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

Prepared by the S.C. Comptroller General's Office

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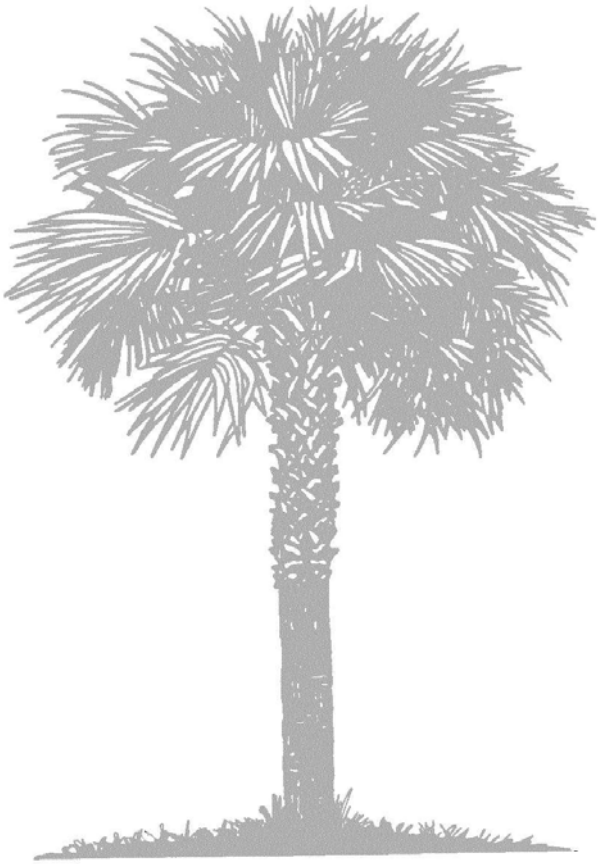
Introductory Section



Letter of Transmittal
Certificate of Achievement
Principal State Officials
Organizational Chart

State of South Carolina
Office of Comptroller General

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

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

RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

WILLIAM E. GUNN
CHIEF OF STAFF

November 12, 2021

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, 2021. The report provides financial information about the State's operations during the year and describes its financial position at the end of the year.

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

The State Auditor and CliftonLarsonAllen LLP, an independent certified public accounting firm, jointly performed an independent audit of the State's basic financial statements for the fiscal year ended June 30, 2021. The auditors have issued an unmodified opinion, the most favorable outcome of the audit process.

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

PROFILE OF THE GOVERNMENT

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

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

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

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

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

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

STATE ECONOMY

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

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

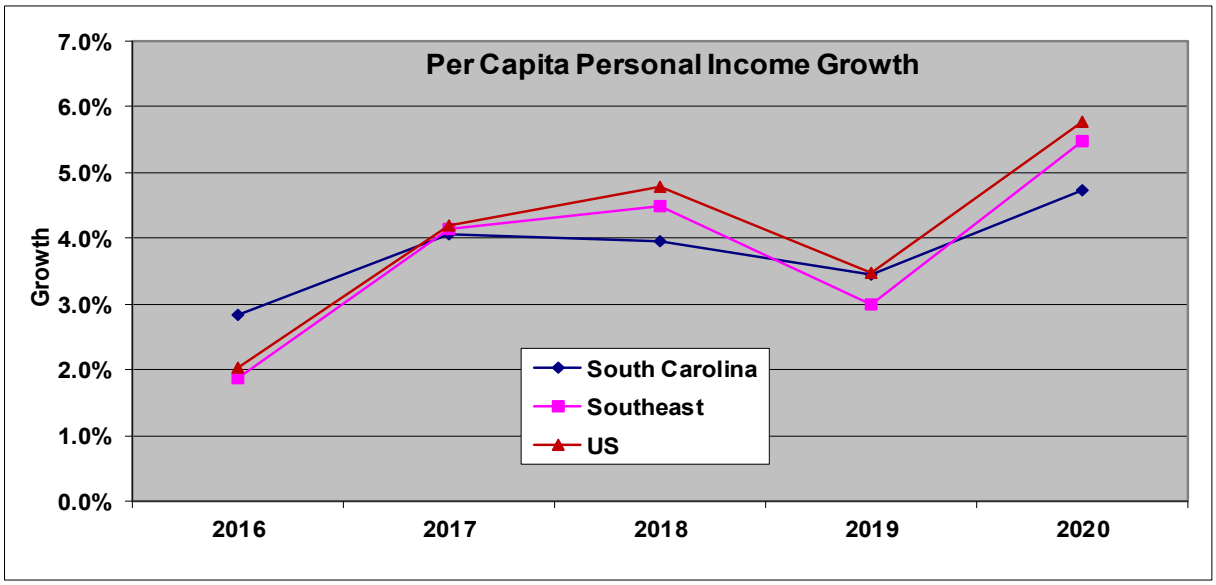
During the year ended June 30, 2021, total non-farm employment in the State increased by 59,400 (or 2.9%) to 2,118,800. Industry sectors reflecting gains were Leisure and Hospitality (30,000); Trade, Transportation, and Utilities (16,200); Education and Health Services (11,800); Government (6,100); Professional and Business Services (2,000); and Financial Activities (300). There was no net change within Manufacturing and declines were experienced in Mining, Logging, Information, and Other Services (-5,700) and Construction (-1,300).

South Carolina's unemployment rate was 4.5% in June 2021, which decreased from the June 2020 rate of 7.7%. The State's unemployment rate was 4.1% in September 2021, the most recent month available. In comparison, the U.S. unemployment rate was 5.9% in June 2021 and 4.8% in September 2021.

The South Carolina Leading Index (SCLI) increased by 1.37 points from June 2020 to June 2021 to 103.26. Above the 100 mark, the SCLI forecasts generally improving economic conditions for South Carolina over the upcoming three to six months. The SCLI closed the month of September 2021 at 102.89, the most recent month available.

The number of real estate closings increased by 26.5% between June 2021 and June 2020 due in large part to the economy's strong recovery from the COVID-19 pandemic and the strong nationwide housing market. With the corresponding strong rebound of the housing market in South Carolina, the supply of available homes on the market remains low. As inventory tightens, real estate selling prices in South Carolina have increased, with the median price of homes sold increasing 15.8% between June 2021 and June 2020. In addition, the number of residential building permits increased by 40.0% compared to a year ago and the dollar amount of those permits increased by 38.6% between June 2021 and June 2020.

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



LONG-TERM FINANCIAL PLANNING

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

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

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

RELEVANT FINANCIAL POLICIES

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

Legislation also directs that in closing the books each year the Comptroller General shall suspend, to the extent necessary, any budgetary-basis surplus appropriations in a general or supplemental act or Capital Reserve Fund appropriations if the State's General Fund has a negative Unassigned fund balance when reported on a generally accepted accounting principles-basis (GAAP basis). There were no suspensions necessary for fiscal year 2021.

The State ended fiscal year 2021 with a positive budgetary-basis General Fund fund balance after reservation of $3.615 billion, which was made up of legislatively-approved agency carryover appropriations of $679.432 million, the Contingency Reserve of $523.814 million, the General Reserve of $440.238 million, the Capital Reserve of $176.095 million, and an unassigned surplus of $1.796 billion.

MAJOR INITIATIVES

The State continues to fund programs related to job creation. In calendar year 2020 the State committed $18.867 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 E. & J. Gallo Winery to Chester County, Masonite International Corporation to York County, and a QVC fulfillment center to Florence County. E. & J. Gallo is expected to create 496 jobs, Masonite is expected to create 220 jobs, and QVC is expected to create 360 jobs in the coming years. Additionally, Nestle USA announced in fiscal year 2021 that it will expand its facilities in Cherokee County, which will create an additional 160 jobs in the coming years as well.

South Carolina's job creation and capital investment from manufacturers have experienced steady growth since the end of the 2007 - 2009 recession. In 2020 alone, the State attracted more than $4.034 billion in new capital investment from manufacturing companies, which resulted in the creation of more than 11,100 jobs.

Area Development Magazine recently ranked South Carolina fourth in the nation in its 2021 "Top States for Business" analysis. It also ranked South Carolina first in the nation in business incentive programs and favorable regulatory environment. Additionally, it ranked the State second in its speed of permitting.

South Carolina's Growing Economic Environment

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

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

South Carolina's exports were $30.295 billion in 2020, which is a decrease of 27.0% from 2019 due to the effects of COVID-19 on the world's economy. In 2020, South Carolina ranked 14th in the United States in exports. These export figures were bolstered by the fact that the State is the nation's top exporter of completed passenger vehicles and tires, in which the State accounted for approximately 21% of the entire U.S. passenger vehicles market and approximately 38% of the total U.S. tire export market. The State also recently established a Transportation, Distribution and Logistics (TDL) Council that includes strong private sector participation. Part of the mission of this council is to prepare South Carolina for the Panama Canal expansion, providing South Carolina with a world-class port that will have the capacity to support the expected increase in merchant shipping. The Port of Charleston is deepening its shipping channel from forty-five to fifty-two feet. Once the project is fully completed by 2022, Charleston will be the deepest port on the east coast.

Due in part to the State's economic outreach initiatives, South Carolina's total economic output or gross domestic product (GDP) was $248.776 billion in 2020. Between 2019 and 2020, real GDP grew 1.0%, compared to the southeast states' average growth of 1.4% during that period.

With our cost of living 10% 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 2020 had the lowest unionization rate in the nation, at 2.9% of the workforce. As a result of this and other factors, *Area Development Magazine* ranked South Carolina tied for ninth in the nation's competitive labor environment for 2021.

AWARDS AND ACKNOWLEDGMENTS

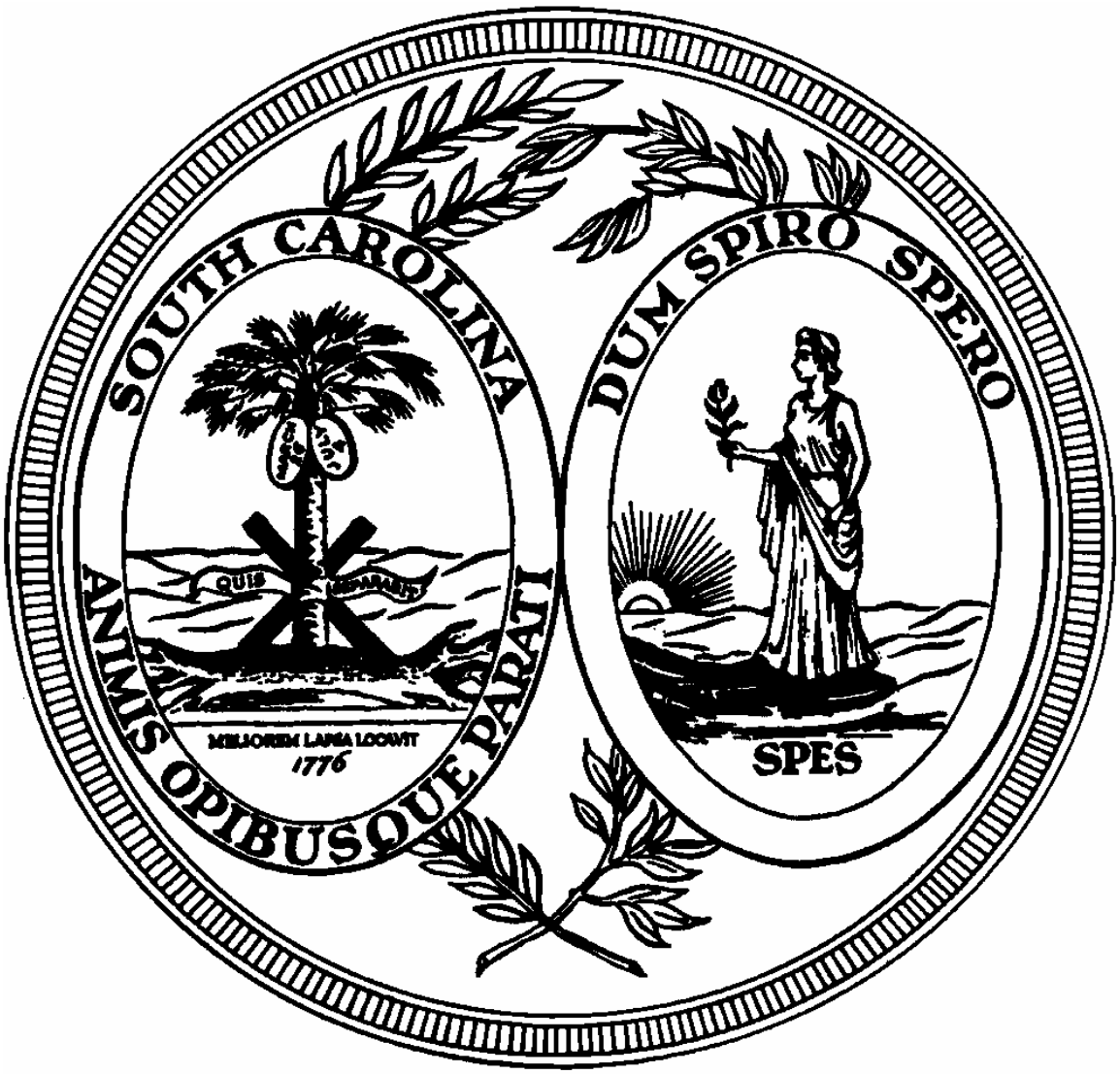
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina for its Comprehensive Annual Financial Report (CAFR) for the fiscal year that ended June 30, 2020. This was the thirty-third consecutive year that the State of South Carolina achieved this recognition. (During 2021, the Governmental Accounting Standards Board directed that governments discontinue using the acronym "CAFR" in referring to their Comprehensive Annual Financial Reports. Accordingly, entities are subsequently using the acronym "ACFR" to refer to their Annual Comprehensive Financial Reports.) In order to be awarded a Certificate of Achievement, a government must publish a timely, easily readable, and efficiently organized ACFR. The ACFR must comply with both generally accepted accounting principles and applicable legal requirements.

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

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

Sincerely,

Richard Eckstrom, CPA
Comptroller General


SOUTH CAROLINA
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DUM SPIRO SPERO
QUIS SEPARABIT
MELIOREM LAPSA LOCAVIT
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SPES

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morrill

Executive Director/CEO

Principal State Officials

LEGISLATIVE—THE GENERAL ASSEMBLY

Harvey S. Peeler, Jr., President of the Senate
James H. Lucas, Speaker, House of Representatives

EXECUTIVE

STATE FISCAL ACCOUNTABILITY AUTHORITY
Henry D. McMaster, Chairman, Governor (1)
Curtis M. Loftis, State Treasurer
Richard Eckstrom, Comptroller General
Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee
George Murrell Smith, Jr., Chairman, House Ways and Means Committee

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

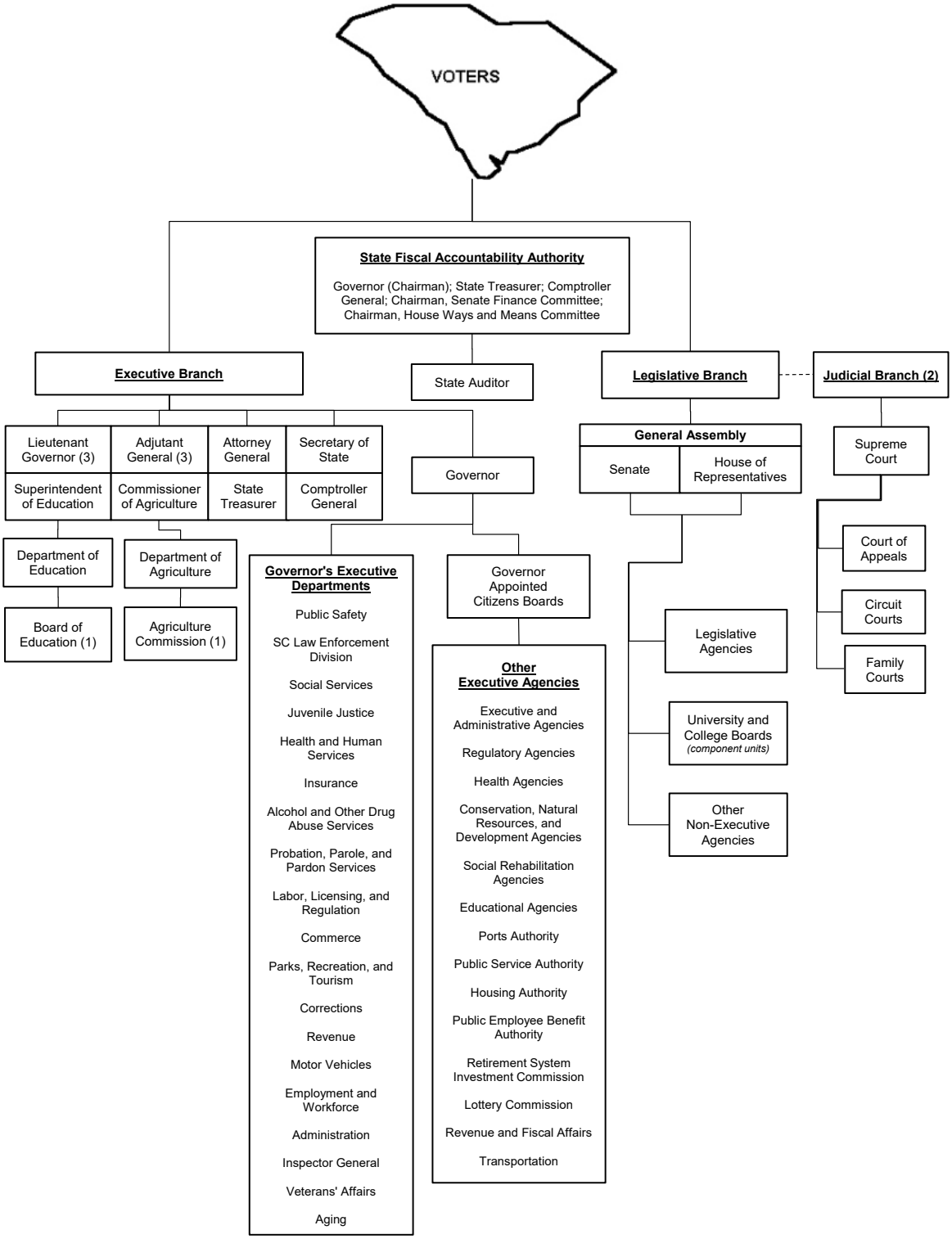
JUDICIAL

Donald W. Beatty, Chief Justice, Supreme Court

The State's citizens elect the legislative and executive branch officials named above.

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

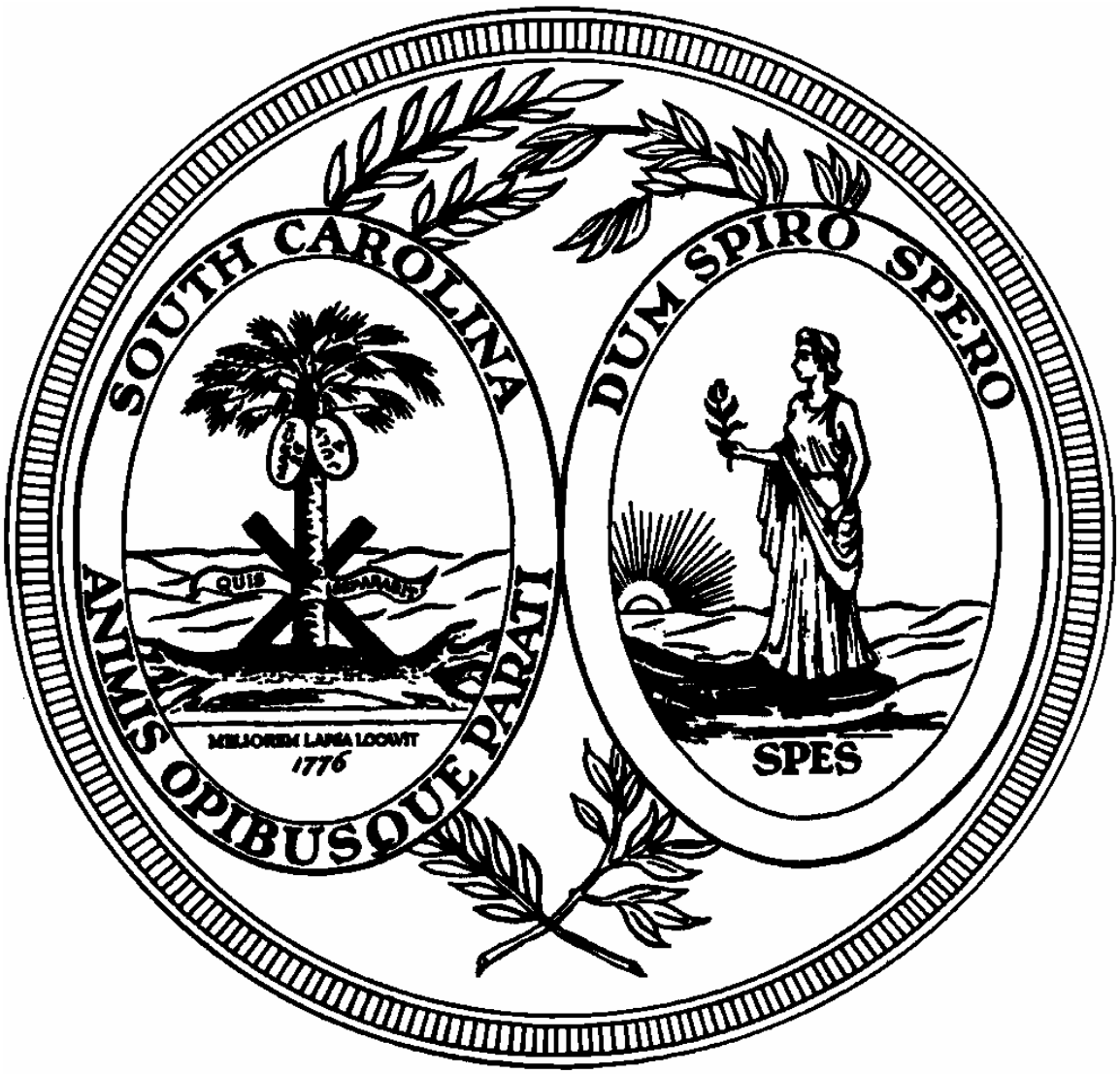
Organizational Chart



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

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

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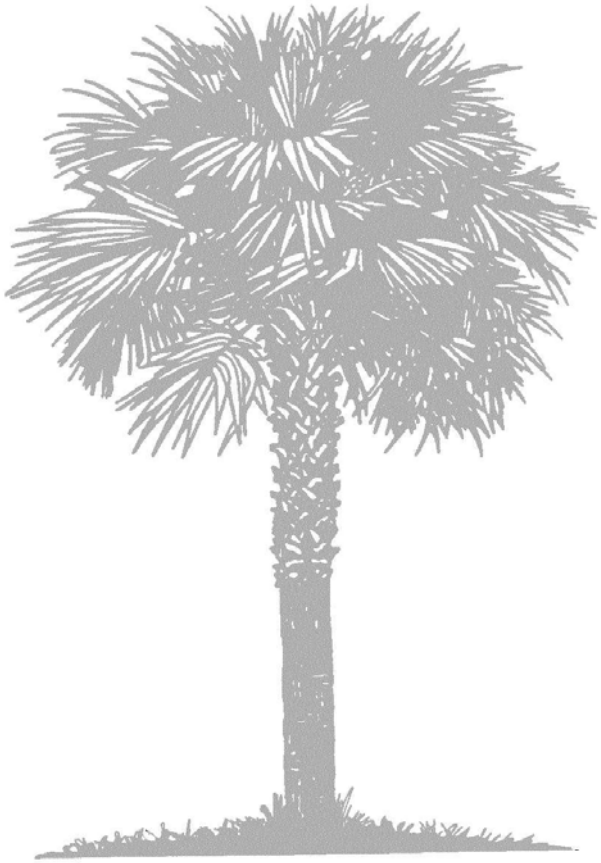
Financial Section



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

CliftoLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related notes to the financial statements, which collectively comprise the State's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to jointly express opinions on these financial statements based on our audit.

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

	Percentage Audited by CliftonLarsonAllen LLP Separately		Percentage Audited by Other Auditors	
	Total Assets and Deferred Outflows of Resources	Total Revenue	Total Assets and Deferred Outflows of Resources	Total Revenue
Government-wide				
Governmental activities	2%	10%	50%	8%
Business-type activities	-	-	85%	98%
Component units	-	-	100%	100%
Fund Statements				
Governmental Funds	-	-	16%	8%
Enterprise Funds	-	-	85%	98%
Internal Service Funds	36%	90%	54%	7%
Fiduciary Funds	75%	44%	24%	55%
Discretely Presented Component Units	-	-	100%	100%

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Connector 2000 Association, Inc., South Carolina Research Authority, InvestSC, Inc. and South Carolina Medical Malpractice Liability Joint Underwriting Association, were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State as of June 30, 2021, 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.

Emphasis of Matter

Change in Accounting Principle

During the fiscal year ended June 30, 2021, the State adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the State reported a restatement for the change in accounting principle (see Note 15). Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other 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 introductory section, supplementary information and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion based on our audit, the procedures performed as described above, and the report of the other auditors, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

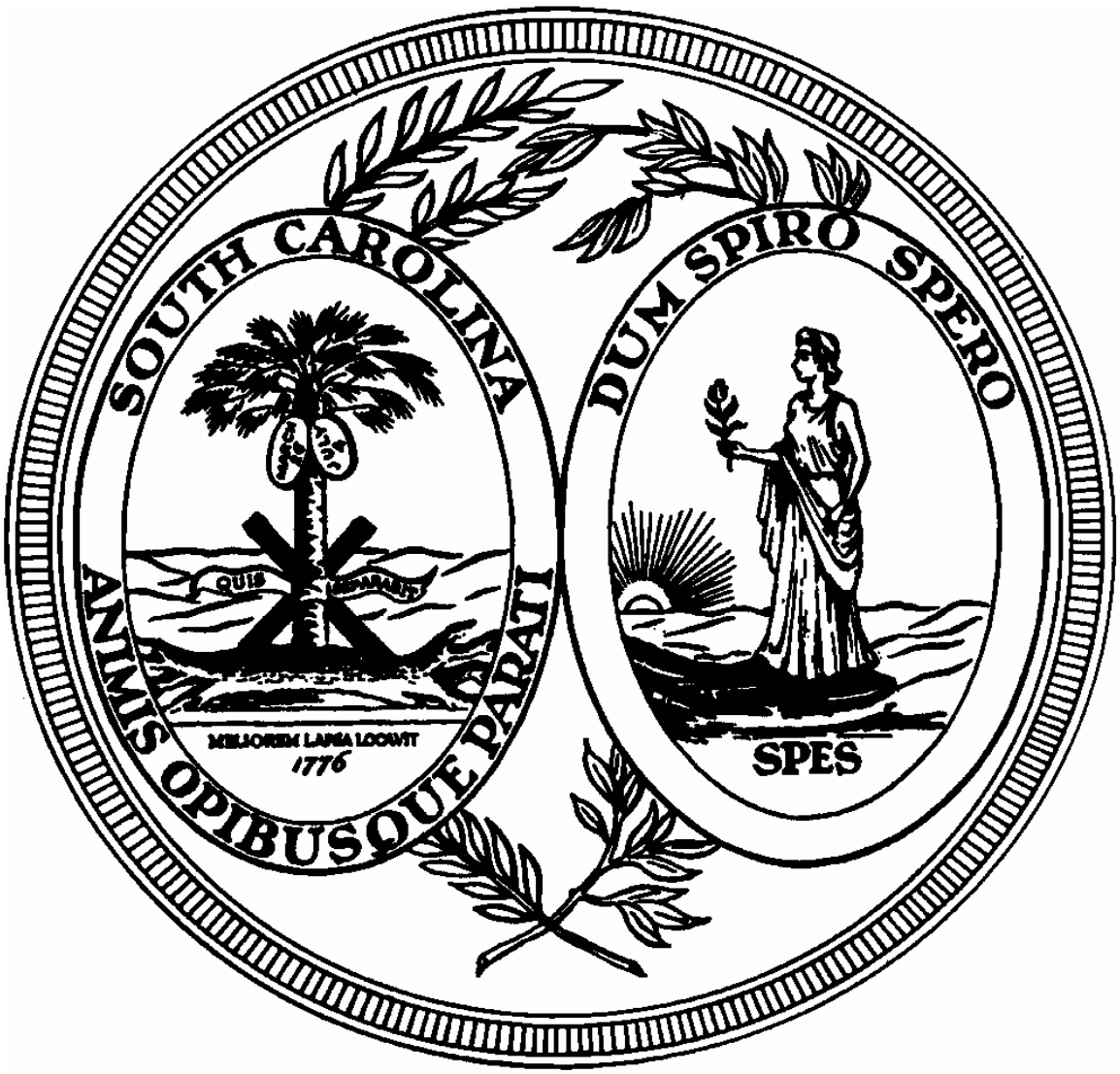
The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated November 12, 2021, on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the State's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the State's internal control over financial reporting and compliance.

