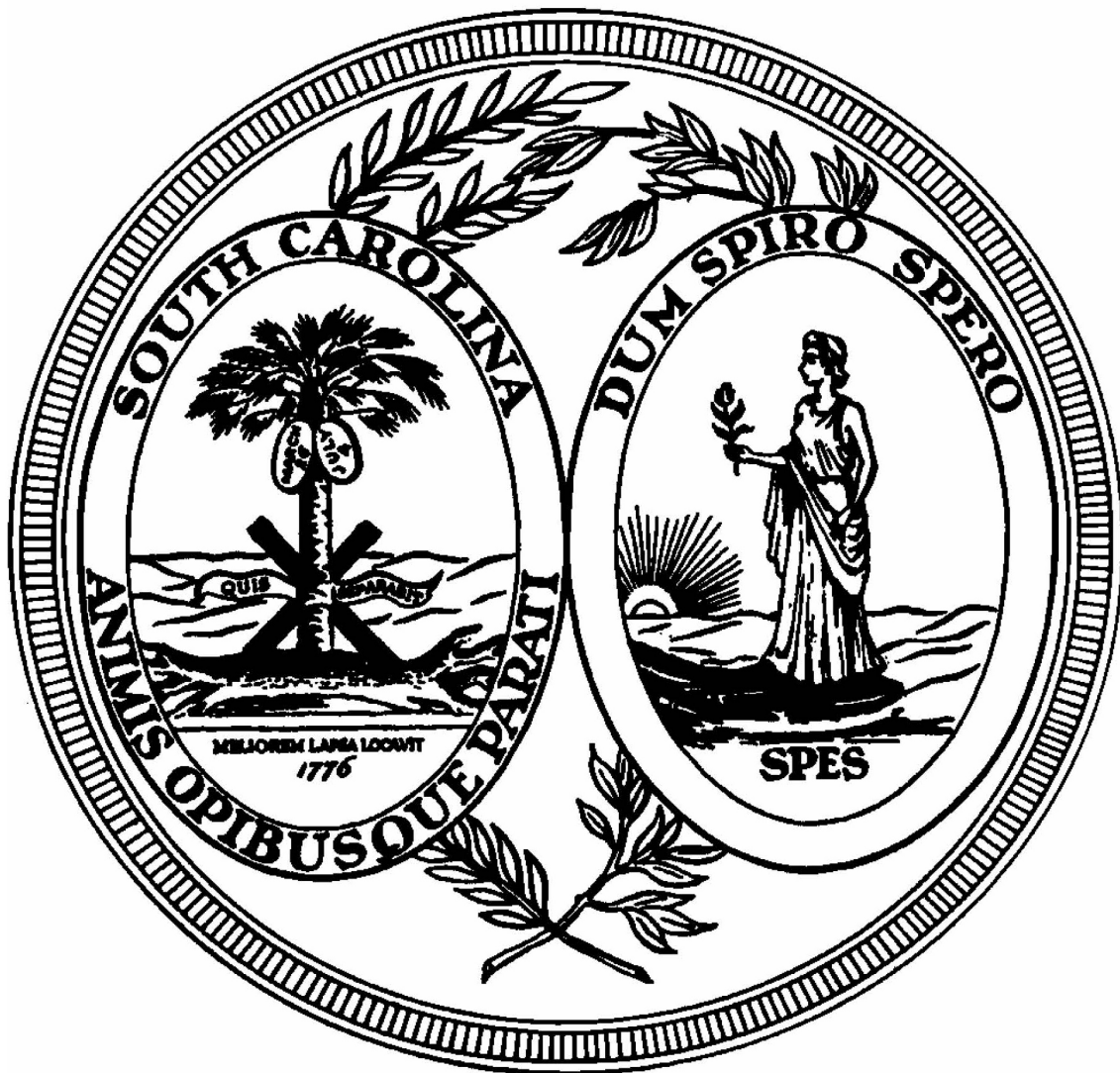
In March 2024, the South Carolina Ports Authority entered into an agreement to sell the Union Pier Terminal in Charleston, South Carolina. In its fiscal year ended June 30, 2025, the Ports Authority received \$83.300 million in proceeds related to that sale. After June 30, 2025, the Ports Authority received an additional \$33.333 million related to that sale and paid \$17.000 million in a settlement to Norfolk Southern Corporation (the previous owner before the Ports Authority) for the release of a deed restriction placed on the Union Pier Terminal.

f. Winter Storm Fern

In late January 2026 parts of South Carolina experienced significant amounts of ice, sleet, and snow caused by Winter Storm Fern. South Carolina is in the early stages of recovery from this significant event, and damage assessment is not yet complete on the State's roadway infrastructure.

g. Big Beautiful Bill

In compliance with GASB Statement No. 102 and with the "Big Beautiful Bill," officially known as the One Big Beautiful Bill Act, signed into law on July 4, 2025, the State is in the process of assessing its impact on South Carolina. The Big Beautiful Bill includes significant tax cuts, spending changes, and social program adjustments. South Carolina's income taxes are based off of federal tax returns, so changes to federal taxes affect the State. However, the financial impact of this change is unclear at this time. Additionally, it is unclear how federal funding reductions to Medicaid and SNAP (food stamps) benefits will affect the State and how South Carolina's State government will react to these changes.



**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, 2025

(Expressed in Thousands)

	Budgeted Amounts		Actual	Variance from
	Original	Final	Amounts (Budgetary Basis)	Final Budget— Positive (Negative)
Revenues:				
Taxes:				
Individual income	\$ 5,201,986	\$ 5,102,387	\$ 5,921,372	\$ 818,985
Retail sales and use	4,841,581	4,841,581	5,027,613	186,032
Corporation income	908,582	908,582	1,321,629	413,047
Insurance	390,484	390,484	335,555	(54,929)
Other	679,075	679,075	722,959	43,884
Licenses, fees, and permits	80,490	80,490	158,155	77,665
Earned on investments	250,000	250,000	477,512	227,512
Departmental services	23,975	23,975	24,113	138
Fines and penalties	6,004	6,004	23,804	17,800
Other	38,198	38,198	45,032	6,834
Total revenues	12,420,375	12,320,776	14,057,744	1,736,968
Expenditures:				
Current:				
General government	\$ 871,304	\$ 1,143,206	\$ 797,989	\$ 345,217
Education	5,736,996	7,011,411	6,294,535	716,876
Health	2,773,726	2,983,657	2,901,127	82,530
Social services	364,379	466,306	402,106	64,200
Administration of justice	1,307,673	1,628,780	1,389,001	239,779
Resources, environment, and economic development	394,220	2,473,254	1,104,311	1,368,943
Transportation	125,616	1,035,410	419,296	616,114
Debt service	143,915	153,393	144,043	9,350
Intergovernmental	332,763	380,266	378,381	1,885
Total expenditures	12,050,592	17,275,683	13,830,789	3,444,894
Excess of revenues over (under) expenditures — budgetary basis	369,783	(4,954,907)	226,955	5,181,862
Fund balance, beginning — budgetary basis	6,019,850	6,019,850	6,019,850	—
Fund balance, ending — budgetary basis	\$ 6,389,633	\$ 1,064,943	\$ 6,246,805	\$ 5,181,862
Plus:				
Homestead Exemption Fund			600,000	
COVID-19 Vaccine response balances			133,213	
Litigation recovery account			14,338	
Less:				
Capital Reserve appropriation			(390,132)	
Fund balance, ending — budgetary basis, after reservation			\$ 6,604,224	

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)****BUDGETARY DEPARTMENTAL PROGRAM SERVICES****For the Fiscal Year Ended June 30, 2025****(Expressed in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget— Positive (Negative)
	Original	Final		
Revenues:				
Federal	\$ 12,460,978	\$ 14,324,401	\$ 11,850,274	\$ (2,474,127)
Other	3,673,602	1,475,823	657,321	(818,502)
Total revenues	16,134,580	15,800,224	12,507,595	(3,292,629)
Expenditures:				
Current:				
General government	1,014,176	1,026,923	568,153	458,770
Education	372,331	170,044	89,966	80,078
Health	3,519,545	3,438,080	1,783,317	1,654,763
Social services	10,142,845	9,249,373	8,876,176	373,197
Administration of justice	714,288	1,062,596	980,272	82,324
Resources, environment, and economic development	353,416	833,104	506,658	326,446
Transportation	17,979	20,104	12,477	7,627
Total expenditures	16,134,580	15,800,224	12,817,019	2,983,205
Excess of revenues over (under) expenditures—budgetary basis	—	—	(309,424)	(309,424)
Fund balance at beginning of year— budgetary basis	1,905,782	1,905,782	1,905,782	—
Fund balance at end of year—budgetary basis	\$ 1,905,782	\$ 1,905,782	\$ 1,596,358	\$ (309,424)

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)****BUDGETARY LOCAL GOVERNMENT INFRASTRUCTURE****For the Fiscal Year Ended June 30, 2025****(Expressed in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget— Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Individual income	\$ 23,000	\$ 23,000	\$ 21,587	\$ (1,413)
Licenses, fees, and permits	—	—	1	1
Earned on investments	1,176	1,176	1,798	622
Departmental services	850	850	545	(305)
Other	—	—	1,174	1,174
Total revenues	25,026	25,026	25,105	79
Expenditures:				
Current:				
Resources, environment, and economic development	—	30,429	13,657	16,772
Total expenditures	—	30,429	13,657	16,772
Excess of revenues over (under) expenditures—budgetary basis	25,026	(5,403)	11,448	16,851
Fund balance at beginning of year— budgetary basis	124,408	124,408	124,408	—
Fund balance at end of year—budgetary basis	\$ 149,434	\$ 119,005	\$ 135,856	\$ 16,851

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)****BUDGETARY DEPARTMENT OF TRANSPORTATION SPECIAL REVENUE****For the Fiscal Year Ended June 30, 2025****(Expressed in Thousands)**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget— Positive (Negative)
	Original	Final		
Revenues:				
Taxes:				
Individual income	\$ —	\$ —	\$ 15	\$ 15
Retail sales and use	6,414	6,414	8,491	2,077
Gasoline	676,387	1,026,387	685,795	(340,592)
Other	257,808	257,808	255,069	(2,739)
Licenses, fees, and permits	456,705	456,705	476,539	19,834
Earned on investments	36,281	36,281	75,521	39,240
Federal	1,034,851	1,339,987	1,074,004	(265,983)
Local and private grants	—	—	12	12
Departmental services	81,410	81,410	77,741	(3,669)
Contributions	250	250	193	(57)
Fines and penalties	3,138	3,138	11,093	7,955
Other	145,458	145,458	119,406	(26,052)
Total revenues	2,698,702	3,353,838	2,783,879	(569,959)
Expenditures:				
Current:				
Transportation	2,614,786	3,249,581	2,929,708	319,873
Total expenditures	2,614,786	3,249,581	2,929,708	319,873
Excess of revenues over (under) expenditures—budgetary basis	83,916	104,257	(145,829)	(250,086)
Fund balance at beginning of year— budgetary basis	11,592,483	11,592,483	11,592,483	—
Fund balance at end of year—budgetary basis	\$ 11,676,399	\$ 11,696,740	\$ 11,446,654	\$ (250,086)

The notes to the Required Supplementary Information—Budgetary are an integral part of the schedule.

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*.

Other Budgeted Funds. The Other Budgeted Funds column (labeled 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 2024-25 fiscal year has approximately 2,500 appropriated line items (budgeted expenditure categories for each department and agency). 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.

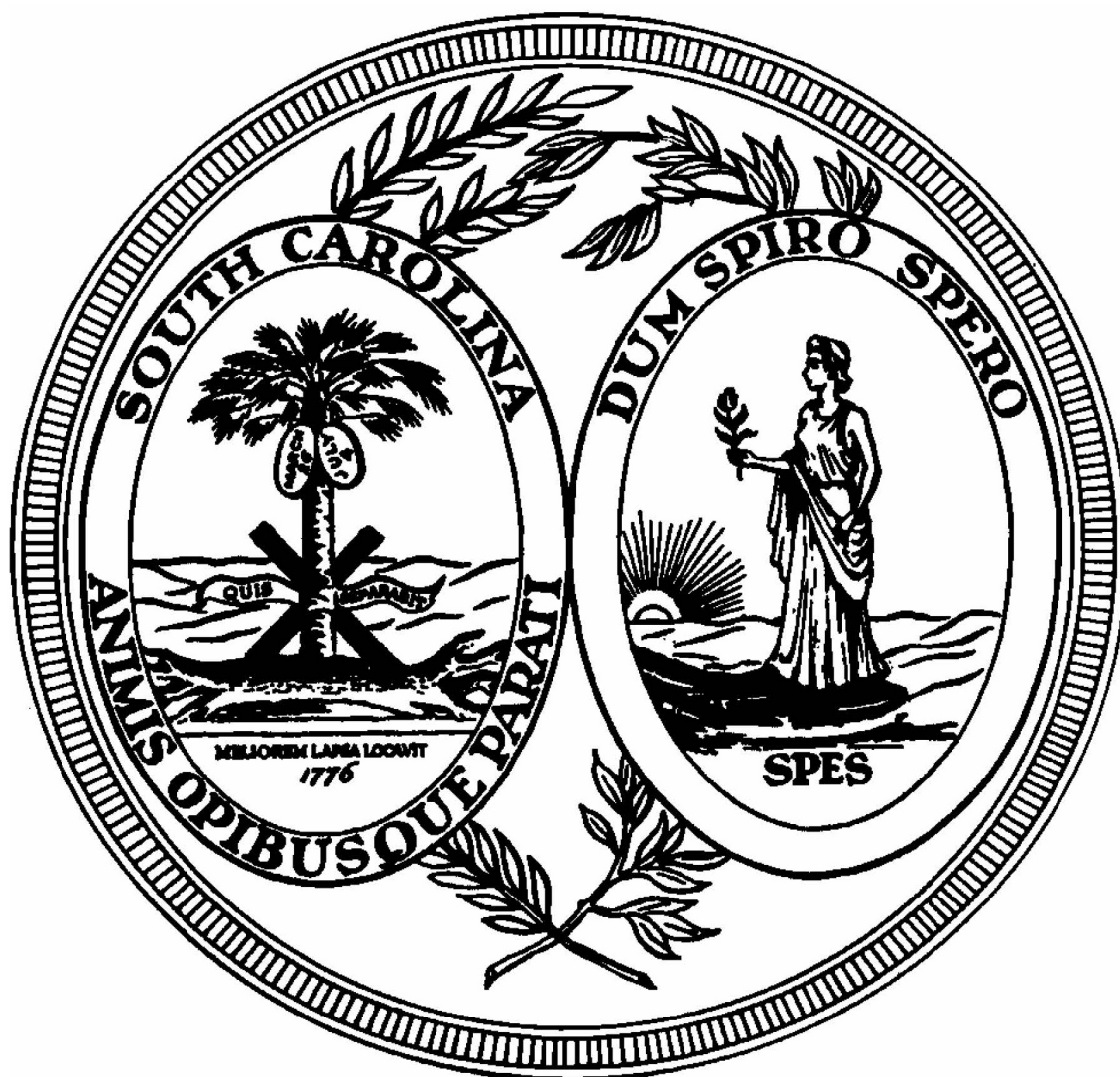
State law does not precisely define the State's basis of budgeting. In practice, however, it is the cash basis with the following exceptions:

- (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, 2025, were as follows (expressed in thousands):

<i>Budgetary funds</i>	Budgetary General Fund	Major Special Revenue Funds		
	General Fund	Department Program Services	Local Government Infrastructure	Department of Transportation Special Revenue
GAAP funds				
Net increase (decrease) in fund balance—budgetary basis	\$ 226,955	\$ (309,424)	\$ 11,448	\$ (145,829)
Perspective differences:				
Other Budgeted Funds net increase (decrease) allocated among the State's major governmental GAAP funds	(599,974)	921,811	87,529	(129,422)
Basis of accounting differences	(69,724)	(558,989)	118,120	491,040
Entity differences	751	(6,156)	—	—
Net increase (decrease) in fund balance—GAAP basis	\$ (441,992)	\$ 47,242	\$ 217,097	\$ 215,789



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, 2025
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina Retirement System

	2025	2024	2023	2022
State's Proportion of the Net Pension Liability	12.83%	12.15%	12.03%	12.47%
State's Proportionate Share of the Net Pension Liability	\$ 3,009,329	\$ 2,936,979	\$ 2,917,526	\$ 2,699,303
State Covered Payroll	\$ 1,299,705	\$ 1,198,730	\$ 1,183,193	\$ 1,173,557
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	231.54%	245.01%	246.58%	230.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.80%	58.60%	57.10%	60.70%

PORS - South Carolina Police Officers Retirement System

State's Proportion of the Net Pension Liability	28.13%	26.57%	25.34%	26.57%
State's Proportionate Share of the Net Pension Liability	\$ 843,794	\$ 808,834	\$ 759,998	\$ 683,623
State Covered Payroll	\$ 436,018	\$ 363,341	\$ 354,014	\$ 379,401
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	193.52%	222.61%	214.68%	180.18%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.50%	67.80%	66.40%	70.40%

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 106.

2021	2020	2019	2018	2017	2016
12.54%	12.75%	12.96%	13.05%	12.94%	12.87%
\$ 3,203,359	\$ 2,910,713	\$ 2,905,027	\$ 2,938,212	\$ 2,763,455	\$ 2,441,249
\$ 1,101,602	\$ 1,101,602	\$ 1,079,349	\$ 1,021,083	\$ 954,763	\$ 973,471
290.79%	264.23%	269.15%	287.75%	289.44%	250.78%
50.70%	54.40%	54.10%	53.30%	52.91%	56.99%
27.46%	28.24%	29.17%	28.97%	28.88%	30.05%
\$ 910,737	\$ 809,373	\$ 826,613	\$ 793,572	\$ 732,637	\$ 654,937
\$ 370,843	\$ 364,884	\$ 337,092	\$ 328,193	\$ 316,491	\$ 337,916
245.59%	221.82%	245.22%	241.80%	231.49%	193.82%
58.80%	62.70%	61.70%	60.90%	60.44%	64.57%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRS and PORS
Contributions
For the Fiscal Year Ended June 30, 2025
(Expressed in Thousands)

Last 10 Fiscal Years

SCRS - South Carolina
Retirement System

	2025	2024	2023	2022
Contractually Required Contribution.....	\$ 305,417	\$ 317,283	\$ 259,762	\$ 227,385
Contributions in Relation to the Contractually Required Contribution.....	(305,417)	(317,283)	(259,762)	(227,385)
Contribution Deficiency/(Excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State Covered Payroll.....	\$ 1,484,410	\$ 1,299,705	\$ 1,198,730	\$ 1,183,193
Contributions as a Percentage of Covered Payroll.....	20.57%	24.41%	21.67%	19.22%

PORS - South Carolina Police Officers Retirement System

Contractually Required Contribution.....	\$ 112,041	\$ 114,060	\$ 90,439	\$ 73,378
Contributions in Relation to the Contractually Required Contribution.....	(112,041)	(114,060)	(90,439)	(73,378)
Contribution Deficiency/(Excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State Covered Payroll.....	\$ 518,704	\$ 436,018	\$ 363,341	\$ 354,014
Contributions as a Percentage of Covered Payroll.....	21.60%	26.16%	24.89%	20.73%

2021	2020	2019	2018	2017	2016
\$ 209,454	\$ 186,054	\$ 186,054	\$ 168,903	\$ 152,191	\$ 131,856
(209,454)	(186,054)	(186,054)	(168,903)	(152,191)	(131,856)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 1,173,557	\$ 1,101,602	\$ 1,101,602	\$ 1,079,349	\$ 1,021,083	\$ 954,763
17.85%	16.89%	16.89%	15.65%	14.90%	13.81%
\$ 69,088	\$ 71,887	\$ 66,834	\$ 61,790	\$ 55,534	\$ 50,546
(69,088)	(71,887)	(66,834)	(61,790)	(55,534)	(50,546)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 379,401	\$ 370,843	\$ 364,884	\$ 337,092	\$ 328,193	\$ 316,491
18.21%	19.38%	18.32%	18.33%	16.92%	15.97%

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

	2025	2024	2023	2022
Contractually Required Contribution.....	\$ 6,200	\$ 6,286	\$ 6,308	\$ 6,279
Contributions in Relation to the Contractually Required Contribution	(6,200)	(6,286)	(6,308)	(6,279)
Contribution Deficiency/(Excess).....	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered Payroll	\$ 967	\$ 1,000	\$ 1,204	\$ 1,249
Contributions as a Percentage of Covered Payroll	641.16%	628.60%	523.92%	502.72%

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: 4 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.

2021	2020	2019	2018	2017	2016
\$ 5,956	\$ 5,804	\$ 5,804	\$ 5,428	\$ 4,539	\$ 4,501
(5,956)	(6,329)	(5,804)	(5,428)	(4,539)	(4,501)
<u>\$ —</u>	<u>\$ (525)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 1,570	\$ 1,866	\$ 1,866	\$ 1,961	\$ 2,316	\$ 2,338
379.36%	311.04%	311.04%	276.80%	195.98%	192.51%

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

	2025	2024	2023	2022
Total Pension Liability				
Service Cost.....	\$ 220	\$ 263	\$ 275	\$ 364
Interest.....	4,584	4,698	4,815	4,937
Difference Between Actual and Expected Experience.....	(684)	(289)	(420)	379
Assumption Changes.....	(241)	—	—	1,386
Benefit Payments.....	(6,256)	(6,328)	(6,348)	(6,315)
Net Change in Total Pension Liability	(2,377)	(1,656)	(1,678)	751
Total Pension Liability - Beginning	68,491	70,147	71,825	71,074
Total Pension Liability - Ending (a)	<u>\$ 66,114</u>	<u>\$ 68,491</u>	<u>\$ 70,147</u>	<u>\$ 71,825</u>
Plan Fiduciary Net Position				
Contributions - Employer.....	\$ 6,286	\$ 6,308	\$ 6,279	\$ 5,956
Contributions - Member.....	147	155	164	184
Refunds of Contributions to Members.....	—	—	—	(77)
Retirement Benefits.....	(6,243)	(6,313)	(6,332)	(6,222)
Death Benefits.....	(13)	(15)	(16)	(16)
Net Investment Income (Loss).....	4,813	3,106	(1,045)	9,444
Administrative Expense.....	(24)	(22)	(23)	(23)
Other.....	—	(135)	(206)	(45)
Net Change in Plan Fiduciary Net Position	4,966	3,084	(1,179)	9,201
Plan Fiduciary Net Position - Beginning	45,560	42,476	43,655	34,454
Plan Fiduciary Net Position - Ending (b)	<u>\$ 50,526</u>	<u>\$ 45,560</u>	<u>\$ 42,476</u>	<u>\$ 43,655</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 15,588</u>	<u>\$ 22,931</u>	<u>\$ 27,671</u>	<u>\$ 28,170</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.42%	66.52%	60.55%	60.78%
Covered Payroll	\$ 1,000	\$ 1,204	\$ 1,249	\$ 1,570
Net Pension Liability as a Percentage of Covered Payroll	1558.80%	1904.57%	2215.45%	1794.27%

2021	2020	2019	2018	2017	2016
\$ 358	\$ 440	\$ 464	\$ 488	\$ 493	\$ 553.00
5,003	5,149	5,200	5,293	5,301	5,380
60	(1,135)	138	(348)	798	(294)
—	—	—	2,330	—	—
(6,348)	(6,515)	(6,468)	(6,737)	(6,656)	(6,660)
(927)	(2,061)	(666)	1,026	(64)	(1,021)
72,001	74,062	74,728	73,702	73,766	74,787
<u>\$ 71,074</u>	<u>\$ 72,001</u>	<u>\$ 74,062</u>	<u>\$ 74,728</u>	<u>\$ 73,702</u>	<u>\$ 73,766</u>
\$ 6,329	\$ 5,804	\$ 5,428	\$ 4,539	\$ 4,501	\$ 4,275
222	162	287	468	292	369
—	(17)	—	—	(22)	—
(6,323)	(6,480)	(6,452)	(6,678)	(6,625)	(6,639)
(25)	(18)	(16)	(59)	(9)	(21)
(443)	1,887	2,376	3,329	(266)	500
(18)	(20)	(18)	(17)	(18)	(18)
—	—	—	19	(147)	(18)
(258)	1,318	1,605	1,601	(2,294)	(1,552)
34,712	33,394	31,789	30,188	32,482	34,034
<u>\$ 34,454</u>	<u>\$ 34,712</u>	<u>\$ 33,394</u>	<u>\$ 31,789</u>	<u>\$ 30,188</u>	<u>\$ 32,482</u>
<u>\$ 36,620</u>	<u>\$ 37,289</u>	<u>\$ 40,668</u>	<u>\$ 42,939</u>	<u>\$ 43,514</u>	<u>\$ 41,284</u>
48.48%	48.21%	45.09%	42.54%	40.96%	44.03%
\$ 1,866	\$ 1,866	\$ 1,961	\$ 2,316	\$ 2,338	\$ 2,383
1962.49%	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

	2025	2024	2023	2022
Contractually Required Contribution	\$ 25,606	\$ 24,180	\$ 23,064	\$ 22,477
Contributions in Relation to the Contractually Required Contribution	(25,606)	(24,180)	(23,064)	(22,477)
Contribution Deficiency/(Excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Covered Payroll	\$ 36,076	\$ 33,639	\$ 32,037	\$ 31,104
Contributions as a Percentage of Covered Payroll	70.98%	71.88%	71.99%	72.26%

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, closed

Remaining Amortization Period: 24 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.

2021	2020	2019	2018	2017	2016
\$ 22,000	\$ 21,998	\$ 11,730	\$ 11,043	\$ 10,534	\$ 10,202
(22,000)	(21,998)	(11,730)	(11,043)	(10,534)	(10,202)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
\$ 30,346	\$ 30,346	\$ 22,347	\$ 22,347	\$ 21,958	\$ 21,267
72.50%	72.49%	52.49%	49.42%	47.97%	47.97%

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

	2025	2024	2023	2022
Total Pension Liability				
Service Cost	\$ 10,226	\$ 9,791	\$ 9,515	\$ 8,718
Interest	31,729	31,468	30,554	29,199
Benefit Changes	—	—	—	—
Difference Between Actual and Expected Experience	16,557	(9,303)	(249)	4,000
Assumption Changes	(2,574)	—	—	17,439
Benefit Payments	(29,192)	(27,697)	(26,099)	(25,941)
Net Change in Total Pension Liability	26,746	4,259	13,721	33,415
Total Pension Liability - Beginning	462,762	458,503	444,782	411,367
Total Pension Liability - Ending (a)	\$ 489,508	\$ 462,762	\$ 458,503	\$ 444,782
Plan Fiduciary Net Position				
Contributions - Employer	\$ 21,280	\$ 20,164	\$ 19,577	\$ 19,100
Contributions - Nonemployer	2,900	2,900	2,900	2,900
Contributions - Member	3,564	4,236	3,012	3,587
Refunds of Contributions to Members	—	—	—	—
Retirement Benefits	(29,185)	(27,686)	(26,089)	(25,746)
Death Benefits	(7)	(11)	(10)	(195)
Net Investment Income (Loss)	23,612	15,272	(5,202)	47,659
Administrative Expense	(117)	(110)	(114)	(109)
Other	57	191	(83)	237
Net Change in Plan Fiduciary Net Position	22,104	14,956	(6,009)	47,433
Plan Fiduciary Net Position - Beginning	221,630	206,674	212,683	165,250
Plan Fiduciary Net Position - Ending (b)	\$ 243,734	\$ 221,630	\$ 206,674	\$ 212,683
Net Pension Liability - Ending (a) - (b)	\$ 245,774	\$ 241,132	\$ 251,829	\$ 232,099
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	49.79%	47.89%	45.08%	47.82%
Covered Payroll	\$ 33,639	\$ 32,037	\$ 31,104	\$ 30,346
Net Pension Liability as a Percentage of Covered Payroll	730.62%	752.67%	809.64%	764.84%

2021	2020	2019	2018	2017	2016
\$ 8,919	\$ 6,645	\$ 6,521	\$ 6,186	\$ 5,886	\$ 5,760
28,154	21,737	21,271	20,404	20,022	19,440
—	—	—	—	—	666
3,262	80,801	(3,548)	(995)	(3,085)	(1,138)
—	—	—	13,790	—	—
(25,673)	(17,950)	(17,811)	(18,602)	(17,191)	(16,836)
14,662	91,233	6,433	20,783	5,632	7,892
396,705	305,472	299,039	278,256	272,624	264,732
<u>\$ 411,367</u>	<u>\$ 396,705</u>	<u>\$ 305,472</u>	<u>\$ 299,039</u>	<u>\$ 278,256</u>	<u>\$ 272,624</u>
\$ 19,098	\$ 11,730	\$ 11,043	\$ 10,534	\$ 10,202	\$ 10,109
2,900	—	—	—	—	—
4,966	2,840	3,016	2,928	2,303	3,153
(182)	—	—	(629)	(60)	—
(25,301)	(17,947)	(17,655)	(17,679)	(16,989)	(16,832)
(190)	(3)	(156)	(293)	(143)	(4)
(2,361)	9,183	11,723	16,399	(871)	2,216
(86)	(92)	(86)	(79)	(75)	(71)
563	96	—	253	(3)	286
(593)	5,807	7,885	11,434	(5,636)	(1,143)
165,843	160,036	152,151	140,717	146,353	147,496
<u>\$ 165,250</u>	<u>\$ 165,843</u>	<u>\$ 160,036</u>	<u>\$ 152,151</u>	<u>\$ 140,717</u>	<u>\$ 146,353</u>
<u>\$ 246,117</u>	<u>\$ 230,862</u>	<u>\$ 145,436</u>	<u>\$ 146,888</u>	<u>\$ 137,539</u>	<u>\$ 126,271</u>
40.17%	41.81%	52.39%	50.88%	50.57%	53.68%
\$ 30,346	\$ 22,347	\$ 22,347	\$ 21,958	\$ 21,267	\$ 18,138
811.04%	1033.08%	650.81%	668.95%	646.72%	696.17%

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

	2025	2024	2023	2022
Contractually Required Contribution	\$ 3,621	\$ 3,837	\$ 3,984	\$ 4,405
Contributions in Relation to the Contractually Required Contribution	(5,290)	(5,290)	(5,290)	(5,290)
Contribution Deficiency/(Excess)	<u>\$ (1,669)</u>	<u>\$ (1,453)</u>	<u>\$ (1,306)</u>	<u>\$ (885)</u>
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: 13 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.

2021	2020	2019	2018	2017	2016
\$ 5,188	\$ 5,262	\$ 5,290	\$ 4,814	\$ 4,509	\$ 4,570
(5,290)	(5,290)	(5,290)	(4,814)	(4,591)	(4,591)
<u>\$ (102)</u>	<u>\$ (28)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (82)</u>	<u>\$ (21)</u>
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

	2025	2024	2023	2022
Total Pension Liability				
Service Cost	\$ 786	\$ 782	\$ 791	\$ 696
Interest	4,733	4,706	4,654	4,754
Difference Between Actual and Expected Experience	(678)	(392)	(59)	(960)
Assumption Changes	135	—	—	971
Benefit Payments	(4,738)	(4,669)	(4,607)	(4,574)
Net Change in Total Pension Liability	238	427	779	887
Total Pension Liability - Beginning	69,594	69,167	68,388	67,501
Total Pension Liability - Ending (a)	<u>\$ 69,832</u>	<u>\$ 69,594</u>	<u>\$ 69,167</u>	<u>\$ 68,388</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 5,290	\$ 5,290	\$ 5,290	\$ 5,290
Retirement Benefits	(4,738)	(4,669)	(4,607)	(4,574)
Net Investment Income (Loss)	4,316	2,776	(878)	7,996
Administrative Expense	(22)	(21)	(22)	(20)
Net Change in Plan Fiduciary Net Position	4,846	3,376	(217)	8,692
Plan Fiduciary Net Position - Beginning	42,943	39,567	39,784	31,092
Plan Fiduciary Net Position - Ending (b)	<u>\$ 47,789</u>	<u>\$ 42,943</u>	<u>\$ 39,567</u>	<u>\$ 39,784</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 22,043</u>	<u>\$ 26,651</u>	<u>\$ 29,600</u>	<u>\$ 28,604</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.43%	61.71%	57.21%	58.17%
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

2021	2020	2019	2018	2017	2016
\$ 805	\$ 786	\$ 804	\$ 696	\$ 689	\$ 690
4,731	4,764	4,743	4,589	4,594	4,481
(627)	(1,501)	(767)	(843)	(992)	612
—	—	—	4,161	—	—
(4,514)	(4,534)	(4,411)	(4,426)	(4,310)	(4,249)
395	(485)	369	4,177	(19)	1,534
67,106	67,591	67,222	63,045	63,064	61,530
<u>\$ 67,501</u>	<u>\$ 67,106</u>	<u>\$ 67,591</u>	<u>\$ 67,222</u>	<u>\$ 63,045</u>	<u>\$ 63,064</u>
\$ 5,290	\$ 5,290	\$ 4,814	\$ 4,591	\$ 4,591	\$ 4,591
(4,514)	(4,534)	(4,411)	(4,425)	(4,310)	(4,249)
(352)	1,616	1,902	2,533	(121)	313
(15)	(16)	(14)	(13)	(12)	(11)
409	2,356	2,291	2,686	148	644
30,683	28,327	26,036	23,350	23,202	22,558
<u>\$ 31,092</u>	<u>\$ 30,683</u>	<u>\$ 28,327</u>	<u>\$ 26,036</u>	<u>\$ 23,350</u>	<u>\$ 23,202</u>
<u>\$ 36,409</u>	<u>\$ 36,423</u>	<u>\$ 39,264</u>	<u>\$ 41,186</u>	<u>\$ 39,695</u>	<u>\$ 39,862</u>
46.06%	45.72%	41.91%	38.73%	37.04%	36.79%
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

	2025	2024	2023	2022
State's Proportion of the Net OPEB Liability.....	20.66%	19.68%	19.28%	20.07%
State's Proportionate Share of the Net OPEB Liability.....	\$ 3,331,518	\$ 2,576,094	\$ 2,932,247	\$ 4,178,384
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability.....	9.91%	11.24%	9.64%	7.48%
State Covered Payroll.....	\$ 2,307,440	\$ 2,103,956	\$ 1,902,583	\$ 1,919,893
Net Pension Liability as a Percentage of Covered Payroll.....	144.38%	122.44%	154.12%	217.64%

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

The ten-year schedule of annual money-weighted rate of returns for pension plan investments can be found on page 108.

2021	2020	2019	2018	2017
20.31%	20.73%	20.92%	20.95%	20.95%
\$ 3,665,881	\$ 3,134,761	\$ 2,964,579	\$ 2,837,273	\$ 3,030,783
8.39%	8.44%	7.91%	7.60%	6.62%
\$ 1,830,287	\$ 1,804,721	\$ 1,767,564	\$ 1,704,840	N/A
200.29%	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**

	2025	2024	2023	2022
Contractually Required Contribution	\$ 144,544	\$ 135,456	\$ 121,009	\$ 112,594
Contributions in Relation to the Contractually Required Contribution	(144,544)	(135,456)	(121,009)	(112,594)
Contribution Deficiency/(Excess)	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
State Covered Payroll	\$ 2,547,638	\$ 2,307,440	\$ 2,103,956	\$ 1,902,583
Contributions as a Percentage of Covered Payroll	5.67%	5.87%	5.75%	5.92%

2021	2020	2019	2018	2017	2016
\$ 118,591	\$ 146,271	\$ 133,157	\$ 102,826	\$ 166,834	\$ 157,065
(118,591)	(146,271)	(133,157)	(102,826)	(102,887)	(95,903)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 63,947</u>	<u>\$ 61,162</u>
\$ 1,919,893	\$ 1,830,287	\$ 1,804,721	\$ 1,767,564	\$ 1,704,840	N/A
6.18%	7.99%	7.38%	5.82 %	9.79 %	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

	2025	2024	2023	2022
State's Proportion of the Net OPEB Liability.....	16.55%	16.55%	16.71%	17.68%
State's Proportionate Share of the Net OPEB Liability.....	\$ 2,920	\$ 2,534	\$ 1,939	\$ 562
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability.....	64.83%	68.01%	75.04%	92.84%

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

2021	2020	2019	2018	2017
17.91%	18.55%	21.98%	21.71%	21.98%
\$ 54	\$ 365	\$ 673	\$ 394	\$ 151
99.29%	95.17%	92.20%	95.29%	95.29%

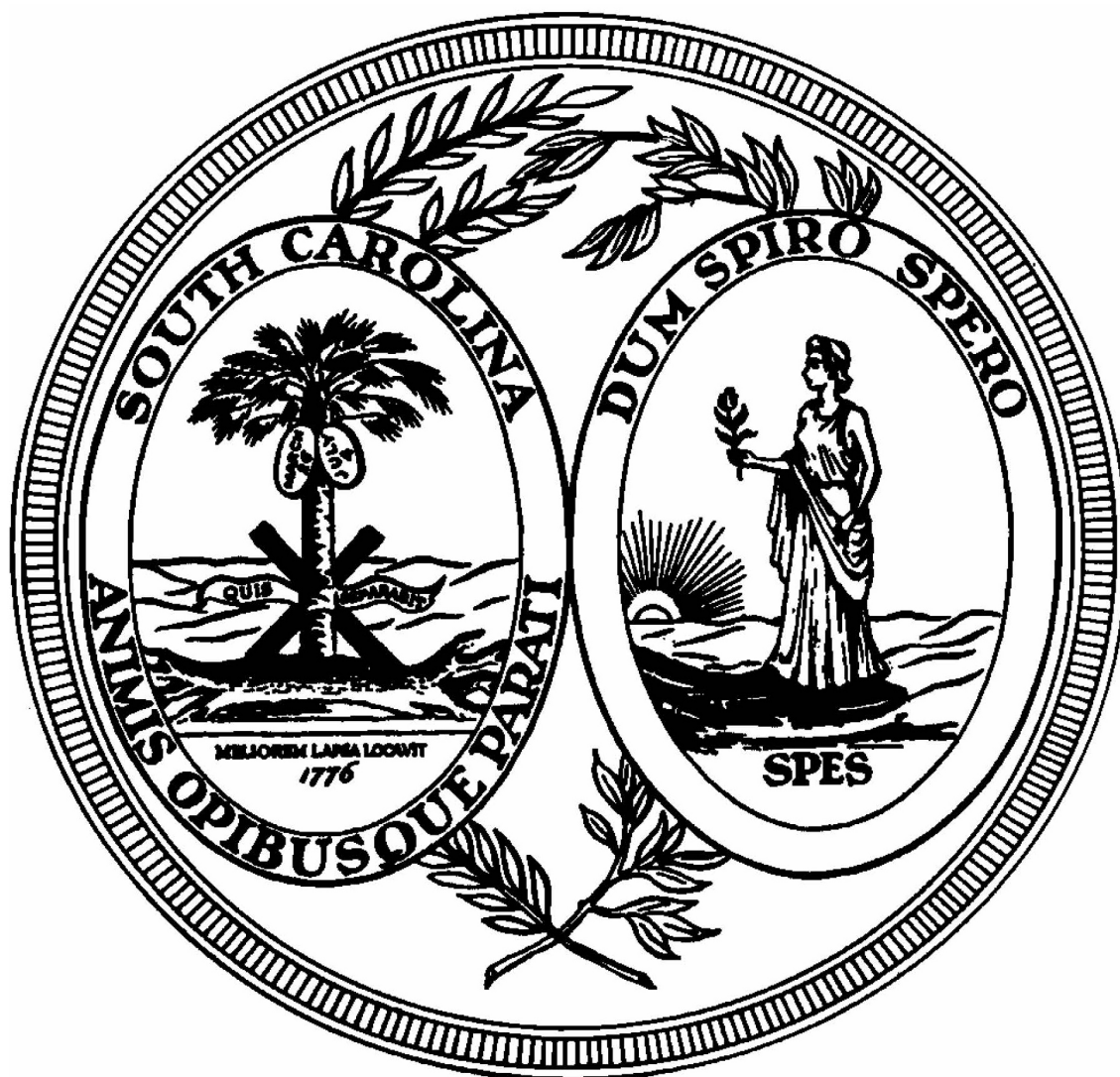
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's LTDITF
Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance
Trust Fund

	2025	2024	2023	2022
Contractually Required Contribution.....	\$ 1,334	\$ 1,303	\$ 1,276	\$ 1,339
Contributions in Relation to the Contractually Required Contribution.....	(1,334)	(1,303)	(1,276)	(1,339)
Contribution Deficiency/(Excess).....	\$ —	\$ —	\$ —	\$ —

2021	2020	2019	2018	2017	2016
\$ 1,357	\$ 1,402	\$ 1,656	\$ 1,976	\$ 2,918	\$ 2,845
(1,357)	(1,402)	(1,656)	(1,658)	(1,669)	(1,547)
<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 318</u>	<u>\$ 1,249</u>	<u>\$ 1,298</u>



**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, 2025****(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	\$ 11,282	\$ 344,991	\$ 6,168	\$ 5,038	\$ 3,455	\$ 2,788
Investments	243,855	123,211	212,302	—	119,876	9,331
Invested securities lending collateral	10,719	5,416	9,332	—	5,270	410
Receivables, net:						
Accounts	3	—	—	31,500	—	—
Accrued interest	3,550	1,223	5,278	7	2,861	148
Sales and other taxes	1,221	203,310	—	—	—	394
Loans and notes	3,159	—	—	—	—	—
Due from Federal government and other grantors	—	—	—	—	—	—
Due from other funds	521	—	159	—	—	1,550
Due from component units	—	—	17,730	—	—	—
Prepaid items	—	—	177	—	—	—
Total assets	\$ 274,310	\$ 678,151	\$ 251,146	\$ 36,545	\$ 131,462	\$ 14,621
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 3,241	\$ —	\$ 10,874	\$ 11	\$ —	\$ 823
Accrued salaries and related expenditures	316	—	88	—	—	23
Retainages payable	—	—	—	—	—	—
Tax refunds payable	4	—	—	—	—	—
Intergovernmental payables	822	369,232	—	—	—	—
Due to other funds	262	1,937	273	—	—	35
Due to fiduciary funds	—	41,499	—	—	—	—
Due to component units	—	—	—	—	—	—
Unearned revenues	—	—	—	—	—	—
Securities lending collateral	10,719	5,416	9,332	—	5,270	410
Total liabilities	15,364	418,084	20,567	11	5,270	1,291
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	—	—	—	—	—	256
Total deferred inflows of resources	—	—	—	—	—	256
Fund balances:						
Nonspendable	—	—	177	—	—	—
Restricted	248,784	260,067	230,402	—	—	13,074
Committed	—	—	—	36,534	126,192	—
Assigned	10,162	—	—	—	—	—
Unassigned	—	—	—	—	—	—
Total fund balances	258,946	260,067	230,579	36,534	126,192	13,074
Total liabilities and fund balances	\$ 274,310	\$ 678,151	\$ 251,146	\$ 36,545	\$ 131,462	\$ 14,621