Columbia, South Carolina
November 12, 2021

Baltimore, Maryland
November 12, 2021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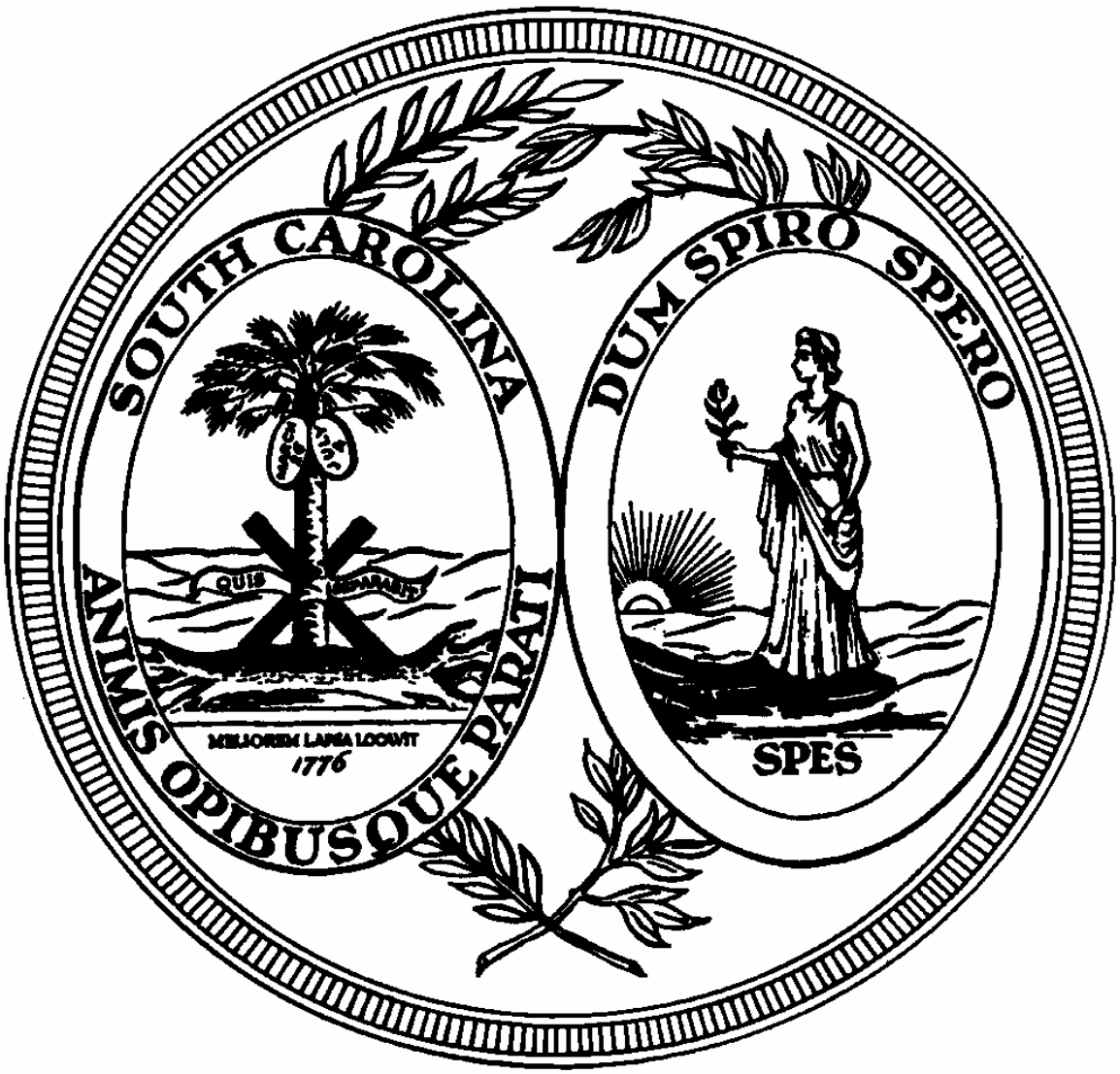
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MANAGEMENT'S DISCUSSION AND ANALYSIS—

Required Supplementary Information
(Unaudited)

Management's Discussion and Analysis

In this section of the State of South Carolina's annual report, we provide a narrative overview and analysis of the State's financial performance for its accounting year (*fiscal year*) that ended June 30, 2021. Please read it in conjunction with the Comptroller's *Letter of Transmittal* at the front of this report and the financial statements that follow this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

There are two government-wide financial statements:

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

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

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

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

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

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

Fund Financial Statements

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

The State reports three types of *funds*:

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

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

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

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

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

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

Component Unit Financial Statements

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

Notes to the Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

Government-wide Financial Analysis

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

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

	Governmental Activities		Business-type Activities		Totals— Primary Government		Total Percent Change
	2021	2020 (as restated)	2021	2020 (as restated)	2021	2020 (as restated)	2021-2020
Assets							
Current and other assets	$ 22,038,469	$ 18,330,660	$ 1,658,645	$ 1,850,860	$ 23,697,114	$ 20,181,520	17.4%
Capital assets	19,318,176	18,884,311	324,093	294,491	19,642,269	19,178,802	2.4%
Total assets	**41,356,645**	**37,214,971**	**1,982,738**	**2,145,351**	**43,339,383**	**39,360,322**	**10.1%**
Deferred Outflows of Resources	**1,695,060**	**1,132,012**	**14,776**	**3,672**	**1,709,836**	**1,135,684**	**50.6%**
Liabilities							
Long-term liabilities	10,911,573	10,154,595	268,096	236,039	11,179,669	10,390,634	7.6%
Other liabilities	4,596,892	4,986,677	164,109	324,919	4,761,001	5,311,596	(10.4%)
Total liabilities	**15,508,465**	**15,141,272**	**432,205**	**560,958**	**15,940,670**	**15,702,230**	**1.5%**
Deferred Inflows of Resources	**565,569**	**547,674**	**5,454**	**1,531**	**571,023**	**549,205**	**4.0%**
Net Position							
Net investment in capital assets	17,534,618	16,902,032	312,603	282,806	17,847,221	17,184,838	3.9%
Restricted	9,497,442	9,612,909	1,366,066	1,721,780	10,863,508	11,334,689	(4.2%)
Unrestricted	(54,389)	(3,856,904)	(118,814)	(418,052)	(173,203)	(4,274,956)	95.9%
Total net position	**$ 26,977,671**	**$ 22,658,037**	**$ 1,559,855**	**$ 1,586,534**	**$ 28,537,526**	**$ 24,244,571**	**17.7%**

Net Position

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

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

Unrestricted net position—resources normally available for future spending without restrictions—reported a deficit balance of ($173.203) million at June 30, 2021. This represents an increase net position of $4.102 billion over the prior year. Most of this increase resulted from a $2.909 billion increase in federal grants and a $1.909 billion increase in tax revenues. The increases in federal grant monies and tax revenues were the result of large federal grants to fight the COVID pandemic and federal stimulus monies to help keep the United States economy from declining.

The State's *business-type activities* reported a ($118.814) million deficit unrestricted net position. This balance consisted mostly of a $28.952 million deficit unrestricted net position in the State-run college Tuition Prepayment Program, a $39.415 million net pension liability, and a $35.041 million net other post-employment benefits other than pensions (OPEB) liability. The negative unrestricted net position in the Tuition Prepayment Program, which has no pension or OPEB liabilities, was the result of projected benefits exceeding assets on hand on June 30, 2021. The pension and OPEB liabilities are required to be recognized by Governmental Accounting Standards Board Statement (GASB Statement) No. 68 (see Note 7 starting on page 104) and GASB Statement No. 75 (see Note 8 starting on page 112), respectively.

Exhibit 2
Government-wide Changes in Net Position
For the Fiscal Years Ended June 30
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals— Primary Government		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Revenues							
Program revenues:							
Charges for services	$ 4,421,231	$ 4,163,001	$ 325,665	$ 344,474	$ 4,746,896	$ 4,507,475	5.3%
Operating grants and contributions	13,306,491	9,677,634	2,969,920	2,377,360	16,276,411	12,054,994	35.0%
Capital grants and contributions	707,650	905,754	20,966	53,113	728,616	958,867	(24.0%)
General revenues:							
Individual income tax	5,584,914	5,045,819	—	—	5,584,914	5,045,819	10.7%
Retail sales and use tax	6,106,578	5,167,804	—	—	6,106,578	5,167,804	18.2%
Other tax	3,302,243	2,871,172	—	—	3,302,243	2,871,172	15.0%
Unrestricted grants and contributions	—	40	—	—	—	40	(100.0%)
Unrestricted investment income	71,582	470,543	48,517	55,291	120,099	525,834	(77.2%)
Tobacco legal settlement	88,349	71,750	—	—	88,349	71,750	23.1%
Other	927,258	594,187	1,213	3,344	928,471	597,531	55.4%
Total revenues	**34,516,296**	**28,967,704**	**3,366,281**	**2,833,582**	**37,882,577**	**31,801,286**	**19.1%**
Expenses							
Governmental activities:							
General government	9,004,041	6,950,505	—	—	9,004,041	6,950,505	29.5%
Education	5,913,437	5,233,490	—	—	5,913,437	5,233,490	13.0%
Health and environment	9,182,050	8,752,266	—	—	9,182,050	8,752,266	4.9%
Social services	2,454,063	1,783,094	—	—	2,454,063	1,783,094	37.6%
Administration of justice	1,105,209	1,108,837	—	—	1,105,209	1,108,837	(0.3%)
Resources and economic development	495,883	481,058	—	—	495,883	481,058	3.1%
Transportation	1,723,480	1,761,563	—	—	1,723,480	1,761,563	(2.2%)
Other	8,135	10,888	—	—	8,135	10,888	(25.3%)
Business-type activities:							
Unemployment compensation benefits	—	—	3,595,804	3,038,557	3,595,804	3,038,557	18.3%
Second Injury Fund	—	—	1,205	1,484	1,205	1,484	(18.8%)
Other	—	—	106,315	57,216	106,315	57,216	85.8%
Total expenses	**29,886,298**	**26,081,701**	**3,703,324**	**3,097,257**	**33,589,622**	**29,178,958**	**15.1%**
Excess (deficiency) before transfers	**4,629,998**	**2,886,003**	**(337,043)**	**(263,675)**	**4,292,955**	**2,622,328**	**63.7%**
Net transfers	(310,364)	(472,328)	310,364	472,328	—	—	—
Change in net position	**4,319,634**	**2,413,675**	**(26,679)**	**208,653**	**4,292,955**	**2,622,328**	**63.7%**
Net position at beginning of year, as restated[a]	**22,658,037**	**20,244,362**	**1,586,534**	**1,377,881**	**24,244,571**	**21,622,243**	**12.1%**
Net position, end of year	**$ 26,977,671**	**$ 22,658,037**	**$ 1,559,855**	**$ 1,586,534**	**$ 28,537,526**	**$ 24,244,571**	**17.7%**

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

Changes in Net Position

The State's total net position of its governmental activities and its business-type activities increased by $4.293 billion, or 17.7%, over the prior year. This overall improvement in the financial position of the State was experienced primarily through increased tax revenues and federal grant revenues within the State's governmental activities.

Governmental Activities

The net position of the State's governmental activities increased by $4.320 billion, or 19.1%. Revenue increased from last year by $5.549 billion, or 19.2%, which was mostly comprised of an increase of $1.860 billion, or 13.1%, in general revenue. Revenues that support governmental activities are derived mostly from taxes; grants and contributions, including federal aid; and charges for goods and services. *Exhibit 3* illustrates the sources of revenues that support governmental activities.

Expenses associated with governmental activities increased by $3.805 billion, or 14.6%, for the fiscal year ended June 30, 2021. These expenses were mostly associated with services provided for health and environment, education, general government, social services, and transportation. *Exhibit 4* compares the cost of these services with their *program revenues*—revenues derived directly from the program itself or from parties outside the State's taxpayers or citizenry. The difference between the two represents the *net cost* of these services that taxes and other general revenues financed. For the fiscal year ended June 30, 2021, the State used $11.451 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 received $310.364 million in net transfers from the State's governmental activities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2021 fiscal year:

- Individual income tax revenues increased by $539.095 million, or 10.7%, retail sales and use tax revenues increased by $938.774 million, or 18.2%, and other taxes revenues increased by $431.071 million, or 15.0%. Overall tax collections increased during fiscal year 2021 due to increased enforcement and improvements in consumer spending for the majority of the fiscal year 2021.
- Operating grants and contributions increased by $3.629 billion, or 37.5%, over the prior year. This was primarily due to increased federal funding to fight the COVID-19 pandemic.
- Unrestricted investment income decreased by $398.961 million, or 84.8%, from the previous fiscal year. This decrease was attributed to maturity date timing outside of the 2021 fiscal year.
- General government expenses increased by $2.054 billion, or 29.6% over the prior year. The increase in general government expenses was attributable to improvements in the State's economy, availability of budgetary appropriations, and increased demand for government services.
- Education expenses increased by $679.947 million, or 13.0% over the prior fiscal year. The increase in education expenses was primarily due to additional State appropriations to school districts for teacher salaries and per student funding.
- Social services expenses increased by $670.969 million, or 37.6%, due to the increase in demand for services largely caused by the COVID-19 pandemic.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2021

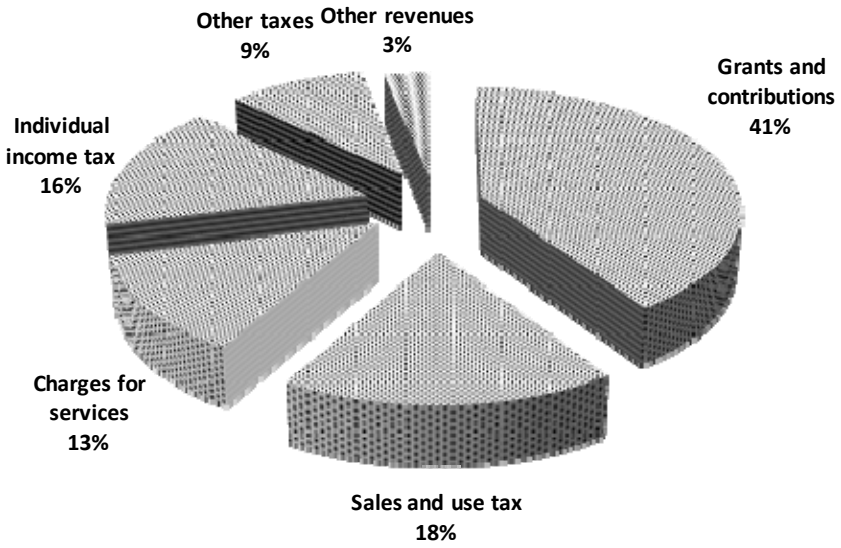
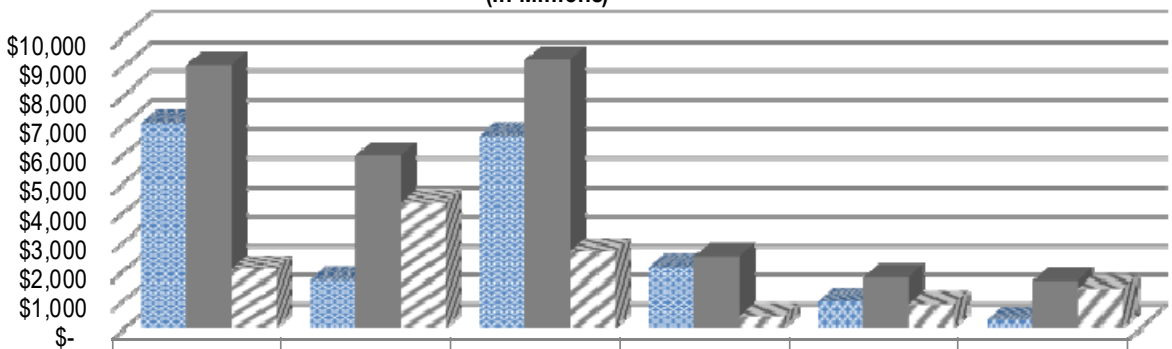


Exhibit 4
Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2021
(In Millions)



	General Government	Education	Health and Environment	Social Services	Transportation	Other
Revenues	$7,000	$1,634	$6,559	$2,070	$911	$260
Expenses	$9,004	$5,913	$9,182	$2,454	$1,723	$1,609
Net Cost	$2,004	$4,279	$2,623	$384	$812	$1,349

Business-type Activities

The net position of the State's business-type activities decreased by $26.679 million, or 1.7%.

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, 2021 was $1.287 billion, which was a decrease of $28.039 million, or 2.1%, 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, 2021 was $65.384 million, which was an increase of $10.041 million, or 18.1%, from last year.

Operating revenues of the Unemployment Compensation Fund increased by $555.181 million, or 20.6%, and operating expenses for the payment of unemployment compensation benefits increased by $557.247 million, or 18.3%, during the 2021 fiscal year. The increases in operating revenues and expenses resulted directly from the effects of the COVID-19 pandemic on unemployment rates within the State and throughout the country. Additionally, operating revenues for the Second Injury Fund have increased by $395 thousand, or 3.6%, and operating expenses for the payment of Second Injury Fund claims remained at a low level during the 2021 fiscal year due to the Second Injury Fund's closure plan that took effect in fiscal year 2019.

Financial Analysis of the State's Funds

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

Governmental Funds

Exhibit 5 shows the components of fund balance for the State's various governmental funds as of June 30, 2021.

Exhibit 5

Governmental Fund Balances
For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	$ 138,407	$ 76,596	$ —	$ 10,372	$ 11,914	$ 237,289
Restricted	1,343,636	1,637,021	2,218,756	1,091,829	936,713	7,227,955
Committed	627,935	61,280	—	366,624	58,306	1,114,145
Assigned	371,923	—	—	—	93,093	465,016
Unassigned	8,148,491	(1,344,594)	—	—	—	6,803,897
Totals	**$10,630,392**	**$ 430,303**	**$ 2,218,756**	**$ 1,468,825**	**$ 1,100,026**	**$ 15,848,302**
Change from prior year	**$ 3,684,470**	**$ (57,348)**	**$ (72,701)**	**$ 316,372**	**$ 132,173**	**$ 4,002,966**
Percentage change	**53.0%**	**(11.8%)**	**(3.2%)**	**27.5%**	**13.7%**	**33.8%**

At June 30, 2021, total ending fund balance for the State's governmental funds was $15.848 billion, which represents an increase of $4.003 billion, or 33.8%, from the prior year. This total contains an *unassigned* fund balance of $6.804 billion. The total also includes $8.148 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 45.6% of the total fund balance. The remaining fund balance is *nonspendable, committed, or assigned* and is *not* available for future appropriation because it is not in a spendable form or is accessible only for specific purposes.

The *General Fund* is the State's operating fund. This fund includes resources, such as taxes, that pay for the services that the State traditionally has provided to its citizens. Activity is accounted for in the General Fund unless constraints established by State law or external parties require them to be accounted for in another fund. Increases in the current fiscal year were experienced in individual income tax of $541.604 million, or 10.8%; retail sales and use tax of $724.032 million, or 17.8%; insurance tax of $10.693 million, or 5.0%; and other taxes of $63.843 million, or 9.9%, from the prior year. General Fund expenditures, which decreased by $367.249 million, or 3.4%, were also below the total General Fund revenues, indicating a continued controlling of costs and spending reductions previously mandated by State officials.

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 2021 fiscal year, the total fund balance decreased by $57.348 million, or 11.8%, from the prior year. The decrease in fund balance was primarily the result of increased federal grant expenditures related to the efforts to fight the COVID-19 pandemic. The primary source of revenue for the fund is federal revenues, which account for $12.079 billion, or 94.2%, of the total revenue reported. These grants are mostly 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 decreased by $72.701 million, or 3.2%, during the 2021 fiscal year, leaving a balance of $2.219 billion at the end of the fiscal year. The decrease in fund balance was mostly the result of a $123.814 million decrease in interest and other investment income and contributions income.

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 $316.372 million, or 27.5%, during the 2021 fiscal year, leaving a balance of $1.469 billion at the end of the fiscal year. The increase in fund balance was primarily a result of the 2-cent per year gas tax increase for road projects and maintenance. DOT is in the process of undertaking these road projects.

Nonmajor Governmental Funds are used to account for funds that are restricted for specific purposes, including education, healthcare, and local governments. The $132.173 million, or 13.7%, increase in fund balance during the 2021 fiscal year was primarily the result of increases in accommodations and local option sales tax revenues.

Proprietary Funds

Exhibit 6 shows the components of the net position for the State's various proprietary funds at June 30, 2021.

Exhibit 6
Proprietary Fund Net Position
For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Enterprise Funds				Internal
Fund Net Position	**Unemployment Compensation**	**Second Injury**	**Nonmajor Enterprise**	**Total Enterprise**	**Service Funds**
Net investment in capital assets	$ —	$ —	$ 312,603	$ 312,603	$ 79,544
Restricted, expendable	1,300,682	65,384	—	1,366,066	481,057
Unrestricted	(14,017)	—	(104,797)	(118,814)	329,711
Totals	**$ 1,286,665**	**$ 65,384**	**$ 207,806**	**$ 1,559,855**	**$ 890,312**
Change from prior year	**$ (28,039)**	**$ 10,041**	**$ (8,681)**	**$ (26,679)**	**$ 4,921**
Percentage change	**(2.1%)**	**18.1%**	**(4.0%)**	**(1.7%)**	**0.6%**

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, decreased by $28.039 million, or 2.1%, over the prior year. The decrease in net position was the result of additional expenses related to unemployment benefits and claims related to the COVID-19 pandemic, but the fund was still able to operate without obtaining additional advances from the Federal government since May 2011.

The net position of the *Second Injury Fund*, a major enterprise fund, increased by $10.041 million, or 18.1%, over the prior year. As stated on page 29, the Second Injury Fund's closure plan started to take effect in fiscal year 2019. The last assessment for this plan was made in fiscal year 2018.

The net position of the State's *nonmajor enterprise funds* decreased by $8.681 million, or 4.0%, over the prior year. The decrease in the State's *nonmajor enterprise funds'* net position was primarily due to the Other Enterprise fund's portion of the State's net pension and OPEB liabilities increasing within the fund by $47.009 million during the current fiscal year. Its proportion of these liabilities increased mostly due to the GASB Statement No. 84, *Fiduciary Activities*, change in accounting principle. The increase in expenses within the Other Enterprise Fund was partially offset by a $19.252 million increase in license, fee, and permit revenues, which also was attributable to GASB Statement No. 84.

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 $4.921 million, or 0.6%, in the 2021 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.

Budgetary General Fund Highlights

Estimated revenues for the 2021 fiscal year were $8.923 billion. Actual revenues at June 30, 2021, were $1.537 billion, or 17.2%, over the estimated revenue used in the fiscal year 2021 budget appropriations act. This also represented an increase in collections over the prior year of $1.280 billion, or 13.9%. 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 $713.365 million and sales tax collections ended the year over the adjusted estimate by $425.994 million.

Actual expenditures were $2.062 billion less than actual revenues. Also, expenditures were kept $681.328 million under fiscal year 2021 adjusted appropriations. In addition, $1.482 million of unbudgeted spending occurred through "open-ended" appropriations.

Based on the above results of operations, fiscal year 2021 ended with a budgetary surplus, which resulted in a budgetary General Fund balance after reservation of $3.615 billion.

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

Capital Assets and Debt Administration

Capital Assets

At the end of the 2021 fiscal year, the State had $19.642 billion invested in capital assets, net of depreciation. This represented a net increase (including additions and deductions) of $463.466 million, or 2.4%, over the previous fiscal year (see *Exhibit 7*).

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

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percentage Change
	2021	2020 (as restated)	2021	2020 (as restated)	2021	2020 (as restated)	2021-2020
Land and improvements	$ 2,336,603	$ 2,294,497	$ 191,184	$ 170,982	$ 2,527,787	$ 2,465,479	2.5%
Infrastructure	11,490,950	10,930,987	—	—	11,490,950	10,930,987	5.1%
Buildings and improvements	962,597	1,007,960	14,227	14,711	976,824	1,022,671	(4.5%)
Vehicles	269,768	248,030	633	743	270,401	248,773	8.7%
Machinery and equipment	228,579	223,665	3,967	3,566	232,546	227,231	2.3%
Works of art and historical treasures	3,298	3,362	—	—	3,298	3,362	(1.9%)
Construction in progress	3,883,575	3,941,195	114,082	104,488	3,997,657	4,045,683	(1.2%)
Intangible assets	142,806	234,617	—	—	142,806	234,617	(39.1%)
Total	**$ 19,318,176**	**$ 18,884,313**	**$ 324,093**	**$ 294,490**	**$ 19,642,269**	**$ 19,178,803**	**2.4%**

Growth in capital asset investment occurred mostly in infrastructure. The Department of Transportation converted $782.046 million of previous and current year construction in progress into infrastructure. These additions are part of new and on-going infrastructure projects within the Department of Transportation Special Revenue Fund and are funded by federal grants and the 2-cent per year gas tax increase for road projects and maintenance.

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

Debt Outstanding

At June 30, 2021, the State had $1.851 billion in bonds and notes outstanding—a decrease of $216.266 million, or a 10.5%, from the previous year (see *Exhibit 8*).