Exhibit D-1

PERMANENT								
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS	
\$ 26,558	\$ 71,993	\$ 472,273	\$ 991,571	\$ 43	\$ 496	\$ 539	\$ 1,464,383	
—	109,443	818,018	47,559	1,093	10,744	11,837	877,414	
1,384	23,947	56,478	2,091	35	289	324	58,893	
2,297	15	33,815	—	—	3	3	33,818	
—	1,259	14,326	995	15	131	146	15,467	
—	17	204,942	—	—	—	—	204,942	
—	—	3,159	—	—	—	—	3,159	
—	—	—	1,848	—	—	—	1,848	
—	1,796	4,026	251,496	—	2	2	255,524	
—	—	17,730	—	—	—	—	17,730	
—	19	196	—	—	—	—	196	
\$ 30,239	\$ 208,489	\$ 1,624,963	\$ 1,295,560	\$ 1,186	\$ 11,665	\$ 12,851	\$ 2,933,374	
\$ 1,341	\$ 3,394	\$ 19,684	\$ 19,742	\$ 1	\$ —	\$ 1	\$ 39,427	
—	344	771	—	—	6	6	777	
—	—	—	3,955	—	—	—	3,955	
—	—	4	—	—	—	—	4	
—	4,098	374,152	—	—	—	—	374,152	
359	1,681	4,547	38	—	4	4	4,589	
—	—	41,499	—	—	—	—	41,499	
—	—	—	611,641	—	—	—	611,641	
—	—	—	121,761	—	—	—	121,761	
1,384	23,947	56,478	2,091	35	289	324	58,893	
3,084	33,464	497,135	759,228	36	299	335	1,256,698	
—	—	256	—	—	—	—	256	
—	—	256	—	—	—	—	256	
—	19	196	—	632	10,815	11,447	11,643	
24,487	95,721	872,535	50,171	518	551	1,069	923,775	
2,668	40,783	206,177	—	—	—	—	206,177	
—	38,502	48,664	486,161	—	—	—	534,825	
—	—	—	—	—	—	—	—	
27,155	175,025	1,127,572	536,332	1,150	11,366	12,516	1,676,420	
\$ 30,239	\$ 208,489	\$ 1,624,963	\$ 1,295,560	\$ 1,186	\$ 11,665	\$ 12,851	\$ 2,933,374	

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2025

(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	\$ 3,947	\$ 1,712,631	\$ —	\$ —	\$ —	\$ —
Other	—	—	—	—	—	394
Licenses, fees, and permits	11,627	—	—	—	—	41,799
Interest and other investment income	14,242	5,632	19,776	31	11,248	570
Federal	1,855	—	—	—	—	—
Departmental services	58	—	—	—	—	—
Contributions	—	—	546,841	—	—	—
Fines and penalties	—	—	—	—	—	—
Tobacco legal settlement	—	—	—	64,333	—	—
Opioid legal settlement	—	—	—	—	—	—
Other	520	—	953	—	—	—
Total revenues	32,249	1,718,263	567,570	64,364	11,248	42,763
Expenditures:						
Current:						
General government	524	—	36,311	29	—	42,719
Education	—	—	645,633	—	—	—
Health	—	—	42	—	158,974	—
Social services	—	—	—	—	—	—
Administration of justice	—	—	—	—	—	—
Resources, environment, and economic development	11,847	—	—	—	—	—
Capital outlay	6	—	25,936	—	—	18
Debt service:						
Principal retirement	—	—	924	—	—	25
Interest and fiscal charges	—	—	68	—	—	—
Intergovernmental	6,629	1,702,160	23,609	—	—	—
Total expenditures	19,006	1,702,160	732,523	29	158,974	42,762
Excess of revenues over (under) expenditures	13,243	16,103	(164,953)	64,335	(147,726)	1
Other financing sources (uses):						
Leases	—	—	11,243	—	—	18
Transfers in	4,573	—	—	—	64,839	—
Transfers out	(657)	—	(4,803)	(66,867)	—	—
Total other financing sources (uses) ..	3,916	—	6,440	(66,867)	64,839	18
Net change in fund balances	17,159	16,103	(158,513)	(2,532)	(82,887)	19
Fund balances at beginning of year	241,787	243,964	389,092	39,066	209,079	13,055
Restatements	—	—	—	—	—	—
Fund balances at beginning of year, as restated	241,787	243,964	389,092	39,066	209,079	13,055
Fund balances at end of year	\$ 258,946	\$ 260,067	\$ 230,579	\$ 36,534	\$ 126,192	\$ 13,074

Exhibit D-2

PERMANENT								
Discretionary Opioid Recovery Fund	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
\$ —	\$ —	\$ 1,716,578	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 1,716,578
—	5,715	6,109	—	—	—	—	—	6,109
—	12,013	65,439	—	—	—	881	881	66,320
2,889	5,709	60,097	4,718	66	—	579	645	65,460
—	310	2,165	62,651	—	—	—	—	64,816
—	41,336	41,394	8,982	—	—	—	—	50,376
—	28	546,869	1,371	—	—	—	—	548,240
—	6,383	6,383	—	—	—	—	—	6,383
—	—	64,333	—	—	—	—	—	64,333
23,228	—	23,228	—	—	—	—	—	23,228
143	97	1,713	8,582	—	—	—	—	10,295
26,260	71,591	2,534,308	86,304	66	—	1,460	1,526	2,622,138
—	31,219	110,802	—	—	—	—	—	110,802
—	96	645,729	—	—	—	—	—	645,729
6,879	18	165,913	—	8	—	—	8	165,921
—	225	225	—	—	—	—	—	225
—	5,468	5,468	—	—	—	—	—	5,468
—	2,664	14,511	—	—	—	136	136	14,647
—	471	26,431	561,662	—	—	—	—	588,093
—	39	988	—	—	—	—	—	988
—	5	73	189	—	—	—	—	262
—	38,965	1,771,363	18,137	1	—	—	1	1,789,501
6,879	79,170	2,741,503	579,988	9	—	136	145	3,321,636
19,381	(7,579)	(207,195)	(493,684)	57	—	1,324	1,381	(699,498)
—	—	11,261	—	—	—	—	—	11,261
—	23,474	92,886	670,615	46	—	—	46	763,547
—	(3,331)	(75,658)	(30,063)	—	—	—	—	(105,721)
—	20,143	28,489	640,552	46	—	—	46	669,087
19,381	12,564	(178,706)	146,868	103	—	1,324	1,427	(30,411)
8,662	162,461	1,307,166	389,464	1,047	—	10,042	11,089	1,707,719
(888)	—	(888)	—	—	—	—	—	(888)
7,774	162,461	1,306,278	389,464	1,047	—	10,042	11,089	1,706,831
\$ 27,155	\$ 175,025	\$ 1,127,572	\$ 536,332	\$ 1,150	\$ —	\$ 11,366	\$ 12,516	\$ 1,676,420

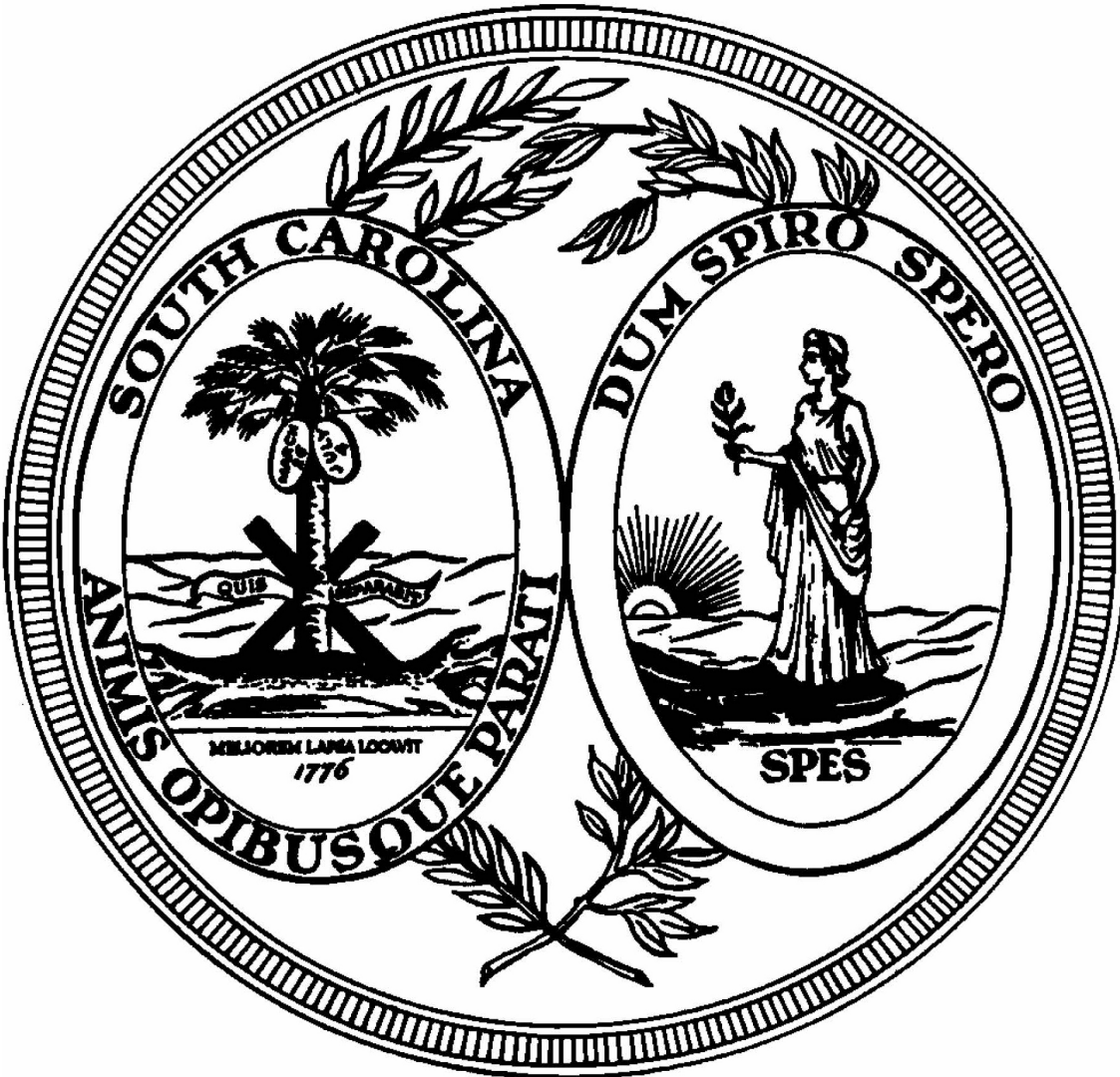
General Reserve Fund Activity**Exhibit D-3****BUDGETARY GENERAL FUND****Last Ten Fiscal Years**

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. Another Constitutional amendment was passed to be effective for the fiscal year 2023-2024, that requires the amount in the Reserve to be gradually increased one-half of one percent annually until the Reserve is seven percent of the Budgetary General Fund revenue of the previous fiscal year. For the fiscal year ended June 30, 2025, the amount in the Reserve was six percent of the Budgetary General Fund.

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
2025	\$ 715,242	\$ 24,326	\$ —	\$ 739,568	\$ 739,568	100%
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%



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, 2025

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 9,631	\$ 1,915	\$ 102,757
Investments	—	18,652	—
Invested securities lending collateral	—	—	45
Receivables, net:			
Accounts	17	1,243	9,098
Accrued interest	—	—	13
Leases	—	—	—
Due from other funds	—	—	—
Inventories	1,409	—	421
Prepaid items	—	—	404
Total current assets	11,057	21,810	112,738
Long-term assets:			
Receivables, net:			
Accounts	—	—	—
Leases	—	—	—
Restricted assets:			
Cash and cash equivalents	—	—	12
Non-depreciable capital assets	—	—	320,368
Depreciable capital assets, net	325	—	19,418
Total long-term assets	325	—	339,798
Total assets	\$ 11,382	\$ 21,810	\$ 452,536
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	\$ 507	\$ —	\$ 1,060
Other post-employment benefits related	783	—	2,383
Total deferred outflows of resources	\$ 1,290	\$ —	\$ 3,443

Exhibit E-1

Other Enterprise		Totals	
\$	14,166	\$	128,469
	—		18,652
	—		45
	323		10,681
	—		13
	90		90
	7,949		7,949
	—		1,830
	—		404
	22,528		168,133
	54		54
	92		92
	—		12
	498		320,866
	781		20,524
	1,425		341,548
\$	23,953	\$	509,681
\$	2,982	\$	4,549
	4,592		7,758
\$	7,574	\$	12,307

Continued on Next Page

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2025

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 42	\$ 1,862	\$ 12,547
Accrued salaries and related expenses	129	—	966
Accrued interest payable	—	—	33
Retainages payable	—	—	2,395
Interfund payables	—	—	43,500
Tuition benefits payable	—	3,401	—
Due to other funds	66	—	—
Unearned revenues	—	—	40,167
Deposits	—	—	300
Securities lending collateral	—	—	45
Liabilities payable from restricted assets:			
Revenue bonds payable	—	—	245
Compensated absences payable	111	—	341
Other current liabilities	—	—	12
Total current liabilities	348	5,263	100,551
Long-term liabilities:			
Tuition benefits payable	—	9,850	—
Notes payable	—	—	6,500
Revenue bonds payable	—	—	3,865
Compensated absences payable	270	—	76
Net pension liability	2,187	—	9,048
Net OPEB liability	1,893	—	7,591
Total long-term liabilities	4,350	9,850	27,080
Total liabilities	\$ 4,698	\$ 15,113	\$ 127,631
DEFERRED INFLOWS OF RESOURCES			
Pension related	\$ 142	\$ —	\$ 1,632
Other post-employment benefits related	691	—	4,588
Lease related	—	—	—
Total deferred inflows of resources	\$ 833	\$ —	\$ 6,220
NET POSITION			
Net investment in capital assets	\$ 325	\$ —	\$ 326,781
Unrestricted	6,816	6,697	(4,653)
Total net position	\$ 7,141	\$ 6,697	\$ 322,128

<u>Other Enterprise</u>		<u>Totals</u>
\$	538	14,989
	617	1,712
	—	33
	—	2,395
	—	43,500
	—	3,401
	306	372
	—	40,167
	—	300
	—	45
	—	245
	634	1,086
	—	12
	<u>2,095</u>	<u>108,257</u>
	—	9,850
	—	6,500
	—	3,865
	1,041	1,387
	12,847	24,082
	<u>11,120</u>	<u>20,604</u>
	<u>25,008</u>	<u>66,288</u>
\$	<u>27,103</u>	\$ <u>174,545</u>
\$	828	\$ 2,602
	4,057	9,336
	<u>177</u>	<u>177</u>
\$	<u>5,062</u>	\$ <u>12,115</u>
\$	1,279	328,385
	(1,917)	6,943
\$	<u>(638)</u>	<u>335,328</u>

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
Operating revenues:			
Charges for services	\$ 25,856	\$ —	\$ 18,649
Licenses, fees, and permits	—	—	—
Other operating revenues	—	—	29
Total operating revenues	25,856	—	18,678
Operating expenses:			
General operations and administration	18,930	331	12,747
Tuition plan disbursements	—	6,666	—
Depreciation and amortization	136	—	1,563
Other operating expenses	—	—	—
Total operating expenses	19,066	6,997	14,310
Operating income (loss)	6,790	(6,997)	4,368
Nonoperating revenues (expenses):			
Interest income	—	8,123	4,834
Interest expense	—	—	(214)
Net other nonoperating revenues (expenses)	—	—	1,020
Gains (losses) on sale of capital assets	—	—	29
Total nonoperating revenues	—	8,123	5,669
Income (loss) before transfers	6,790	1,126	10,037
Transfers and contributions:			
Capital contributions	—	—	37,671
Transfers in	6,988	—	—
Transfers out	(8,703)	—	—
Change in net position	5,075	1,126	47,708
Net position (deficit), at beginning of year, as adjusted	2,066	5,571	274,420
Net position at end of year	\$ 7,141	\$ 6,697	\$ 322,128

Other Enterprise		Totals	
\$	2,144	\$	46,649
	18,732		18,732
	—		29
	20,876		65,410
	14,741		46,749
	—		6,666
	99		1,798
	86		86
	14,926		55,299
	5,950		10,111
	14		12,971
	—		(214)
	33		1,053
	(10)		19
	37		13,829
	5,987		23,940
	—		37,671
	6		6,994
	(2,283)		(10,986)
	3,710		57,619
	(4,348)		277,709
\$	(638)	\$	335,328

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers	\$ 25,856	\$ —	\$ 56,126	\$ 13,074
Claims and benefits paid	—	(13,458)	—	—
Payments to suppliers for goods and services	(17,241)	(330)	(5,418)	(4,952)
Payments to employees	(2,454)	—	—	(13,412)
Other operating cash receipts	—	—	—	790
Net cash provided by (used in) operating activities	6,161	(13,788)	50,708	(4,500)
Cash flows from noncapital financing activities:				
Rental income cash receipts	—	—	1,336	—
Industrial development costs	—	—	(288)	—
Transfers in	6,988	—	—	6
Transfers out	(8,703)	—	—	(2,283)
Net cash provided by (used in) noncapital financing activities	(1,715)	—	1,048	(2,277)
Cash flows from capital and related financing activities:				
Capital appropriations	—	—	37,671	—
Acquisition of capital assets	—	—	(47,933)	(264)
Principal payments on capital debt	—	—	(2,735)	—
Interest payments on capital debt	—	—	(309)	—
Net cash provided by (used in) capital and related financing activities	—	—	(13,306)	(264)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	—	6,364	—	36
Interest and dividends on investments	—	8,123	4,835	14
Net cash provided by (used in) investing activities	—	14,487	4,835	50
Net increase (decrease) in cash and cash equivalents	4,446	699	43,285	(6,991)
Cash and cash equivalents at beginning of year	5,185	1,216	59,484	21,157
Cash and cash equivalents at end of year	\$ 9,631	\$ 1,915	\$ 102,769	\$ 14,166

Totals	
\$	95,056
	(13,458)
	(27,941)
	(15,866)
	790
	38,581
	1,336
	(288)
	6,994
	(10,986)
	(2,944)
	37,671
	(48,197)
	(2,735)
	(309)
	(13,570)
	6,400
	12,972
	19,372
	41,439
	87,042
\$	128,481

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2025

(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)	\$ 6,790	\$ (6,997)	\$ 4,368	\$ 5,950
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	136	—	1,563	99
Realized gains and losses on sale of assets	—	—	29	(10)
Other nonoperating revenues	—	—	2,675	790
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	—	(4,659)	472
Due from other funds	—	—	—	(7,518)
Inventories	(58)	—	6	—
Other assets	9	—	4	—
Deferred outflows	(159)	—	(326)	(1,410)
Accounts payable	41	1	8,086	—
Accrued salaries and related expenses	(12)	—	66	(219)
Tuition benefits payable	—	(6,792)	—	—
Due to other funds	(8)	—	(2,500)	(186)
Unearned revenues	—	—	40,167	—
Compensated absences payable	192	—	108	442
Other liabilities	(305)	—	13	(724)
Deferred inflows	(465)	—	1,108	(2,186)
Net cash provided by (used in) operating activities	\$ 6,161	\$ (13,788)	\$ 50,708	\$ (4,500)
Noncash capital, investing, and financing activities:				
Increase in fair value of investments	\$ —	\$ 435	\$ —	\$ —
Total noncash capital, investing, and financing activities	\$ —	\$ 435	\$ —	\$ —

<u>Totals</u>	
\$	10,111
	1,798
	19
	3,465
	(4,187)
	(7,518)
	(52)
	13
	(1,895)
	8,128
	(165)
	(6,792)
	(2,694)
	40,167
	742
	(1,016)
	(1,543)
<u>\$</u>	<u>38,581</u>
\$	435
<u>\$</u>	<u>435</u>

Combining Statement of Net Position

INTERNAL SERVICE FUNDS

June 30, 2025

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 26,475	\$ 667,015	\$ 452,940	\$ 31,647
Investments	—	—	—	3,811
Invested securities lending collateral	6,964	28,673	—	168
Receivables, net:				
Accounts	26,964	228,825	83,408	306
Accrued interest	4,699	27	6,632	56
Due from other funds	28,675	—	—	1,303
Due from component units	22,996	—	—	—
Inventories	—	—	—	307
Prepaid items	35,487	375	906	1,492
Total current assets	152,260	924,915	543,886	39,090
Long-term assets:				
Investments	608,087	—	—	—
Accounts receivable, net	—	—	—	—
Prepaid items	—	—	—	565
Other long-term assets	—	—	94	—
Non-depreciable capital assets	—	—	8,002	5,574
Depreciable capital assets, net	—	49	1,949	49,030
Total long-term assets	608,087	49	10,045	55,169
Total assets	\$ 760,347	\$ 924,964	\$ 553,931	\$ 94,259
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	\$ 741	\$ 3,323	\$ 1,045	\$ 5,126
Other post-employment benefits related	1,267	3,633	2,241	7,895
Total deferred outflows of resources	\$ 2,008	\$ 6,956	\$ 3,286	\$ 13,021

Motor Pool	Prison Industries	Other Internal Service	Totals
\$ 17,071	\$ 1,289	\$ 2,352	\$ 1,198,789
—	—	2,190	6,001
—	—	96	35,901
1,506	991	77	342,077
—	—	52	11,466
—	6,337	—	36,315
231	—	—	23,227
—	3,967	—	4,274
—	—	—	38,260
18,808	12,584	4,767	1,696,310
—	—	—	608,087
—	6	—	6
—	—	—	565
—	—	—	94
—	—	—	13,576
46,282	3,458	408	101,176
46,282	3,464	408	723,504
\$ 65,090	\$ 16,048	\$ 5,175	\$ 2,419,814
\$ 336	\$ 26	\$ 2,406	\$ 13,003
516	40	3,706	19,298
\$ 852	\$ 66	\$ 6,112	\$ 32,301

Continued on Next Page

Combining Statement of Net Position

INTERNAL SERVICE FUNDS (Continued)

June 30, 2025

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 50	\$ —	\$ 136	\$ 4,913
Accrued salaries and related expenses	365	1,013	437	1,382
Intergovernmental payables	—	—	—	18
Policy claims	418,796	339,540	52,314	—
Due to other funds	—	—	—	3,921
Unearned revenues	139,576	30,240	89,692	—
Deposits	—	—	9	—
Securities lending collateral	6,964	28,673	—	168
Leases payable	—	—	297	8,302
Compensated absences payable	341	988	422	1,109
Other current liabilities	—	—	4,184	—
Total current liabilities	566,092	400,454	147,491	19,813
Long-term liabilities:				
Retainages payable	—	—	—	—
Policy claims	—	—	262,027	—
Interfund payables	—	—	—	142
Leases payable	—	—	1,597	3,772
Compensated absences payable	100	445	62	3,319
Other long-term liabilities	—	—	142	—
Net pension liability	4,694	13,528	5,958	22,085
Net OPEB liability	4,020	11,391	5,027	19,117
Total long-term liabilities	8,814	25,364	274,813	48,435
Total liabilities	\$ 574,906	\$ 425,818	\$ 422,304	\$ 68,248
DEFERRED INFLOWS OF RESOURCES				
Pension related	\$ 198	\$ 538	\$ 438	\$ 1,425
Other post-employment benefits related	1,563	4,983	2,411	6,976
Total deferred inflows of resources	\$ 1,761	\$ 5,521	\$ 2,849	\$ 8,401
NET POSITION				
Net investment in capital assets	\$ —	\$ 49	\$ 8,057	\$ 42,530
Restricted:				
Expendable:				
Unrestricted	185,688	500,532	124,007	(11,899)
Total net position (deficit)	\$ 185,688	\$ 500,581	\$ 132,064	\$ 30,631

Motor Pool	Prison Industries	Other Internal Service	Totals
\$ 2,086	\$ 263	\$ 374	\$ 7,822
98	638	652	4,585
—	—	—	18
—	—	—	810,650
55	6,559	222	10,757
—	—	—	259,508
—	—	—	9
—	—	96	35,901
—	99	138	8,836
70	261	552	3,743
—	—	—	4,184
2,309	7,820	2,034	1,146,013
—	—	181	181
—	—	—	262,027
—	—	—	142
—	223	125	5,717
214	434	2,430	7,004
—	—	—	142
1,445	114	10,369	58,193
1,251	99	8,975	49,880
2,910	870	22,080	383,286
\$ 5,219	\$ 8,690	\$ 24,114	\$ 1,529,299
\$ 93	\$ 7	\$ 669	\$ 3,368
456	37	3,276	19,702
\$ 549	\$ 44	\$ 3,945	\$ 23,070
\$ 46,282	\$ 3,136	\$ (36)	\$ 100,018
13,892	4,244	(16,736)	799,728
\$ 60,174	\$ 7,380	\$ (16,772)	\$ 899,746

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Operating revenues:				
Charges for services	\$ 215,024	\$ 3,617,154	\$ 90,130	\$ 72,041
Licenses, fees, and permits	—	—	—	355
Other operating revenues	—	905,098	—	—
Total operating revenues	215,024	4,522,252	90,130	72,396
Operating expenses:				
General operations and administration	78,718	322,961	6,764	58,441
Benefits and claims	168,901	4,206,283	80,918	—
Depreciation and amortization	—	45	332	24,746
Other operating expenses	—	—	56	222
Total operating expenses	247,619	4,529,289	88,070	83,409
Operating income (loss)	(32,595)	(7,037)	2,060	(11,013)
Nonoperating revenues (expenses):				
Interest income	40,527	23,085	26,725	238
Interest expense	—	—	(36)	(843)
Local and private grants and contracts	—	—	—	5,263
Net other nonoperating revenues (expenses)	4	—	56	3,426
Losses on sale of capital assets	—	—	—	(3,687)
Total nonoperating revenues (expenses)	40,531	23,085	26,745	4,397
Income (loss) before transfers	7,936	16,048	28,805	(6,616)
Transfers and contributions:				
Capital Contributions	—	—	—	—
Transfers in	—	—	—	16,443
Transfers out	(1,950)	—	—	(12,860)
Change in net position	5,986	16,048	28,805	(3,033)
Net position, at beginning of year, as adjusted	179,702	484,533	103,259	33,664
Net position (deficit) at end of year	\$ 185,688	\$ 500,581	\$ 132,064	\$ 30,631

Motor Pool	Prison Industries	Other Internal Service	Totals
\$ 50,627	\$ 13,316	\$ 15,768	\$ 4,074,060
—	—	—	355
—	—	—	905,098
50,627	13,316	15,768	4,979,513
34,194	3,078	33,596	537,752
—	11,172	—	4,467,274
15,082	539	558	41,302
40	—	183	501
49,316	14,789	34,337	5,046,829
1,311	(1,473)	(18,569)	(67,316)
—	—	195	90,770
—	(35)	(2,793)	(3,707)
—	—	—	5,263
8,238	6,346	—	18,070
(371)	—	(4)	(4,062)
7,867	6,311	(2,602)	106,334
9,178	4,838	(21,171)	39,018
39	—	—	39
640	7,500	—	24,583
(2,281)	(6,400)	(250)	(23,741)
7,576	5,938	(21,421)	39,899
52,598	1,442	4,649	859,847
\$ 60,174	\$ 7,380	\$ (16,772)	\$ 899,746

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Cash flows from operating activities:				
Receipts from customers.....	\$ 107,529	\$ 4,538,091	\$ 20,623	\$ —
Internal activity—payments from other funds.....	116,477	—	79,339	66,963
Other operating cash receipts.....	4	—	56	490
Claims paid.....	(144,423)	(4,212,915)	(60,824)	—
Payments to suppliers for goods and services.....	(70,657)	(311,352)	(1,814)	(32,248)
Payments to employees.....	(4,313)	(12,356)	(5,780)	(21,928)
Other operating cash payments.....	—	—	—	(5,738)
Net cash provided by (used in) operating activities.....	4,617	1,468	31,600	7,539
Cash flows from noncapital financing activities:				
Receipt of interest from other funds.....	—	—	—	—
Payment of bond issuance costs for other funds.....	—	—	—	—
Insurance claims.....	—	—	—	—
Local and private grants and contracts.....	—	—	—	5,263
Transfers in.....	—	—	—	16,443
Transfers out.....	(1,950)	—	—	(12,860)
Net cash used in noncapital financing activities.....	(1,950)	—	—	8,846
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	—	(10)	—	(3,109)
Proceeds from issuance of capital debt.....	—	—	—	—
Principal payments on capital debt.....	—	—	(3,307)	(8,997)
Interest payments on capital debt.....	—	—	(36)	(843)
Proceeds from sale or disposal of capital assets.....	—	—	—	2,200
Net cash used in capital and related financing activities.....	—	(10)	(3,343)	(10,749)
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	100,528	—	—	—
Purchase of investments.....	(110,722)	—	—	(920)
Interest on investments.....	16,569	23,081	25,220	223
Realized gain on investments.....	14,885	—	—	—
Net cash provided by (used in) investing activities.....	21,260	23,081	25,220	(697)
Net increase (decrease) in cash and cash equivalents.....	23,927	24,539	53,477	4,939
Cash and cash equivalents at beginning.....	2,548	642,476	399,463	26,708
Cash and cash equivalents at end of year.....	\$ 26,475	\$ 667,015	\$ 452,940	\$ 31,647

Motor Pool	Prison Industries	Other Internal Service	Totals
\$ —	\$ 6,593	\$ —	\$ 4,672,836
49,769	—	17,498	330,046
369	6,346	—	7,265
—	—	—	(4,418,162)
(30,033)	(12,401)	(12,227)	(470,732)
(1,903)	(3,866)	(9,579)	(59,725)
(9)	—	—	(5,747)
18,193	(3,328)	(4,308)	55,781
—	—	195	195
—	—	(2,763)	(2,763)
2,226	—	—	2,226
—	—	—	5,263
640	7,500	—	24,583
(2,281)	(6,400)	(250)	(23,741)
585	1,100	(2,818)	5,763
(20,813)	(72)	(27)	(24,031)
—	—	—	—
—	(91)	(505)	(12,900)
—	(35)	(30)	(944)
5,993	—	—	8,193
(14,820)	(198)	(562)	(29,682)
—	—	1,091	101,619
—	—	—	(111,642)
—	—	—	65,093
—	—	—	14,885
—	—	1,091	69,955
3,958	(2,426)	(6,597)	101,817
13,113	3,715	8,949	1,096,972
\$ 17,071	\$ 1,289	\$ 2,352	\$ 1,198,789

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2025

(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)	\$ (32,595)	\$ (7,037)	\$ 2,060	\$ (11,013)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	45	332	24,746
Realized losses on sale of assets	—	—	—	(3,687)
Other nonoperating revenues	4	—	56	490
Other nonoperating expenses	—	—	—	(5,738)
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	7,287	(4,392)	(102)
Due from other funds	1,997	193	—	(717)
Inventories	—	—	—	1,097
Other assets	3,562	(20)	(827)	1,396
Deferred outflows	(488)	(1,169)	(384)	(4,068)
Accounts payable	—	—	(31)	3,237
Accrued salaries and related expenses	18	16	—	99
Policy claims	24,479	(6,632)	20,039	—
Due to other funds	(208)	—	—	2,889
Unearned revenues	7,193	8,357	11,985	(5,288)
Compensated absences payable	161	88	230	2,706
Other liabilities	686	979	3,163	3,362
Deferred inflows	(192)	(639)	(631)	(1,870)
Net cash provided by (used in) operating activities	\$ 4,617	\$ 1,468	\$ 31,600	\$ 7,539
Noncash capital, investing, and financing activities:				
Assets acquired through the assumption of a liability	\$ —	\$ —	\$ —	\$ 12,555
Disposal of capital assets	—	—	—	—
Increase in fair value of investments	8,353	—	—	—
Total noncash capital, investing, and financing activities	\$ 8,353	\$ —	\$ —	\$ 12,555

Motor Pool	Prison Industries	Other Internal Service	Totals
\$ 1,311	\$ (1,473)	\$ (18,569)	\$ (67,316)
15,082	539	558	41,302
(371)	—	(4)	(4,062)
369	6,346	—	7,265
(9)	—	—	(5,747)
(510)	(386)	(34)	1,863
375	(6,336)	1,764	(2,724)
—	184	—	1,281
—	—	—	4,111
(190)	2,275	(6,113)	(10,137)
2,026	259	(7,066)	(1,575)
(1)	85	64	281
—	—	—	37,886
9	6,392	(1,179)	7,903
—	—	—	22,247
176	308	2,982	6,651
133	(8,877)	19,344	18,790
(207)	(2,644)	3,945	(2,238)
\$ 18,193	\$ (3,328)	\$ (4,308)	\$ 55,781
\$ —	\$ —	\$ 17	\$ 12,572
18,563	—	—	18,563
—	—	—	8,353
\$ 18,563	\$ —	\$ 17	\$ 39,488

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, 2025

(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents	\$ 4,967,677	\$ 1,116,125	\$ 9,607	\$ 34,196	\$ 13,776
Receivables:					
Contributions	386,537	46,580	4	669	—
Accrued interest	25,149	5,340	44	176	57
Unsettled investment sales	839,187	156,838	1,054	5,312	893
Other investment receivables	109	21	—	1	—
Total receivables	1,250,982	208,779	1,102	6,158	950
Due from other trust funds	1,674	413	—	—	—
Investments, at fair value:					
Short-term investments and opportunistic	182,864	34,176	230	1,157	194
Debt-domestic	688,232	128,626	865	4,356	732
Equity-international	18,634,461	3,482,650	23,409	117,947	19,818
Alternatives	17,005,242	3,178,162	21,362	107,635	18,085
Financial and other	—	—	—	—	—
Total investments	36,510,799	6,823,614	45,866	231,095	38,829
Invested securities lending collateral	256,320	47,900	322	1,622	273
Prepaid items	—	116	1	4	1
Capital assets, net	1,387	145	4	7	—
Total assets	\$ 42,988,839	\$ 8,197,092	\$ 56,902	\$ 273,082	\$ 53,829
LIABILITIES					
Accounts payable	\$ 2,036	\$ 368	\$ 3	\$ 12	\$ 2
Accounts payable—unsettled investment purchases	118,610	22,167	149	751	126
Policy claims	—	—	—	—	—
Due to other trust funds	103,910	3,581	—	—	—
Securities lending collateral	256,320	47,900	322	1,622	273
Other liabilities	160,611	30,646	190	958	171
Total liabilities	\$ 641,487	\$ 104,662	\$ 664	\$ 3,343	\$ 572
NET POSITION					
Restricted for pension benefits	\$ 42,347,352	\$ 8,092,430	\$ 56,238	\$ 269,739	\$ 53,257
Restricted for other post-employment benefits	—	—	—	—	—
Held in trust for pension and other post-employment benefits	\$ 42,347,352	\$ 8,092,430	\$ 56,238	\$ 269,739	\$ 53,257

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 117,552	\$ 805	\$ 6,259,738
—	—	433,790
14,286	272	45,324
—	—	1,003,284
—	—	131
14,286	272	1,482,529
105,404	—	107,491
—	—	218,621
1,436,875	26,390	2,286,076
—	—	22,278,285
—	—	20,330,486
258,289	5,697	263,986
1,695,164	32,087	45,377,454
47,621	1,865	355,923
—	—	122
—	—	1,543
\$ 1,980,027	\$ 35,029	\$ 53,584,800
\$ —	\$ —	\$ 2,421
—	—	141,803
—	693	693
—	—	107,491
48,636	1,909	356,982
—	—	192,576
\$ 48,636	\$ 2,602	\$ 801,966
\$ —	\$ —	\$ 50,819,016
1,931,391	32,427	1,963,818
\$ 1,931,391	\$ 32,427	\$ 52,782,834

Combining Statement of Changes in Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2025

(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	\$ 2,643,801	\$ 437,059	\$ 6,200	\$ 22,706	\$ 5,290
Employee	1,188,284	206,095	127	4,069	—
Nonemployer	88,706	12,470	—	2,900	—
Total contributions	3,920,791	655,624	6,327	29,675	5,290
Investment income:					
Interest income and net depletion in investments	4,741,438	892,975	6,245	30,815	5,536
Securities lending income	1,410	263	2	9	1
Total investment income	4,742,848	893,238	6,247	30,824	5,537
Less investment expense:					
Investment expense	483,348	90,335	607	3,060	514
Securities lending expense	—	—	—	—	—
Net investment income	4,259,500	802,903	5,640	27,764	5,023
Assets moved between pension trust funds	—	1,462	—	196	—
Total additions	8,180,291	1,459,989	11,967	57,635	10,313
Deductions:					
Regular retirement benefits	3,542,663	507,472	6,226	30,580	4,823
Supplemental retirement benefits	157	5	—	—	—
Deferred retirement benefits	—	—	—	414	—
Refunds of retirement contributions to members	163,006	29,609	—	300	—
Death benefit claims	27,034	3,095	5	221	—
Accidental death benefits	—	2,082	—	—	—
Other post-employment benefits	—	—	—	—	—
Depreciation	166	22	—	1	—
Administrative expense	17,788	3,352	24	114	22
Assets moved between pension trust funds	1,617	41	—	—	—
Total deductions	3,752,431	545,678	6,255	31,630	4,845
Change in net position	4,427,860	914,311	5,712	26,005	5,468
Net position at beginning of year	37,919,492	7,178,119	50,526	243,734	47,789
Net position at end of year	\$ 42,347,352	\$ 8,092,430	\$ 56,238	\$ 269,739	\$ 53,257

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 697,257	\$ 8,059	\$ 3,820,372
—	—	1,398,575
2,375	—	106,451
699,632	8,059	5,325,398
112,637	1,931	5,791,577
153	7	1,845
112,790	1,938	5,793,422
—	—	577,864
15	1	16
112,775	1,937	5,215,542
—	—	1,658
812,407	9,996	10,542,598
—	1	4,091,765
—	—	162
—	—	414
—	—	192,915
—	—	30,355
—	—	2,082
652,645	9,249	661,894
—	—	189
958	92	22,350
—	—	1,658
653,603	9,342	5,003,784
158,804	654	5,538,814
1,772,587	31,773	47,244,020
\$ 1,931,391	\$ 32,427	\$ 52,782,834

Combining Statement of Fiduciary Net Position**Exhibit F-3**

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2025

(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private- Purpose Trust	Totals
ASSETS				
Cash and cash equivalents	\$ 1,609	\$ 100,978	\$ 138	\$ 102,725
Receivables, net:				
Accrued interest	8,568	—	69	8,637
Unsettled investment sales	9,004	—	—	9,004
Investments	7,320,383	—	4,607	7,324,990
Invested securities lending collateral	—	3,697	197	3,894
Capital assets, net	—	—	3,874	3,874
Total assets	\$ 7,339,564	\$ 104,675	\$ 8,885	\$ 7,453,124
LIABILITIES				
Accounts payable	\$ 5,493	\$ 1,195	\$ 28	\$ 6,716
Accounts payable—unsettled investment	8,551	—	—	8,551
Amount held in custody for others	—	—	83	83
Securities lending collateral	—	3,697	197	3,894
Total liabilities	\$ 14,044	\$ 4,892	\$ 308	\$ 19,244
NET POSITION				
Held in trust for other purposes	\$ 7,325,520	\$ 99,783	\$ 8,577	\$ 7,433,880

Combining Statement of Changes in Fiduciary Net Position

Exhibit F-4

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	College Savings Plan	Guaranteed Opioid Recovery Fund	Other Private- Purpose Trust	Totals
Additions:				
Licenses, fees, and permits	\$ —	\$ —	\$ 29	\$ 29
Tuition plan deposits	880	—	—	880
Contributions	86,356	—	—	86,356
Opioid legal settlement	—	78,927	—	78,927
Interest income	674,085	—	76	674,161
Total additions	761,321	78,927	105	840,353
Deductions:				
Administrative expense	17,643	—	29	17,672
Other expenses	1,067	28,558	1	29,626
Total deductions	18,710	28,558	30	47,298
Change in net position	742,611	50,369	75	793,055
Net position at beginning of year	6,582,909	48,526	8,502	6,639,937
Restatements	—	888	—	888
Net Position at beginning of year, as restated	6,582,909	49,414	8,502	6,640,825
Net position at end of year	\$ 7,325,520	\$ 99,783	\$ 8,577	\$ 7,433,880

Statement of Fiduciary Net Position**Exhibit F-5****CUSTODIAL FUNDS****June 30, 2025****(Expressed in Thousands)**

	Education Capital Improvements	Other Custodial Funds	Total
ASSETS			
Cash and cash equivalents	\$ 41,502	\$ 249,332	\$ 290,834
Receivables, net:			
Accounts receivable	—	16,653	16,653
Due from other trust funds	—	78	78
Due from primary government	—	41,499	41,499
Investments	—	10,691	10,691
Invested securities lending collateral	—	470	470
Interfund receivables	—	234	234
Total assets	\$ 41,502	\$ 318,957	\$ 360,459
LIABILITIES			
Accounts payable	\$ —	\$ 210,346	\$ 210,346
Due to other trust funds	—	78	78
Due to component units	2,269	—	2,269
Intergovernmental payables	39,233	728	39,961
Deposits	—	2,979	2,979
Amount held in custody for others	—	13,597	13,597
Securities lending collateral	—	470	470
Due to participants	—	2	2
Other liabilities	—	28	28
Total liabilities	\$ 41,502	\$ 228,228	\$ 269,730
NET POSITION			
Held in trust for custodial funds	<u>\$ —</u>	<u>\$ 90,729</u>	<u>\$ 90,729</u>