Exhibit 8

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

	Governmental Activities		Business-type Activities		Totals—Primary Government		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2021-2020
Backed by the State:							
General obligation bonds	$ 265,229	$ 368,747	$ —	$ —	$ 265,229	$ 368,747	(28.1%)
Backed by Specific Revenues:							
Revenue bonds and notes	102,026	128,374	11,490	11,685	113,516	140,059	(19.0%)
Infrastructure Bank bonds	1,472,319	1,558,524	—	—	1,472,319	1,558,524	(5.5%)
Total	**$1,839,574**	**$ 2,055,645**	**$ 11,490**	**$ 11,685**	**$1,851,064**	**$ 2,067,330**	**(10.5%)**

The repayment of principal on outstanding debt exceeded issuances of debt, resulting in a decrease in debt outstanding for governmental activities of $216.071 million, or 10.5%. Contributing to this decline was a major refunding of general obligation bonds.

Three bond rating services assign ratings to bonds backed by the State with its own taxing authority (*general obligation bonds*). Fitch Ratings rated these bonds as "AAA" and Moody's Investors Service rated them as "Aaa" during the fiscal year ended June 30, 2021, 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, 2021, 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: $100.837 million for highway bonds, $520.297 million for general obligation bonds (excluding institution and highway bonds), $41.612 million for economic development bonds, and $41.040 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements on page 136 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 $440.238 million balance at June 30, 2021, which was $34.025 million greater than the balance a year earlier. Funding for this reserve is mandated by State law and by the State Constitution. If the State withdraws funds from the General Reserve Fund to cover a year-end deficit, it must replace the funds within five years. The State Constitution also requires that at least one percent of the Budgetary General Fund revenue of the latest completed fiscal year, if so much is necessary, be restored each year following the deficit until full funding is achieved. In any year withdrawals are made that reduce the account below its pre-determined full-funding level, the State Constitution requires that full-funding of the General Reserve Fund be restored within three fiscal years. State law defines full funding as 5.0% of the Budgetary General Fund's revenues of the prior fiscal year.

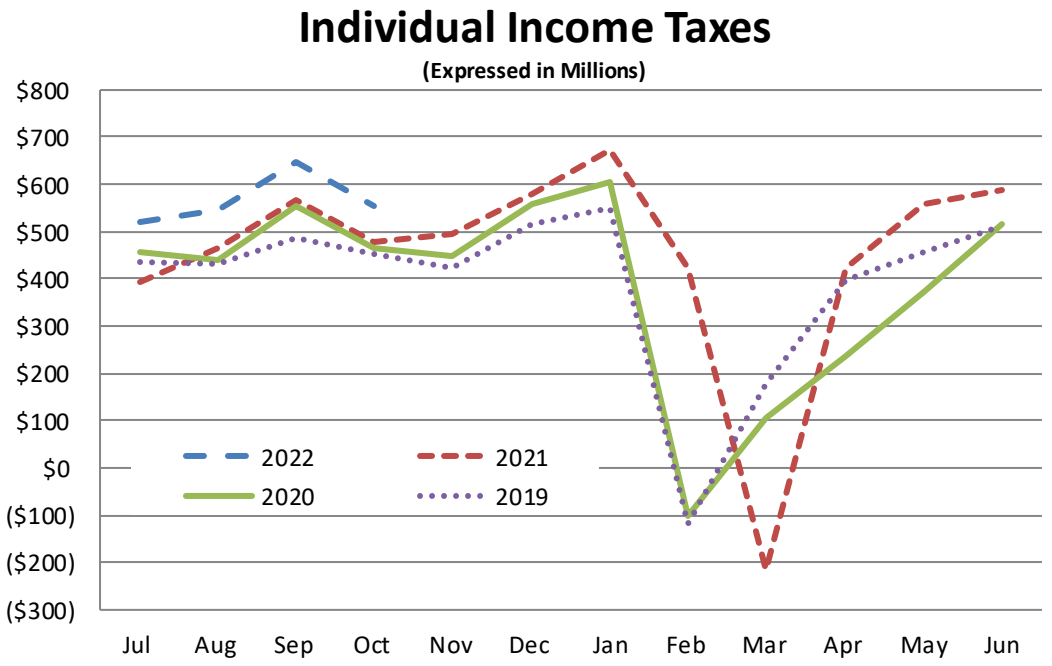
Forecasted Budgetary General Fund Revenues for Fiscal Year 2022

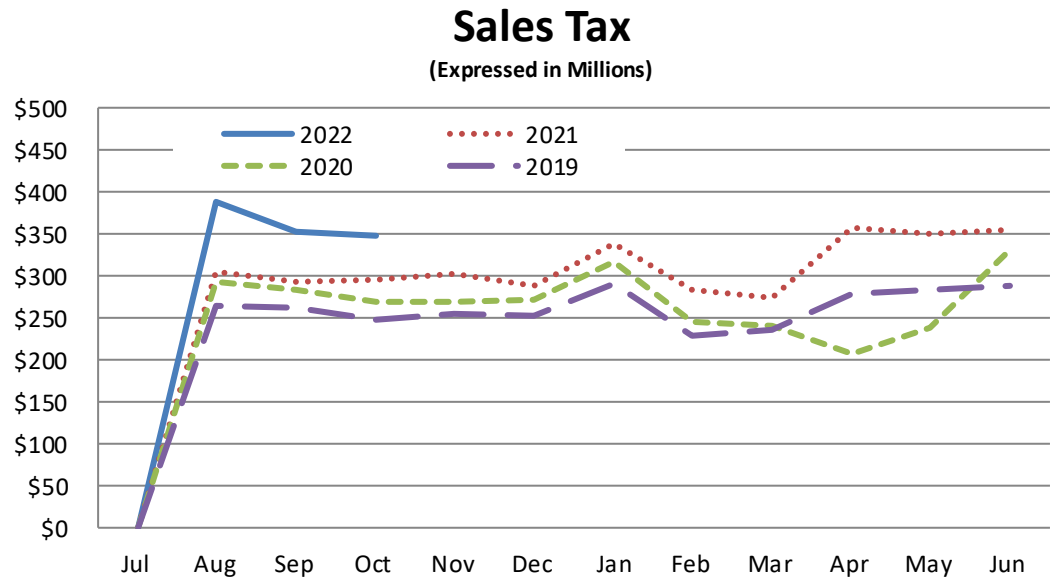
In April 2021, the State Board of Economic Advisors (BEA) forecast that there would be $9.163 billion of budgetary General Fund revenues for fiscal year 2022, which was $1.297 billion, or 12.4%, less than actual corresponding revenues collected in fiscal year 2021. In November 2021, the BEA increased its 2022 fiscal year forecast another $1.095 billion. As a

result, forecasted Budgetary General Fund revenues for fiscal year 2022 are currently $202.451 million, or 1.9%, below actual revenue collections in fiscal year 2021.

Economic Conditions

Budgetary General Fund revenues for the first four months of fiscal year 2022 were $3.222 billion (net of $650.023 million to the tax relief trust fund), which was an increase of $619.117 million, or 23.8%, compared to the same period for fiscal year 2021. Total individual income taxes collected have increased by $360.129 million, or 18.9%, compared to the same period in the prior year. Sales taxes have increased by $193.489 million, or 21.6%, over the first four months of fiscal year 2021.

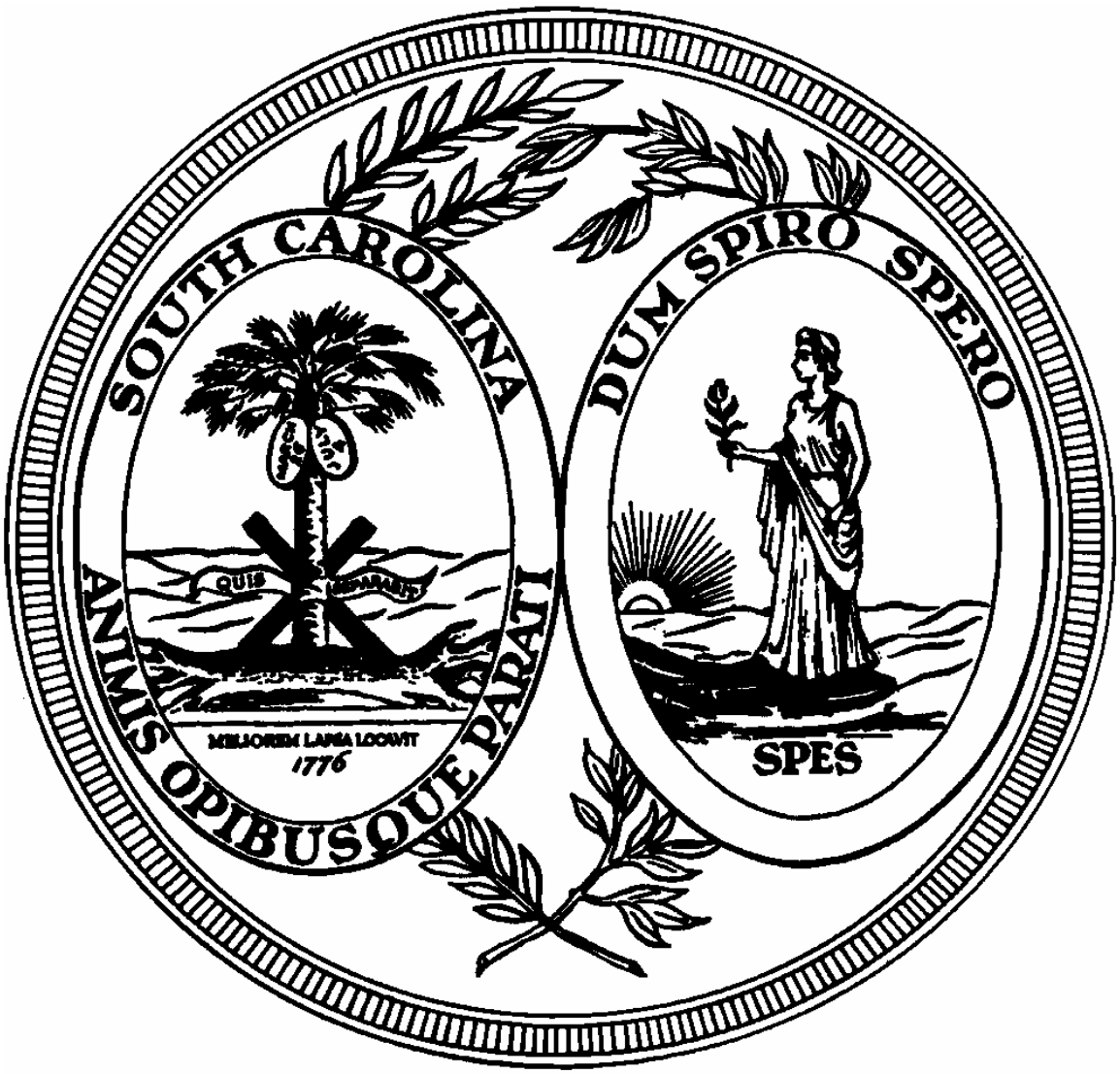




Requests for Information

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

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


SOUTH CAROLINA
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BASIC
FINANCIAL STATEMENTS

Statement of Net Position

June 30, 2021
(Expressed in Thousands)

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-type Activities	Totals	COMPONENT UNITS
ASSETS				
Cash and cash equivalents	$ 7,433,022	$ 1,297,233	$ 8,730,255	$ 3,597,592
Investments	8,370,132	249,434	8,619,566	2,125,104
Invested securities lending collateral	312,047	7,542	319,589	62,114
Receivables, net:				
Accounts	694,443	24,433	718,876	493,489
Contributions	2,010	—	2,010	185,752
Participants	—	141	141	—
Accrued interest	59,690	3,873	63,563	14,662
Income taxes	973,906	—	973,906	—
Sales and other taxes	936,481	—	936,481	—
Student accounts	65	—	65	58,815
Patient accounts	20,101	—	20,101	337,970
Loans and notes	722,274	—	722,274	57,840
Assessments	—	104,426	104,426	—
Due from Federal government and other grantors	1,101,823	25,297	1,127,120	168,330
Internal balances	55,705	(55,705)	—	—
Due from component units	103,371	—	103,371	—
Due from primary government	—	—	—	79,728
Due from fiduciary funds	152,325	—	152,325	—
Inventories	112,354	1,545	113,899	443,148
Restricted assets:				
Cash and cash equivalents	840,782	—	840,782	1,915,942
Investments	—	—	—	2,500,782
Accounts receivable	12,000	—	12,000	106
Loans receivable	—	—	—	901,833
Other	71,694	—	71,694	29,958
Prepaid items	63,877	426	64,303	117,061
Other assets	367	—	367	302,030
Regulatory assets	—	—	—	3,740,683
Other regulatory assets	—	—	—	372,337
Investment in joint venture	—	—	—	9,501
Capital assets-nondepreciable	6,174,022	299,543	6,473,565	2,187,824
Capital assets-depreciable, net	13,144,154	24,550	13,168,704	11,345,611
Total assets	$ 41,356,645	$ 1,982,738	$ 43,339,383	$ 31,048,212
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivatives	$ —	$ —	$ —	$ 18,634
Deferred amount on refunding	37,322	—	37,322	172,168
Asset retirement obligation	—	—	—	691,641
Pension related	821,458	6,711	828,169	1,079,007
Other post-employment benefits related	836,280	8,065	844,345	1,296,046
Total deferred outflows	$ 1,695,060	$ 14,776	$ 1,709,836	$ 3,257,496
LIABILITIES				
Accounts payable	$ 1,049,795	$ 16,242	$ 1,066,037	$ 431,525
Accrued salaries and related expenses	170,066	2,099	172,165	317,111
Accrued interest payable	10	158	168	78,719
Retainages payable	3,449	—	3,449	8,774
Tax refunds payable	1,016,374	56,235	1,072,609	—
Payables-aid to individuals/families	10,053	—	10,053	—
Prizes payable	—	—	—	45,261
Unemployment benefits payable	—	31,373	31,373	—
Intergovernmental payables	686,806	1,196	688,002	680
Tuition benefits payable	—	48,919	48,919	—
Due to component units	79,728	—	79,728	—
Due to primary government	—	—	—	103,371
Due to fiduciary funds	30,364	—	30,364	—
Asset retirement obligation	—	—	—	694,236
Unearned revenues	726,418	33	726,451	613,592
Deposits	1,719	300	2,019	16,781
Amounts held in custody for others	—	—	—	25,460
Securities lending collateral	312,047	7,542	319,589	62,114
Liabilities payable from restricted assets:				
Accrued interest payable	14,286	—	14,286	—
Other	—	—	—	26,811
Other liabilities	495,777	12	495,789	896,000
Long-term liabilities:				
Due within one year	921,870	24,344	946,214	441,994
Due in more than one year	9,989,703	243,752	10,233,455	22,945,654
Total liabilities	$ 15,508,465	$ 432,205	$ 15,940,670	$ 26,708,083
DEFERRED INFLOWS OF RESOURCES				
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ 14,767
Deferred gain on refunding	—	—	—	2,564
Deferred nuclear decommissioning costs	—	—	—	247,903
Deferred service concession arrangement receipts	—	—	—	571
Deferred nonexchange revenues	11,979	—	11,979	32
Toshiba settlement	—	—	—	296,380
Pension related	164,191	1,673	165,864	99,419
Other post-employment benefits related	389,399	3,781	393,180	445,761
Total deferred inflows	$ 565,569	$ 5,454	$ 571,023	$ 1,107,397

Exhibit A-1

	PRIMARY GOVERNMENT			COMPONENT
	Governmental Activities	Business-type Activities	Totals	UNITS
NET POSITION				
Net investment in capital assets	$ 17,534,618	$ 312,603	$ 17,847,221	$ 6,418,641
Restricted:				
Expendable:				
General government	2,496,379	—	2,496,379	—
Education	1,468,888	—	1,468,888	1,573,203
Health	871,979	—	871,979	—
Transportation	2,264,187	—	2,264,187	2,708
Capital projects	—	—	—	962,666
Debt service	1,030,702	—	1,030,702	194,478
Loan programs	—	—	—	468,848
Waste management	522,443	—	522,443	—
Insurance programs	481,057	65,384	546,441	—
Administration of justice	37,370	—	37,370	—
Economic development	26,787	—	26,787	—
Social programs	60,401	—	60,401	—
Unemployment compensation benefits	—	1,300,682	1,300,682	—
Other	—	—	—	21,388
Nonexpendable:				
Education	11,562	—	11,562	1,443,171
Other	225,687	—	225,687	—
Unrestricted	(54,389)	(118,814)	(173,203)	(4,594,875)
Total net position	**$ 26,977,671**	**$ 1,559,855**	**$ 28,537,526**	**$ 6,490,228**

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

Statement of Activities

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenues (Expenses)
Primary government:					
Governmental activities:					
General government	$ 9,004,041	$ 3,761,937	$ 3,199,963	$ 37,709	$ (2,004,432)
Education	5,913,437	34,548	1,599,695	(538)	(4,279,732)
Health and environment	9,182,050	197,053	6,358,339	3,612	(2,623,046)
Social services	2,454,063	12,000	2,034,872	23,614	(383,577)
Administration of justice	1,105,209	55,626	21,267	89	(1,028,227)
Resources and economic development	495,883	86,817	92,170	5,347	(311,549)
Transportation	1,723,480	273,250	185	637,817	(812,228)
Unallocated interest expense	8,135	—	—	—	(8,135)
Total governmental activities	**29,886,298**	**4,421,231**	**13,306,491**	**707,650**	**(11,450,926)**
Business-type activities:					
Unemployment compensation benefits	3,595,804	256,970	2,969,707	—	(369,127)
Second Injury	1,205	443	—	—	(762)
Other enterprise activities	106,315	68,252	213	20,966	(16,884)
Total business-type activities	**3,703,324**	**325,665**	**2,969,920**	**20,966**	**(386,773)**
Total primary government	**$ 33,589,622**	**$ 4,746,896**	**$ 16,276,411**	**$ 728,616**	**$ (11,837,699)**
Component units:					
Public Service Authority	1,596,216	1,627,427	5,538	—	36,749
Medical University of South Carolina	3,874,275	3,226,292	521,176	19,118	(107,689)
University of South Carolina	1,488,505	1,229,206	282,488	14,376	37,565
Clemson University	1,178,317	838,423	492,554	1,808	154,468
State Ports Authority	351,981	312,772	9,258	1,500	(28,451)
Housing Authority	229,483	49,444	203,809	—	23,770
Lottery Commission	2,419,655	2,419,508	20	—	(127)
Nonmajor component units	2,011,659	1,156,746	710,040	64,640	(80,233)
Total component units	**$ 13,150,091**	**$ 10,859,818**	**$ 2,224,883**	**$ 101,442**	**$ 36,052**

Exhibit A-2

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Changes in net position:				
Net revenues (expenses)	$ (11,450,926)	$ (386,773)	$ (11,837,699)	$ 36,052
General revenues:				
Taxes:				
Individual income	5,584,914	—	5,584,914	—
Retail sales and use	6,106,578	—	6,106,578	—
Corporate income	573,618	—	573,618	—
Gas and motor vehicle	1,406,817	—	1,406,817	—
Insurance	224,996	—	224,996	—
Hospital	258,970	—	258,970	—
Other	837,842	—	837,842	—
Total taxes	14,993,735	—	14,993,735	—
Unrestricted investment income	71,582	48,517	120,099	—
State Appropriations	—	—	—	935,628
Tobacco legal settlement	88,349	—	88,349	—
Other revenues	927,258	1,213	928,471	—
Additions to endowments	—	—	—	64,938
Transfers–internal activities	(310,364)	310,364	—	—
Total general revenues, additions to endowments, and transfers	**15,770,560**	**360,094**	**16,130,654**	**1,000,566**
Change in net position	**4,319,634**	**(26,679)**	**4,292,955**	**1,036,618**
Net position at beginning of year, as restated	**22,658,037**	**1,586,534**	**24,244,571**	**5,453,610**
Net position at end of year	**$ 26,977,671**	**$ 1,559,855**	**$ 28,537,526**	**$ 6,490,228**

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

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2021
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue
ASSETS				
Cash and cash equivalents	$ 3,937,745	$ 217,995	$ 152,737	$ 1,705,887
Investments	6,245,619	256,208	546,698	—
Invested securities lending collateral	88,711	8,382	59,974	32,335
Receivables, net:				
Accounts	101,929	198,854	1,302	3,828
Contributions	621	1,389	—	—
Accrued interest	29,151	2,040	7,793	10,190
Income taxes	973,906	—	—	—
Sales and other taxes	800,456	1,754	—	5,759
Student accounts	65	—	—	—
Patient accounts	16,902	3,199	—	—
Loans and notes	39,397	363	674,111	8,403
Due from Federal government and other grantors	8,466	1,002,789	5,513	84,667
Due from other funds	274,207	70,620	19,800	97,826
Due from component units	54,488	—	—	84
Interfund receivables	51,142	1,550	113,239	—
Inventories	31,922	72,897	—	4,291
Restricted assets:				
Cash and cash equivalents	6,409	—	834,163	210
Accounts receivable, net	—	—	12,000	—
Other	—	—	33,694	—
Prepaid items	25,655	3,699	—	5,878
Other assets	31	—	—	203
Total assets	**$ 12,686,822**	**$ 1,841,739**	**$ 2,461,024**	**$ 1,959,561**
LIABILITIES				
Accounts payable	311,762	401,820	78,739	191,666
Accrued salaries and related expenditures	105,846	38,680	102	21,406
Retainages payable	104	320	—	—
Tax refunds payable	1,016,374	—	—	—
Payable–aid to individuals/families	1,013	9,040	—	—
Intergovernmental payables	29,145	402,259	6,849	—
Due to other funds	207,774	121,179	39	1,482
Due to component units	19,109	24,657	—	—
Interfund payables	1,550	234	—	113,239
Unearned revenues	25,942	339,415	31,137	128,894
Deposits	—	—	—	1,710
Securities lending collateral	88,711	8,382	59,974	32,335
Other liabilities	232,054	17,643	21,990	—
Total liabilities	**2,039,384**	**1,363,629**	**198,830**	**490,732**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	5,067	47,807	43,438	4
Deferred nonexchange revenues	11,979	—	—	—
Total deferred inflows of resources	**17,046**	**47,807**	**43,438**	**4**
FUND BALANCES				
Nonspendable	138,407	76,596	—	10,372
Restricted	1,343,636	1,637,021	2,218,756	1,091,829
Committed	627,935	61,280	—	366,624
Assigned	371,923	—	—	—
Unassigned	8,148,491	(1,344,594)	—	—
Total fund balances	**10,630,392**	**430,303**	**2,218,756**	**1,468,825**
Total liabilities, deferred inflows and fund balances	**$ 12,686,822**	**$ 1,841,739**	**$ 2,461,024**	**$ 1,959,561**

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

Exhibit B-1

Nonmajor Governmental Funds	Totals
$ 502,269	$ 6,516,633
752,954	7,801,479
25,370	214,772
14,448	320,361
—	2,010
5,137	54,311
—	973,906
128,512	936,481
—	65
—	20,101
—	722,274
388	1,101,823
3,959	466,412
32,033	86,605
—	165,931
—	109,110
—	840,782
—	12,000
38,000	71,694
312	35,544
—	234
$ 1,503,382	**$ 20,452,528**
57,736	1,041,723
337	166,371
3,025	3,449
—	1,016,374
—	10,053
248,548	686,801
31,419	361,893
35,962	79,728
—	115,023
—	525,388
—	1,710
25,370	214,772
309	271,996
402,706	**4,495,281**
650	96,966
—	11,979
650	**108,945**
11,914	237,289
936,713	7,227,955
58,306	1,114,145
93,093	465,016
—	6,803,897
1,100,026	**15,848,302**
$ 1,503,382	**$ 20,452,528**

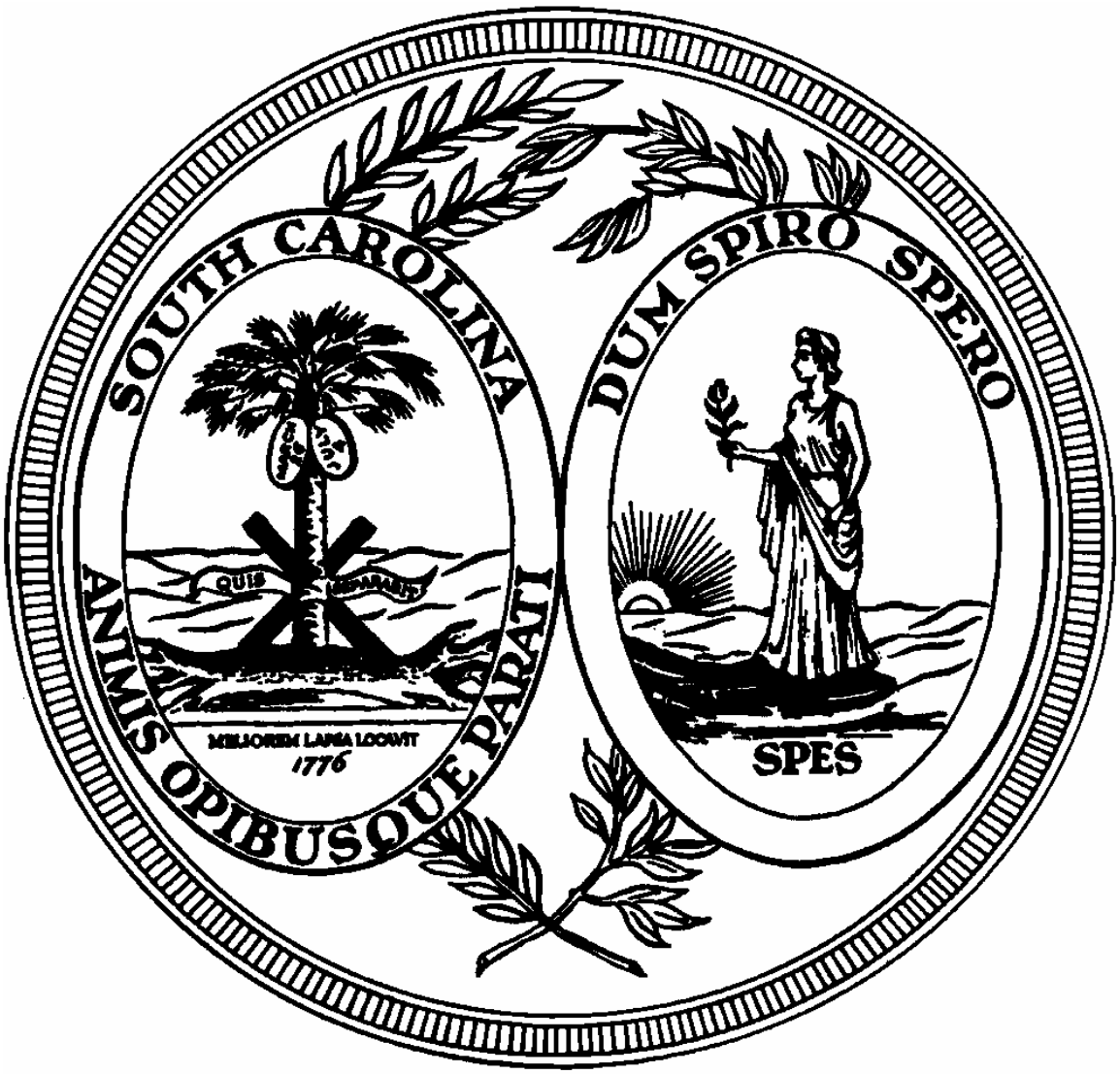
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit B-1a

June 30, 2021
(Expressed in Thousands)

Total fund balances–governmental funds		**$ 15,848,302**
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not considered current financial resources and therefore are not reported in the funds:		
Non-depreciable capital assets	$ 6,167,683	
Depreciable capital assets	20,388,341	
Accumulated depreciation	(7,322,921)	
Total capital assets		19,233,103
Deferred outflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Deferred loss on refunding bonds		37,322
Pension and OPEB contributions made after the measurement date		417,840
Difference between expected and actual retirement plan experience		200,171
Net difference between projected and actual earnings on investments		336,893
Changes in proportion and differences between contributions and proportionate share of plan contributions		126,384
Changes in assumptions		551,256
Deferred inflows of resources are recognized in the Statement of Net Position, but are not reported in governmental funds:		
Difference between expected and actual retirement plan experience		(101,840)
Difference between projected and actual investment earnings		(8,789)
Changes in proportion and differences between contributions and proportionate share of plan contributions		(292,874)
Changes in assumptions		(142,400)
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		96,966
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		890,312
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable	(1,774,896)	
Notes payable	(59,149)	
Accrued interest on bonds	(14,286)	
Capital leases	(6,306)	
Net pension liability	(4,329,845)	
Net OPEB liability	(3,575,207)	
Compensated absences	(203,695)	
Policy claims	(28,707)	
Other	(222,884)	
Total long-term liabilities		(10,214,975)
Net position of governmental activities		**$ 26,977,671**

The Notes to the Financial Statements are an integral part of this statement.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Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	General Fund	Departmental Program Services	Local Government Infrastructure
Revenues:			
Taxes:			
Individual income	$ 5,559,739	$ —	$ 25,175
Retail sales and use	4,792,519	2,978	—
Corporate income	573,618	—	—
Gas and motor vehicle	—	—	—
Insurance	223,984	1,012	—
Hospital	258,970	—	—
Other	710,440	123,688	—
Licenses, fees, and permits	338,196	61,980	146,838
Interest and other investment income	23,162	(1,142)	20,080
Federal	54,195	12,079,192	19,690
Local and private grants	6,144	68,744	8,677
Departmental services	789,207	122,669	178
Contributions	6,240	26,012	5,390
Fines and penalties	111,149	4,781	—
Tobacco legal settlement	—	—	—
Other	957,803	328,527	44
Total revenues	**14,405,366**	**12,818,441**	**226,072**
Expenditures:			
Current:			
General government	606,878	1,898,843	—
Education	594,339	451,998	—
Health and environment	3,063,771	6,864,551	—
Social services	283,531	2,018,990	—
Administration of justice	904,665	44,969	—
Resources and economic development	183,954	69,527	25,079
Transportation	1,831	63,692	1,079
Capital outlay	117,009	19,839	—
Debt service:			
Principal retirement	77,389	66	80,330
Interest and fiscal charges	14,507	10	60,551
Intergovernmental	4,512,891	1,463,184	64,785
Total expenditures	**10,360,765**	**12,895,669**	**231,824**
Excess of revenues over (under) expenditures	**4,044,601**	**(77,228)**	**(5,752)**
Other financing sources (uses):			
Bonds and notes issued	6,672	—	—
Refunding bonds issued	—	—	8,970
Premiums on bonds issued	—	—	1,403
Termination payment to swap counterparties	—	—	(73,199)
Capital leases	1,309	138	—
Payment to refunded bond escrow agent	—	—	(10,289)
Transfers in	55,110	26,630	6,166
Transfers out	(423,222)	(6,888)	—
Total other financing sources (uses)	**(360,131)**	**19,880**	**(66,949)**
Net change in fund balances	**3,684,470**	**(57,348)**	**(72,701)**
Fund balances at beginning of year, as restated	**6,945,922**	**487,651**	**2,291,457**
Fund balances at end of year	**$ 10,630,392**	**$ 430,303**	**$ 2,218,756**

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

Exhibit B-2

Department of Transportation Special Revenue	Nonmajor Governmental Funds	Totals
$ —	$ —	$ 5,584,914
—	1,311,081	6,106,578
—	—	573,618
1,406,817	—	1,406,817
—	—	224,996
—	—	258,970
—	3,714	837,842
—	56,085	603,099
6,754	5,284	54,138
714,649	162	12,867,888
—	—	83,565
98,829	37,259	1,048,142
—	607,771	645,413
—	6,462	122,392
—	88,349	88,349
14,685	26,323	1,327,382
2,241,734	**2,142,490**	**31,834,103**
—	102,544	2,608,265
—	482,308	1,528,645
—	5,314	9,933,636
—	56	2,302,577
—	—	949,634
—	6,600	285,160
1,217,329	—	1,283,931
671,473	124,528	932,849
37,277	2,894	197,956
5,893	1,005	81,966
—	1,328,414	7,369,274
1,931,972	**2,053,663**	**27,473,893**
309,762	**88,827**	**4,360,210**
—	—	6,672
—	83,935	92,905
—	10,410	11,813
—	—	(73,199)
4,337	2	5,786
—	(93,299)	(103,588)
5,837	146,949	240,692
(3,564)	(104,651)	(538,325)
6,610	**43,346**	**(357,244)**
316,372	**132,173**	**4,002,966**
1,152,453	**967,853**	**11,845,336**
$ 1,468,825	**$ 1,100,026**	**$ 15,848,302**

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, 2021
(Expressed in Thousands)

Net change in fund balances–total governmental funds		**$ 4,002,966**
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 is allocated over their estimated useful lives and reported as depreciation expense. In the current period these amounts are:		
Capital outlay	$ 932,849	
Depreciation expense	(487,791)	
Excess of capital outlay over depreciation expense		445,058
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		49,757
Loss on disposals of capital assets are reported as an expense in the Statement of Activities		(50,588)
Bond, note, and capital lease proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, proceeds were received from:		
Bonds, notes, and capital leases issued		(117,176)
Losses on bond refundings and hedging portion of derivatives are considered deferred outflows of resources in the Statement of Net Position		(93,690)
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 capital lease retirement	197,956	
Payment to refunded bond escrow agent	103,588	
Total long-term debt repayment		301,544
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		4,921
Because certain receivables will not be collected soon enough after the State's fiscal year ends, the related revenues are not considered "available" and are deferred in the governmental funds.		
Increase in unearned revenues		29,111

Exhibit B-2a

Decrease in general operating expense due to the increase in pension expense for the amortization of deferred outflows and inflows of resources related to the net pension liability		622,655
Certain items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These consist of changes in the following assets and liabilities:		
Accrued interest payable	$ 2,016	
Unamortized bond premiums and discounts	21,976	
Net pension liability	(377,431)	
Net OPEB liability	(500,512)	
Compensated absences payable	2,727	
Policy claims payable	(7,011)	
Other long-term liabilities	(16,689)	
Total additional expenses		(874,924)
Change in net position of governmental activities		**$ 4,319,634**

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

Statement of Net Position

PROPRIETARY FUNDS

June 30, 2021
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
ASSETS					
Current assets:					
Cash and cash equivalents	$ 1,232,817	$ 20,873	$ 43,543	$ 1,297,233	$ 916,389
Investments	11,749	221,022	16,663	249,434	2,239
Invested securities lending collateral	395	7,116	31	7,542	97,275
Receivables, net:					
Accounts	18,693	445	5,295	24,433	374,015
Participants	—	—	91	91	—
Accrued interest	86	3,779	8	3,873	5,379
Assessments	104,426	—	—	104,426	—
Due from Federal government and other grantors	25,297	—	—	25,297	—
Due from other funds	1	—	255	256	25,709
Due from component units	—	—	—	—	16,766
Inventories	—	—	1,545	1,545	3,244
Prepaid items	—	—	426	426	28,067
Total current assets	1,393,464	253,235	67,857	1,714,556	1,469,083
Long-term assets:					
Investments	—	—	—	—	566,414
Receivables, net:					
Accounts	—	—	—	—	67
Participants	—	—	50	50	—
Prepaid items	—	—	—	—	266
Other long-term assets	—	—	—	—	132
Non-depreciable capital assets	—	—	299,543	299,543	6,339
Depreciable capital assets, net	—	—	24,550	24,550	78,734
Total long-term assets	—	—	324,143	324,143	651,952
Total assets	**1,393,464**	**253,235**	**392,000**	**2,038,699**	**2,121,035**
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	—	—	6,711	6,711	12,728
Other post-employment benefits related	—	—	8,065	8,065	12,466
Total deferred outflows of resources	**$ —**	**$ —**	**$ 14,776**	**$ 14,776**	**$ 25,194**

Exhibit B-3

	ENTERPRISE FUNDS				INTERNAL SERVICE FUNDS
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	
LIABILITIES					
Current liabilities:					
Accounts payable	$ 13,227	$ 577	$ 2,438	$ 16,242	$ 8,072
Accrued salaries and related expenses	—	—	2,099	2,099	3,695
Accrued interest payable	—	—	158	158	10
Tax refunds payable	56,235	—	—	56,235	—
Unemployment benefits payable	31,373	—	—	31,373	—
Intergovernmental payables	1,193	—	3	1,196	5
Interfund payables	—	—	51,000	51,000	—
Tuition benefits payable	—	—	10,739	10,739	—
Policy claims	—	23,043	—	23,043	626,164
Due to other funds	4,376	—	585	4,961	3,328
Unearned revenues	—	—	33	33	201,030
Deposits	—	—	300	300	9
Securities lending collateral	395	7,116	31	7,542	97,275
Notes payable	—	—	—	—	3,910
Revenue bonds payable	—	—	205	205	—
Compensated absences payable	—	—	1,096	1,096	2,267
Other current liabilities	—	—	12	12	3,501
Total current liabilities	106,799	30,736	68,699	206,234	949,266
Long-term liabilities:					
Tuition benefits payable	—	—	38,180	38,180	—
Policy claims	—	157,115	—	157,115	175,885
Interfund payables	—	—	—	—	142
Notes payable	—	—	6,500	6,500	1,619
Revenue bonds payable	—	—	4,785	4,785	—
Compensated absences payable	—	—	896	896	1,498
Other long-term liabilities	—	—	—	—	152
Net pension liability	—	—	39,415	39,415	63,981
Net OPEB liability	—	—	35,041	35,041	55,687
Total long-term liabilities	—	157,115	124,817	281,932	298,964
Total liabilities	**106,799**	**187,851**	**193,516**	**488,166**	**1,248,230**
DEFERRED INFLOWS OF RESOURCES					
Pension related	—	—	1,673	1,673	1,852
Other post-employment benefits related	—	—	3,781	3,781	5,835
Total deferred inflows of resources	**$ —**	**$ —**	**$ 5,454**	**$ 5,454**	**$ 7,687**

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

Continued on Next Page

Statement of Net Position

Exhibit B-3

PROPRIETARY FUNDS (Continued)

June 30, 2021
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
NET POSITION					
Net investment in capital assets	$ —	$ —	$ 312,603	$ 312,603	$ 79,544
Restricted:					
Expendable:					
Unemployment compensation benefits	1,300,682	—	—	1,300,682	—
Insurance programs	—	65,384	—	65,384	481,057
Unrestricted	(14,017)	—	(104,797)	(118,814)	329,711
Total net position	**$ 1,286,665**	**$ 65,384**	**$ 207,806**	**$ 1,559,855**	**$ 890,312**

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

Exhibit B-4

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Operating revenues:					
Assessments	$ 234,825	$ —	$ —	$ 234,825	$ —
Charges for services	—	443	48,978	49,421	3,162,690
Contributions	—	—	213	213	—
Federal grants and contracts	—	—	20,966	20,966	—
Interest and other investment income	24,054	11,003	13,507	48,564	—
Licenses, fees, and permits	—	—	19,252	19,252	111
Federal operating grants and contracts	2,969,707	—	—	2,969,707	—
Other operating revenues	22,145	—	22	22,167	581,660
Total operating revenues	**3,250,731**	**11,446**	**102,938**	**3,365,115**	**3,744,461**
Operating expenses:					
General operations and administration	—	—	93,898	93,898	453,219
Benefits and claims	3,595,804	1,205	—	3,597,009	3,291,175
Tuition plan disbursements	—	—	10,800	10,800	—
Depreciation and amortization	—	—	1,652	1,652	19,141
Other operating expenses	—	—	50	50	317
Total operating expenses	**3,595,804**	**1,205**	**106,400**	**3,703,409**	**3,763,852**
Operating income (loss)	**(345,073)**	**10,241**	**(3,462)**	**(338,294)**	**(19,391)**
Nonoperating revenues (expenses):					
Interest income	—	—	111	111	17,444
Interest expense	—	—	(158)	(158)	(155)
Net other nonoperating revenues	—	—	1,213	1,213	11,751
Gains (Losses) on sale of capital assets	—	—	85	85	(224)
Total nonoperating revenues, net	**—**	**—**	**1,251**	**1,251**	**28,816**
Income (losses) before transfers	**(345,073)**	**10,241**	**(2,211)**	**(337,043)**	**9,425**
Transfers in	336,397	—	232	336,629	5,992
Transfers out	(19,363)	(200)	(6,702)	(26,265)	(10,496)
Change in net position	**(28,039)**	**10,041**	**(8,681)**	**(26,679)**	**4,921**
Net position at beginning of year, as restated	1,314,704	55,343	216,487	1,586,534	885,391
Net position at end of year	**$ 1,286,665**	**$ 65,384**	**$ 207,806**	**$ 1,559,855**	**$ 890,312**

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, 2021
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Cash flows from operating activities:					
Receipts from customers, patients, and third-party payers	$ 47,127	$ —	$ 67,983	$ 115,110	$ 2,908,078
Assessments received	244,694	1,188	—	245,882	—
Grants received	3,144,807	—	—	3,144,807	—
Tuition plan contributions received	—	—	521	521	—
Internal activity–payments from other funds	—	—	—	—	262,158
Other operating cash receipts	—	15,086	951	16,037	455,623
Claims and benefits paid	(3,262,935)	(31,266)	(24,363)	(3,318,564)	(141,175)
Payments to suppliers for goods and services	—	—	(32,620)	(32,620)	(3,478,643)
Payments to employees	—	—	(20,261)	(20,261)	(47,828)
Capital grants and gifts received	—	—	20,966	20,966	—
Other operating cash payments	—	—	(722)	(722)	—
Net cash provided by (used in) operating activities	**173,693**	**(14,992)**	**12,455**	**171,156**	**(41,787)**
Cash flows from noncapital financing activities:					
Rental income cash receipts	—	—	1,575	1,575	—
Local and private grants and contracts	—	—	—	—	(143)
Insurance claims	—	—	—	—	833
Industrial development costs	—	—	(793)	(793)	—
Transfers in	336,397	—	232	336,629	5,992
Transfers out	(19,363)	(200)	(6,702)	(26,265)	(10,496)
Net cash provided by (used in) noncapital financing activities	**317,034**	**(200)**	**(5,688)**	**311,146**	**(3,814)**

Exhibit B-5

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Cash flows from capital and related financing activities:					
Acquisition of capital assets	$ —	$ —	$ (31,416)	$ (31,416)	$ (7,006)
Proceeds from issuance of capital debt	—	—	—	—	—
Principal payments on capital debt	—	—	(198)	(198)	(5,689)
Interest payments on capital debt	—	—	(97)	(97)	(146)
Proceeds from sale or disposal of capital assets	—	—	85	85	2,267
Net cash used in capital and related financing activities	**—**	**—**	**(31,626)**	**(31,626)**	**(10,574)**
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	—	—	13,324	13,324	130,186
Purchase of investments	(728)	(24,183)	(5)	(24,916)	(178,534)
Interest and dividends on investments	24,085	9,316	13,618	47,019	18,155
Net cash provided by (used in) investing activities	**23,357**	**(14,867)**	**26,937**	**35,427**	**(30,193)**
Net increase (decrease) in cash and cash equivalents	**514,084**	**(30,059)**	**2,078**	**486,103**	**(86,368)**
Cash and cash equivalents at beginning of year, as restated	**718,733**	**50,932**	**41,465**	**811,130**	**1,002,757**
Cash and cash equivalents at end of year	**$ 1,232,817**	**$ 20,873**	**$ 43,543**	**$ 1,297,233**	**$ 916,389**

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

Continued on Next Page

Statement of Cash Flows

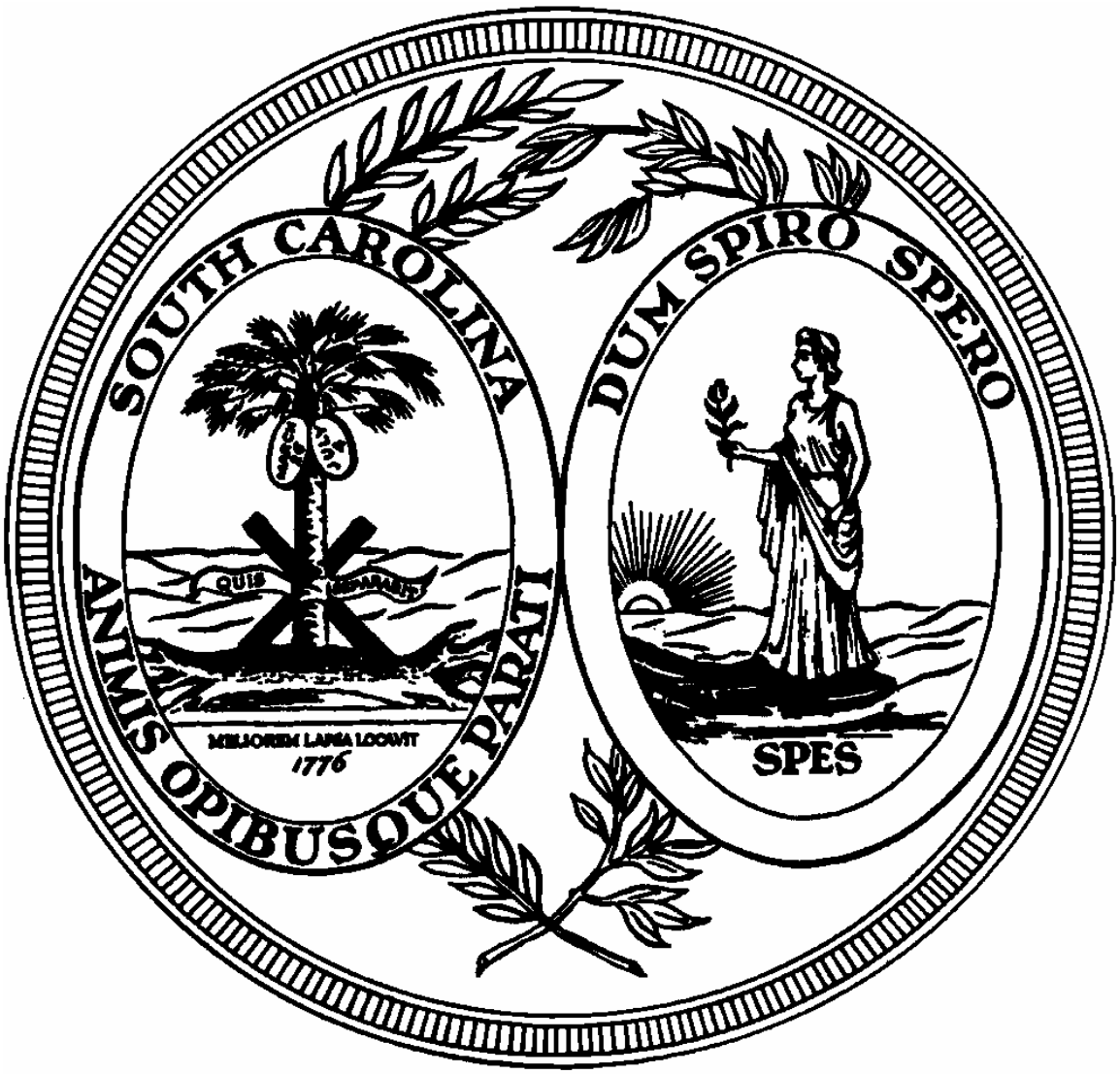
Exhibit B-5

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	ENTERPRISE FUNDS				
	Unemployment Compensation	Second Injury	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
Reconciliation of operating income to net cash provided by (used in) operating activities:					
Operating income (loss)	$ (345,073)	$ 10,241	$ (3,462)	$ (338,294)	$ (19,391)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:					
Depreciation and amortization	—	—	1,652	1,652	19,141
Provision for bad debts	127,804	—	—	127,804	—
Realized gains (losses) on sale of assets	—	—	—	—	(224)
Interest and dividends on investments and interfund loans	(24,085)	(9,316)	(13,396)	(46,797)	—
Other nonoperating revenues	—	—	457	457	7,012
Other nonoperating expenses	—	—	—	—	(1)
Effect of changes in operating assets, deferred outflows, liabilities and deferred inflows:					
Accounts receivable, net	$ (122,586)	$ 150	$ 701	$ (121,735)	$ (134,762)
Accrued interest	31	(1,686)	—	(1,655)	—
Assessments receivable, net	29,633	—	—	29,633	—
Due from Federal government and other grantors	175,100	—	—	175,100	—
Due from other funds	—	—	1	1	8,325
Inventories	—	—	253	253	(121)
Other assets	—	—	(505)	(505)	(510)
Deferred outflows	—	—	(11,328)	(11,328)	(11,103)
Accounts payable	12,079	577	(501)	12,155	3,802
Accrued salaries and related expenses	—	—	960	960	331
Tax refunds payable	19,506	—	—	19,506	—
Unemployment benefits payable	(181,173)	—	—	(181,173)	—
Tuition benefits payable	—	—	(13,563)	(13,563)	—
Policy claims	—	(14,958)	—	(14,958)	72,524
Due to other funds	482,457	—	9	482,466	(629)
Unearned revenues	—	—	—	—	(2,354)
Compensated absences payable	—	—	197	197	94
Other liabilities	—	—	46,830	46,830	16,352
Deferred inflows	—	—	4,150	4,150	(273)
Net cash provided by (used in) operating activities	**$ 173,693**	**$ (14,992)**	**$ 12,455**	**$ 171,156**	**$ (41,787)**
Noncash capital, investing, and financing activities:					
Disposal of capital assets	$ —	—	$ —	$ —	$ 20,564
Decrease in fair value of investments	—	—	(1,454)	(1,454)	(21,911)
Total noncash capital, investing, and financing activities	**$ —**	**$ —**	**$ (1,454)**	**$ (1,454)**	**$ (1,347)**

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


SOUTH CAROLINA
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SPES

Statement of Fiduciary Net Position

Exhibit B-6

FIDUCIARY FUNDS

June 30, 2021
(Expressed in Thousands)

	Pension and Other Post-Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust	Custodial Funds
ASSETS				
Cash and cash equivalents	$ 1,558,836	$ 4,483,582	$ 1,578	$ 298,872
Receivables, net:				
Accounts	—	—	9	9,647
Contributions	302,322	—	—	—
Accrued interest	42,590	136	2,882	—
Unsettled investment sales	2,769,891	—	6,684	—
Other investment receivables	246	—	—	—
Total receivables	3,115,049	136	9,575	9,647
Due from other funds	85,853	—	—	30,214
Investments, at fair value:				
Short term investments	86,030	—	—	8,729
Debt-domestic	4,425,824	2,866,429	—	—
Equity-international	19,346,381	—	—	—
Alternatives	15,660,551	—	—	—
Financial and other	217,739	1,450,856	5,561,267	—
Total investments	39,736,525	4,317,285	5,561,267	8,729
Invested securities lending collateral	65,779	—	140	293
Interfund receivables	—	—	—	234
Capital assets, net	2,084	—	—	—
Prepaid items	898	—	—	—
Other assets	—	—	4,320	—
Total assets	**44,565,024**	**8,801,003**	**5,576,880**	**347,989**
LIABILITIES				
Accounts payable	4,079	—	3,627	82,719
Accounts payable–unsettled investment purchases	2,697,798	—	4,979	—
Policy claims	718	—	—	—
Due to other funds	87,653	—	—	150,609
Intergovernmental payables	—	—	—	27,441
Deposits	—	—	—	2,279
Amounts held in custody for others	—	—	—	16,595
Securities lending collateral	111,288	—	140	293
Due to participants	—	—	—	2
Other liabilities	40,769	—	—	—
Total liabilities	**2,942,305**	**—**	**8,746**	**279,938**
NET POSITION				
Restricted for:				
Pension benefits	39,898,100	—	—	—
Other post-employment benefits	1,724,619	—	—	—
External investment pool participants	—	8,801,003	—	—
Individuals, organizations, and other governments	—	—	5,568,134	68,051
Total net position	**$ 41,622,719**	**$ 8,801,003**	**$ 5,568,134**	**$ 68,051**

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

Statement of Changes in Fiduciary Net Position

Exhibit B-7

FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Pension and Other Post-Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust	Custodial Funds
Additions:				
Licenses, fees, and permits	$ —	$ —	$ 105	$ 893
Contributions:				
Employer	2,555,714	—	—	—
Employee	1,087,933	—	—	—
Non-employer	106,451	—	—	—
Deposits from pool participants	—	14,889,368	—	—
Tuition plan deposits	—	—	1,217	—
Other	—	—	271,216	16,596
Total contributions	3,750,098	14,889,368	272,433	16,596
Taxes:				
Retail sales and use	—	—	—	309
Other	—	—	—	295,820
Total taxes	—	—	—	296,129
Investment income:				
Interest income and net appreciation (depletion) in investments	9,803,877	16,697	968,065	(608)
Securities lending income	1,844	32	—	—
Total investment income (loss)	9,805,721	16,729	968,065	(608)
Less investment expense:				
Investment expense	558,407	—	—	—
Securities lending expense	4	—	—	—
Net investment income (loss)	9,247,310	16,729	968,065	(608)
Assets moved between pension trust funds	1,683	—	—	—
Total additions	**12,999,091**	**14,906,097**	**1,240,603**	**313,010**
Deductions:				
Regular retirement benefits	3,551,929	—	—	—
Supplemental retirement benefits	367	—	—	—
Refunds of retirement contributions to members	148,709	—	—	—
Death benefit claims	33,771	—	—	—
Accidental death benefits	1,973	—	—	—
Other post-employment benefits	564,121	—	—	—
Withdrawals, pool participants	—	14,514,971	—	—
Distributions to pool participants	—	16,450	—	—
Depreciation	169	—	—	—
Administrative expense	21,816	5,823	16,525	62
Other expenses	—	—	884	285,008
Assets moved between pension trust funds	1,683	—	—	—
Total deductions	**4,324,538**	**14,537,244**	**17,409**	**285,070**
Transfers:				
Transfers out	—	—	—	(8,227)
Total transfers	**—**	**—**	**—**	**(8,227)**
Change in net position	**8,674,553**	**368,853**	**1,223,194**	**19,713**
Net position, beginning, as restated	**32,948,166**	**8,432,150**	**4,344,940**	**48,338**
Net position at end of year	**$ 41,622,719**	**$ 8,801,003**	**$ 5,568,134**	**$ 68,051**