Statement of Changes in Fiduciary Net Position

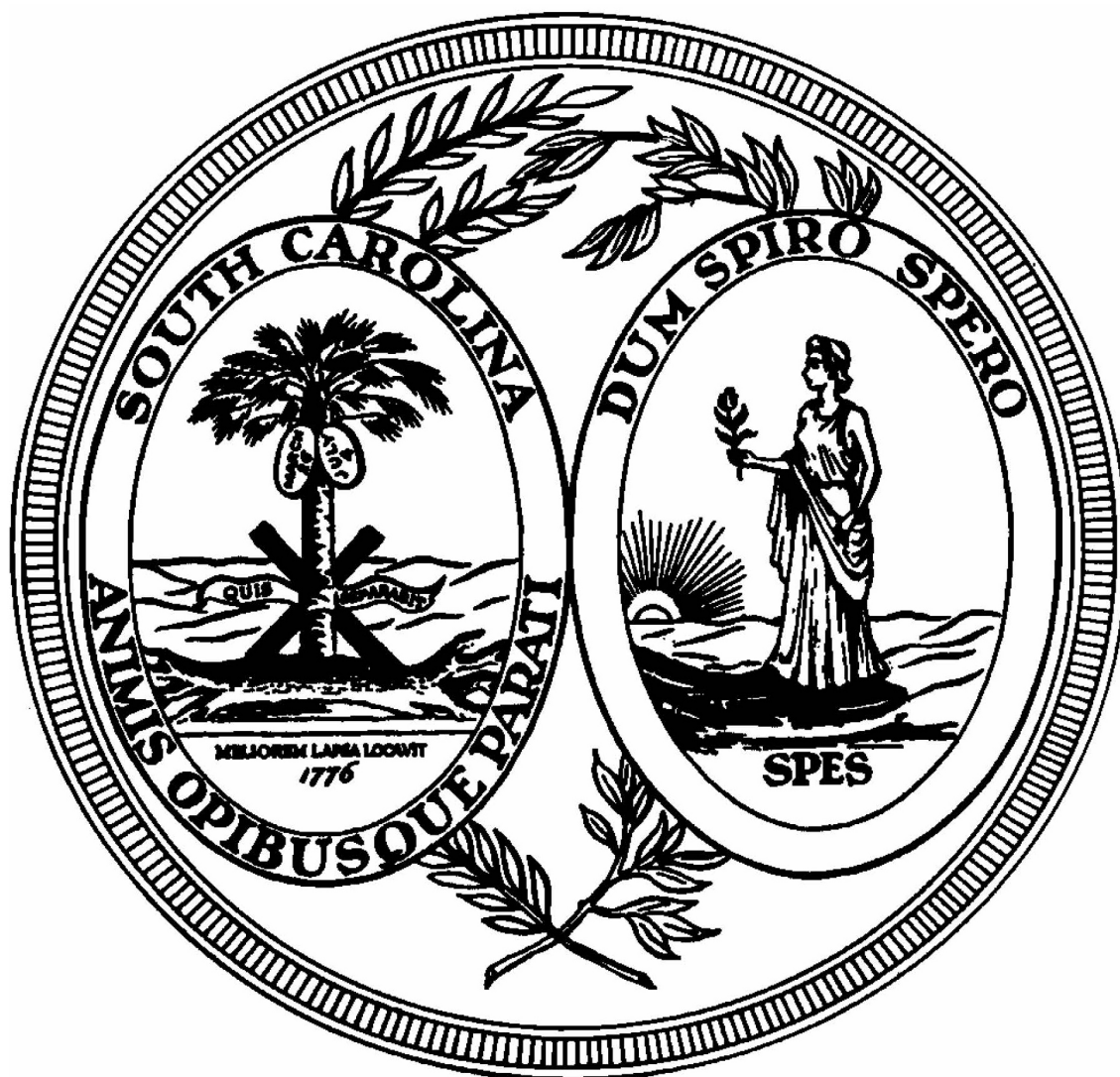
Exhibit F-6

CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2025

(Expressed in Thousands)

	Education Capital Improvements	Other Custodial Funds	Total
Additions:			
Licenses, fees, and permits	\$ —	\$ 29,903	\$ 29,903
Charges for services	—	5	5
Contributions	—	9,258	9,258
Taxes:			
Retail sales and use	455,666	—	455,666
Other	—	9,076	9,076
Interest income	—	(457)	(457)
Transfers in	—	1,044	1,044
Total additions	455,666	48,829	504,495
Deductions:			
Administrative expense	—	163	163
Other expenses	455,666	12,571	468,237
Transfers out	—	6,664	6,664
Total deductions	455,666	19,398	475,064
Change in net position	—	29,431	29,431
Net position at beginning of year	—	61,298	61,298
Net position at end of year	\$ —	\$ 90,729	\$ 90,729



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, 2025

(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	\$ 81,850	\$ 118,930	\$ 117,060	\$ 27,287	\$ 12,345	\$ 7,975	\$ 23,236
Investments	92,458	—	11,685	3,496	28,135	—	—
Invested securities lending collateral	1,974	8,323	3,726	666	295	265	1,092
Receivables, net:							
Accounts	16,170	26,739	3,695	3,646	1,384	14,426	—
Contributions	16,453	—	15,104	2,014	3,937	—	1,270
Accrued interest	—	2,980	1,050	—	82	—	191
Student accounts	3,721	838	1,676	417	2,497	8,268	2,822
Loans and notes	—	—	—	—	463	—	—
Leases	266	624	2,550	—	—	—	—
Due from Federal government and other grantors	3,153	1,262	4,870	1,457	2,937	5,289	1,075
Due from fiduciary funds	—	—	—	—	—	—	—
Due from primary government	68,163	25,723	40,467	27,181	23,044	104,320	23,088
Inventories	4,752	1,651	249	—	125	—	291
Restricted assets:							
Cash and cash equivalents	7,552	105,030	223,577	57,361	21,890	36,044	24,325
Investments	328,386	836	172,987	33,703	1,054	—	87,952
Loans receivable	—	29	—	277	—	2,645	—
Other	704	—	—	—	—	—	—
Prepaid items	1,914	2,055	7,082	1,325	32	1,141	1,683
Other assets	—	—	2,167	2,837	—	528	76
Capital assets-nondepreciable	26,716	79,932	117,935	10,355	9,594	16,227	5,388
Capital assets-depreciable, net	192,067	405,896	451,434	108,314	69,175	107,665	85,816
Total assets	\$ 846,299	\$ 780,848	\$ 1,177,314	\$ 280,336	\$ 176,989	\$ 304,793	\$ 258,305
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	\$ —	\$ 27	\$ 217	\$ —	\$ —	\$ —	\$ 302
Pension related	9,950	33,860	33,612	9,342	6,940	14,467	12,619
Other post-employment benefits related	24,086	58,099	55,847	15,866	16,444	21,349	22,039
Total deferred outflows of resources	\$ 34,036	\$ 91,986	\$ 89,676	\$ 25,208	\$ 23,384	\$ 35,816	\$ 34,960
LIABILITIES							
Accounts payable	\$ 21,752	\$ 6,313	\$ 15,691	\$ 1,392	\$ 371	\$ 7,124	\$ 4,830
Accrued salaries and related expenses	4,863	20,537	12,242	271	2,646	2,315	5,609
Accrued interest payable	424	664	3,039	507	246	87	297
Retainages payable	578	937	983	85	81	—	60
Due to primary government	—	2,832	2,137	—	874	2,068	16
Unearned revenues and deferred credits	3,572	3,627	8,942	1,092	6,657	5,924	14,317
Deposits	3,283	4,145	2,386	104	—	—	—
Amounts held in custody for others	—	130	1,517	140	—	—	7,049
Securities lending collateral	1,974	8,323	3,726	666	295	265	1,092
Liabilities payable from restricted assets	—	—	—	—	—	—	1,270
Other liabilities	2,139	1,659	175	556	106	—	—
Long-term liabilities:							
Due within one year	10,219	12,693	24,030	3,885	4,284	2,688	9,385
Due in more than one year	196,593	492,963	648,751	127,462	108,286	123,291	159,919
Total liabilities	\$ 245,397	\$ 554,823	\$ 723,619	\$ 136,160	\$ 123,846	\$ 143,762	\$ 203,844
DEFERRED INFLOWS OF RESOURCES							
Deferred nonexchange revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 45
Deferred public-private partnership receipts	—	2,923	—	487	—	—	—
Pension related	7,162	7,154	7,977	2,954	4,581	2,852	11,603
Other post-employment benefits related	36,213	68,371	70,769	22,648	19,759	20,646	41,189
Lease related	266	619	2,427	—	—	—	—
Total deferred inflows of resources	\$ 43,641	\$ 79,067	\$ 81,173	\$ 26,089	\$ 24,340	\$ 23,498	\$ 52,837
NET POSITION							
Net investment in capital assets	\$ 172,997	\$ 316,862	\$ 247,913	\$ 96,122	\$ 61,316	\$ 117,454	\$ 66,473
Restricted:							
Expendable:							
Education	277,321	—	100,449	30,931	52,252	50,596	7,163
Transportation	—	—	—	—	—	—	—
Capital projects	62,129	145,623	178,338	56,609	15,187	110,962	21,865
Debt service	426	1,459	9,563	—	2,303	5,835	1,294
Loan programs	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	78,578	166	93,645	18,918	—	1,053	78,264
Unrestricted	(154)	(225,166)	(167,710)	(59,285)	(78,871)	(112,551)	(138,475)
Total net position (deficit)	\$ 591,297	\$ 238,944	\$ 462,198	\$ 143,295	\$ 52,187	\$ 173,349	\$ 36,584

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
\$ 42,314	\$ 16,434	\$ 908	\$ 33,085	\$ 61,049	\$ 98,556	\$ 24,556	\$ 16,188	\$ 634	\$ 13,499	\$ 38,151
11,740	—	85	—	47,328	26,713	2,330	138,459	—	4,125	8,839
—	—	—	—	15	—	—	429	—	—	—
170	25	57	1,309	1,333	—	587	540	—	159	11
—	—	—	—	1,845	—	86	—	—	—	46
71	43	—	—	797	78	—	—	—	14	—
670	1,492	866	3,716	439	5,361	6,635	6,898	3,202	135	1,211
—	—	—	—	—	8	—	—	—	—	—
—	—	—	—	9,190	—	—	—	—	—	—
1,097	581	1,850	992	866	4,135	1,049	980	1,236	1,094	1,270
12,083	59,716	3,562	67,906	42,236	14,618	17,496	38,506	16,453	20,814	52,874
—	99	84	234	1,406	—	—	—	—	39	—
—	1,543	—	11,484	4,788	242	1,621	10,036	—	—	—
—	—	—	—	—	—	—	—	—	—	1,517
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	1,045	—	10	—
72	317	29	465	116	374	76	548	35	169	287
—	—	—	—	828	—	—	68	—	—	—
6,112	42,859	179	6,518	26,855	31,920	4,394	3,316	10,040	145	5,256
22,878	37,392	6,423	37,785	166,858	79,977	29,150	98,792	6,657	20,559	51,760
\$ 97,207	\$ 160,501	\$ 14,043	\$ 163,494	\$ 365,949	\$ 261,982	\$ 87,980	\$ 315,805	\$ 38,257	\$ 60,762	\$ 161,222
\$ —	\$ —	\$ —	\$ 134	\$ —	\$ —	\$ —	\$ 51	\$ —	\$ —	\$ —
2,549	3,581	2,454	4,205	13,221	8,760	4,059	13,437	2,272	3,426	5,967
4,296	5,861	4,064	7,168	21,898	14,168	6,392	21,123	3,758	5,404	9,746
\$ 6,845	\$ 9,442	\$ 6,518	\$ 11,507	\$ 35,119	\$ 22,928	\$ 10,451	\$ 34,611	\$ 6,030	\$ 8,830	\$ 15,713
\$ 938	\$ 2,051	\$ 723	\$ 576	\$ 4,249	\$ 5,641	\$ 656	\$ 1,545	\$ 1,302	\$ 410	\$ 248
25	542	644	739	323	2,288	558	3,118	566	421	998
38	26	47	130	—	47	6	208	—	32	—
—	221	—	—	—	666	—	6	—	—	—
—	—	—	—	—	—	—	—	—	—	—
4,608	3,071	1,919	7,895	14,981	12,579	15,320	18,204	369	3,906	11,503
—	—	7	—	—	—	—	233	—	7	75
24	—	146	—	456	25	9	352	—	—	—
—	—	—	—	15	—	—	429	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	195	—	—	—	—	—	—
509	434	562	1,607	6,760	674	1,305	3,139	153	427	1,156
31,933	42,560	17,094	55,786	221,189	89,824	41,215	162,644	20,123	39,156	66,618
\$ 38,075	\$ 48,905	\$ 21,142	\$ 66,733	\$ 248,168	\$ 111,744	\$ 59,069	\$ 189,878	\$ 22,513	\$ 44,359	\$ 80,598
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
—	—	—	—	—	—	—	—	—	—	—
668	2,790	1,166	3,053	4,621	2,035	772	6,319	576	1,717	2,139
5,680	10,678	3,807	14,055	31,237	15,308	6,434	33,031	3,493	7,851	12,222
—	—	—	—	9,958	—	—	—	—	—	—
\$ 6,348	\$ 13,468	\$ 4,973	\$ 17,108	\$ 45,816	\$ 17,343	\$ 7,206	\$ 39,350	\$ 4,069	\$ 9,568	\$ 14,361
\$ 27,633	\$ 77,278	\$ 5,494	\$ 36,904	\$ 119,810	\$ 109,624	\$ 28,997	\$ 82,392	\$ 16,201	\$ 19,563	\$ 55,233
—	41	—	62	4,568	250	317	—	—	—	2,438
—	—	—	—	—	—	—	—	—	—	—
11,457	56,606	2,770	65,963	66,222	55,528	17,263	82,208	16,625	20,191	51,835
—	—	—	11,484	—	—	—	18,075	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	252	22	—	20,215	—	3,072	—	—	—	1,517
20,539	(26,607)	(13,840)	(23,253)	(103,731)	(9,579)	(17,493)	(61,487)	(15,121)	(24,089)	(29,047)
\$ 59,629	\$ 107,570	\$ (5,554)	\$ 91,160	\$ 107,084	\$ 155,823	\$ 32,156	\$ 121,188	\$ 17,705	\$ 15,665	\$ 81,976

Continued on Next Page

Combining Statement of Net Position

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2025

(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	\$ 41,103	\$ 11,405	\$ 126,833	\$ 16,027	\$ 21,562	\$ 2,681	\$ 52,233
Investments	8,168	114,435	—	2,740	34,141	—	—
Invested securities lending collateral	—	—	—	—	—	—	5,372
Receivables, net:							
Accounts	10	55	214	—	549	—	39,839
Contributions	62	886	—	—	339	—	—
Accrued interest	—	734	—	14	—	—	2,193
Student accounts	850	768	9,345	32	2,516	—	—
Loans and notes	—	—	—	—	—	—	5,173
Leases	—	—	—	—	533	—	—
Due from Federal government and other grantors	921	294	1,295	106	2,014	—	8
Due from fiduciary funds	—	—	—	—	—	—	—
Due from primary government	98,045	32,045	54,221	21,244	54,932	—	—
Inventories	130	107	310	110	—	78	—
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	20,975	77,746
Investments	—	—	—	8	—	—	—
Loans receivable	—	—	—	—	—	—	—
Other	—	—	—	—	264	—	—
Prepaid items	456	858	1,044	22	—	89	—
Other assets	—	—	—	—	—	95,020	—
Capital assets-nondepreciable	9,742	11,954	12,752	8,451	2,369	—	—
Capital assets-depreciable, net	60,807	93,400	117,126	2,007	43,604	836	—
Total assets	\$ 220,294	\$ 266,941	\$ 323,140	\$ 50,761	\$ 162,823	\$ 119,679	\$ 182,564
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Pension related	8,823	7,593	14,986	1,128	7,083	—	—
Other post-employment benefits related	14,011	12,138	22,191	1,869	10,516	—	—
Total deferred outflows of resources	\$ 22,834	\$ 19,731	\$ 37,177	\$ 2,997	\$ 17,599	\$ —	\$ —
LIABILITIES							
Accounts payable	\$ 1,643	\$ 3,866	\$ 3,423	\$ 65	\$ 2,203	\$ 201	\$ 4,866
Accrued salaries and related expenses	604	90	1,611	—	413	—	—
Accrued interest payable	31	—	—	24	—	—	—
Retainages payable	—	—	53	—	—	—	—
Due to primary government	—	—	—	—	—	49	—
Unearned revenues and deferred credits	8,003	9,074	24,568	5,448	9,065	1,236	—
Deposits	—	—	379	—	—	—	—
Amounts held in custody for others	—	—	—	—	—	—	—
Securities lending collateral	—	—	—	—	—	—	5,372
Liabilities payable from restricted assets	—	—	71	—	3	—	—
Other liabilities	89	—	52	—	—	—	—
Long-term liabilities:							
Due within one year	610	2,467	662	238	679	13,853	—
Due in more than one year	84,668	99,802	154,946	13,539	66,336	236,242	—
Total liabilities	\$ 95,648	\$ 115,299	\$ 185,765	\$ 19,314	\$ 78,699	\$ 251,581	\$ 10,238
DEFERRED INFLOWS OF RESOURCES							
Deferred nonexchange revenues	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Deferred public-private partnership receipts	—	—	—	—	—	—	—
Pension related	1,754	2,177	4,553	642	1,795	—	—
Other post-employment benefits related	13,572	14,703	30,929	2,541	12,537	—	—
Lease related	—	—	—	—	536	—	—
Total deferred inflows of resources	\$ 15,326	\$ 16,880	\$ 35,482	\$ 3,183	\$ 14,868	\$ —	\$ —
NET POSITION							
Net investment in capital assets	\$ 68,711	\$ 85,866	\$ 129,303	\$ 9,527	\$ 44,270	\$ (471)	\$ —
Restricted:							
Expendable:							
Education	5,822	25,843	—	147	14,218	—	—
Transportation	—	—	—	—	—	5,116	—
Capital projects	107,442	30,377	84,861	21,055	54,196	—	—
Debt service	(31)	—	—	—	—	—	—
Loan programs	—	—	—	—	—	—	74,055
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	—	19,203	—	137	—	—	—
Unrestricted	(49,790)	(6,796)	(75,094)	395	(25,829)	(136,547)	98,271
Total net position (deficit)	\$ 132,154	\$ 154,493	\$ 139,070	\$ 31,261	\$ 86,855	\$ (131,902)	\$ 172,326

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
\$ 1,730	\$ 1,311	\$ 16,437	\$ 9,993	\$ 24,639	\$ 1,424	\$ 1,061,435
6,930	70,497	—	16,263	—	4,223	632,790
—	—	733	—	86	—	22,976
4,272	689	744	1,997	4	18	118,642
—	2,328	—	—	—	—	44,370
—	—	—	116	—	—	8,363
—	—	—	—	—	—	64,375
—	7,938	—	—	—	—	13,582
—	36,218	29,428	—	—	—	78,809
—	—	—	—	1,343	3,683	44,857
9,037	—	—	—	1,839	1,808	931,421
—	—	338	—	—	—	10,003
—	284	361	—	—	—	604,859
—	—	—	—	—	—	626,443
—	—	—	—	—	—	2,951
—	—	—	—	—	—	2,023
3	99	9	—	231	30	20,561
—	—	—	855	—	—	102,379
—	8,875	4,463	—	—	—	462,347
—	29,748	9,069	—	513	258	2,335,966
<u>\$ 21,972</u>	<u>\$ 157,987</u>	<u>\$ 61,582</u>	<u>\$ 29,224</u>	<u>\$ 28,655</u>	<u>\$ 11,444</u>	<u>\$ 7,189,152</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 731
186	—	1,707	—	2,351	—	228,578
383	95	2,489	—	3,736	—	385,036
<u>\$ 569</u>	<u>\$ 95</u>	<u>\$ 4,196</u>	<u>\$ —</u>	<u>\$ 6,087</u>	<u>\$ —</u>	<u>\$ 614,345</u>
\$ 3	\$ 504	\$ 58	\$ 264	\$ 653	\$ 2,467	\$ 96,028
103	—	548	—	652	—	62,726
—	—	—	—	—	—	5,853
—	—	—	—	—	—	3,670
—	—	3,461	—	—	—	11,437
9,037	680	223	8,061	1,691	2,855	218,427
—	—	—	—	—	—	10,619
—	—	—	73	—	—	9,921
—	—	733	—	86	—	22,976
—	—	—	—	—	—	1,344
—	396	—	—	—	185	5,552
10	3,273	319	17,500	794	234	124,549
1,379	11,541	13,505	63,514	16,517	158	3,407,554
<u>\$ 10,532</u>	<u>\$ 16,394</u>	<u>\$ 18,847</u>	<u>\$ 89,412</u>	<u>\$ 20,393</u>	<u>\$ 5,899</u>	<u>\$ 3,980,656</u>
\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 45
51	—	405	—	371	—	3,410
285	184	3,036	—	2,738	—	81,887
—	35,215	27,762	—	—	—	503,916
<u>\$ 336</u>	<u>\$ 35,399</u>	<u>\$ 31,203</u>	<u>\$ —</u>	<u>\$ 3,109</u>	<u>\$ —</u>	<u>\$ 76,783</u>
<u>\$ 336</u>	<u>\$ 35,399</u>	<u>\$ 31,203</u>	<u>\$ —</u>	<u>\$ 3,109</u>	<u>\$ —</u>	<u>\$ 666,041</u>
\$ —	\$ 23,826	\$ 10,398	\$ —	\$ 261	\$ (25)	\$ 2,029,932
—	—	—	—	23,843	—	596,261
—	—	—	—	—	—	5,116
—	—	—	—	—	—	1,335,312
—	—	—	—	—	—	50,408
—	—	—	—	—	—	74,055
4,073	38,884	—	2,367	—	494	45,818
—	—	—	—	—	—	315,042
7,600	43,579	5,330	(62,555)	(12,864)	5,076	(1,295,144)
<u>\$ 11,673</u>	<u>\$ 106,289</u>	<u>\$ 15,728</u>	<u>\$ (60,188)</u>	<u>\$ 11,240</u>	<u>\$ 5,545</u>	<u>\$ 3,156,800</u>