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

Statement of Net Position

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2021

(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	$ 252,782	$ 869,507	$ 868,430	$ 502,957	$ 316,527
Investments	189,211	831,272	637,904	5,121	2,978
Invested securities lending collateral	—	2,024	19,584	10,120	11,388
Receivables, net:					
Accounts	210,163	51,459	14,165	18,593	49,210
Contributions	—	23,271	40,786	83,091	—
Accrued interest	1,426	1,811	3,154	2,390	3,032
Student accounts	—	2,042	8,393	6,714	—
Patient accounts	—	337,970	—	—	—
Loans and notes	—	239	12,156	3	—
Due from Federal government and other grantors	—	17,709	44,547	30,272	—
Due from primary government	—	19,489	7,796	41,787	—
Inventories	334,523	81,781	3,295	2,151	9,755
Restricted assets:					
Cash and cash equivalents	59,303	141,365	477,534	229,984	128,093
Investments	267,849	385,651	15,119	1,068,645	—
Accounts receivable	—	—	—	—	—
Loans receivable	—	11,348	9,423	3,939	—
Other	—	9,205	—	12,009	—
Prepaid items	7,812	69,632	3,043	8,214	7,108
Other assets	115,367	52,864	1,683	1,289	—
Regulatory asset	3,740,683	—	—	—	—
Other regulatory assets	372,337	—	—	—	—
Investment in joint venture	9,501	—	—	—	—
Capital assets-nondepreciable	631,796	174,114	183,800	145,765	769,041
Capital assets-depreciable, net	4,433,429	1,319,967	1,259,075	1,318,664	1,016,222
Total assets	$ 10,626,182	$ 4,402,720	$ 3,609,887	$ 3,491,708	$ 2,313,354
DEFERRED OUTFLOWS OF RESOURCES					
Accumulated decrease in fair value of hedging derivatives	$ 18,634	$ —	$ —	$ —	$ —
Unamortized loss on refunded and defeased debt	99,969	23,269	17,258	3,683	25,709
Asset retirement obligation	691,641	—	—	—	—
Pension related	39,039	454,866	177,161	140,318	29,718
Other post-employment benefits related	42,069	498,400	243,567	183,191	19,188
Total deferred outflows of resources	$ 891,352	$ 976,535	$ 437,986	$ 327,192	$ 74,615
LIABILITIES					
Accounts payable	$ 128,534	$ 179,208	$ 15,744	$ 14,516	$ 37,580
Accrued salaries and related expenses	8,918	185,873	26,982	33,452	11,542
Accrued interest payable	37,919	3,350	5,667	4,246	22,988
Retainages payable	2,963	1,067	730	1,444	1,955
Prizes payable	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—
Due to primary government	—	—	6,486	5,483	50,000
Asset retirement obligation	694,236	—	—	—	—
Unearned revenues	—	32,275	41,591	55,023	1,509
Deposits	—	—	1,893	4,792	—
Amounts held in custody for others	—	—	16,750	846	—
Securities lending collateral	—	2,024	19,584	10,120	11,388
Liabilities payable from restricted assets:					
Other	—	—	—	—	—
Other liabilities	448,321	269,404	31,211	114,308	13,341
Long-term liabilities:					
Due within one year	136,993	76,250	64,854	40,821	15,683
Due in more than one year	7,393,726	4,359,905	3,000,198	2,171,908	1,502,942
Total liabilities	$ 8,851,610	$ 5,109,356	$ 3,231,690	$ 2,456,959	$ 1,668,928
DEFERRED INFLOWS OF RESOURCES					
Accumulated increase in fair value of hedging derivatives	$ 14,767	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—
Deferred nuclear decommissioning costs	247,903	—	—	—	—
Deferred service concession arrangement receipts	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—
Toshiba settlement	296,380	—	—	—	—
Pension related	22,844	12,616	11,336	2,929	519
Other post-employment benefits related	13,922	118,371	105,082	50,542	3,011
Total deferred inflows of resources	$ 595,816	$ 130,987	$ 116,418	$ 53,471	$ 3,530
NET POSITION					
Net investment in capital assets	$ 2,090,633	$ 545,823	$ 808,335	$ 833,194	$ 521,164
Restricted:					
Expendable:					
Education	—	338,257	289,226	507,762	—
Transportation	—	—	—	—	—
Capital projects	119	303,119	176,412	188,038	—
Debt service	12,107	2,992	6,246	11,546	35,774
Loan programs	—	—	—	—	—
Other	—	—	—	—	—
Nonexpendable:					
Education	—	268,601	411,757	409,751	—
Unrestricted	(32,751)	(1,319,880)	(992,211)	(641,821)	158,573
Total net position	**$ 2,070,108**	**$ 138,912**	**$ 699,765**	**$ 1,308,470**	**$ 715,511**

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

Exhibit C-1

Housing Authority	Lottery Commission	Nonmajor Component Units	Total
$ 19,021	$ 38,990	$ 729,378	$ 3,597,592
—	—	458,618	2,125,104
5,346	—	13,652	62,114
721	51,879	97,299	493,489
—	—	38,604	185,752
36	—	2,813	14,662
—	—	41,666	58,815
—	—	—	337,970
11,085	—	34,357	57,840
829	—	74,973	168,330
2,770	—	7,886	79,728
—	3,540	8,103	443,148
456,480	473	422,710	1,915,942
247,401	—	516,117	2,500,782
106	—	—	106
869,797	—	7,326	901,833
3,485	—	5,259	29,958
—	—	21,252	117,061
7,620	8,778	114,429	302,030
—	—	—	3,740,683
—	—	—	372,337
—	—	—	9,501
—	—	283,308	2,187,824
1,238	412	1,996,604	11,345,611
$ 1,625,935	$ 104,072	$ 4,874,354	$ 31,048,212
$ —	$ —	$ —	$ 18,634
—	—	2,280	172,168
—	—	—	691,641
2,505	2,872	232,528	1,079,007
2,950	3,378	303,303	1,296,046
$ 5,455	$ 6,250	$ 538,111	$ 3,257,496
$ —	$ 2,818	$ 53,125	$ 431,525
926	—	49,418	317,111
—	—	4,549	78,719
—	—	615	8,774
—	45,261	—	45,261
—	—	680	680
—	23,647	17,755	103,371
—	—	—	694,236
383,344	558	99,292	613,592
—	—	10,096	16,781
—	—	7,864	25,460
5,346	—	13,652	62,114
24,641	—	2,170	26,811
1,232	1,732	16,451	896,000
13,377	633	93,383	441,994
693,493	33,153	3,790,329	22,945,654
$ 1,122,359	$ 107,802	$ 4,159,379	$ 26,708,083
$ —	$ —	$ —	$ 14,767
2,564	—	—	2,564
—	—	—	247,903
—	—	571	571
—	—	32	32
—	—	—	296,380
870	299	48,006	99,419
1,886	1,337	151,610	445,761
$ 5,320	$ 1,636	$ 200,219	$ 1,107,397
$ 1,238	$ 411	$ 1,617,843	$ 6,418,641
—	—	437,958	1,573,203
—	—	2,708	2,708
—	—	294,978	962,666
69,869	—	55,944	194,478
403,410	—	65,438	468,848
—	473	20,915	21,388
—	—	353,062	1,443,171
29,194	—	(1,795,979)	(4,594,875)
$ 503,711	**$ 884**	**$ 1,052,867**	**$ 6,490,228**

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Public Service Authority	$ 1,596,216	$ 1,627,427	$ 5,538	$ —
Medical University of South Carolina	3,874,275	3,226,292	521,176	19,118
University of South Carolina	1,488,505	1,229,206	282,488	14,376
Clemson University	1,178,317	838,423	492,554	1,808
State Ports Authority	351,981	312,772	9,258	1,500
Housing Authority	229,483	49,444	203,809	—
Lottery Commission	2,419,655	2,419,508	20	—
Nonmajor component units	2,011,659	1,156,746	710,040	64,640
Totals	**$ 13,150,091**	**$ 10,859,818**	**$ 2,224,883**	**$ 101,442**

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

Exhibit C-2

Net Revenue (Expenses)	Additions to Endowments	State Appropriations	Net Position (Deficit) Beginning (as Restated)	Net Position Ending
$ 36,749	$ —	$ —	$ 2,033,359	$ 2,070,108
(107,689)	23,346	260,329	(37,074)	138,912
37,565	1,643	204,191	456,366	699,765
154,468	34,275	143,174	976,553	1,308,470
(28,451)	—	—	743,962	715,511
23,770	—	—	479,941	503,711
(127)	—	—	1,011	884
(80,233)	5,674	327,934	799,492	1,052,867
$ 36,052	**$ 64,938**	**$ 935,628**	**$ 5,453,610**	**$ 6,490,228**

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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, 2021.

Tobacco Settlement Revenue Management Authority

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

Palmetto Railways Division

The Palmetto Railways Division of the Department of Commerce, a blended component unit accounted for as a nonmajor enterprise fund, has a fiscal year ended December 31, 2020. The Palmetto Railways Division is governed by the Secretary of the Department of Commerce which operates as a cabinet agency under the Governor and is subject to state laws and regulations as well maintaining operational responsibility for the blended component unit.

Obtaining More Information about Blended Component Units

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

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

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

Major Discretely Presented Component Units

Unless otherwise indicated below, the following discretely presented component units have fiscal years ended June 30, and the accompanying financial statements include component unit financial information for the fiscal year ended June 30, 2021. 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, 2020. A financial benefit/burden relationship exists between the State and the Public Service Authority.

South Carolina State Ports Authority

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

South Carolina State Housing Finance and Development Authority

The South Carolina State Housing Finance and Development Authority is a legally separate entity that facilitates medium-income and low-income housing opportunities by providing reasonable financing to the State's citizens. To provide such financing, the Authority issues bonds and notes and administers federal grants and contracts. Mortgage interest is a primary resource for the Authority. The Governor appoints, with the advice and consent of the Senate, seven persons to be commissioners of the South Carolina State Housing Finance and Development Authority. The State has the ability to impose its will on the Housing Finance and Development Authority.

South Carolina Lottery Commission

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

Clemson University

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

Medical University of South Carolina

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

University of South Carolina

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

Nonmajor Discretely Presented Component Units

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

The Children's Trust Fund of South Carolina, Inc. is a non-profit, tax-exempt public charity with a purpose to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations. The Governor appoints the Board of Directors' seventeen members and has the ability to remove the appointed members at will. The financial information presented is for the Fund's fiscal year ended September 30, 2020.

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, 2020. 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, 2020.

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

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

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

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

Obtaining More Information about Discretely Presented Component Units

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

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

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

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

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

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

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

Children's Trust Fund of South Carolina
1205 Pendleton Street, Suite 506
Columbia, South Carolina 29201
http://scchildren.org

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

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

South Carolina First Steps to School Readiness
1300 Sumter Street, Suite 100
Columbia, SC 29201
http://osa.sc.gov

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

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

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

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

Related Organizations

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

Jointly Governed Organizations

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

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

b. Basis of Presentation

Government-wide Financial Statements

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

Statement of Activities and Eliminations

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

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

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

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

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

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

Enterprise Funds

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

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

The *Second Injury Fund* serves as a claims processor for insurance carriers, self-insurers, and the State Accident Fund. The fund processes claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment. With the ratification of the Workers' Compensation Reform Act the Second Injury Fund was placed in "run-off" and terminated effective July 1, 2013. The Act provided for an orderly termination of the Fund by decreasing the assessment calculation factor, closing the acceptance of new claims, and transferring any remaining claims as of July 1, 2013 to the State Accident Fund and remaining assets or operational liabilities to the State Fiscal Accountability Authority (SFAA).

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

Other Fund Types

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

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

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

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

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

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

Operating and Nonoperating Revenues and Expenses in Proprietary Fund Financial Statements

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

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

Component Unit Financial Statements

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

c. Measurement Focus and Basis of Accounting

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

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

Accrual Basis

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

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

Modified Accrual Basis

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

Recognition of Specific Grant and Shared Revenue Transactions

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

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

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

d. Cash and Cash Equivalents

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

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

e. Cash Management Pool–Allocation of Interest

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

f. Investments

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

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

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

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

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

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

g. Receivables and Payables

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

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

h. Inventories

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

i. Prepaid Items

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

j. Capital Assets

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

Capital assets are valued at historical cost or at estimated historical cost if actual historical cost data is not available. 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. Net interest incurred by a proprietary fund during the construction phase of a major capital asset is included as part of the capitalized value of such asset.

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, 2021.

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

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

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

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

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

k. Regulatory Assets and Regulatory Assets-Asset Retirement Obligation

The costs to be recovered from future revenues of the South Carolina Public Service Authority (a regulated utility reported as a major discretely presented component unit) are recorded as regulatory assets and regulatory asset retirement obligations. The Authority's rates are based upon debt service and operating fund requirements. The Authority recognizes differences between debt principal maturities and straight-line depreciation as costs to be recovered from future revenue. The recovery of outstanding amounts recorded as costs to be recovered from future revenue will coincide with the repayment of the outstanding long-term debt of the Authority. The abandoned V.C. Summers 2 and 3 projects encompass the majority of the South Carolina Public Service Authority's $3.741 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. 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.

n. Compensated Absences

During their first ten years of service, most full-time permanent State employees annually earn 15 days of vacation leave and 15 days of sick leave. After ten years, most employees earn an additional 1.25 days of vacation leave for each year of service over ten until they reach the maximum of 30 days per year. Sick leave earnings remain at 15 days per year. Employees may carry forward up to 45 days of vacation leave and 180 days of sick leave from one calendar year to the next. Upon termination of employment, the State pays employees for accumulated vacation leave at the pay rate then in effect. Employees do not receive pay for accumulated sick leave when they terminate. However, at retirement, employees hired prior to July 1, 2012 participating in the South Carolina Retirement System and the South Carolina Police Officers' Retirement System may receive additional service credit for up to 90 days of accumulated unused sick leave.

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

o. Net Position and Fund Balance

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

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

Net position is comprised of the following three components:

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

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payments of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes

stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. At June 30, 2021, $1.161 billion was reported as restricted net position because of restrictions imposed by enabling legislation.

p. 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.

q. Deferred Outflows/Inflows of Resources

A deferred outflow/inflow of resources is a consumption/acquisition of net position that is applicable to a future reporting period. 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, 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, and changes in proportion and differences between contributions and proportionate share of contributions. See Note 9, Deferred Outflows of Resources and Deferred Inflows of Resources, on page 118 for further detail.

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

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

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

NOTE 2: ACCOUNTING AND REPORTING CHANGES

Adoption of New Accounting Standards

For the fiscal year ended June 30, 2021, the State implemented the following pronouncements issued by the Governmental Accounting Standards Board (GASB):

Statement No. 84, *Fiduciary Activities*, is intended to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. See Note 15, Fund Equity Reclassifications and Restatements, on page 146 for further detail.

Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, is intended to improve consistency and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units.

Statement No. 93, *Replacement of Interbank Offered Rates*, establishes accounting and financial reporting requirements related to the replacement of interbank offered rates in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.

Statement No. 98, *The Annual Comprehensive Financial Report*, establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replaces references of the term comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

NOTE 3: DEFICITS OF INDIVIDUAL FUNDS

The accompanying fund financial statements display deficit fund balances and deficit net position balances for individual major funds. Nonmajor funds had the following deficit net position balances (expressed in thousands) at June 30, 2021:

Canteen	$ (722)
Tuition Prepayment Program	(28,952)
Other Enterprise	(18,613)
Prison Industries	(1,130)
Component units:	
Winthrop University	(4,048)
Central Carolina Technical College	(2,066)
Denmark Technical College	(9,828)
Florence- Darlington Technical College	(18,205)
Greenville Technical College	(6,193)
Midlands Technical College	(2,526)
Northeastern Technical College	(3,112)
Orangeburg- Calhoun Technical College	(9,814)
Williamsburg Technical College	(784)
Connector 2000	(102,669)
South Carolina Medical Malpractice Association	(96,600)

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

NOTE 4: DEPOSITS AND INVESTMENTS

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

a. Deposits

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

Deposit Policy

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the State will not be able to recover the value of the deposits with the collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the State Treasurer are fully insured or collateralized. The reported amount of the State Treasurer's deposits as of June 30, 2021 was $1.671 billion and the bank balance was $2.175 billion. As of June 30, 2021, the reported amount of the primary government's deposits outside of the State Treasurer was $1.261 billion and the bank balance was $97.256 million. Of the $55.801 million bank balance exposed to custodial credit risk, $55.801 million was uninsured but was collateralized with securities held by the counterparty's trust department or agent but not in the State's name.

b. Investments

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

Investment Policy

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

Fair Value

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

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

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

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

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

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

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

	At 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments measured at fair value				
U.S. treasuries	$ 8,602,025	$ 8,602,025	$ —	$ —
U.S. agencies	482,586	—	482,586	—
Common stock	46,521	46,521	—	—
Other equity securities	3,036,746	3,025,036	—	11,710
Corporate bonds	5,052,528	—	5,052,528	—
Municipal bonds	98	—	98	—
Commercial paper	8,364,978	—	8,364,978	—
Money market mutual funds	774,883	774,883	—	—
Bond mutual funds	1,775,897	1,774,543	1,354	—
Other	11,053	97	10,956	—
	$ 28,147,315	$ 14,223,105	$ 13,912,500	$ 11,710
Investments measured at amortized cost				
Repurchase agreements	2,647,995			
	$ 30,795,310			

Custodial Credit Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. Credit risk exposure is primarily limited to debt instruments and other hybrid equity securities. The State Treasurer's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade debt securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Agencies with specific authority to manage their own investments may have credit risk policies that differ from that of the State Treasurer. Debt instruments held for investment for the primary government were rated as of June 30, 2021 using the Standard and Poor's rating scale, Moody's rating scale, or other rating scale when no other rating was available, as follows (expressed in thousands):

Investment Type and Fair Value	AAA	AA	A / A1/ A2	BBB	BB	B	Not Rated	Total
U.S. agencies	$ 538	$ 481,673	$ —	$ —	$ —	$ —	$ 375	$ 482,586
Corporate bonds	10,286	410,236	1,934,239	2,664,904	24,041	6,107	2,715	5,052,528
Municipal bonds	37	61	—	—	—	—	—	98
Repurchase agreements	—	—	—	—	—	—	2,647,995	2,647,995
Commercial paper	189,970	6,390,313	789,056	970,617	—	—	25,022	8,364,978
Money market mutual funds	—	—	—	—	—	—	774,883	774,883
Bond mutual funds	309	—	—	—	—	—	1,775,588	1,775,897
Other	55	112	—	—	—	534	10,352	11,053
Totals	**$ 201,195**	**$ 7,282,395**	**$ 2,723,295**	**$ 3,635,521**	**$ 24,041**	**$6,641**	**$ 5,236,930**	**$19,110,018**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The State's policy for reducing this risk is to diversify and limit exposure to any single issuer to no more than 5%, except for United States Treasury and agency obligations. The State sponsors the Local Government Investment Pool (LGIP), an external investment pool reported as an investment trust fund. As of June 30, 2021, the State Treasurer had 13.29% of the LGIP investment portfolio in Dreyfus Treasury Obligations Cash Management Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's policy does not specifically address interest rate risk. Its objectives for preservation of capital and maintenance of adequate liquidity focus the management of interest rate sensitivity on investing in securities with a range of maturities from one day to thirty years. At June 30, 2021, the maturities of the securities that will mature were limited according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	$ 8,095,684	$ 1,331,730	$ 6,746,602	$ —	$ 17,352
U.S. agencies	439,592	106	68,165	34,821	336,500
Corporate bonds	5,006,170	675,726	3,822,547	456,505	51,392
Repurchase agreements	1,504,734	1,504,734	—	—	—
Commercial paper	997,326	997,326	—	—	—
Money market funds	4	4	—	—	—
Other	10,256	1	10,255	—	—
Totals	**$ 16,053,766**	**$ 4,509,627**	**$10,647,569**	**$ 491,326**	**$ 405,244**

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, 2021, agencies within the State's primary government that manage their own investments limited the maturities of their interest-earning securities according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)				
Investment Type	Fair Value	Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	$ 506,341	$ —	$ 7,977	$ 498,364	$ —	$ —
U.S. agencies	42,994	913	—	—	—	42,081
Common stock	46,521	46,521	—	—	—	—
Other equity securities	3,036,746	3,036,746	—	—	—	—
Corporate bonds	46,358	4,561	—	14,290	25,048	2,459
Municipal bonds	98	—	—	—	98	—
Repurchase agreements	1,143,261	—	1,143,261	—	—	—
Commercial paper	7,367,652	—	7,367,652	—	—	—
Money market funds	774,879	774,879	—	—	—	—
Bond mutual funds	1,775,897	1,354	—	1,757,240	—	17,303
Other	797	96	—	701	—	—
Totals	**$ 14,741,544**	**$ 3,865,070**	**$ 8,518,890**	**$ 2,270,595**	**$ 25,146**	**$ 61,843**

Market Risk

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

c. Securities Lending Program

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

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

The weighted average maturity of the State's collateral investments generally matched the maturity of the securities loaned during the fiscal year and at June 30, 2021. At June 30, 2021, the State had no credit risk exposure to borrowers because the amounts the State owed the borrowers exceeded the amounts the borrowers owed the State. Either the State or the borrower can terminate all securities loans on demand. There are no restrictions on the amount of the loans that can be made. For the

fiscal year ended June 30, 2021, the State experienced no losses on its securities lending transactions because of borrower defaults.

The State receives primarily cash as collateral for its loaned securities. The market value of the required collateral must meet or exceed 102.0% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. During the fiscal year ended June 30, 2021, the State met the 102.0% requirement. The State cannot pledge or sell collateral securities unless the borrower defaults. The lending agent, on behalf of the State, invests cash collateral received. Accordingly, at June 30, 2021, the State recorded these investments of cash collateral as assets in the accompanying financial statements. Corresponding liability amounts also have been recorded because the State must return the cash collateral to the borrower upon expiration of the loan. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2021:

	Amount
Securities lent for cash collateral:	
U.S. Corporate-fixed income	$ 43,056
Total securities lent for cash collateral	**$ 43,056**
Securities lent for non-cash collateral:	
U.S. Corporate-fixed income	$ 715
Total securities lent for non-cash collateral	**$ 715**
Cash collateral invested as follows:	
Repurchase agreements	$ 320,022
Total for cash collateral invested	**$ 320,022**
Securities received as collateral:	
U.S. treasuries	$ 611
Total for securities collateral invested	**$ 611**

At June 30, 2021, the fair value of securities on loan was $43.056 million. The fair value of the invested cash collateral was $320.022 million. Securities lending obligations were $320.022 million.

d. South Carolina Retirement Systems

Custodial Credit Risk

Deposits

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

As of June 30, 2021, the carrying amount of the Systems' deposits was $79.057 million and the bank balance was $28.100 million.

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investing for the Systems is governed by Section 16, Article X of the South Carolina Constitution and Section 9-1-1310(B) and Title 9 Section 16 of the South Carolina Code of Laws. Funds held in trust for the Retirement Systems may be invested and reinvested in a variety of instruments including, but not limited to, fixed income instruments of the United States, foreign fixed income obligations, swaps, forward contracts, futures and options, domestic and international equity securities, private equity, real estate, and fund of funds.

Fair Value Measurements

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

The Systems have the following recurring fair value measurements as of June 30, 2021 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2021	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short Term Investments				
Short Term Investment Funds (U. S. Regulated)	$ 1,246,711	$ 1,246,711	$ —	$ —
Repurchase Agreements	(117)	—	(117)	—
Commercial Paper	67,344	—	67,344	—
Certificates of Deposit	21,611	—	21,611	—
U. S. Treasury Bills	17,599	17,599	-	—
Municipals - 1 year or less	2,481	—	2,481	—
Corporate Bonds	2,855	—	1,255	1,600
Total Short Term Investments	$ 1,358,484	$ 1,264,310	$ 92,574	$ 1,600
Equity Allocation				
Global Public Equity				
Common Stocks	$ 1,588,344	$ 1,586,722	$ —	$ 1,622
Real Estate Investment Trusts	597,426	597,426	—	—
Preferred	26,815	9,058	17,757	—
Total Equity	$ 2,212,585	$ 2,193,206	$ 17,757	$ 1,622
Fixed Income Allocation				
U. S. Government				
U.S. Government Treasuries	$ 97,117	$ 97,117	$ —	$ —
U.S. Government Agencies	136,052	—	136,052	—
Mortgage Backed				
Government National Mortgage Association	23,123	—	23,123	—
Federal National Mortgage Association	2,343	—	2,343	—
Federal Home Loan Mortgage Association (Multiclass)	2,059	—	2,059	—
Collateralized Mortgage Obligations	1,169	—	1,169	—
Municipals	30,334	—	30,334	—
Corporate				
Corporate Bonds	1,463,622	5,378	929,789	528,455
Convertible Corporate Bonds	388	—	388	—
Asset Backed Securities	213,775	—	213,775	—
Private Placements	903,526	—	903,526	—
Total Fixed Income	$ 2,873,508	$ 102,495	$ 2,242,558	$ 528,455
Total Investments by Fair Value Level	$ 6,444,577	$ 3,560,011	$ 2,352,889	$ 531,677

(continued)

Recurring fair value measurements as of June 30, 2021, continued (amounts in thousands):

Investments measured at net asset value (NAV)	
Global Equity	$ 17,120,554
Emerging Debt	154,261
Hedge Funds	4,629,240
Private Equity	4,090,388
Private Debt	3,130,585
Private Real Estate	3,120,771
Private Infrastructure	689,567
Total investments measured at NAV	32,935,366
Total investments measured at fair value	$ 39,379,943

		Fair Value Measurements Using	
Investment derivative instruments	**At 6/30/2021**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**
Equity Investments			
Options - Equity	$ 1,320	$ 1,320	$ —
Swaps - Equity	11,922	—	11,922
Fixed Income Investments			
Options - Fixed Income	(10.00)	—	(10.00)
Futures - Fixed Income	52,520	52,520	—
Swaps - Fixed Income	746	—	746
Total investment derivative instruments	$ 66,498	$ 53,840	$ 12,658
Total Invested Assets	$ 39,446,441		

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

	Fair Value	Unfunded Commitments	Redemption Frequency (if Currently Eligible)	Redemption Notice Period
Global Equity	$ 17,120,554	$ —	Daily/Monthly	5 - 30 days
Emerging Debt	154,261	—	Daily/Monthly	10 - 15 days
Hedge Funds	4,629,240	—	Monthly/Quarterly	2 - 90 days
Private Equity	4,090,388	3,246,787	Illiquid	Illiquid
Private Debt	3,130,585	2,196,761	Illiquid	Illiquid
Private Real Estate	3,120,771	1,134,000	Illiquid	Illiquid
Private Infrastructure	689,567	277,682	Illiquid	Illiquid
Total investments measured at the NAV	$ 32,935,366	$ 6,855,230		

1 For purposes of this table, amounts are reported in US Dollars. The Private Equity Category includes £75,000,000, €246,298,530 and AUD $46,367,146 that have been converted to USD. The Private Infrastructure category includes €26,244,224 that has been converted to USD.

Strategic Partnership Short Duration Funds. This investment type contains one fund that invests primarily in short duration debt instruments which generally have a one to three-year maturity. The fair values of the investments have been determined using the percent ownership of the NAV of the fund and reported by the Investment Manager. Redemptions are generally allowed monthly, provided adequate notice.