Combining Statement of Activities

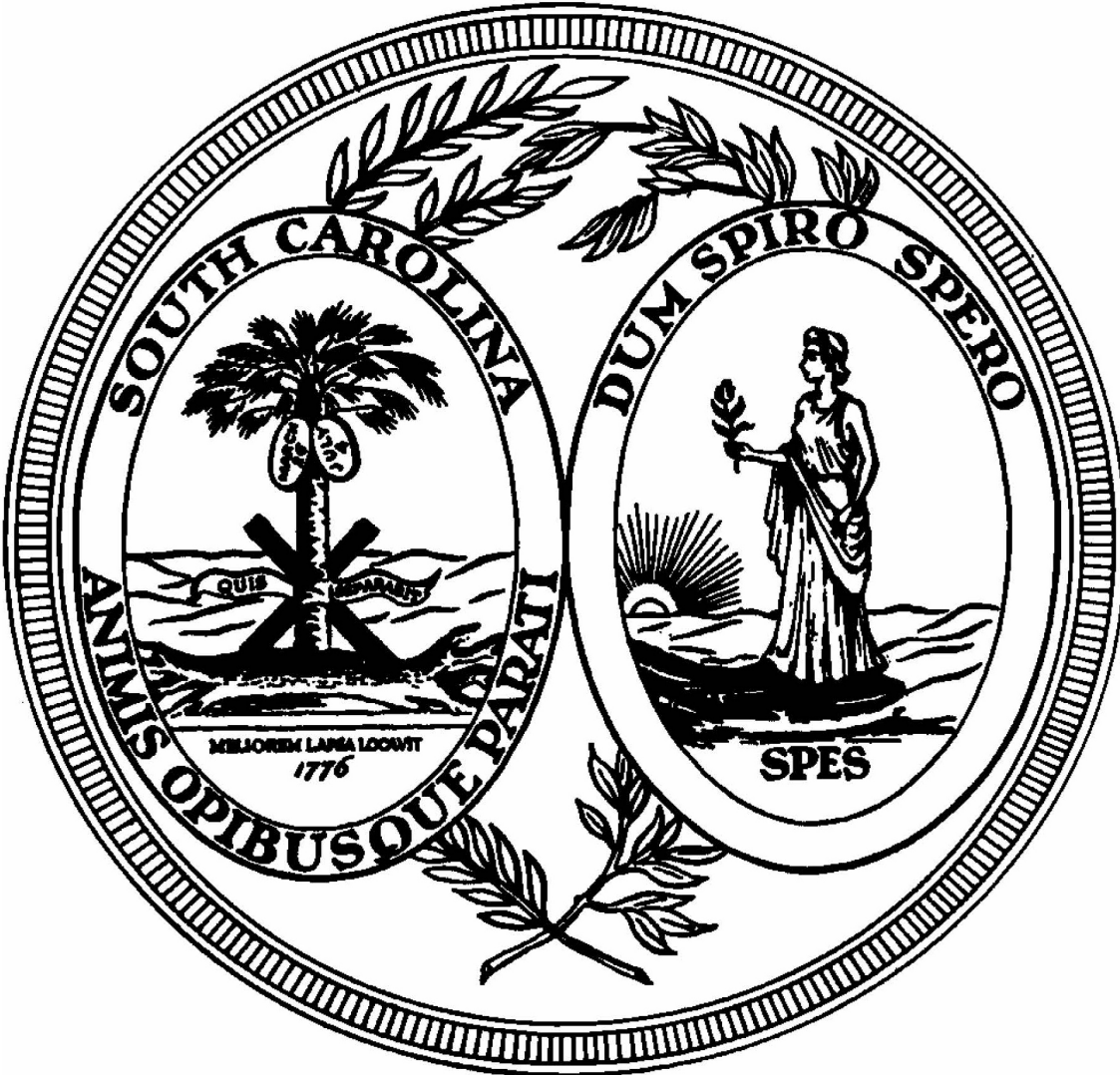
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2025

(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	\$ 169,329	\$ 109,896	\$ 77,803	\$ 10,062	\$ 28,432	\$ —
Coastal Carolina University	306,710	245,462	37,081	23,986	(181)	—
College of Charleston	387,193	306,381	60,702	47,556	27,446	2,783
Francis Marion University	95,353	43,639	17,889	18,054	(15,771)	—
Lander University	78,657	47,397	19,673	8,000	(3,587)	—
South Carolina State University	147,970	77,106	18,091	—	(52,773)	—
Winthrop University	150,951	84,930	15,470	46,324	(4,227)	1,677
Aiken Technical College	26,830	11,358	11,353	15,985	11,866	—
Central Carolina Technical College	34,359	11,553	13,652	99,432	90,278	—
Denmark Technical College	18,784	9,679	2,720	5,255	(1,130)	—
Florence- Darlington Technical College	46,740	14,723	24,609	69,490	62,082	—
Greenville Technical College	144,618	59,050	54,296	58,553	27,281	—
Horry- Georgetown Technical College	99,170	43,025	35,197	33,633	12,685	—
Technical College of the Lowcountry	32,815	8,898	9,892	19,708	5,683	25
Midlands Technical College	113,029	53,838	44,477	47,837	33,123	—
Northeastern Technical College	18,919	12,363	786	18,644	12,874	—
Orangeburg- Calhoun Technical College	28,454	9,364	11,545	22,343	14,798	—
Piedmont Technical College	62,774	22,632	24,303	53,233	37,394	—
Spartanburg Community College	78,273	27,313	34,711	95,212	78,963	—
Tri-County Technical College	78,218	39,028	35,682	37,650	34,142	—
Trident Technical College	130,634	55,144	53,932	53,440	31,882	—
Williamsburg Technical College	9,527	2,769	3,752	21,324	18,318	—
York Technical College	55,212	22,726	20,970	55,735	44,219	—
Connector 2000	25,340	20,346	660	—	(4,334)	—
South Carolina Education Assistance Authority	181	405	7,806	—	8,030	—
South Carolina Jobs- Economic Development Authority	29,415	1,539	28,969	—	1,093	—
South Carolina Research Authority	18,457	5,399	14,459	—	1,401	—
Patriots Point Development Authority	12,457	12,633	2,097	—	2,273	—
South Carolina Medical Malpractice Association	15,299	26,533	794	—	12,028	—
South Carolina First Steps to School Readiness Board of Trustees	72,706	—	7,358	—	(65,348)	—
Children's Trust Fund of S.C., Inc.	21,408	—	21,431	—	23	—
Totals	\$ 2,509,782	\$ 1,385,129	\$ 712,160	\$ 861,456	\$ 448,963	\$ 4,485

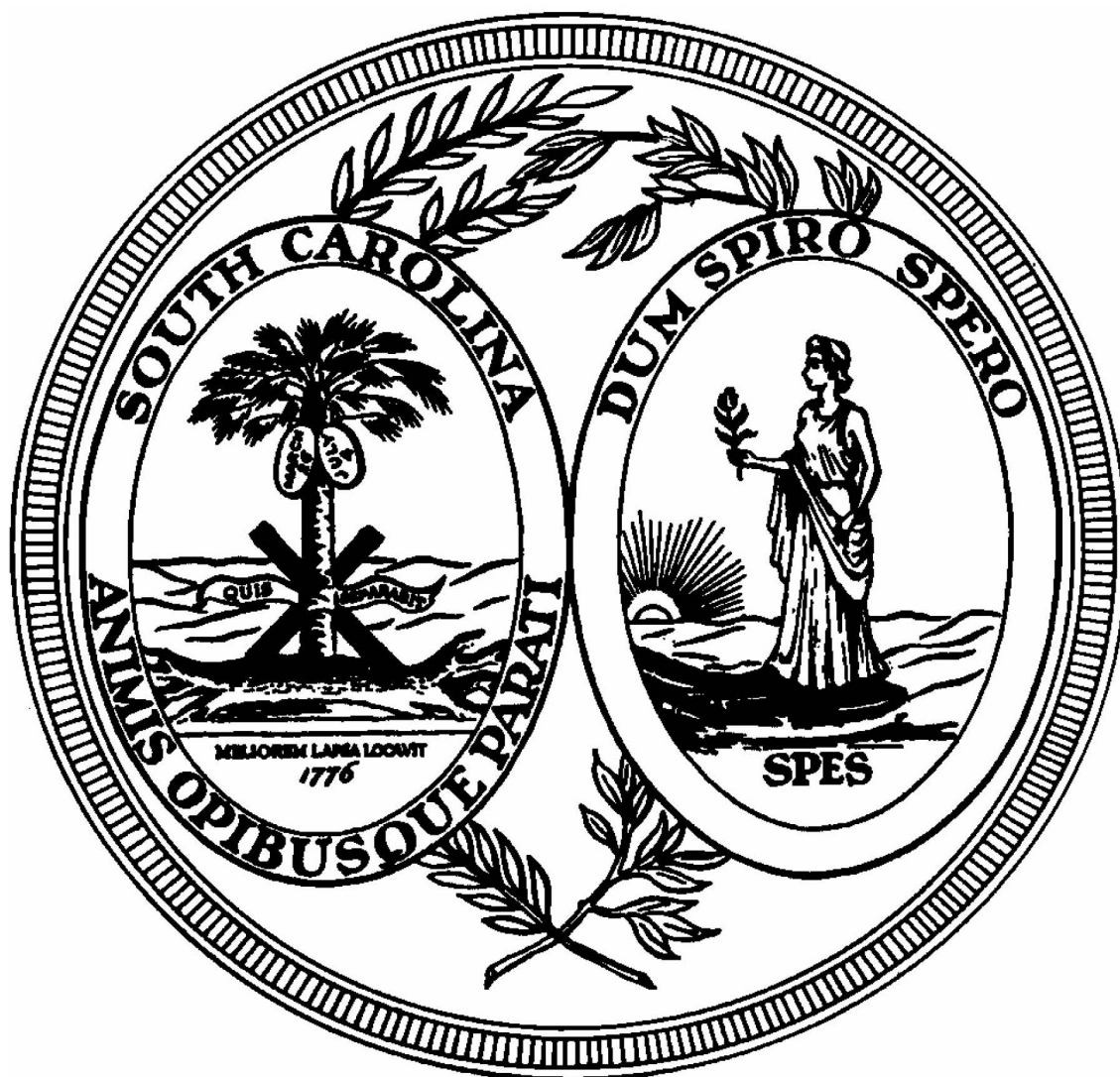
State Appropriations	Net Position (Deficit) Beginning	Restatements	Net Position (Deficit) Beginning (as Restated)	Net Position (Deficit) Ending
\$ 28,039	\$ 534,826	\$ —	\$ 534,826	\$ 591,297
36,325	202,800	—	202,800	238,944
56,602	375,367	—	375,367	462,198
36,685	119,382	3,000	122,381	143,295
24,409	32,871	(1,506)	31,365	52,187
93,055	133,067	—	133,067	173,349
37,729	1,405	—	1,405	36,584
7,276	41,197	(710)	40,487	59,629
9,563	7,729	—	7,729	107,570
5,749	(10,101)	(72)	(10,173)	(5,554)
18,343	10,735	—	10,735	91,160
29,085	50,718	—	50,718	107,084
27,660	115,478	—	115,478	155,823
7,329	19,119	—	19,119	32,156
33,065	55,000	—	55,000	121,188
5,278	(447)	—	(447)	17,705
8,136	(7,269)	—	(7,269)	15,665
14,737	29,845	—	29,845	81,976
25,396	27,795	—	27,795	132,154
17,972	103,367	(988)	102,379	154,493
32,205	74,983	—	74,983	139,070
3,608	9,335	—	9,335	31,261
12,868	29,768	—	29,768	86,855
—	(127,568)	—	(127,568)	(131,902)
—	164,296	—	164,296	172,326
—	10,580	—	10,580	11,673
—	104,888	—	104,888	106,289
415	13,040	—	13,040	15,728
—	(72,216)	—	(72,216)	(60,188)
65,034	12,496	(942)	11,554	11,240
—	5,522	—	5,522	5,545
\$ 636,563	\$ 2,068,008	\$ (1,218)	\$ 2,066,789	\$ 3,156,800



Statistical Section *(Unaudited)*



This section presents certain economic and social data and financial trends over a ten-year period.



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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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			
	2025	2024	2023	2022
Governmental activities				
Net Investment in capital assets	\$ 22,168,854	\$ 20,459,092	\$ 18,942,599	\$ 18,048,684
Restricted	7,215,716	8,222,878	10,589,777	11,054,061
Unrestricted	3,340,596	2,566,438	862,758	(900,381)
Total governmental activities net position	\$ 32,725,166	\$ 31,248,408	\$ 30,395,134	\$ 28,202,364
Business-type activities				
Net Investment in capital assets	\$ 328,385	\$ 284,321	\$ 349,988	\$ 307,828
Restricted	1,963,697	1,861,416	1,723,151	1,588,210
Unrestricted	6,943	(6,612)	(15,435)	(38,917)
Total business-type activities net position	\$ 2,299,025	\$ 2,139,125	\$ 2,057,704	\$ 1,857,121
Primary government				
Net Investment in capital assets	\$ 22,497,239	\$ 20,743,413	\$ 19,292,587	\$ 18,356,512
Restricted	9,179,413	10,084,294	12,312,928	12,642,271
Unrestricted	3,347,539	2,559,826	847,323	(939,298)
Total primary government net position	\$ 35,024,191	\$ 33,387,533	\$ 32,452,838	\$ 30,059,485

For fiscal year 2025, the State implemented GASB Statement No. 101 (GASB 101). Expenses and related net position balances for fiscal years prior to 2025 have not been restated (See Note 15).

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.

Source: South Carolina Comptroller General's Office

Table 1

Ended June 30

2021	2020	2019	2018	2017	2016
\$ 17,534,618	\$ 16,902,032	\$ 16,039,329	\$ 15,079,318	\$ 14,133,938	\$ 13,088,862
9,497,442	9,612,909	6,064,521	6,068,437	8,204,123	6,691,147
(3,579,868)	(6,665,294)	(4,155,617)	(5,048,283)	(7,585,607)	(1,953,322)
\$ 23,452,192	\$ 19,849,647	\$ 17,948,233	\$ 16,099,472	\$ 14,752,454	\$ 17,826,687
\$ 312,603	\$ 282,806	\$ 221,494	\$ 218,157	\$ 216,697	\$ 203,351
1,366,066	1,721,780	1,226,011	1,023,083	792,899	584,700
(118,814)	(418,052)	(87,385)	(86,254)	(94,601)	(177,149)
\$ 1,559,855	\$ 1,586,534	\$ 1,360,120	\$ 1,154,986	\$ 914,995	\$ 610,902
\$ 17,847,221	\$ 17,184,838	\$ 16,260,823	\$ 15,297,475	\$ 14,350,635	\$ 13,292,213
10,863,508	11,334,689	7,290,532	7,091,520	8,997,022	7,275,847
(3,698,682)	(7,083,346)	(4,243,002)	(5,134,537)	(7,680,208)	(2,130,471)
\$ 25,012,047	\$ 21,436,181	\$ 19,308,353	\$ 17,254,458	\$ 15,667,449	\$ 18,437,589

Changes in Net Position

Last Ten Fiscal Years

(expressed in thousands)

	For the Fiscal Year			
	2025	2024	2023	2022
Expenses				
Governmental activities:				
General government	\$ 11,488,739	\$ 11,018,645	\$ 12,309,745	\$ 8,029,072
Education	9,174,964	8,676,056	8,179,679	8,413,741
Health	13,419,601	12,959,759	10,734,583	9,775,171
Social services	2,921,449	2,651,952	3,553,243	3,416,209
Administration of justice	1,817,651	1,504,038	1,495,855	1,124,187
Resources, environment, and economic development	2,182,278	1,946,306	982,370	618,983
Transportation	2,918,439	1,705,635	1,784,779	1,467,938
Interest expense	6,625	7,421	10,539	8,423
Total governmental activities expenses	43,929,746	40,469,812	39,050,793	32,853,724
Business-type activities:				
Unemployment compensation benefits	164,934	157,722	92,888	69,049
Second injury fund benefits	2,977	71	20,279	13,915
Other	55,494	139,495	50,212	51,553
Total business-type activities expenses	223,405	297,288	163,379	134,517
Total primary government expenses	44,153,151	40,767,100	39,214,172	32,988,241
Program Revenues				
Governmental activities:				
Charges for services:				
General government	5,374,238	4,073,091	4,135,257	3,874,192
Other activities	1,211,263	822,818	873,364	569,449
Operating grants and contributions	14,047,040	13,734,062	16,227,712	14,105,152
Capital grants and contributions	1,259,664	1,285,601	1,046,733	941,283
Total governmental activities program revenues	21,892,205	19,915,572	22,283,066	19,490,076
Business-type activities				
Charges for services:				
Unemployment compensation benefits	205,099	242,901	240,576	307,371
Second injury fund benefits	885	—	—	—
Other activities	65,410	67,772	71,956	69,367
Operating grants and contributions	—	2	5,207	39,439
Capital grants and contributions	37,671	8,371	42,557	36,159
Total business-type activities program revenues	309,065	319,046	360,296	452,336
Total primary government activities program revenues	22,201,270	20,234,618	22,643,362	19,942,412
Net Revenues (Expenses)				
Governmental activities	(22,037,541)	(20,554,240)	(16,767,727)	(13,363,648)
Business-type activities	85,660	21,758	196,917	317,819
Total primary government net revenues (expense)	(21,951,881)	(20,532,482)	(16,570,810)	(13,045,829)

Table 2

Ended June 30

2021	2020	2019	2018	2017	2016
\$ 9,116,349	\$ 7,062,742	\$ 6,770,289	\$ 6,882,989	\$ 5,177,107	\$ 4,697,228
6,526,086	5,823,521	5,423,877	5,172,412	7,389,682	4,906,919
9,182,088	8,752,298	8,388,003	8,054,071	7,605,746	7,683,019
2,454,072	1,783,102	1,602,584	1,671,031	1,635,316	1,832,743
1,105,213	1,108,841	1,013,366	975,102	875,406	883,458
497,985	486,460	473,172	387,666	701,952	463,630
1,717,812	1,755,788	1,524,462	1,602,716	1,387,806	1,052,559
8,135	10,888	18,211	18,335	25,865	23,537
30,607,740	26,783,640	25,213,964	24,764,322	24,798,880	21,543,093
3,595,804	3,038,557	149,581	182,537	199,409	208,710
1,205	1,484	12,085	285	600	27
106,315	56,490	64,908	60,142	52,900	45,855
3,703,324	3,096,531	226,574	242,964	252,909	254,592
34,311,064	29,880,171	25,440,538	25,007,286	25,051,789	21,797,685
3,761,937	3,501,970	3,227,055	3,055,388	2,797,733	2,732,909
659,294	661,031	628,071	672,590	608,357	543,485
13,306,491	9,677,634	8,711,747	9,253,825	9,127,975	8,823,007
707,650	905,754	673,255	977,834	813,622	582,940
18,435,372	14,746,389	13,240,128	13,959,637	13,347,687	12,682,341
256,970	292,409	342,263	344,552	385,759	429,895
443	—	16	60,291	59,848	59,874
68,252	52,065	51,908	53,758	51,405	46,759
2,969,920	2,377,360	5,497	5,660	22,708	11,909
20,966	53,113	—	—	18,998	39,480
3,316,551	2,774,947	399,684	464,261	538,718	587,917
21,751,923	17,521,336	13,639,812	14,423,898	13,886,405	13,270,258
(12,172,368)	(12,037,251)	(11,973,836)	(10,804,685)	(11,451,193)	(8,860,752)
(386,773)	(321,584)	173,110	221,297	285,809	333,325
(12,559,141)	(12,358,835)	(11,800,726)	(10,583,388)	(11,165,384)	(8,527,427)

Continued on Next Page

Changes in Net Position (Continued)

Last Ten Fiscal Years

(expressed in thousands)

	For the Fiscal Year			
	2025	2024	2023	2022
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Individual income	\$ 6,697,254	\$ 5,925,530	\$ 5,884,974	\$ 6,932,111
Retail sales and use	9,413,123	8,523,366	7,423,406	7,092,123
Corporate income	1,350,878	1,250,049	1,219,636	1,048,315
Gas and motor vehicle	1,571,486	1,539,239	1,540,962	1,427,195
Insurance	295,106	279,165	265,952	236,704
Hospital	984,000	847,308	266,298	266,581
Other	996,245	924,485	896,495	923,472
Unrestricted grants and contributions	39	306	5	—
Unrestricted investment income	1,236,950	1,126,039	422,478	(573,226)
Tobacco legal settlement	64,333	67,953	75,499	88,544
Opioid legal settlement	23,228	4,399	10,690	—
Other revenues	877,248	935,111	914,464	751,363
Transfers	4,409	5,440	39,638	32,272
Total governmental activities	23,514,299	21,428,390	18,960,497	18,225,454
Business-type activities:				
Unrestricted investment income	77,596	63,735	42,053	10,944
Other revenues	1,053	1,368	1,251	775
Transfers	(4,409)	(5,440)	(39,638)	(32,272)
Total business-type activities	74,240	59,663	3,666	(20,553)
Total primary government	23,588,539	21,488,053	18,964,163	18,204,901
Change in Net Position				
Governmental activities	1,476,758	874,150	2,192,770	4,861,806
Business-type activities	159,900	81,421	200,583	297,266
Total primary government	\$ 1,636,658	\$ 955,571	\$ 2,393,353	\$ 5,159,072

For fiscal year 2025, the State implemented GASB Statement No. 101 (GASB 101). Expenses and related net position balances for fiscal years prior to 2025 have not been restated (See Note 15).