Global Equity Funds. This investment type includes 14 funds that invest primarily in global developed and emerging equity public markets instruments with one of the funds invested in an equity options strategy. One of the funds is held in a strategic partnership. 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.

Global Tactical Asset Allocation Funds. This investment type includes three funds that may be invested in liquid securities and instruments, including but not limited to equities, fixed income securities, bank loans, commodities, futures, swaps, forwards, options and currencies. 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 allowed monthly, provided adequate notice.

Other Opportunistic Funds. This investment type includes four funds all of which are strategic partnership investments. The objective of this asset class is to identify investments that, while they may not fit into other asset classes, still offer compelling opportunities for the Portfolio. These investments may offer either high returns, diversifying returns, or both. Examples of potential investments include, but are not limited to, commodities, CTAs, TIPS, and insurance strategies. This allocation also includes risk parity investments. The fair values of three 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 fair value of one investment 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 Manager. Redemptions are generally allowed monthly, provided adequate notice.

High Yield/Bank Loan Funds. This investment type includes one fund that generally invests in high yield, bank loan and structured credit instruments. 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 Manager. Redemptions are generally allowed monthly, provided adequate notice.

Emerging Debt Funds. This investment type includes three 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 investments 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.

Hedge Funds. This investment type includes 22 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 15 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 55 funds that consist of investments in limited partnerships or co-investments and five funds within strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The private equity investments span the venture capital, growth equity, fund of funds, 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 26 funds that consist of investments in limited partnerships and 4 funds that are strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The private debt investments span the direct lending, distressed, energy, mezzanine, mortgages, opportunistic and other 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 28 funds that consist of investments in limited partnerships or co-investments and four funds that are strategic partnership investments. Strategic partnerships may consist of underlying investments in more than one limited partnership or co-investment fund. The real estate investments span the core, diversified, real estate debt, timber, 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 three funds that consist of investments in limited partnerships. Common types of infrastructure investments are in transportation, energy, telecommunications, water supply, sewage, or hospitals. These assets tend to benefit from a rising inflation environment. Infrastructure is considered an illiquid investment strategy as funds generally have a life span of 20 years. The nature of investments in this asset type is that distributions are received through investment generated income and the liquidation of the underlying assets of the fund. The fair values of the investments in this asset type are valued in good faith based upon the most recent financial information available for the underlying companies. These are reported by the Investment Managers at the measurement date, adjusted for subsequent cash flow activities through the year-end reporting date. The estimated fair value of these investments may differ from values that would have been used had a ready market existed.

Interest Rate Risk

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

Disclosures for interest rate risk at June 30, 2021, are noted below (amounts in thousands):

Investment Type	Fair Value Total	Fair Value Duration Not Available	Fair Value Duration Available	Effective Duration (option adjusted duration)
Short Term Investments				
Short Term Investment Funds (U.S. Regulated)	$ 1,246,711	$ —	$ 1,246,711	0.08
Repurchase Agreements	(117)	—	(117)	28.21
Invested Securities Lending Collateral	21,348	21,348	—	0.00
Commercial Paper	67,344	—	67,344	0.27
Certificates of Deposit	21,611	—	21,611	0.56
U. S. Treasury Bills	17,599	—	17,599	0.18
Municipals	2,481	—	2,481	0.40
Corporate Bonds	2,855	1,600	1,255	0.22
Total Short Term Investments	1,379,832	22,948	1,356,884	
Equity Allocation				
Preferred	$ 26,815	$ 995	$ 25,820	9.50
Total Equity Investments	26,815	995	25,820	
Fixed Income Allocation				
U.S. Government:				
U.S. Government Treasuries	97,117	—	97,117	13.12
U.S. Government Agencies	136,052	—	136,052	4.37
Mortgage Backed:				
Government National Mortgage Association	23,123	4,155	18,968	3.75
Federal National Mortgage Association	2,343	—	2,343	3.26
Federal Home Loan Mortgage Association (FHLMC Multiclass)	2,059	—	2,059	2.75
Collateralized Mortgage Obligations	1,169	—	1,169	2.33
Municipals	30,334	492	29,842	2.71
Corporate:				
Corporate Bonds	1,463,622	570,790	892,832	3.16
Convertible Corporate Bonds	388	154	234	2.64
Asset Backed Securities	213,775	32,705	181,070	2.50
Private Placements	903,526	67,479	836,047	1.35
Emerging Debt	154,261	—	154,261	0.65
Options - Fixed Income	(10)	(10)	—	
Futures - Fixed Income	52,520	—	52,520	13.82
Swaps - Fixed Income	746	794	(48)	(47.78)
Total Fixed Income	3,081,025	676,559	2,404,466	
Mixed Credit Hedge Fund Allocation				
Mixed Credit Hedge Funds	12,134	—	12,134	0.01
Total Mixed Credit Hedge Funds	12,134	—	12,134	
Total Invested Assets	**$ 4,499,806**	**$ 700,502**	**$ 3,799,304**	
Total Portfolio Effective Duration (option adjusted duration)				**1.97**

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. Each individual portfolio within fixed income is managed in accordance with investment guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. Within high yield portfolios, a quality rating of lower than C is not permissible in any of the fixed income guidelines except in those circumstances of downgrades subsequent to purchase, in which case the investment manager is responsible for communicating the downgrade to the Systems' staff. The Systems' fixed income investments at June 30, 2021 were rated by Moody's and are presented below (expressed in thousands):

Investment Type and Fair Value	AAA	AA	A	BAA	BA	B	CAA	CA	C	NR[1]	TOTAL
Short Term Investments											
Short Term Investment Funds (U. S. Regulated)	$ 1,246,711	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ –	$ 1,246,711
Repurchase Agreements	–	–	–	–	–	–	–	–	–	(117)	(117)
Invested Securities Lending Collateral	–	–	–	–	–	–	–	–	–	21,348	21,348
Commercial Paper	–	20,290	–	43,155	–	–	–	–	–	3,899	67,344
Certificates of Deposit	–	10,005	7,003	4,603	–	–	–	–	–	–	21,611
Municipals	–	–	–	–	–	–	–	–	–	2,481	2,481
Corporate Bonds	–	–	1,255	–	–	–	–	–	–	1,600	2,855
Equity Investments											
Preferred	3,622	–	–	17,207	4,159	–	–	–	–	1,827	26,815
Fixed Income Allocation[2]											
Mortgage Backed:											
Federal National Mortgage Association	2,343	–	–	–	–	–	–	–	–	–	2,343
Federal Home Loan Mortgage Association (Multiclass)	2,059	–	–	–	–	–	–	–	–	–	2,059
Collateralized Mortgage Association	1,169	–	–	–	–	–	–	–	–	–	1,169
Municipals	–	15,837	2,185	–	–	3,139	–	–	2,612	6,561	30,334
Corporate:											
Corporate Bonds	28,880	9,359	117,261	205,175	179,832	247,653	31,578	5,756	2,177	635,951	1,463,622
Convertible Corporate Bonds	–	–	–	–	–	234	–	154	–	–	388
Asset Backed Securities	9,537	3,440	11,159	42,836	77,783	14,083	2,343	11,228	–	41,366	213,775
Private Placements	40,110	75,263	55,254	119,110	148,041	117,453	18,924	1,767	–	327,604	903,526
Emerging Debt	–	–	–	–	–	–	–	–	–	154,261	154,261
Options - Fixed Income	–	–	–	–	–	–	–	–	–	(10)	(10)
Futures - Fixed Income	–	–	–	–	–	–	–	–	–	52,520	52,520
Swaps - Fixed Income	–	–	–	–	–	–	–	–	–	746	746
Totals	**$ 1,334,431**	**$ 134,194**	**$ 194,117**	**$ 432,086**	**$ 409,815**	**$ 382,562**	**$ 52,845**	**$ 18,905**	**$ 4,789**	**$ 1,250,037**	**$ 4,213,781**

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

[2] *U.S. Treasury Bills, Notes and Bonds, Agencies and Government National Mortgage Association securities with a fair value of $227.6 million are not included in the above table because they are not subject to credit risk.*

Concentration of Credit Risk –Investments

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. The Systems' policy for reducing this risk is to comply with the Statement of Investment Objectives and Policies as amended and adopted by the RSIC which states that "except that no limitations on issues and issuers shall apply to obligations of the U.S. Government and Federal Agencies, the domestic fixed income portfolio shall contain no more than 6.0% exposure to any single issuer." As of June 30, 2021, there is no single issuer exposure within the portfolio that comprises 5.0% or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

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

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2021 (amounts in thousands):

Currency	Cash & Cash Equivalents	Forward Contracts	Futures Contracts	Private Equity	Private Infrastructure	Fixed Income	Equity	Total
Australian Dollar	$ (476)	$ (1,813)	$ —	$ 43,203	$ —	$ 1,772	$ 20,070	$ 62,756
Brazil Real	—	3,268	—	—	—	—	—	3,268
Canadian Dollar	(57)	(3,742)	—	—	—	3,559	55,622	55,382
Chilean Peso	—	1,708	—	—	—	—	—	1,708
Danish Krone	47	—	—	—	—	—	4,361	4,408
Euro Currency	10,137	(288,254)	(34)	209,781	115,045	250,846	72,106	369,627
Hong Kong Dollar	23	—	—	—	—	—	17,840	17,863
Japanese Yen	1,100	(418)	—	—	—	(43)	7,362	8,001
Mexican Peso	320	—	—	—	—	—	—	320
New Zealand Dollar	36	—	—	—	—	—	3,772	3,808
Peruvian Sol	—	(3,493)	—	—	—	3,292	—	(201)
Pound Sterling	7,473	(61,344)	(65)	(689)	—	56,004	28,597	29,976
Singapore Dollar	—	—	—	—	—	—	1,622	1,622
South African Rand	2	—	—	—	—	—	—	2
Swiss Franc	13	—	—	—	—	—	—	13
Totals	**$ 18,618**	**$ (354,088)**	**$ (99)**	**$252,295**	**$ 115,045**	**$ 315,430**	**$ 211,352**	**$ 558,553**

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 $49.0 and $12.3 million, respectively, were held in trust by the clearing brokers on June 30, 2021. The Systems' derivatives, consisting of futures, options, forward contracts and swaps are presented in the tables on the following pages. Investments in limited partnerships and commingled funds may include derivatives that are not shown in the derivative totals.

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

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

Futures

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined date at a predetermined price. These contracts are standardized and trade on an organized exchange with gains and losses settled daily thereby significantly reducing credit and default risk. Gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position. The tables below present classification information on the Systems' derivatives at June 30, 2021 (amounts in thousands):

	Changes in Fair Value	
	Classification	Gain/(Loss)
Futures Contracts	Net appreciation	$ 52,083
Forward Contracts	Net appreciation	19,031
Swaps	Net appreciation	(272,286)
Options	Net appreciation	(31,399)

	Fair Value			
	Forward Contracts	Futures	Options	Swaps
Cash & Cash Equivalents	$ 11,063	$ —	$ —	$ —
Fixed Income	—	52,520	(10)	746
Global Public Equity	—	—	1,320	11,922
Totals	**$ 11,063**	**$ 52,520**	**$ 1,310**	**$ 12,668**

At June 30, 2021, the Systems had the following exposure via futures contracts (amounts in thousands):

Futures Contracts	Expiration	Long/Short	Quantity	Notional Value*	Fair Value
EURO-BUXL 30Y BND FUTURE (EUX)	September 2021	Short	(8)	$ (1,928)	$ (34)
LONG GILT FUTURE (ICF)	September 2021	Short	(35)	(6,194)	(65)
US 10YR ULTRA FUTURE (CBT)	September 2021	Long	1,347	198,283	3,302
US LONG BOND FUTURE (CBT)	September 2021	Short	(33)	(5,305)	(160)
US LONG BOND FUTURE (CBT)	September 2021	Long	7,090	1,139,717	32,843
US 10YR NOTE FUTURE (CBT)	September 2021	Long	797	105,602	301
US 10YR NOTE FUTURE (CBT)	September 2021	Long	2,654	351,655	1,438
US 5YR NOTE FUTURE (CBT)	September 2021	Short	(90)	(11,109)	17
US 5YR NOTE FUTURE (CBT)	September 2021	Long	4,235	522,725	(1,545)
US ULTRA BOND (CBT)	September 2021	Long	1,966	378,824	16,347
US ULTRA BOND (CBT)	September 2021	Long	11	2,120	76
Totals				**$ 2,674,390**	**$ 52,520**

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

Forwards

Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are "over-the-counter" (OTC) instruments, meaning they are not traded on an organized exchange. Currency forwards gains and losses are included in the net appreciation/(depreciation) in the fair value of investments total of the Statement of Changes in Fiduciary Net Position. As of June 30, 2021, the Systems had the following forward exposures, listed by counterparty (amounts in thousands):

Broker	Notional Value	Fair Value	Counterparty Exposure
Bank of America	$ 24,962	$ 538	4.80%
Bank of New York Mellon	204,505	5,862	39.28%
Barclays Bank PLC	6,963	55	1.34%
BNP Paribas Securities Corporation	2,342	15	0.45%
Citibank	11,583	220	2.23%
Citigroup Global Markets	1,920	50	0.37%
Goldman Sachs Bank USA/New York NY	133,518	1,046	25.65%
Goldman Sachs International	18,780	746	3.61%
HSBC Bank PLC	1,209	9	0.23%
HSBC Bank USA NA/New York NY	22,807	498	4.38%
JPMorgan Chase Bank NA	64,829	1,817	12.45%
Morgan Stanley Capital Services LLC	9,804	(11)	1.88%
Standard Chartered Bank	1,000	(1)	0.19%
State Stree Corp	16,265	217	3.12%
USB AG/Stamford CT	91	2	0.02%
Totals	**$ 520,578**	**$ 11,063**	**100.00%**

Swaps

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

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

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

The table below reflects the counterparty credit ratings at June 30, 2021, for currency forwards, swap agreements, options and corresponding amounts subject to credit risk (amounts in thousands):

Quality Rating	Forwards	Swaps	Options	Total
Aa2	8,714	—	—	8,714
Aa3	445	—	—	445
A1	1,904	11,935	1,310	15,149
Total subject to credit risk	$ 11,063	$ 11,935	$ 1,310	$ 24,308
Centrally cleared:				
Chicago Mercantile Exchange	—	(243)	—	(243)
Intercontinental Exchange	—	819	—	819
LCH Ltd	—	157	—	157
Total not subject to credit risk	$ —	$ 733	$ —	$ 733
Total	**$ 11,063**	**$ 12,668**	**$ 1,310**	**$ 25,041**

At June 30, 2021, the Systems held swaps as shown in the tables below (amounts in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value*	Gain (Loss) Since Trade
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	10/29/2021	$ 119,397	$ 797	$ (1,070)
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	3/31/2022	151,142	1,018	1,420
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	12/31/2021	196,791	1,308	(3,827)
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	3/31/2022	300,885	1,995	1,981
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	9/30/2021	558,329	3,715	(7,984)
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	6/30/2022	100,000	—	—
Barclays Bank PLC	Barclays Agg Proxy	Variable Rate	Fixed Rate	12/31/2021	300,000	—	—
Societe Generale SA/France	Barclays Agg Proxy	Variable Rate	Fixed Rate	10/29/2021	99,498	658	(887)
Societe Generale SA/France	Barclays Agg Proxy	Variable Rate	Fixed Rate	9/30/2021	105,972	696	(1,524)
Societe Generale SA/France	Barclays Agg Proxy	Variable Rate	Fixed Rate	9/30/2021	108,959	719	(1,533)
Societe Generale SA/France	Barclays Agg Proxy	Variable Rate	Fixed Rate	3/31/2022	151,143	1,016	1,420
Societe Generale SA/France	Barclays Agg Proxy	Variable Rate	Fixed Rate	6/30/2022	550,000	—	—
					$ 2,742,116	**$ 11,922**	**$ (12,004)**

Counterparty	Fixed Income Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Fair Value*
Goldman Sachs International	Cleared Credit Default Swaps	Variable Rate	Fixed Rate	various	$ 3,300	$ 13
					$ 3,300	**$ 13**
Chicago Mercantile Exchange	Cleared Interest Rate Swaps	Fixed	Variable	4/28/31	$ 17,670	$ (243)
IntercontinentalExchange Holding	Cleared Credit Default Swaps	Variable	Fixed	various	9,704	819
LCH Ltd	Cleared Interest Rate Swaps	Fixed	Variable	various	65,362	(43)
LCH Ltd	Cleared Zero Coupon Swaps	Fixed	Variable	9/15/51	9,394	200
					$ 102,130	**$ 733**

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

Options

Options are exchange traded agreements between two parties for a future transaction on an underlying asset at a reference or strike price. The buyer of an option has the right, but not the obligation, to transact. The seller of an option has the obligation to transact if forced by the buyer. The price of an option is derived by taking the difference in the underlying asset and the strike price plus a premium for the remaining time until expiration. As of June 30, 2021, the Systems had the following option positions (amounts in thousands):

Option Contracts	Underlying Security	Expiration	Quantity	Fair Value
Call Jul 21 101.203125 7/07/21	COMMIT TO PUR FNMA SF MT (OTC)	July 2021	(2,000,000)	$ (3)
Call Jul 21 101.6445 ED 070721	COMMIT TO PUR FNMA SF MTG(OTC)	July 2021	(2,000,000)	(1)
Call Aug 21 101.406 ED 080521	COMMIT TO PURCHASE FNMA SI	August 2021	(1,000,000)	(2)
Put Aug 21 099.406 ED 080521	COMMIT TO PURCHASE FNMA SI	August 2021	(1,000,000)	(1)
Put Aug 21 099.6875 ED 080521	COMMIT TO PUR FNMA SF MTG (OTC)	August 2021	(2,000,000)	(3)
Total Fixed Income				(10)
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	968,000	$ 517
Call Jul 22 000.605 ED 072922	2Y-10 CMS CAP	July 2022	287,000	106
Call Jul 22 000.395 ED 072922	2Y-10 CMS CAP	July 2022	1,046,000	559
Call Jul 22 000.605 ED 072922	2Y-10 CMS CAP	July 2022	373,000	138
Total Equity				$ 1,320
Total				**$ 1,310**

Alternative Investments

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

Private equity, private debt, and real estate investments are normally structured as limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in such limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded or contractual investment period has expired. Hedge fund and commodities 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 best ideas of the investment manager, to receive favorable economics, and to efficiently take advantage of market opportunities. Investments within the strategic partnership accounts may include allocations to any asset class including those considered alternative investments. Assets of Strategic Partnerships are reported within their respective asset class totals.

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

Commitments

The RSIC, on behalf of the Systems, has entered into contractual agreements with numerous alternative investment managers and is committed for future funding of private equity, private debt, real estate and private infrastructure investments. As of June 30, 2021, the Systems' commitments, including commitments within Strategic Partnerships, are shown in the following table (amounts in thousands):

Limited Partnerships USD	Total Commitment	Amount Funded To Date	Remaining Unfunded Commitment
Private Equity	$ 6,895,799	$ 4,079,510	$ 2,816,289
Private Debt	6,983,415	4,786,653	2,196,762
Private Real Estate	4,562,492	3,428,493	1,133,999
Private Infrastructure	805,000	558,441	246,559
Totals	$ 19,246,706	$ 12,853,097	$ 6,393,609
Limited Partnerships Euros			
Private Equity	€ 439,580	€ 193,281	€ 246,299
Private Infrastructure	125,000	98,756	26,244
Totals	€ 564,580	€ 292,037	€ 272,543
Limited Partnerships AUD			
Private Equity	$ 100,000	$ 53,633	$ 46,367
Totals	$ 100,000	$ 53,633	$ 46,367
Limited Partnerships GBP			
Private Equity	£ 75,000	£ -	£ 75,000
Totals	£ 75,000	£ -	£ 75,000

Securities Lending

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

There are no restrictions on the amount of securities that may be loaned and conservative investment guidelines continue to be maintained within the Securities Lending Program. The re-investment 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, 2021 included U.S. Government securities, U.S. Government agencies, corporate bonds, non U.S. sovereign debt and global equities. The contractual agreement between the RSIC and BNY Mellon 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. Cash, U. S. Government securities, corporate securities, asset-backed securities and global equities are received as collateral for these loans. Collateral securities cannot be pledged or sold without a borrower default. Cash collateral received is invested; and accordingly, investments made with cash collateral are reported as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

At June 30, 2021, the fair value of securities on loan was $64.330 million. The fair value of the invested cash collateral was $21.348 million. Securities lending obligations were $65.970 million with an unrealized loss in invested cash collateral of $44.622 million. The unrealized loss from securities lending activity was determined based on the settlement agreement between BNY Mellon and the State.

Under the agreement with BNY Mellon, the $44.622 million in unrealized loss is being gradually offset by a portion of securities lending earnings over a period of years. The gross securities lending revenue for the fiscal year was $1.800 million, an increase from $2.700 million in the prior year. Since November 2008, gains and losses from the Securities Lending Program have been excluded from the Total Plan performance calculations.

With regard to counterparty credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was one day. The average weighted maturity of investments made with cash collateral was one day. At June 30, 2021, 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, 2021:

	SCRS	PORS	GARS	JSRS	SCNG	TOTALS
Securities lent for cash collateral:						
Corporate bonds	$ 16,662	$ 3,049	$ 21	$ 103	$ 17	$ 19,852
Global Public Equity	37,334	6,833	46	230	39	44,482
Total securities lent for cash collateral	**$ 53,996**	**$ 9,882**	**$ 67**	**$ 333**	**$ 56**	**$ 64,334**
Securities lent for non-cash collateral:						
U.S Government Securities	$ 48,098	$ 8,803	$ 59	$ 296	$ 50	$ 57,306
Corporate bonds	6,116	1,119	8	38	6	7,287
Global Public Equity	502,903	92,040	616	3,105	522	599,186
Total securities lent for non-cash collateral	**$ 557,117**	**$101,962**	**$ 683**	**$ 3,439**	**$ 578**	**$ 663,779**
Cash collateral invested as follows:						
Repurchase agreements	$ 17,918	$ 3,279	$ 22	$ 111	$ 18	$ 21,348
Total cash collateral invested	**$ 17,918**	**$ 3,279**	**$ 22**	**$ 111**	**$ 18**	**$ 21,348**
Securities received as collateral:						
U.S. Government securities	$ 86,875	$ 15,900	$ 107	$ 536	$ 90	$ 103,508
Global Public Equity	451,043	82,548	553	2,784	468	537,396
Global Fixed Income	67,357	12,327	82	416	70	80,252
Total securities received as collateral	**$ 605,275**	**$110,775**	**$ 742**	**$ 3,736**	**$ 628**	**$ 721,156**

e. Other Post-Employment Benefit Trust Funds

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

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the Trusts' deposits may not be recovered. As prescribed by law, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution, or for any other cause. As of June 30, 2021, the Trusts had no cash on deposit with banks. All cash reported was held in the cash management pool by the State Treasurer's Office.

Investments

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

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

With respect to the Trust's investments in the State internal cash management pool, all of the Trust's investments are insured or registered or are investments for which the securities are held by the State or its agents in the State's name.

Fair Value Measurements

The Trusts categorize fair value measurements within the fair value hierarchy established by GASB Statement No. 72, *Fair Value Measurement and Application*. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Trusts have the following recurring fair value measurements as of June 30, 2021 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments			
U.S. agencies	$ 903,180	$ 860,075	$ 43,105
Collateralized mortgage-backed obligations	44,067	—	44,067
Repurchase agreements	68,369	33,086	35,283
Corporate bonds	397,552	—	397,552
Financial paper	217,738	—	217,738
Total Investments at Fair Value	$ 1,630,906	$ 893,161	$ 737,745

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. The State Treasurer's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade fixed-income securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. As of June 30, 2021, the Trusts' investments were rated by Moody's as follows (expressed in thousands):

Investment Type and Fair Value	AAA / AA	A / A1 / A2	BAA/BA	P-1/P-2	Not Rated
U.S. agencies	$ 903,180	$ —	$ —	$ —	$ —
Collateralized mortgage-backed obligations	44,067	—	—	—	—
Corporate Bonds	28,438	85,602	278,614	—	4,898
Repurchase Agreements	283	—	—	68,086	—
Financial Paper	5,108	136,456	76,174	—	—
Totals	**$ 981,076**	**$ 222,058**	**$ 354,788**	**$ 68,086**	**$ 4,898**

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer's policy does not specifically address interest rate risk. Its objectives for preservation of capital and maintenance of adequate liquidity focus the management of interest rate sensitivity on investing in securities with a range of maturities from one day to thirty years. At June 30, 2021, the maturities of the investments for the Trusts that will mature were limited according to the following segmented time distribution (expressed in thousands):

		Investment Maturities (in years)			
Investment Type	Fair Value	Less than 1	1 - 5	6 - 10	More than 10
U.S. agencies	903,180	$ —	$ 629,633	$ 237,051	$ 36,496
Collateralized mortgage-backed obligations	44,067	—	1		44,066
Repurchase Agreements	68,369	68,369	—	—	—
Corporate bonds	397,552	4,909	220,149	166,107	6,387
Financial paper	217,738	—	123,333	88,273	6,132
Totals	**$ 1,630,906**	**$ 73,278**	**$ 973,116**	**$ 491,431**	**$ 93,081**

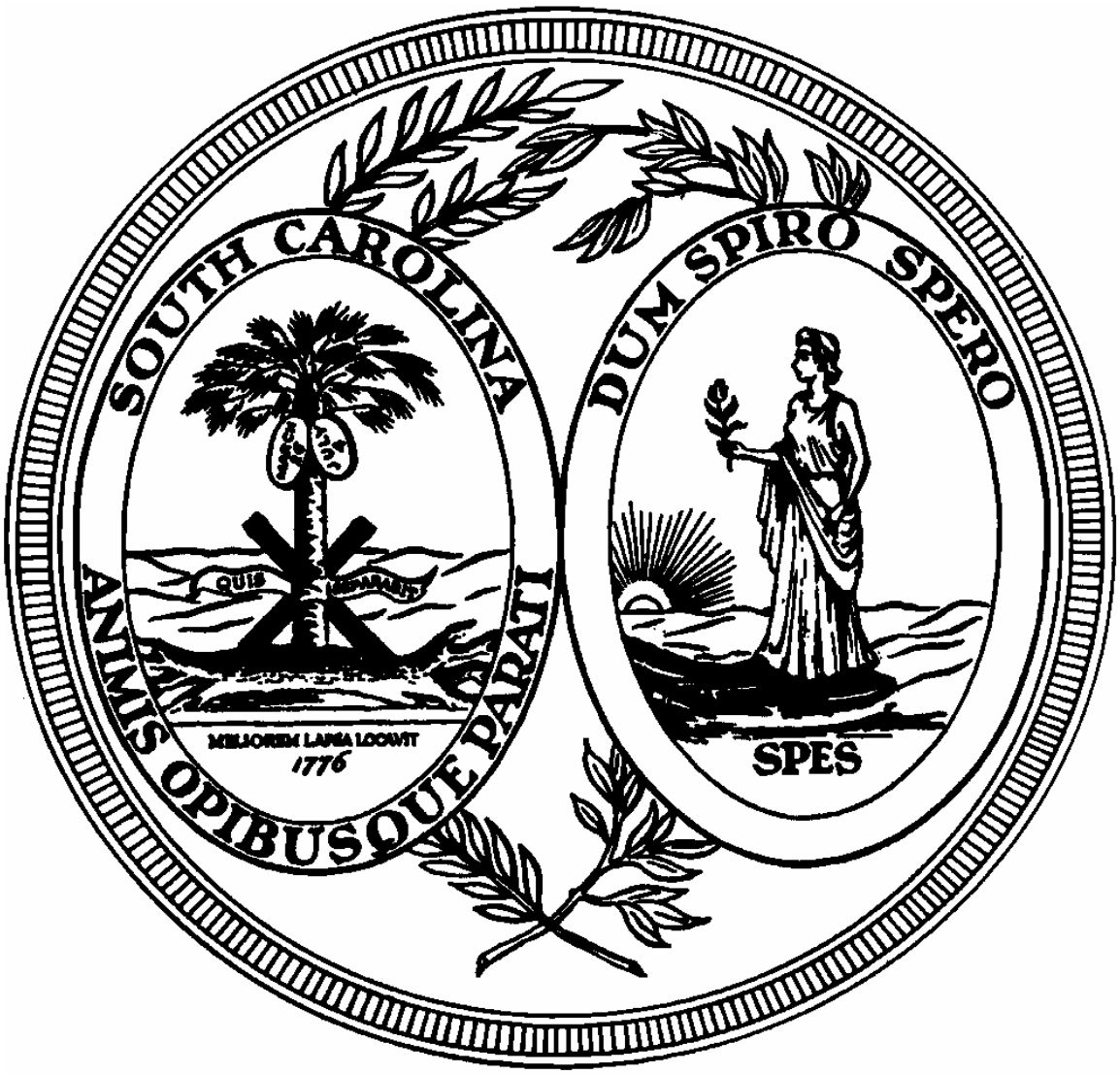
Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The State's policy for reducing the risk is to diversify and limit exposure to any single issuer to no more than 5%, except for United States Treasury and agency obligations. As of June 30, 2021, the Trusts did not have any single issuers of debt that were not fully collateralized by U.S. Government 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, 2021. 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, 2021:

	Amount
Securities lent for cash collateral:	
U.S. Government Securities	$ 35,037
Corporate Bonds	9,394
Total securities lent for cash collateral	**$ 44,431**
Cash collateral invested as follows:	
Repurchase agreements	$ 43,761
U.S. Government Securities	1,557
Total for cash collateral invested	**$ 45,318**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NOTE 5: RECEIVABLES

Receivable balances are disaggregated by type according to their liquidity characteristics and are presented separately in the financial statements, net of applicable allowances. Allowances for governmental activities uncollectible receivables (expressed in thousands) at June 30, 2021, for the primary government were as follows:

	Governmental Activities					
	Governmental Funds					
Allowances related to	General	Departmental Program Services	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Internal Service Funds	Total Governmental Activities
Income taxes	$ 205,427	$ —	$ —	$ —	$ —	$ 205,427
Sales and other taxes	180,814	—	—	18,844	—	199,658
Patient accounts	3,201	—	—	—	—	3,201
Other	15,918	8,812	455	—	1	25,186
Total allowances for uncollectibles	**$ 405,360**	**$ 8,812**	**$ 455**	**$ 18,844**	**$ 1**	**$ 433,472**

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, 2021 were as follows:

	Business-type Activities (Enterprise Funds)
Allowances related to	Unemployment Compensation Benefits
Assessments	$ 36,907
Other	153,375
Total allowances for uncollectibles	**$ 190,282**

Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) at June 30, 2021, were as follows:

	Governmental Activities					
	Governmental Funds					
Net Long-term Receivables	General	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Internal Service Funds	Total Governmental Activities
Accounts	$ 31,581	$ 5,290	$ 100	$ —	$ 67	$ 37,038
Patient accounts	4,148	3,016	—	—	—	7,164
Loans and notes	36,092	363	636,528	94	—	673,077
Accounts receivable—restricted	—	—	12,000	—	—	12,000
Total long-term receivables, net	**$ 71,821**	**$ 8,669**	**$ 648,628**	**$ 94**	**$ 67**	**$ 729,279**

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, 2021, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	$ 5,067	$ —	$ 5,067
Federal grants	47,807	146,893	194,700
Contributions	44,092	160,031	204,123
Departmental services	—	218,464	218,464
Total unearned revenues	$ 96,966	525,388	$ 622,354
Internal service funds		201,030	
Total governmental activities		$ 726,418	

NOTE 6: CAPITAL ASSETS

Capital asset activity (expressed in thousands) for the fiscal year ended June 30, 2021, for the primary government was as follows:

	Beginning Balances July 1, 2020 (as restated)	Increases	Decreases	Ending Balances June 30, 2021
Governmental activities:				
Capital assets not being depreciated:				
Land and improvements	$ 2,242,996	$ 52,028	$ (7,208)	$ 2,287,816
Construction in progress	3,941,195	747,894	(805,514)	3,883,575
Works of art and historical treasures	2,577	—	(4)	2,573
Intangibles	19	39	—	58
Total capital assets not being depreciated	6,186,787	799,961	(812,726)	6,174,022
Capital assets being depreciated:				
Land improvements	121,729	2,754	(2,761)	121,722
Infrastructure (road and bridge network)	15,414,346	782,813	(893)	16,196,266
Buildings and improvements	2,294,415	17,418	(9,087)	2,302,746
Vehicles	922,201	89,369	(49,250)	962,320
Machinery and equipment	728,462	58,163	(48,599)	738,026
Works of art and historical treasures	1,507	—	—	1,507
Intangibles	361,549	46,643	(40,624)	367,568
Total capital assets being depreciated	19,844,209	997,160	(151,214)	20,690,155
Less accumulated depreciation for:				
Land improvements	(70,228)	(4,113)	1,406	(72,935)
Infrastructure (road and bridge network)	(4,483,359)	(222,754)	797	(4,705,316)
Buildings and improvements	(1,286,455)	(59,500)	5,806	(1,340,149)
Vehicles	(674,171)	(66,543)	48,162	(692,552)
Machinery and equipment	(504,797)	(52,400)	47,750	(509,447)
Works of art and historical treasures	(722)	(60)	—	(782)
Intangibles	(126,951)	(101,562)	3,693	(224,820)
Total accumulated depreciation	(7,146,683)	(506,932)	107,614	(7,546,001)
Total capital assets being depreciated, net	12,697,526	490,228	(43,600)	13,144,154
Capital assets for governmental activities, net	**$ 18,884,313**	**$ 1,290,189**	**$ (856,326)**	**$ 19,318,176**

During the fiscal year ended June 30, 2021, depreciation expense was charged to functions of the primary government (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government	$ 72,009	$ 18,736	$ 90,745
Education	39,768	—	39,768
Health and environment	13,587	—	13,587
Social services	55,126	—	55,126
Administration of justice	28,330	405	28,735
Resources and economic development	32,710	—	32,710
Transportation	246,261	—	246,261
Total depreciation expense, governmental activities	**$ 487,791**	**$ 19,141**	**$ 506,932**

	Beginning Balances July 1, 2020 (as restated)	Increases	Decreases	Ending Balances June 30, 2021
Business-type activities:				
Capital assets not being depreciated:				
Land and improvements	$ 170,599	$ 14,932	$ (70)	$ 185,461
Construction in progress	104,488	29,971	(20,377)	114,082
Total capital assets not being depreciated	275,087	44,903	(20,447)	299,543
Capital assets being depreciated:				
Land improvements	1,595	5,436	—	7,031
Buildings and improvements	20,539	100	—	20,639
Vehicles	1,739	64	(16)	1,787
Machinery and equipment	10,315	1,199	(77)	11,437
Intangibles	—	—	—	—
Total capital assets being depreciated	34,188	6,799	(93)	40,894
Less accumulated depreciation for:				
Land improvements	(1,212)	(96)	—	(1,308)
Buildings and improvements	(5,828)	(584)	—	(6,412)
Vehicles	(996)	(174)	16	(1,154)
Machinery and equipment	(6,749)	(798)	77	(7,470)
Intangibles	—	—	—	—
Total accumulated depreciation	(14,785)	(1,652)	93	(16,344)
Total capital assets being depreciated, net	19,403	5,147	—	24,550
Capital assets for business-type activities, net	**$ 294,490**	**$ 50,050**	**$ (20,447)**	**$ 324,093**

Capital assets for the State's fiduciary funds were comprised of land totaling $582 thousand, a building totaling $4.749 million and equipment totaling $2.320 million with accumulated depreciation of $5.567 million. Depreciation expense for fiscal year 2021 was $169 thousand. There were additions of $97 thousand for equipment during the year.

At June 30, 2021, the primary government had outstanding construction commitments totaling $53.299 million for capital projects in progress. In addition, outstanding construction commitments at that date totaled $12.127 million for significant permanent improvement projects. Projects that will not be capitalized as State assets upon completion include projects for replacements, repairs, and renovations to existing facilities. In addition, the primary government had outstanding commitments totaling $24.571 million at June 30, 2021, related to information technology projects.

NOTE 7: RETIREMENT PLANS

a. Plan Descriptions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

A summary of information related to members of the five plans is as follows at June 30, 2021:

	SCRS	PORS	GARS	JSRS	SCNG
Active Contributing Members	201,144	27,795	87	160	12,099
Retirees and Beneficiaries Currently Receiving Benefits	146,131	19,625	338	223	4,981
Terminated Members Entitled to But Not Yet Receiving Benefits	198,926	18,811	35	4	1,739
Total Membership	546,201	66,231	460	387	18,819

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, 2021, were as follows:

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

Actuarially-determined employer contribution rates, expressed as percentages of compensation, for the fiscal year ended June 30, 2021, were as follows:

Plan	Rate
SCRS	15.56%
PORS	18.24%
JSRS	62.94%

Contributions to SCRS, PORS, and JSRS from the State were $209.454 million, $69.088 million, and $19.100 million, respectively, for the year ended June 30, 2021. The GARS employer contribution of $5.956 million was actuarily determined and included incidental death benefits. The State contributed $5.290 million to fund the SCNG actuarially-determined employer contribution for the year ended June 30, 2021. 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, 2021, the State reported $3.203 billion and $910.737 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, 2019 actuarial valuations, using membership data as of July 1, 2019, projected forward to June 30, 2020, and financial information of the pension trust funds as of June 30, 2020, 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, 2020, the State's SCRS proportion was 12.54%, which was a decrease of 0.21% from its proportion measured as of June 30, 2019. The State's PORS proportion of the net pension liability at June 30, 2020 was 27.46%, which was a decrease of 0.78% from its proportion measured as of June 30, 2019.

The State's JSRS, GARS, and SCNG net pension liabilities were also measured by actuarial valuations as of July 1, 2019, using membership data as of July 1, 2019, projected forward to June 30, 2020, and financial information of the pension trust funds as of June 30, 2020, using generally accepted actuarial procedures. The State assumes 100% of the JSRS, GARS, and SCNG liabilities.

For the year ended June 30, 2021, the State recognized pension expenses of $358.423 million for SCRS, $131.189 million for PORS, $46.423 million for JSRS, $3.590 million for GARS, and $4.119 million for SCNG, making the State's total pension expense $543.744 million for the fiscal year.

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

the SCRS net pension liability was approximately $14.502 billion (or 56.75% of the total net SCRS pension liability) at June 30, 2021, with related pension expenses of approximately $1.623 billion for the year ended June 30, 2021. Likewise, the State's effective share of the PORS net pension liability was approximately $930.250 million at June 30, 2021 (or 28.05% of the total net PORS pension liability), with related pension expenses of approximately $134.000 million for the year ended June 30, 2021. As prescribed by GASB 68, the teachers and technical college employee-related net pension liabilities and corresponding pension expenses are not included in the State's net pension liability or in the State's pension expense.

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to pensions (expressed in thousands) from the following sources:

	SCRS	PORS	JSRS	GARS	SCNG	Total
Deferred Outflows of Resources						
State Contributions Subsequent to the Measurement Date	$ 209,455	$ 69,088	$ 19,100	$ 5,956	$ 5,290	$ 308,889
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	47,537	8,280	—	—	—	55,817
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	235,616	93,257	11,398	2,416	2,207	344,894
Differences Between Expected and Actual Experience	36,963	19,355	42,660	4	273	99,255
Changes in Assumptions	3,925	11,114	1,643	—	2,632	19,314
Total	$ 533,496	$ 201,094	$ 74,801	$ 8,376	$ 10,402	$ 828,169
Deferred Inflows of Resources						
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 110,537	$ 34,723	$ —	$ —	$ —	$ 145,260
Differences Between Expected and Actual Experience	12,114	4,009	953	—	3,528	20,604
Total	$ 122,651	$ 38,732	$ 953	$ —	$ 3,528	$ 165,864

$308.889 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, 2022. 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
2022	$ 36,407	$ 28,014	$ 23,787	$ 454	$ 446
2023	56,726	23,085	23,980	676	601
2024	62,459	23,408	4,091	696	601
2025	45,798	18,767	2,890	594	514
2026	—	—	—	—	3
Thereafter	—	—	—	—	(581)
	$ 201,390	$ 93,274	$ 54,748	$ 2,420	$ 1,584

The total pension liabilities in the July 1, 2019 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	7.25%	7.25%	7.25%	7.25%	7.25%
Projected Salary Increases	3.0% to 12.5% (Varies by Service)	3.5% to 9.5% (Varies by Service)	None	2.75%	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	2.75%	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, 2019.

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2016. Assumptions used in the June 30, 2020 valuations for SCRS and PORS are as follows:

Former Job Class	Males	Females
Educators and Judges	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety, Firefighters and Members of the South Carolina National Guard	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

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 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% 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	**51.0%**		
Global Public Equity	35.0%	7.81%	2.73%
Private Equity	9.0%	8.91%	0.80%
Equity Options Strategies	7.0%	5.09%	0.36%
Real Assets	**12.0%**		
Real Estate (Private)	8.0%	5.55%	0.44%
Real Estate (REITs)	1.0%	7.78%	0.08%
Infrastructure (Private)	2.0%	4.88%	0.10%
Infrastructure (Public)	1.0%	7.05%	0.07%
Opportunistic	**8.0%**		
Global Tactical Asset Allocation	7.0%	3.56%	0.25%
Other Opportunistic Strategies	1.0%	4.41%	0.04%
Diversified Credit	**15.0%**		
High Yield Bonds/Bank Loans	4.0%	4.21%	0.17%
Emerging Markets Debt	4.0%	3.44%	0.14%
Private Debt	7.0%	5.79%	0.40%
Conservative Fixed Income	**14.0%**		
Core Fixed Income	13.0%	1.60%	0.21%
Cash and Short Duration (Net)	1.0%	0.56%	0.01%
Total Expected Real Return	**100.0%**		5.80%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			**8.05%**

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

Changes in the Net Pension Liability (expressed in thousands)

	JSRS	GARS	SCNG
Total Pension Liability			
Service Cost	$ 8,919	$ 358	$ 805
Interest	28,154	5,003	4,731
Difference Between Actual and Expected Experience	3,262	60	(627)
Benefit Payments	(25,673)	(6,348)	(4,514)
Net Change in Total Pension Liability	14,662	(927)	395
Total Pension Liability at June 30, 2020	396,705	72,001	67,106
Total Pension Liability at June 30, 2021 (a)	$ 411,367	$ 71,074	$ 67,501
Plan Fiduciary Net Position			
Contributions - Employer	$ 19,098	$ 6,329	$ 5,290
Contributions - Nonemployer	2,900	—	—
Contributions - Member	4,966	222	—
Refunds of Contributions to Members	(182)	—	—
Retirement Benefits	(25,301)	(6,322)	(4,514)
Death Benefits	(190)	(25)	—
Net Investment Income (Loss)	(2,361)	(443)	(352)
Administrative Expense	(86)	(18)	(15)
Other	563	—	—
Net Change in Plan Fiduciary Net Position	(593)	(257)	409
Plan Fiduciary Net Position at June 30, 2020	165,843	34,712	30,683
Plan Fiduciary Net Position at June 30, 2021 (b)	$ 165,250	$ 34,455	$ 31,092
Net Pension Liability at June 30, 2021 (a) - (b)	$ 246,117	$ 36,619	$ 36,409

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 7.25%, 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 (6.25%) or 1.00% higher (8.25%) than the current rate.

Plan	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
SCRS	$ 3,970,171	$ 3,203,359	$ 2,563,062
PORS	1,205,663	910,737	673,931
JSRS	290,327	246,117	208,661
GARS	42,751	36,619	31,329
SCNG	44,834	36,409	29,504

e. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2021, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	SCNG	Totals
Receivables:						
Contributions	$ 271,414	$ 29,508	$ 9	$ 1,389	$ 2	$ 302,322
Accrued interest	29,062	5,319	36	180	30	34,627
Unsettled investment sales	2,324,803	425,476	2,849	14,351	2,412	2,769,891
Other investment receivables	207	38	—	1	—	246
Total receivables	**$ 2,625,486**	**$ 460,341**	**$ 2,894**	**$ 15,921**	**$ 2,444**	**$ 3,107,086**
Due from other funds	**$ —**	**$ 133**	**$ —**	**$ —**	**$ —**	**$ 133**
Investments and invested securities lending collateral:						
Short-term securities and opportunistic	$ 72,206	$ 13,215	$ 88	$ 446	$ 75	$ 86,030
Fixed income	2,585,942	473,269	3,168	15,963	2,683	3,081,025
Equity-international	16,237,652	2,971,752	19,895	100,236	16,846	19,346,381
Alternatives	13,144,090	2,405,580	16,105	81,140	13,636	15,660,551
Invested securities lending collateral	17,918	3,279	22	111	18	21,348
Total investments	**$ 32,057,808**	**$ 5,867,095**	**$ 39,278**	**$ 197,896**	**$ 33,258**	**$ 38,195,335**

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, 2021, $28 thousand was in the JSRS trust fund.

g. Optional Retirement Program

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

Under State law, contributions to the State ORP are at the same rates as for the SCRS (see Subsection c, Funding Policies). A direct remittance is required from the employers to the investment providers for the employee contribution (9.00%) and a portion of the employer contribution (5.00%), which is immediately vested to the employee. A direct remittance is also required to the SCRS for a portion of the employer contribution (10.41%) 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, 2021 is as follows (expressed in thousands):

Covered payroll	$ 1,796,066
Employee contributions to providers	161,646
Employer contributions to providers	89,803

NOTE 8: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits through the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (LTDITF), collectively referred to as the OPEB plans, to retired State and school district employees and their covered dependents. The OPEB plans have been determined to be cost-sharing multiple-employer defined benefit plans and are administered by the Insurance Benefits Division

(IBD), a part of South Carolina Public Employee Benefit Authority (PEBA). Article 5 of the State Code of Laws defines the two plans and authorizes PEBA to at any time adjust the plans, including its benefits and contributions, as necessary to ensure the fiscal stability of the plans. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires on May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

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

Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the Executive Budget, 6.25% of annual covered payroll for fiscal year 2021. The IBD sets the employer contribution rate based on a pay-as-you-go basis. The State paid $581.528 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2021. 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, 2021.

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, 2021, the State reported a liability of $3.666 billion for its proportionate share of the SCRHITF net OPEB liability and reported a liability of $54 thousand for its proportionate share of the LTDITF net OPEB liability. The net OPEB liabilities were measured as of June 30, 2020, and the total OPEB liabilities used to calculate the net OPEB liabilities were determined by an actuarial valuation as of June 30, 2019. At June 30, 2021, the State's proportion of the SCRHITF net OPEB liability was 20.31% and the State's proportion of the LTDITF net OPEB liability was 17.91%, based on its statutory contribution requirements. These proportions decreased by 0.42% and by 0.64%, respectively, from the prior year.

As with SCRS and PORS, the State is responsible for contributing the OPEB employer contributions related to all publicly funded teachers and the employees of the State's technical colleges. However, as these employer contributions related to the State's teachers and technical college employees are not paid by the State directly to SCRHITF and LTDITF, but remitted instead to each school district and technical college for their contribution payments, GASB 75 requires that the school districts and technical colleges recognize the portions of the SCRHITF and LTDITF net OPEB liabilities that relate to their respective employees. As the State is actually responsible for these net OPEB liabilities, the State's effective share of the SCRHITF net OPEB liability was approximately $13.699 billion (or 75.89% of the total net SCRHITF OPEB liability) at June 30, 2021, with related OPEB expenses of approximately $1.019 billion for the year ended June 30, 2021. Likewise, the State's effective share of the LTDITF net OPEB liability was approximately $197 thousand at June 30, 2021 (or 64.82% of the total net LTDITF OPEB liability), with related OPEB expenses of approximately $5.269 million for the year ended June 30, 2021. As prescribed by GASB 75, the teachers and technical college employee-related net OPEB liabilities and corresponding OPEB expenses are not included in the State's net OPEB liability or in the State's OPEB expense.

As a result of its requirement to contribute to the SCRHITF and LTDITF, the State recognized expenses of $265.199 million for SCRHITF and $1.455 million for LTDITF, for a total OPEB expense of $266.654 million for the year ended June 30, 2021. At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources from the following sources as a result of its requirements to SCRHITF and LTDITF (expressed in thousands):

	SCRHITF	LTDITF	Total
Deferred Outflows of Resources			
State Contributions Subsequent to the Measurement Date	$ 116,958	$ 1,339	$ 118,297
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	75,357	5	75,362
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	85	—	85
Differences Between Expected and Actual Experience	104,846	—	104,846
Changes in Assumptions	545,527	228	545,755
Total	$ 842,773	$ 1,572	$ 844,345
Deferred Inflows of Resources			
Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Plan Contributions	$ 154,513	$ 73	$ 154,586
Net differences Between Projected and Actual Earnings on OPEB Plan Investments	8,407	452	8,859
Differences Between Expected and Actual Experience	83,488	225	83,713
Changes in Assumptions	145,995	27	146,022
Total	$ 392,403	$ 777	$ 393,180

$118.297 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, 2022. 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
2022	$ 38,897	$ (63)
2023	37,777	(62)
2024	36,005	(59)
2025	66,757	(109)
2026	78,440	(128)
Thereafter	75,536	(123)
	$ 333,412	$ (544)

The total OPEB liabilities in the June 30, 2019 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 6.40% and gradually decreasing to an ultimate rate of 4.00% over 15 years	N/A

South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period for both OPEB plans. The last experience study was performed on data through June 30, 2019.

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

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

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

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

The Single Discount Rate used to measure the total SCRHITF liability is 2.45% (updated from 3.13% in the 2020 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 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

The Single Discount Rate used to measure the total LTDITF liability is 2.83% (updated from 3.04% in the 2020 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 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index") and the resulting Single Discount Rate is 2.83%. 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 2041. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2041, and the municipal bond rate was applied to all benefit payments after that date.

The following table presents the State's proportionate share of the SCRHITF and LTDITF net OPEB liabilities, as well as what the State's proportionate share of the net OPEB liabilities would be if it were calculated using a discount rate of 1.00% lower (1.45% for SCRHITF and 1.83% for LTDITF) or 1.00% higher (3.45% for SCRHITF and 3.83% for LTDITF) than the current discount rates:

Plan	1% Decrease (1.45%)	Current Discount Rate (2.45%)	1% Increase (3.45%)
SCRHITF	$ 4,374,132	$ 3,665,881	$ 3,099,936

Plan	1% Decrease (1.83%)	Current Discount Rate (2.83%)	1% Increase (3.83%)
LTDITF	$ 320	$ 54	$ (210)

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 (5.40%) and one percent higher (7.40%):

Plan	1% Decrease (5.40%)	Current Healthcare Cost Trend Rate (6.40%)	1% Increase (7.40%)
SCRHITF	$ 2,967,179	$ 3,665,881	$ 4,583,479

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, 2021, for the OPEB plans administered by the Insurance Benefits Division were as follows:

	SCRHI	LTDI	Totals
Receivables:			
Accrued interest	**$ 7,697**	**$ 266**	**$ 7,963**
Due from other funds	**$ 85,720**	**$ —**	**$ 85,720**
Investments and invested securities lending collateral:			
Domestic debt instruments	$ 1,311,208	$ 33,591	$ 1,344,799
Financial paper	211,590	6,149	217,739
Invested securities lending collateral	41,375	3,056	44,431
Total investments	**$1,564,173**	**$ 42,796**	**$1,606,969**

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, 2021 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	$ —	$ —	$ —	$ —	$ —	$ 18,634
Deferred amount on refunding	37,322	—	37,322	—	37,322	172,168
Asset retirement obligation	—	—	—	—	—	691,641
Pensions:						
State contributions subsequent to the measurement date	302,310	4,321	306,631	2,258	308,889	354,144
Change in proportion and differences between employer contributions and proportionate share of plan contributions	52,570	2,498	55,068	749	55,817	245,275
Net differences between projected and actual earnings on pension plan investments	336,893	4,926	341,819	3,075	344,894	406,663
Differences between expected and actual experience	97,924	817	98,741	514	99,255	65,067
Changes in assumptions	19,033	166	19,199	115	19,314	7,858
OPEB:						
State contributions subsequent to the measurement date	115,530	1,811	117,341	956	118,297	171,337
Change in proportion and differences between employer contributions and proportionate share of plan contributions	73,814	690	74,504	858	75,362	198,549
Net differences between projected and actual earnings on OPEB plan investments	—	51	51	34	85	2,855
Differences between expected and actual experience	102,247	1,597	103,844	1,002	104,846	141,382
Changes in assumptions	532,223	8,317	540,540	5,215	545,755	781,923
Total	$ 1,669,866	$ 25,194	$ 1,695,060	$ 14,776	$ 1,709,836	$ 3,257,496
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ —	$ —	$ —	$ —	$ —	$ 14,767
Deferred gain on refunding	—	—	—	—	—	2,564
Deferred nuclear decommissioning costs	—	—	—	—	—	247,903
Deferred service concession arrangement receipts	—	—	—	—	—	571
Deferred nonexchange revenues	11,979	—	11,979	—	11,979	32
Toshiba Settlement	—	—	—	—	—	296,380
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	142,136	1,604	143,740	1,520	145,260	77,682
Differences between expected and actual experience	20,203	248	20,451	153	20,604	21,727
Changes in Assumptions	—	—	—	—	—	10
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	150,738	2,288	153,026	1,560	154,586	107,318
Net differences between projected and actual earnings on OPEB plan investments	8,789	45	8,834	25	8,859	14,165
Differences between expected and actual experience	81,637	1,276	82,913	800	83,713	122,027
Changes in assumptions	142,400	2,226	144,626	1,396	146,022	202,251
Total	$ 557,882	$ 7,687	$ 565,569	$ 5,454	$ 571,023	$ 1,107,397

Details of all enterprise fund deferred outflows of resources and deferred inflows of resources at June 30, 2021 are as follows (expressed in thousands):