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.

Source: South Carolina Comptroller General's Office

Table 2

Ended June 30

	2021	2020	2019	2018	2017	2016
\$	5,584,914	\$ 5,045,819	\$ 4,835,821	\$ 4,408,772	\$ 4,143,217	\$ 3,884,855
	6,106,578	5,167,804	5,004,470	4,688,789	4,436,958	4,279,959
	573,618	362,569	396,207	404,164	340,327	408,297
	1,406,817	1,263,560	1,198,220	1,084,630	883,891	698,090
	224,996	215,722	204,755	191,016	168,974	156,766
	258,970	268,702	261,448	260,715	267,235	265,689
	837,842	760,619	731,276	711,502	661,573	666,017
	—	40	14	38	—	90
	71,582	470,543	365,453	160,636	191,486	109,748
	88,349	71,750	80,723	81,605	73,533	71,119
	—	—	—	—	—	—
	927,258	594,187	723,194	150,635	154,778	53,026
	(310,364)	(472,328)	21,016	9,201	2,559	918
	15,770,560	13,748,987	13,822,597	12,151,703	11,324,531	10,594,574
	48,517	55,291	48,530	34,132	22,777	28,952
	1,213	2,618	4,510	4,545	1,802	8,946
	310,364	472,328	(21,016)	(9,201)	(2,559)	(918)
	360,094	530,237	32,024	29,476	22,020	36,980
	16,130,654	14,279,224	13,854,621	12,181,179	11,346,551	10,631,554
	3,598,192	1,711,736	1,848,761	1,347,018	(126,662)	1,733,822
	(26,679)	208,653	205,134	250,773	307,829	370,305
\$	3,571,513	\$ 1,920,389	\$ 2,053,895	\$ 1,597,791	\$ 181,167	\$ 2,104,127

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(expressed in thousands)

	For the Fiscal Year			
	2025	2024	2023	2022
General Fund				
Nonspendable	\$ 67,378	\$ 117,234	\$ 111,262	\$ 146,639
Restricted	1,284,909	1,613,350	2,265,603	1,586,639
Committed	1,117,281	1,664,154	1,173,428	826,611
Assigned	3,018,180	3,368,333	4,810,979	540,030
Unassigned, previously unreserved	3,466,215	2,632,884	2,654,060	7,501,115
Total General Fund	\$ 8,953,963	\$ 9,395,955	\$ 11,015,332	\$ 10,601,034
All other governmental funds				
Nonspendable	\$ 44,039	\$ 73,147	\$ 76,570	\$ 70,381
Restricted	5,884,172	6,055,526	7,584,021	7,028,843
Committed	880,455	986,163	201,130	90,058
Assigned	1,572,748	794,538	320,707	392,701
Unassigned, previously unreserved	(77,716)	(54,505)	(971,532)	(1,167,089)
Total all other governmental funds	\$ 8,303,698	\$ 7,854,869	\$ 7,210,896	\$ 6,414,894
Total fund balances, governmental funds	\$ 17,257,661	\$ 17,250,824	\$ 18,226,228	\$ 17,015,928

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.

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

Source: South Carolina Comptroller General's Office

Table 3

Ended June 30						
2021	2020	2019	2018	2017	2016	
\$ 138,407	\$ 129,273	\$ 125,746	\$ 128,937	\$ 120,194	\$ 94,624	
1,307,224	886,843	1,159,117	1,099,159	570,781	495,028	
627,935	507,269	520,128	505,425	2,137,028	1,142,072	
371,923	263,888	187,427	252,357	397,688	416,089	
4,618,659	2,313,878	1,514,460	716,642	(658,196)	1,667,703	
\$ 7,064,148	\$ 4,101,151	\$ 3,506,878	\$ 2,702,520	\$ 2,567,495	\$ 3,815,516	
\$ 98,882	\$ 64,805	\$ 739,642	\$ 33,767	\$ 35,322	\$ 24,897	
5,951,213	6,266,611	3,601,780	4,288,631	3,831,174	3,687,904	
486,210	598,891	559,507	496,120	588,668	465,712	
93,093	351,797	155,657	22,572	11,099	5,311	
(1,375,076)	(2,346,309)	(560,631)	(678,731)	(672,008)	(608,503)	
\$ 5,254,322	\$ 4,935,795	\$ 4,495,955	\$ 4,162,359	\$ 3,794,255	\$ 3,575,321	
\$ 12,318,470	\$ 9,036,946	\$ 8,002,833	\$ 6,864,879	\$ 6,361,750	\$ 7,390,837	

Changes in Fund Balances**GOVERNMENTAL FUNDS****Last Ten Fiscal Years****(expressed in thousands)**

	For the Fiscal Year			
	2025	2024	2023	2022
Revenues				
Taxes:				
Individual income	\$ 6,697,254	\$ 5,925,530	\$ 5,884,974	\$ 6,932,111
Retail sales and use	9,413,123	8,523,366	7,423,406	7,092,123
Corporate Income	1,350,878	1,250,049	1,219,636	1,048,315
Gas and motor vehicle	1,571,486	1,539,239	1,540,962	1,427,195
Insurance	295,106	279,165	265,952	236,704
Hospital	984,000	847,308	266,298	266,581
Other	991,124	923,297	887,497	923,472
Licenses, fees, and permits	1,232,424	327,402	667,232	595,752
Interest and other investment income	1,146,180	1,060,635	402,107	(517,736)
Federal	14,492,907	14,279,691	16,459,340	14,406,853
Local and private grants	114,228	76,126	63,602	81,194
Departmental services	1,244,268	793,702	883,629	960,907
Contributions	736,865	683,354	712,855	654,027
Fines and penalties	104,425	98,743	92,863	83,201
Tobacco legal settlement	64,333	67,953	75,499	88,544
Opioid legal settlement	23,228	4,399	10,690	—
Other	772,214	836,587	834,672	668,582
Total revenues	41,234,043	37,516,546	37,691,214	34,947,825
Expenditures				
Current:				
General government	1,331,265	1,472,179	4,872,661	1,753,169
Education	2,365,146	1,934,400	1,778,888	2,483,057
Health	13,335,165	12,981,788	10,840,478	10,577,094
Social services	2,797,775	2,586,039	3,420,082	3,254,723
Administration of justice	1,423,473	1,323,358	1,315,136	980,160
Resources, environment, and economic development	1,103,787	604,753	384,196	313,617
Transportation	2,322,247	1,398,292	1,434,152	1,232,267
Capital outlay	2,644,866	1,973,535	1,243,553	924,331
Debt service:				
Principal retirement	176,540	190,223	187,848	196,810
Interest and fiscal charges	75,077	66,084	68,218	85,576
Intergovernmental	13,949,452	14,121,779	11,048,407	8,613,205
Total expenditures	41,524,793	38,652,430	36,593,619	30,414,009
Excess of revenues over (under) expenditures	(290,750)	(1,135,884)	1,097,595	4,533,816

Table 4

Ended June 30

	2021	2020	2019	2018	2017	2016
\$	5,584,914	\$ 5,045,819	\$ 4,835,821	\$ 4,408,772	\$ 4,143,217	\$ 3,884,855
	6,106,578	5,167,804	5,004,470	4,688,789	4,436,958	4,279,959
	573,618	362,569	396,207	404,164	340,327	408,297
	1,406,817	1,263,560	1,198,220	1,084,630	883,891	698,090
	224,996	215,722	204,755	191,016	168,974	156,766
	258,970	268,702	261,448	260,715	267,235	265,689
	837,842	760,619	731,276	711,502	661,573	666,017
	603,099	508,433	467,948	517,788	552,790	614,339
	54,138	403,451	312,458	144,282	150,870	99,540
	12,867,888	9,958,601	8,789,089	8,944,281	8,934,219	8,311,023
	83,565	53,146	63,530	66,549	70,056	62,100
	1,048,142	1,032,295	1,054,200	956,978	927,982	841,391
	645,413	577,733	653,431	589,190	503,409	531,825
	122,392	71,298	80,891	167,951	165,561	180,244
	88,349	71,750	80,723	81,605	73,533	71,119
	—	—	—	—	—	—
	1,327,382	521,833	633,051	638,490	562,690	468,076
	31,834,103	26,283,335	24,767,518	23,856,702	22,843,285	21,539,330
	2,720,573	1,447,895	1,555,513	751,755	494,823	749,510
	2,141,294	1,911,543	1,695,174	1,542,147	3,501,049	1,028,316
	9,933,674	9,466,754	9,022,513	8,718,457	8,012,719	8,112,805
	2,302,586	1,698,581	1,561,296	1,649,460	1,609,263	1,816,736
	949,638	941,911	913,759	879,750	781,949	805,266
	287,262	298,392	257,044	307,441	486,808	246,418
	1,278,263	1,230,737	1,071,061	1,131,924	950,390	436,148
	932,849	1,178,586	1,003,394	1,012,966	985,878	656,003
	197,956	157,123	181,319	254,783	261,033	261,979
	81,966	109,800	102,464	126,883	127,391	161,055
	7,369,274	6,551,933	6,301,993	7,027,182	6,726,753	6,168,555
	28,195,335	24,993,255	23,665,530	23,402,748	23,938,056	20,442,791
	3,638,768	1,290,080	1,101,988	453,954	(1,094,771)	1,096,539

Continued on Next Page

Changes in Fund Balances (Continued)

GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(expressed in thousands)

	For the Fiscal Year			
	2025	2024	2023	2022
Other financing sources (uses)				
Bonds and notes issued	28,846	—	1,009	25,860
Refunding bonds issued	149,660	—	—	370,445
Premiums on bonds issued	13,553	—	—	103,641
Termination payment to SWAP counterparties	—	—	—	—
Leases issued	264,297	136,351	63,066	20,523
Payments to refunded bond escrow agent	(167,068)	—	—	(407,480)
Transfers in	1,285,937	1,679,115	1,311,194	827,208
Transfers out	(1,276,750)	(1,654,986)	(1,262,564)	(776,555)
Total other financing sources (uses)	298,475	160,480	112,705	163,642
Net change in fund balances	\$ 7,725	\$ (975,404)	\$ 1,210,300	\$ 4,697,458
Debt service as a percentage of noncapital expenditures	0.6%	0.7%	0.7%	1.0%

Source: South Carolina Comptroller General's Office

Table 4

Ended June 30					
2021	2020	2019	2018	2017	2016
6,672	22,133	2,857	15,065	51,103	115,370
92,905	179,030	350,375	188,725	213,595	573,505
11,813	43,973	—	30,041	22,464	44,852
(73,199)	—	—	—	—	—
5,786	1,122	1,854	1,847	47	411
(103,588)	(224,858)	(350,375)	(203,580)	(229,205)	(692,095)
240,692	548,590	178,116	380,842	449,624	851,955
(538,325)	(1,017,217)	(146,861)	(363,765)	(441,944)	(850,066)
(357,244)	(447,227)	35,966	49,175	65,684	43,932
\$ 3,281,524	\$ 842,853	\$ 1,137,954	\$ 503,129	\$ (1,029,087)	\$ 1,140,471
1.0%	1.1%	1.3%	1.7%	1.7%	2.1%

Personal Income by Industry

Last Ten Calendar Years

(expressed in millions)

Sources	Calendar Year		
	2024	2023	2022
Farm earnings.....	\$ 611	\$ 339	\$ 663
Agricultural services, forestry, fishing, and other.....	552	539	474
Mining.....	312	277	250
Construction.....	14,307	12,977	11,957
Manufacturing.....	25,564	24,165	22,968
Transportation and public utilities.....	8,621	8,254	8,140
Wholesale trade.....	9,795	9,225	8,672
Retail trade.....	14,000	13,463	12,541
Finance, insurance, and real estate.....	16,070	15,114	14,391
Services.....	77,391	72,124	67,082
Federal government, civilian.....	5,059	4,636	4,232
Military.....	4,350	4,124	3,691
State and local government.....	26,872	24,836	23,219
Other ^a	129,479	121,163	110,233
Total personal income.....	\$ 332,983	\$ 311,236	\$ 288,513

Average effective rate ^b..... ^c 1.7% 1.8%

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

2021	2020	2019	2018	2017	2016	2015
\$ 480	\$ 169	\$ 168	\$ 172	\$ 320	\$ 200	\$ 222
438	489	430	433	401	383	370
197	177	188	155	147	121	104
10,818	10,279	10,261	9,476	9,144	8,032	7,281
20,985	19,828	20,803	19,941	18,982	18,251	17,869
7,502	6,778	6,633	6,216	5,889	5,623	5,410
7,500	6,977	6,607	6,292	6,103	5,783	5,696
11,715	10,667	10,009	9,630	9,176	8,887	8,588
13,779	12,031	11,594	9,954	10,471	9,983	9,634
61,465	55,109	55,658	53,234	49,830	46,830	44,798
4,041	3,885	3,615	3,478	3,314	3,219	3,125
3,734	3,520	3,333	3,244	3,368	3,570	3,591
22,604	22,407	21,913	21,241	20,357	19,721	19,135
112,065	97,935	83,083	76,476	72,886	69,424	66,232
\$ 277,323	\$ 250,251	\$ 234,295	\$ 219,942	\$ 210,388	\$ 200,027	\$ 192,055
2.1%	2.0%	2.0%	1.9%	1.9%	1.9%	1.8%

Taxable Sales by Industry

Last Ten Fiscal Years
(expressed in millions)

Sources	For the Fiscal Year			
	2025	2024	2023	2022
Retail trade	\$ 57,630	\$ 58,245	\$ 58,654	\$ 55,772
Services	18,940	18,449	17,870	16,440
Transportation, communication, and utilities	18,354	18,573	18,731	10,371
Wholesale trade	6,335	5,969	5,541	4,924
Other	24,787	19,037	16,069	21,913
Total taxable sales ^a	\$ 126,046	\$ 120,273	\$ 116,865	\$ 109,420

Percent Distribution of Taxable Sales by Industry

Last Ten Fiscal Years

Sources	For the Fiscal Year			
	2025	2024	2023	2022
Retail trade	45.7%	48.5%	50.2%	51.0%
Services	15.0%	15.3%	15.3%	15.0%
Transportation, communication, and utilities	14.6%	15.4%	16.0%	9.5%
Wholesale trade	5.0%	5.0%	4.7%	4.5%
Other	19.7%	15.8%	13.8%	20.0%
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					
2021	2020	2019	2018	2017	2016
\$ 50,075	\$ 44,445	\$ 44,641	\$ 43,852	\$ 42,980	\$ 48,777
14,255	12,808	13,045	12,534	11,773	12,479
10,359	10,089	9,951	10,093	10,206	5,379
4,034	3,655	3,448	3,234	3,033	3,132
16,412	11,281	8,590	5,955	7,344	1,711
\$ 95,135	\$ 82,278	\$ 79,675	\$ 75,668	\$ 75,336	\$ 71,478

Table 7

Ended June 30					
2021	2020	2019	2018	2017	2016
52.6%	54.0%	56.0%	57.9%	57.2%	68.2%
15.0%	15.6%	16.4%	16.6%	15.6%	17.5%
10.9%	12.3%	12.5%	13.3%	13.5%	7.5%
4.2%	4.4%	4.3%	4.3%	4.0%	4.4%
17.3%	13.7%	10.8%	7.9%	9.7%	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

Last Ten Calendar Years

Table 8

Tax Year	Tax Rates	Number of Brackets	Income Brackets		Average Effective Rate ^a
			Low	High	
2024	0.0% - 6.2%	3	3,460	17,330	^b
2023	0.0% - 6.4%	3	3,330	16,680	1.7%
2022	0.0% - 6.5%	3	3,200	16,040	1.8%
2021	0.0% - 7.0%	6	3,110	15,560	2.1%
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%

^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 2023 and 2014

(dollars, except income level, expressed in thousands)

2023 ^a				
State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$100,001 and higher	259,642	10.0%	\$ 3,190,466	59.7%
\$75,001 - \$100,000	127,573	4.9%	572,711	10.7%
\$50,001 - \$75,000	218,232	8.4%	663,361	12.4%
\$25,001 - \$50,000	409,278	15.8%	643,776	12.0%
\$10,001 - \$25,000	386,032	14.9%	172,228	3.2%
\$10,000 and lower	1,192,814	46.0%	105,557	2.0%
Total	2,593,571	100.0%	\$ 5,348,099	100.0%

2014				
State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
\$100,001 and higher	111,857	5.1%	\$ 1,422,559	43.4%
\$75,001 - \$100,000	79,089	3.6%	406,816	12.4%
\$50,001 - \$75,000	152,361	6.9%	539,071	16.4%
\$25,001 - \$50,000	310,695	14.2%	594,483	18.1%
\$10,001 - \$25,000	359,284	16.4%	241,358	7.4%
\$10,000 and lower	1,181,647	53.8%	74,797	2.3%
Total	2,194,933	100.0%	\$ 3,279,084	100.0%

^a Information for 2024 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			
	2025	2024	2023	2022
Governmental Activities				
General obligation bonds	\$ 37,636	\$ 78,435	\$ 141,344	\$ 193,969
Infrastructure Bank bonds	1,216,257	1,311,793	1,381,137	1,441,839
Revenue bonds	30,890	32,660	34,323	35,887
Notes payable	47,193	27,590	37,432	64,319
Leases	394,230	213,914	132,219	113,990
Subscriptions payable	50,406	60,007	74,433	88,450
Total governmental activities	1,776,612	1,724,399	1,800,888	1,938,454
Business-Type Activities				
Revenue bonds	4,110	4,345	4,570	4,990
Notes payable	6,500	6,500	6,500	6,500
Total business-type activities	10,610	10,845	11,070	11,490
Total primary government	\$ 1,787,222	\$ 1,735,244	\$ 1,811,958	\$ 1,949,944
Debt as a percentage of personal income	^a	0.5%	0.6%	0.7%
Debt per capita expressed in actual dollars	^a	\$ 317	\$ 336	\$ 369

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					
2021	2020	2019	2018	2017	2016
\$ 265,229	\$ 368,747	\$ 457,555	\$ 564,811	\$ 756,172	\$ 962,196
1,472,319	1,558,524	1,645,007	1,729,005	1,788,232	1,854,451
37,348	38,704	39,964	41,109	44,270	14,144
64,678	89,670	94,384	105,045	86,971	66,875
120,969	2,267	2,488	1,745	1,871	3,395
—	—	—	—	—	—
1,960,543	2,057,912	2,239,398	2,441,715	2,677,516	2,901,061
5,185	5,375	5,555	5,730	5,895	6,055
6,500	6,500	6,500	—	—	—
11,685	11,875	12,055	5,730	5,895	6,055
\$ 1,972,228	\$ 2,069,787	\$ 2,251,453	\$ 2,447,445	\$ 2,683,411	\$ 2,907,116
0.7%	0.8%	1.0%	1.1%	1.3%	1.5%
\$ 380	\$ 403	\$ 443	\$ 488	\$ 541	\$ 592

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(expressed in thousands unless otherwise indicated)

	For the Fiscal Year			
	2025	2024	2023	2022
Governmental Activities				
Capital improvement bonds	\$ —	\$ —	\$ —	\$ —
State highway bonds	—	—	—	12,419
State school facilities bonds	—	—	—	—
Infrastructure Bank bonds	10,373	14,140	17,764	21,245
State economic development bonds	22,062	49,235	99,091	126,833
Research university infrastructure bonds	5,201	10,770	16,085	21,087
Air carrier hub terminal facilities bonds	—	4,290	8,404	12,385
Total governmental activities	37,636	78,435	141,344	193,969
Total primary government	\$ 37,636	\$ 78,435	\$ 141,344	\$ 193,969
Debt as a percentage of personal income	^a	—%	—%	0.1%
Debt per capita expressed in actual dollars	^a	\$ 14	\$ 26	\$ 37

^a Not yet available

Source: South Carolina Comptroller General's Office

Table 11

Ended June 30					
2021	2020	2019	2018	2017	2016
\$ —	\$ —	\$ —	\$ 8,698	\$ 26,564	\$ 55,629
27,749	69,852	109,839	162,628	213,686	263,083
—	—	—	—	9,021	31,500
24,595	27,649	30,746	33,725	36,630	39,326
170,924	206,967	230,095	251,837	342,669	426,280
25,784	44,538	63,654	81,348	97,783	113,410
16,177	19,741	23,221	26,575	29,819	32,968
265,229	368,747	457,555	564,811	756,172	962,196
\$ 265,229	\$ 368,747	\$ 457,555	\$ 564,811	\$ 756,172	\$ 962,196
0.1%	0.2%	0.2%	0.3%	0.4%	0.5%
\$ 51	\$ 72	\$ 90	\$ 113	\$ 152	\$ 196

Computation of Legal Debt Margin

June 30, 2025

(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

2023-2024 Budgetary General Fund revenues pledged for highway bonds ^c	\$	11,695
2023-2024 other revenues pledged for highway bonds		888,219
2023-2024 revenues pledged for highway bonds		899,914
15% of 2023-2024 revenues pledged for highway bonds		134,987
Less: maximum annual debt service for highway bonds ^g		—
Legal debt service margin at June 30, 2025--highway bonds	\$	134,987

GENERAL OBLIGATION BONDS (EXCLUDING INSTITUTION BONDS, HIGHWAY BONDS, AND ANTICIPATION NOTES) ^f

2023-2024 Budgetary General Fund revenues	\$	12,911,738
Less: 2023-2024 Budgetary General Fund revenues pledged for highway bonds		11,695
2023-2024 net Budgetary General Fund revenues		12,900,043
6% of 2023-2024 net Budgetary General Fund revenues		774,003
Less: maximum annual debt service for general obligation bonds excluding institution and highway bonds and bond anticipation notes ^b		9,085
Legal debt service margin at June 30, 2025--general obligation bonds excluding institution and highway bonds and bond anticipation notes	\$	764,918

Table 12

<u>ECONOMIC DEVELOPMENT BONDS ^a</u>	
2023-2024 Budgetary General Fund revenues	\$ 12,911,738
Less: 2023-2024 Budgetary General Fund revenues pledged for highway bonds	11,695
2023-2024 net Budgetary General Fund revenues	12,900,043
0.5% of 2023-2024 net Budgetary General Fund revenues	64,500
Less: maximum annual debt service for economic development bonds ^c	4,229
Legal debt service margin at June 30, 2025--economic development bonds	\$ 60,271
<u>RESEARCH UNIVERSITY INFRASTRUCTURE BONDS</u>	
2023-2024 Budgetary General Fund revenues	\$ 12,911,738
Less: 2023-2024 Budgetary General Fund revenues pledged for highway bonds	11,695
2023-2024 net Budgetary General Fund revenues	12,900,043
0.5% of 2023-2024 net Budgetary General Fund revenues	64,500
Less: maximum annual debt service for research university infrastructure bonds ^d	1,362
Legal debt service margin at June 30, 2025--research university infrastructure bonds	\$ 63,138

^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, 2025, the maximum annual debt service will occur in the fiscal year ending June 30, 2027.

^c As of June 30, 2025, the maximum annual debt service will occur in the fiscal year ending June 30, 2028.

^d As of June 30, 2025, the maximum annual debt service will occur in the fiscal year ending June 30, 2029.

^e For the fiscal year ended June 30, 2025, there were no net Budgetary General Fund revenues pledged for State institution bonds and anticipation notes.

^f During the fiscal year ended June 30, 2010, the State issued \$50 million of Air Carrier Hub Terminal Facilities bonds under the provisions of Section 55-11-520 of the South Carolina Code of Laws. Section 55-11-520(A) states that no more than \$50 million of Air Carrier Hub Terminal Facilities bonds may be outstanding at any time.

^g As of June 30, 2025, 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			
	2025	2024	2023	2022
<u>State Highway Bonds</u>				
Debt service limitation.....	\$ 134,987	\$ 134,166	\$ 130,920	\$ 122,382
Debt service applicable to limit.....	—	—	—	10,732
Legal debt margin at June 30.....	\$ 134,987	\$ 134,166	\$ 130,920	\$ 111,650
Legal debt margin as a percentage of debt service limitation...	100.0%	100.0%	100.0%	91.2%
<u>General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes</u>				
Debt service limitation.....	\$ 774,003	\$ 738,911	\$ 779,593	\$ 626,856
Debt service applicable to limit.....	9,085	19,177	29,798	29,798
Legal debt margin at June 30.....	\$ 764,918	\$ 719,734	\$ 749,795	\$ 597,058
Legal debt margin as a percentage of debt service limitation...	98.8%	97.4%	96.2%	95.2%
<u>Economic Development Bonds</u>				
Debt service limitation.....	\$ 64,500	\$ 61,576	\$ 64,966	\$ 52,238
Debt service applicable to limit.....	4,229	4,229	4,229	4,229
Legal debt margin at June 30.....	\$ 60,271	\$ 57,347	\$ 60,737	\$ 48,009
Legal debt margin as a percentage of debt service limitation...	93.4%	93.1%	93.5%	91.9%
<u>Research University Infrastructure Bonds</u>				
Debt service limitation.....	\$ 64,500	\$ 61,576	\$ 64,966	\$ 52,238
Debt service applicable to limit.....	1,362	4,801	4,801	4,801
Legal debt margin at June 30.....	\$ 63,138	\$ 56,775	\$ 60,165	\$ 47,437
Legal debt margin as a percentage of debt service limitation...	97.9%	92.2%	92.6%	90.8%

Source: South Carolina Comptroller General's Office

Table 13

Ended June 30

2021	2020	2019	2018	2017	2016
\$ 114,737	\$ 115,049	\$ 108,261	\$ 105,579	\$ 104,142	\$ 99,210
13,900	39,452	39,452	53,171	53,915	54,646
\$ 100,837	\$ 75,597	\$ 68,809	\$ 52,408	\$ 50,227	\$ 44,564
87.9%	65.7%	63.6%	49.6%	48.2%	44.9%
\$ 550,095	\$ 527,560	\$ 486,794	\$ 454,285	\$ 440,260	\$ 416,987
29,798	42,392	44,785	52,936	83,191	111,150
\$ 520,297	\$ 485,168	\$ 442,009	\$ 401,349	\$ 357,069	\$ 305,837
94.6%	92.0%	90.8%	88.3%	81.1%	73.3%
\$ 45,841	\$ 43,963	\$ 40,566	\$ 37,857	\$ 36,688	\$ 34,749
4,229	4,229	4,489	4,489	17,678	22,771
\$ 41,612	\$ 39,734	\$ 36,077	\$ 33,368	\$ 19,010	\$ 11,978
90.8%	90.4%	88.9%	88.1%	51.8%	34.5%
\$ 45,841	\$ 43,963	\$ 40,566	\$ 37,857	\$ 36,688	\$ 34,749
4,801	17,274	19,375	19,375	19,375	19,375
\$ 41,040	\$ 26,689	\$ 21,191	\$ 18,482	\$ 17,313	\$ 15,374
89.5%	60.7%	52.2%	48.8%	47.2%	44.2%

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						
2025	\$ —	\$ —	\$ —	\$ —	N/A	
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	
Infrastructure Bank Bonds						
2025	\$ 256,302	\$ 64,675	\$ 47,391	\$ 112,066	2.29	
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	

Demographic Statistics

Last Ten Calendar Years

Table 15

Year	Population at July 1 ^a	Per Capita Income ^b	Average Annual Unemployment Rate ^c
2024	5,478,831	\$ 59,995	4.1%
2023	5,387,830	57,180	3.5%
2022	5,287,935	54,378	3.6%
2021	5,194,274	53,220	5.4%
2020	5,132,249	48,769	8.1%
2019	5,076,874	46,150	3.7%
2018	5,019,607	43,817	3.9%
2017	4,963,742	42,385	4.4%
2016	4,908,404	40,752	4.9%
2015	4,850,136	39,598	5.3%

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

Latest Completed Calendar Year and Nine Years Prior

Table 16

Sources	2024		2015	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Services.....	1,301,235	52.9%	1,107,970	52.4%
Retail trade.....	276,702	11.2%	252,710	12.0%
Manufacturing.....	267,691	10.9%	239,322	11.3%
Construction.....	143,854	5.8%	109,673	5.2%
Finance, insurance, and real estate.....	129,218	5.2%	105,108	5.0%
Public Administration.....	122,547	5.0%	112,648	5.3%
Transportation and public utilities.....	116,484	4.7%	90,298	4.3%
Wholesale trade.....	84,932	3.4%	72,847	3.4%
Agricultural services, forestry, fishing, and other.....	18,750	0.8%	21,815	1.0%
Mining.....	2,285	0.1%	1,254	0.1%
Unclassified.....	56	—%	—	—%
Total wage and salary employment.....	2,463,754	100.0%	2,113,645	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
Latest Completed Calendar Year and Nine Years Prior
(Listed alphabetically)

Table 17

2024	2015
BMW Manufacturing Corp	Bi-Lo, Inc.
Food Lion LLC	Blue Cross/Blue Shield of South Carolina
Medical University of SC Hospital Authority	Greenville County School District
Michelin North America, Inc.	Greenville Health System
PRISMA Health Upstate	Michelin North America, Inc.
Publix Super Markets Inc	Palmetto Health Alliance, Inc.
School District of Greenville County	U.S. Department of Defense
Spartanburg Regional Medical Center	U.S. Postal Service
U.S. Department of Defense	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Note: Pursuant to the provisions of Section 41-29-150 of the South Carolina Code of Laws, the number of employees for individual companies within the State is not available. The employers are instead listed alphabetically rather than in order of size.

Source: South Carolina Department of Employment and Workforce

Primary Government Employees by Function

Last Ten Fiscal Years

Function	Permanent Employees			
	2025	2024	2023	2022
General government	7,741	7,689	6,146	5,876
Education	3,593	3,668	2,731	2,664
Health	10,924	12,115	9,131	8,709
Social services	5,906	5,864	4,771	4,564
Administration of justice	10,826	10,808	7,882	7,277
Resources, environment, and economic development	3,600	2,324	1,890	1,801
Transportation	4,526	4,524	3,615	3,534
Other	65	63	67	72
Totals	47,181	47,055	36,233	34,497

Source: South Carolina Comptroller General's Office

Table 18

as of June 30					
2021	2020	2019	2018	2017	2016
5,954	6,011	5,977	6,265	6,243	6,102
2,720	2,787	2,800	2,898	2,974	2,898
9,203	10,112	9,982	9,818	9,493	9,489
4,510	4,673	4,416	4,062	3,730	3,675
7,786	8,424	8,425	8,755	8,659	8,578
1,752	1,782	1,744	1,742	1,630	1,607
3,793	4,135	4,236	4,342	4,530	4,602
74	78	86	81	82	76
35,792	38,002	37,666	37,963	37,341	37,027

Operating Indicators by Function

Last Ten Fiscal Years

	For the Fiscal Year			
	2025	2024	2023	2022
General government				
Individual income tax returns processed	2,730,929	2,668,979	2,683,519	2,517,836
Corporate income tax returns processed	161,634	157,490	156,989	135,746
Department of Motor Vehicles transactions	52,285,947	50,850,640	49,005,641	45,855,228
Workers' compensation cases reviewed	55,822	58,857	55,285	57,986
Education				
Per pupil spending	19,376 *	19,231 *	18,422	17,028
Public school enrollment	796,780	793,860	789,231	781,231
Average operating miles per school bus	13,771	14,367	14,291	14,291
State Museum visitors	162,927	121,160	111,958	79,604
Health				
Medicaid eligible participants	1,272,933	1,327,109	1,656,339	1,568,318
Women, Infant and Children (WIC) participants	98,786	100,137	97,370	87,508
Community mental health center clients	49,357	55,098	55,257	59,687
Social services				
Average food stamp households per month	275,266	283,848	304,517	302,461
Child Protective Services investigations	36,391	36,896	37,131	36,749
Administration of justice				
Adult prison average daily population	16,418	16,142	15,976	15,437
Juvenile facility average daily population	222	237	311	287
Resources, environment, and economic development				
Dept of Commerce capital investment projects	78	81	120	153
Welcome Center visitors	6,936,285	6,102,466	7,080,501	5,450,885
Hunting and fishing licenses processed	933,452	1,022,390	967,299	974,369
Transportation				
Miles of surface repairs	121,597	127,410	123,576	117,762
Miles of roadway inspections	484,819	471,821	445,448	434,889
Unemployment compensation benefits				
Initial claims	126,196	117,595	120,924	87,592
Total benefit weeks claimed	804,583	741,541	662,106	869,077
Tuition prepayment program				
Individual accounts	1,160	1,399	1,602	1,806
Insurance claims processing				
Second Injury Fund claims paid	747	843	846	894
Other				
Public railway carloads (calendar year)	87,201	91,284	97,967	115,093

* Estimated spending

Source: South Carolina Comptroller General's Office

Table 19

Ended June 30					
2021	2020	2019	2018	2017	2016
2,812,397	2,284,026	2,424,308	2,433,317	3,058,609	2,995,483
147,433	136,102	136,143	133,959	126,000	129,511
18,970,964	15,599,029	15,744,086	15,447,021	14,681,110	14,113,064
58,327	66,825	65,827	67,255	64,802	63,480
15,606	14,487	14,060	13,601	13,043	12,368
766,819	787,069	781,493	774,004	769,130	760,500
15,142	11,845	14,800	14,400	14,600	14,798
58,168	141,718	170,907	208,300	161,335	161,372
1,456,437	1,449,935	1,436,247	1,424,134	1,413,345	1,424,039
86,521	85,242	86,354	109,864	101,563	107,257
50,000	50,000	57,559	84,528	82,560	82,241
292,308	275,382	264,179	345,511	342,551	371,331
34,756	33,188	37,951	38,099	26,347	24,980
15,807	18,171	18,743	19,559	20,483	20,671
394	396	413	435	514	534
126	129	162	157	132	150
1,995,469	2,540,977	4,692,510	3,232,816	2,954,241	3,018,376
1,043,309	1,024,817	904,258	845,333	875,912	918,677
137,489	140,566	173,578	143,334	139,399	171,818
437,389	400,097	360,112	349,335	364,882	198,161
265,652	739,569	128,980	139,336	114,951	159,186
3,575,435	3,284,932	802,474	863,828	964,485	1,197,550
2,046	2,374	2,707	5,317	5,486	5,575
959	1,147	1,256	1,380	1,336	1,567
98,919	101,282	104,010	106,490	135,267	133,147

Capital Assets by Function

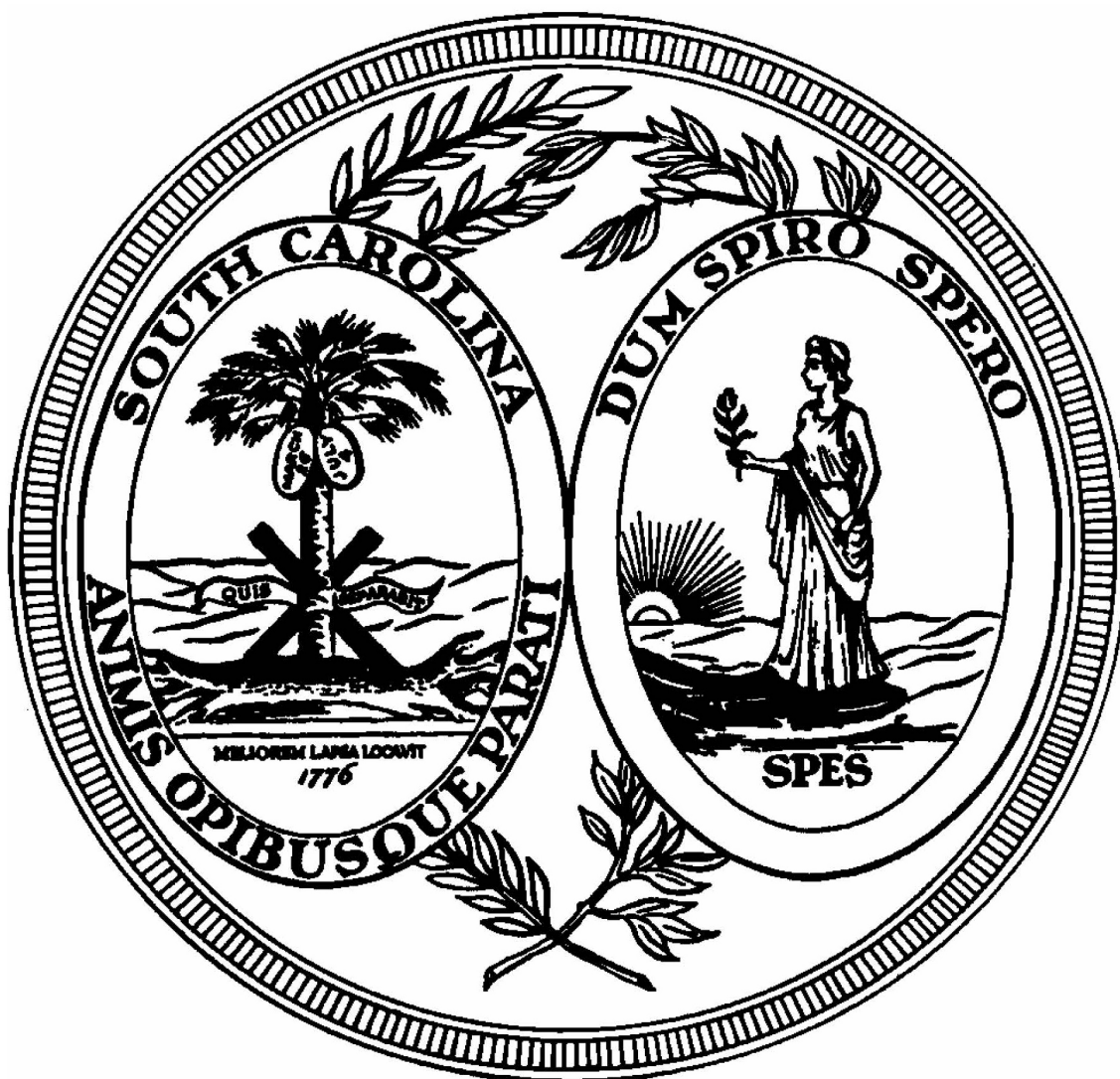
Last Ten Fiscal Years

	For the Fiscal Year			
	2025	2024	2023	2022
General government				
Buildings and facilities	34	37	42	42
State armories	56	56	56	56
Fleet vehicles	3,488	4,006	3,748	3,543
Motor vehicle district offices	66	66	66	66
Education				
School buses	5,581	5,648	5,629	5,653
Television transmitters	10	10	10	10
Vocational training/client centers	34	34	34	34
Health				
Mental health buildings	108	123	123	113
Community mental health centers	82	84	76	70
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	4	5	5	5
Highway patrol district offices	7	7	7	7
Highway patrol vehicles	1,365	1,335	1,299	1,414
Resources, environment, and economic development				
Acres of State parks	100,711	99,991	96,707	92,995
Acres of State forests	99,353	99,353	97,392	94,462
State parks and historical sites	59	58	58	54
State farmers' markets	3	3	3	3
DNR vehicles and boats	1,559	1,647	1,483	1,801
Transportation				
Miles of State highways (calendar year)	41,266	41,271	41,282	41,295
Weigh stations	9	9	9	9
Traffic cameras	547	547	547	547
Miles of cable median barriers	494	481	486	502
Other				
Rail yards	4	4	4	4
State-owned locomotives	13	13	13	12

Source: South Carolina Comptroller General's Office

Table 20

Ended June 30					
2021	2020	2019	2018	2017	2016
42	41	41	44	45	49
56	56	56	59	57	57
3,350	3,769	3,617	3,607	3,325	3,000
66	66	66	66	67	67
5,689	5,643	5,684	5,681	5,671	5,617
10	10	10	11	11	11
34	34	34	34	34	35
117	113	115	127	139	141
71	70	70	71	68	64
10	10	10	10	10	10
63	65	65	65	67	69
21	21	21	21	23	23
5	5	5	5	5	5
7	6	6	6	6	6
1,459	1,586	1,703	1,628	1,551	1,442
92,816	92,495	92,259	91,144	86,445	86,445
94,462	94,462	94,462	94,462	94,462	94,462
54	53	53	53	53	53
3	3	3	3	3	3
1,777	1,669	1,863	1,732	1,753	1,645
41,297	41,299	41,315	41,330	41,358	41,377
9	8	8	8	8	8
537	517	485	447	379	359
502	476	476	490	490	490
4	4	4	4	3	3
12	12	12	12	12	12



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was \$880.40; 62 copies were printed at a cost of \$14.20 each.