	Canteen	Palmetto Railways	Other Enterprise	Total
Deferred Outflows of Resources				
Pensions:				
State contributions subsequent to the measurement date	$ 221	$ 409	$ 1,628	$ 2,258
Change in proportion and differences between employer contributions and proportionate share of plan contributions	43	391	315	749
Net differences between projected and actual earnings on pension plan investments	261	894	1,920	3,075
Differences between expected and actual experience	45	140	329	514
Changes in assumptions	12	15	88	115
OPEB:				
State contributions subsequent to the measurement date	94	171	691	956
Change in proportion and differences between employer contributions and proportionate share of plan contributions	60	356	442	858
Net differences between projected and actual earnings on OPEB plan investments	4	—	30	34
Differences between expected and actual experience	83	307	612	1,002
Changes in assumptions	432	1,598	3,185	5,215
Total	$ 1,255	$ 4,281	$ 9,240	$ 14,776
Deferred Inflows of Resources				
Pensions:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 115	$ 555	$ 850	$ 1,520
Differences between expected and actual experience	13	46	94	153
OPEB:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	122	536	902	1,560
Net differences between projected and actual earnings on OPEB plan investments	—	25	—	25
Differences between expected and actual experience	66	245	489	800
Changes in assumptions	116	428	852	1,396
Total	$ 432	$ 1,835	$ 3,187	$ 5,454

Details of all internal service fund deferred outflows of resources and deferred inflows of resources at June 30, 2021 are as follows (expressed in thousands):

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Deferred Outflows of Resources				
Pensions:				
State contributions subsequent to the measurement date	$ 315	$ 1,079	$ 510	$ 1,788
Change in proportion and differences between employer contributions and proportionate share of plan contributions	26	1,288	716	346
Net differences between projected and actual earnings on pension plan investments	386	1,180	509	2,109
Differences between expected and actual experience	60	185	83	362
Changes in assumptions	6	20	9	97
OPEB:				
State contributions subsequent to the measurement date	135	438	211	760
Change in proportion and differences between employer contributions and proportionate share of plan contributions	35	—	—	485
Net differences between projected and actual earnings on OPEB plan investments	—	—	7	33
Differences between expected and actual experience	134	411	144	672
Changes in assumptions	698	2,141	750	3,499
Total	$ 1,795	$ 6,742	$ 2,939	$ 10,151
Deferred Inflows of Resources				
Pensions:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	$ 258	$ —	$ 84	$ 934
Differences between expected and actual experience	20	61	27	103
OPEB:				
Change in proportion and differences between employer contributions and proportionate share of plan contributions	301	236	412	991
Net differences between projected and actual earnings on OPEB plan investments	11	34	—	—
Differences between expected and actual experience	107	328	115	537
Changes in assumptions	187	573	201	936
Total	$ 884	$ 1,232	$ 839	$ 3,501

Motor Pool	Prison Industries	Other Internal Service	Total
$ 133	$ 459	$ 37	$ 4,321
26	89	7	2,498
157	541	44	4,926
27	93	7	817
7	25	2	166
56	195	16	1,811
36	124	10	690
2	8	1	51
50	172	14	1,597
260	897	72	8,317
$ 754	$ 2,603	$ 210	$ 25,194
$ 69	$ 240	$ 19	$ 1,604
8	27	2	248
74	254	20	2,288
—	—	—	45
40	138	11	1,276
70	240	19	2,226
$ 261	$ 899	$ 71	$ 7,687

Details of all discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2021 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	$ 18,634	$ —	$ —	$ —	$ —	$ —
Deferred amount on refunding	99,969	23,269	17,258	3,683	25,709	—
Asset retirement obligation	691,641	—	—	—	—	—
Pensions:						
State contributions subsequent to the measurement date	10,455	119,466	70,762	49,631	9,329	1,109
Change in proportion and differences between employer contributions and proportionate share of plan contributions	94	185,970	9,664	24,042	8,710	12
Net differences between projected and actual earnings on pension plan investments	23,863	127,017	82,183	56,627	9,949	1,179
Differences between expected and actual experience	4,083	20,133	12,988	8,946	1,562	185
Changes in assumptions	544	2,280	1,564	1,072	168	20
OPEB:						
State contributions subsequent to the measurement date	10,233	55,428	35,138	25,023	2,065	438
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	152,562	10,174	20,334	—	—
Net differences between projected and actual earnings on OPEB plan investments	—	—	—	—	2,855	—
Differences between expected and actual experience	—	46,804	31,961	22,215	—	405
Changes in assumptions	31,836	243,606	166,294	115,619	14,268	2,107
Total	$ 891,352	$ 976,535	$ 437,986	$ 327,192	$ 74,615	$ 5,455
Deferred Inflows of Resources						
Accumulated increase in fair value of hedging derivatives	$ 14,767	$ —	$ —	$ —	$ —	$ —
Deferred gain on refunding	—	—	—	—	—	2,564
Deferred nuclear decommissioning costs	247,903	—	—	—	—	—
Deferred service concession arrangement receipts	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Toshiba Settlement	296,380	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	20,911	6,055	7,127	29	7	809
Differences between expected and actual experience	1,923	6,561	4,209	2,900	512	61
Changes in assumptions	10	—	—	—	—	—
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	11,867	32,524	10	—	967
Net differences between projected and actual earnings on OPEB plan investments	2,257	4,026	2,606	1,875	—	33
Differences between expected and actual experience	9,338	37,296	25,449	17,720	—	322
Changes in assumptions	2,327	65,182	44,503	30,937	3,011	564
Total	$ 595,816	$ 130,987	$ 116,418	$ 53,471	$ 3,530	$ 5,320

Lottery Commission	Nonmajor Component Units	Total
$ —	$ —	$ 18,634
—	2,280	172,168
—	—	691,641
1,234	92,158	354,144
125	16,658	245,275
1,287	104,558	406,663
203	16,967	65,067
23	2,187	7,858
505	42,507	171,337
150	15,329	198,549
—	—	2,855
439	39,558	141,382
2,284	205,909	781,923
$ 6,250	$ 538,111	$ 3,257,496
$ —	$ —	$ 14,767
—	—	2,564
—	—	247,903
—	571	571
—	32	32
—	—	296,380
233	42,511	77,682
66	5,495	21,727
—	—	10
340	61,610	107,318
36	3,332	14,165
350	31,552	122,027
611	55,116	202,251
$ 1,636	$ 200,219	$ 1,107,397

Details of all nonmajor discretely presented component units' deferred outflows of resources and deferred inflows of resources at June 30, 2021 are as follows (expressed in thousands):

	The Citadel	Coastal Carolina University	College of Charleston	Francis Marion University	Lander University	South Carolina State University
Deferred Outflows of Resources						
Deferred amount on refunding	$ —	$ 239	$ 308	$ —	$ —	$ —
Pensions:						
State contributions subsequent to the measurement date	3,922	12,232	12,012	4,361	3,666	4,710
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,301	3,984	3,001	161	2,488	1,565
Net differences between projected and actual earnings on pension plan investments	7,337	11,429	14,798	4,821	3,813	4,563
Differences between expected and actual experience	1,162	2,256	2,343	762	606	724
Changes in assumptions	145	294	291	92	79	226
OPEB:						
State contributions subsequent to the measurement date	3,114	5,574	6,257	2,031	1,652	1,401
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,384	3,126	2,019	—	2,491	1,720
Differences between expected and actual experience	2,798	5,469	5,923	1,837	1,416	1,621
Changes in assumptions	14,561	28,467	30,825	9,560	7,370	8,441
Total	$ 35,724	$ 73,070	$ 77,777	$ 23,625	$ 23,581	$ 24,971
Deferred Inflows of Resources						
Deferred service concession arrangement receipts	—	—	571	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,631	246	1,561	1,407	16	2,240
Differences between expected and actual experience	375	725	757	247	195	233
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	1,915	4,590	5,920	2,309	48	893
Net differences between projected and actual earnings on OPEB plan investments	236	465	501	156	121	138
Differences between expected and actual experience	2,232	4,364	4,725	1,466	1,130	1,294
Changes in assumptions	3,896	7,617	8,248	2,558	1,972	2,259
Total	$ 10,285	$ 18,007	$ 22,283	$ 8,143	$ 3,482	$ 7,057

Winthrop University	Aiken Technical College	Central Carolina Technical College	Denmark Technical College
$ 1,002	$ —	$ —	$ —
6,363	1,142	1,994	469
973	8	116	—
7,518	1,276	2,293	565
1,186	200	360	89
139	21	40	11
3,195	521	833	214
138	—	184	—
2,921	459	781	195
15,205	2,390	4,066	1,016
$ 38,640	$ 6,017	$ 10,667	$ 2,559
—	—	—	—
32	—	—	—
3,086	1,010	847	1,221
385	66	118	29
6,835	1,276	913	1,557
249	37	67	17
2,331	366	623	156
4,068	640	1,088	272
$ 16,986	$ 3,395	$ 3,656	$ 3,252

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	Florence-Darlington Technical College	Greenville Technical College	Horry-Georgetown Technical College	Technical College of the Lowcountry	Midlands Technical College	Northeastern Technical College
Deferred Outflows of Resources						
Deferred amount on refunding	$ 241	$ 338	$ —	$ —	$ 152	$ —
Pensions:						
State contributions subsequent to the measurement date	2,183	6,366	3,164	1,297	6,394	693
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3	225	365	—	39	120
Net differences between projected and actual earnings on pension plan investments	2,792	6,838	3,606	1,457	7,206	731
Differences between expected and actual experience	438	1,078	567	228	1,135	115
Changes in assumptions	47	125	62	24	130	12
OPEB:						
State contributions subsequent to the measurement date	1,019	2,746	1,466	552	2,693	306
Change in proportion and differences between employer contributions and proportionate share of plan contributions	—	—	535	—	—	280
Differences between expected and actual experience	977	2,448	1,291	509	2,494	255
Changes in assumptions	5,086	12,740	6,722	2,672	12,978	1,329
Total	$ 12,786	$ 32,904	$ 17,778	$ 6,739	$ 33,221	$ 3,841
Deferred Inflows of Resources						
Deferred service concession arrangement receipts	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	3,879	5,440	785	928	6,981	133
Differences between expected and actual experience	143	351	185	75	370	38
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	4,929	6,375	716	802	8,386	155
Net differences between projected and actual earnings on OPEB plan investments	83	208	110	42	204	21
Differences between expected and actual experience	780	1,953	1,030	405	1,986	203
Changes in assumptions	1,361	3,409	1,799	733	3,473	356
Total	$ 11,175	$ 17,736	$ 4,625	$ 2,985	$ 21,400	$ 906

Orangeburg-Calhoun Technical College	Piedmont Technical College	Spartanburg Community College	Tri-County Technical College	Trident Technical College
$ —	$ —	$ —	$ —	$ —
1,627	2,742	3,041	3,332	6,270
5	911	104	528	—
1,778	3,022	3,257	3,567	7,319
282	477	513	565	1,160
35	56	58	71	146
665	1,135	1,307	1,451	2,604
—	1,143	608	877	—
599	1,033	1,140	1,267	2,545
3,114	5,377	5,932	6,597	13,240
$ 8,105	$ 15,896	$ 15,960	$ 18,255	$ 33,284
—	—	—	—	—
—	—	—	—	—
1,801	414	451	—	3,579
91	155	167	182	374
2,126	557	263	1	5,081
49	84	97	108	208
477	823	910	1,012	2,026
833	1,439	1,587	1,765	3,543
$ 5,377	$ 3,472	$ 3,475	$ 3,068	$ 14,811

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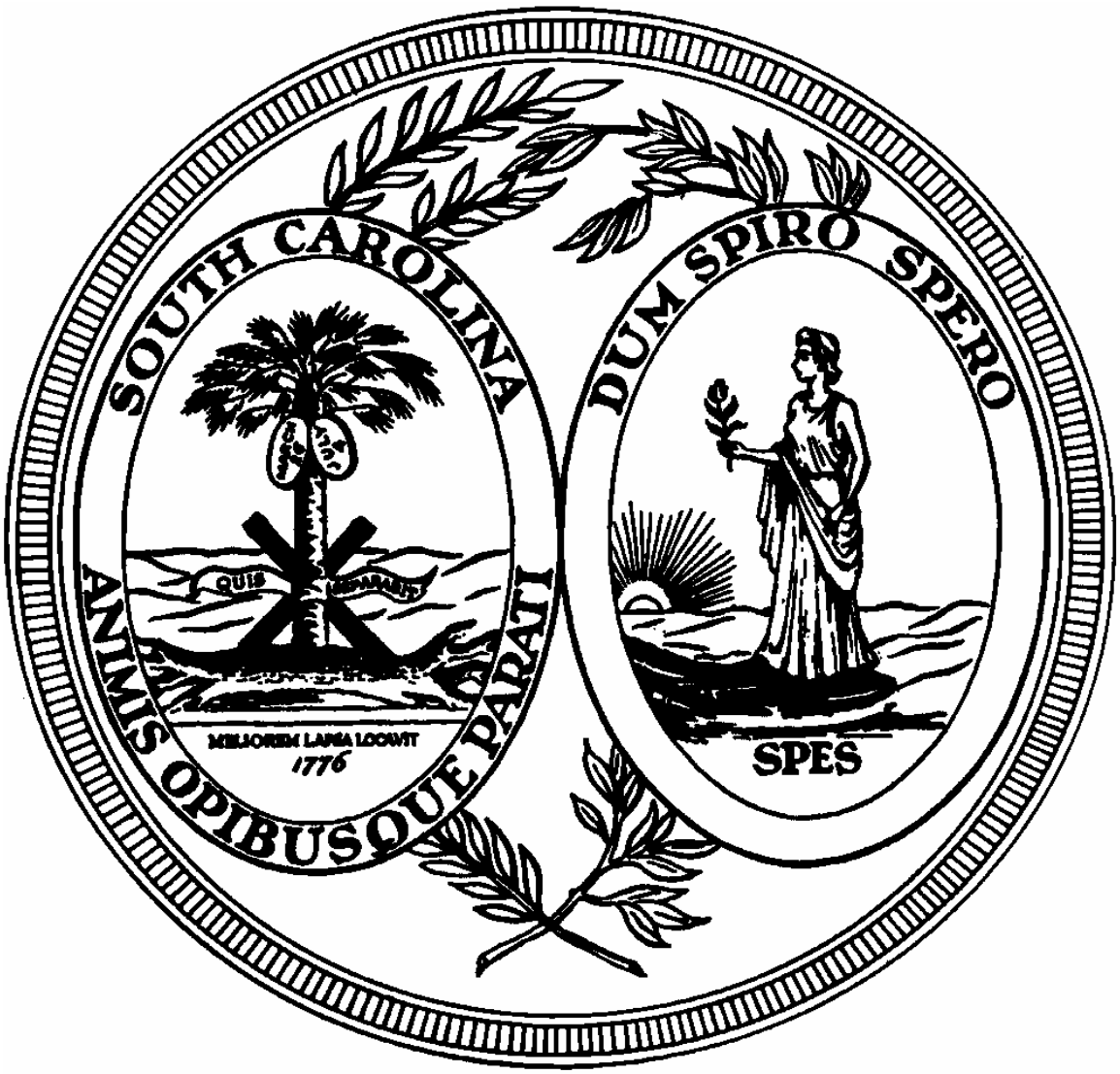
	Williamsburg Technical College	York Technical College	South Carolina Jobs-Economic Development Authority	Patriot's Point Development Authority	South Carolina First Steps to School Readiness Board of Trustees	Total
Deferred Outflows of Resources						
Deferred amount on refunding	$ —	$ —	$ —	$ —	$ —	$ 2,280
Pensions:						
State contributions subsequent to the measurement date	512	2,586	49	544	487	92,158
Change in proportion and differences between employer contributions and proportionate share of plan contributions	200	150	35	78	298	16,658
Net differences between projected and actual earnings on pension plan investments	587	2,776	48	679	482	104,558
Differences between expected and actual experience	93	438	8	106	76	16,967
Changes in assumptions	11	52	1	11	8	2,187
OPEB:						
State contributions subsequent to the measurement date	215	1,122	19	219	196	42,507
Change in proportion and differences between employer contributions and proportionate share of plan contributions	282	109	59	112	262	15,329
Differences between expected and actual experience	196	983	16	232	153	39,558
Changes in assumptions	1,020	5,115	84	1,208	794	205,909
Total	$ 3,116	$ 13,331	$ 319	$ 3,189	$ 2,756	$ 538,111
Deferred Inflows of Resources						
Deferred service concession arrangement receipts	—	—	—	—	—	$ 571
Deferred nonexchange revenues	—	—	—	—	—	32
Pensions:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	167	2,565	11	291	1,821	42,511
Differences between expected and actual experience	30	142	2	35	25	5,495
OPEB:						
Change in proportion and differences between employer contributions and proportionate share of plan contributions	165	2,840	12	321	2,625	61,610
Net differences between projected and actual earnings on OPEB plan investments	16	83	1	19	12	3,332
Differences between expected and actual experience	156	784	13	185	122	31,552
Changes in assumptions	273	1,369	22	323	213	55,116
Total	$ 807	$ 7,783	$ 61	$ 1,174	$ 4,818	$ 200,219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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
2021	$ 334,770	$ 89,111	$ (90,217)	$ 333,664
2020	320,641	116,986	(102,857)	334,770

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, 2021 the IRF had no reinsurance recoverable receivables, but had expenses of $52.397 million in reinsurance premiums for the 2021 fiscal year.

b. Employee Insurance Programs Fund

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

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

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

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

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

Fiscal Year Ended June 30	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2021	$ 191,987	$ 3,130,466	$ (3,077,487)	$ 244,966
2020	271,350	2,785,395	(2,864,758)	191,987

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
2021	$ 202,768	$ 72,939	$ (52,288)	$ 223,419
2020	210,990	43,603	(51,825)	202,768

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

At June 30, 2021 the Fund had a balance of $496 thousand in reinsurance recoverable receivables and had expenses of $2.871 million in reinsurance premiums for the 2021 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
2021	$ 21,696	$ 15,228	$ (8,244)	$ 28,680
2020	22,470	4,052	(4,826)	21,696

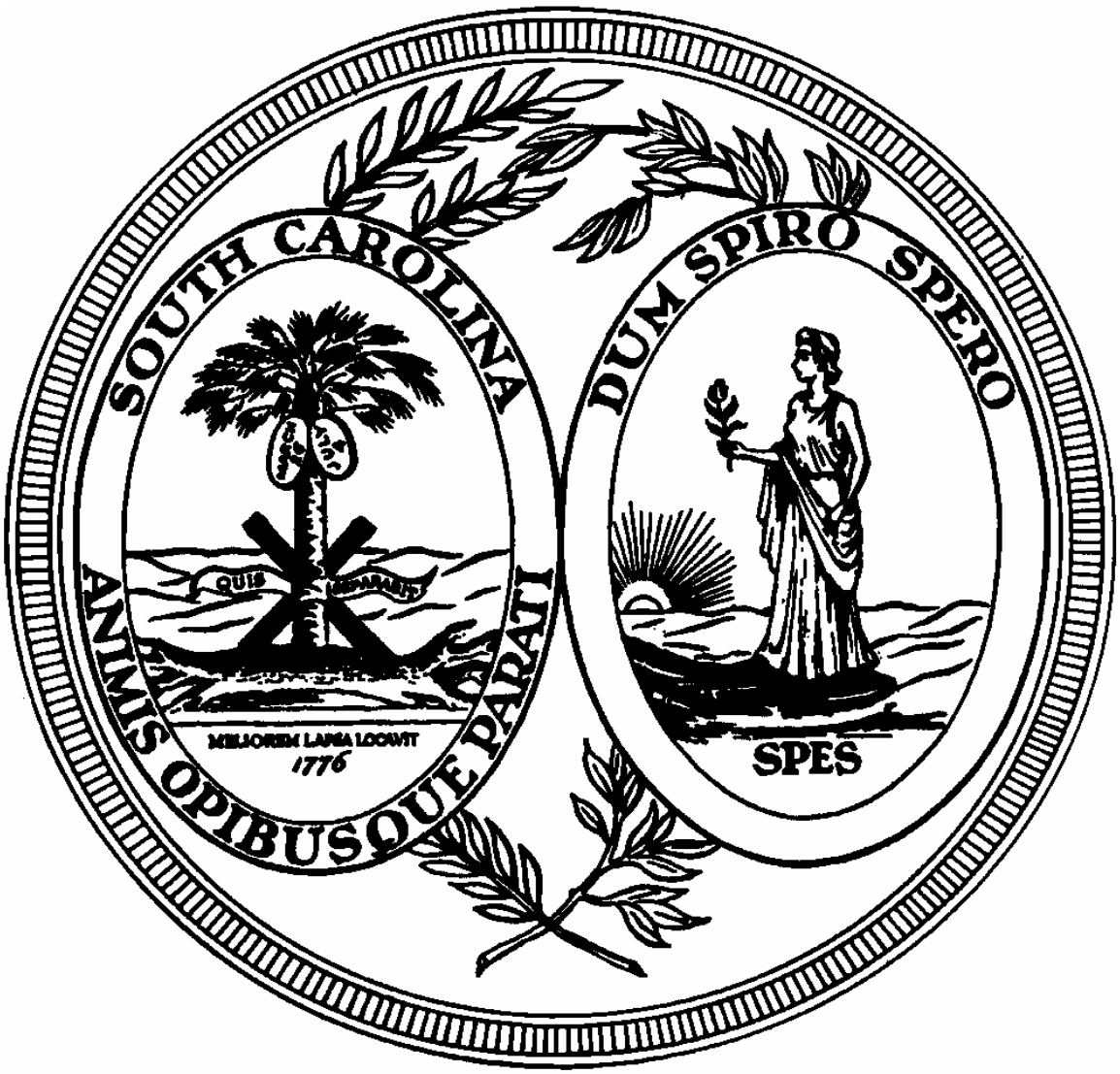
e. Second Injury Fund

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
2021	$ 195,116	$ 756	$ (15,714)	$ 180,158
2020	212,086	1,477	(18,447)	195,116

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.


SOUTH CAROLINA
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NOTE 11: LEASES

The State leases land, office facilities, equipment, and other assets under both capital and operating leases.

a. Capital Leases

The present value of future minimum capital lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net position at June 30, 2021 for the primary government were as follows (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities
2022	$ 1,393
2023	1,161
2024	865
2025	664
2026	486
2027-2031	2,128
2032-2036	601
Total minimum payments	**7,298**
Less: interest and executory costs	(992)
Net minimum payments	**$ 6,306**

Assets under capital leases recorded in the accompanying government-wide statement of net position at June 30, 2021, were as follows (expressed in thousands):

Assets Acquired Under Capital Leases	Governmental Activities
Machinery and equipment	$ 6,395
Assets acquired under capital leases before accumulated amortization	**6,395**
Less: accumulated amortization	(4,077)
Assets acquired under capital leases, net	**$ 2,318**

b. Operating Leases

For the primary government's fiscal year ended June 30, 2021, minimum rental payments under operating leases were $62.071 million and contingent rental payments were $4.015 million. The State's contingent rental payments are primarily for copiers, with expense being determined on a cost-per-copy basis.

At June 30, 2021, future minimum payments under noncancelable operating leases with initial or remaining terms in excess of one year were as follows (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities
2022	$ 33,637
2023	27,927
2024	20,087
2025	16,722
2026	11,155
2027-2031	20,885
2032-2036	798
Net minimum payments	**$ 131,211**

c. Facilities and Equipment Leased to Others

At June 30, 2021, State agencies within the primary government had leased to non-State parties certain land, facilities, or equipment having a cost of approximately $96.089 million and related accumulated depreciation of $35.287 million. Future minimum rental payments to be received at June 30, 2021, under these operating leases were as follows (expressed in thousands):

Fiscal Year Ending June 30	Governmental Activities
2022	$ 8,299
2023	6,931
2024	5,212
2025	5,513
2026	5,670
2027-2031	28,621
2032-2036	32,067
2037-2041	26,196
Total	**$ 118,509**

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, 2021, were (net of unamortized premiums/discounts, expressed in thousands):

Governmental Activities:	
State highway bonds, 5.00%, maturing serially through 2023	$ 27,749
Infrastructure Bank bonds, 2.50% to 5.00%, maturing serially through 2028	24,595
State economic development bonds, 2.00% to 5.00%, maturing serially through 2029	170,924
Research university infrastructure bonds, 3.00% to 5.00%, maturing serially through 2029	25,784
Air carrier hub terminal facilities bonds, 1.00% to 4.00%, maturing serially through 2025	16,177
Totals—primary government	**$ 265,229**

At June 30, 2021, $6.344 million of capital improvement bonds, $106.000 million of State highway bonds, $121.125 million of State economic development bonds, and $13.680 million of State research university infrastructure bonds were authorized by the General Assembly but unissued.

At June 30, 2021, future debt service requirements for general obligation bonds for the primary government were (expressed in thousands):

	Governmental Activities	
Year Ending June 30	**Principal**	**Interest**
2022	$ 62,180	$ 9,809
2023	43,455	6,747
2024	54,990	4,768
2025	34,785	2,442
2026	7,985	1,050
2027-2029	21,435	1,361
Total debt service requirements	**224,830**	**$ 26,177**
Unamortized premiums	40,399	
Total principal outstanding	**$ 265,229**	

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, 2021, was $100.837 million for highway bonds, $520.297 million for general obligation bonds excluding institution and highway bonds, $41.612 million for economic development bonds, and $41.040 million for research university infrastructure bonds. Excluded from the debt service limit calculations are a $170.000 million 2010 issue, an $85.000 million 2013 issue, and an $18.110 million 2015 issue of economic development bonds and a $50.000 million 2010 issue of air carrier hub terminal facilities bonds which by State Law are not subject to the limitation on maximum annual debt service.

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

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

	Bonds	Notes
Primary Government:		
Governmental Activities:		
Infrastructure Bank bonds, 0.40% to 5.25%, maturing serially through 2041	$ 1,472,319	$ —
Department of Mental Health bonds, 3.25% to 5.00%, maturing through 2038	37,348	—
Department of Transportation note, 3.04%, maturing through 2032	—	4,045
Department of Administration notes, 1.66% to 2.80%, maturing through 2023	—	5,114
Department of Education notes, 0.87% to 1.72%, maturing through 2025	—	11,502
Judicial Department note, 0.89%, maturing through 2026	—	4,522
Department of Corrections notes, 2.62% to 5.25%, maturing through 2024	—	415
Department of Probation, Parole and Pardon note, 0.94% to 1.81%, maturing through 2026	—	1,387
Department of Public Safety note, 1.87%, maturing through 2030	—	7,851
Department of Social Services note, 1.71% to 2.94%, maturing through 2024	—	4,176
Department of Parks, Recreation and Tourism, 0.94%, maturing through 2025	—	666
InvestSC, Inc. notes, 7.25%, maturing through 2023	—	25,000
Totals—governmental activities	**1,509,667**	**64,678**
Business-Type Activities:		
Nonmajor enterprise fund bonds, 0.43%, maturing through 2038	$ 4,990	$ —
Palmetto Railways note, 4.28%, maturing through 2047	—	6,500
Totals—business-type activities	**4,990**	**6,500**
Totals—primary government	**$ 1,514,657**	**$ 71,178**

Debt Derivatives

Transportation Infrastructure Bank

The Transportation Infrastructure Bank, reported in the Local Government Infrastructure Fund, a major governmental fund, is a party to interest rate exchange agreements with a termination date of October 1, 2031, to enhance the interest cost savings and offset changes in tax-exempt variable interest rates on certain revenue bonds. Under these variable-to-fixed interest rate exchanges, for the 2003B-1 and 2003B-3 agreements, the Bank pays a 3.859% fixed rate on a notional amount, having an amortization schedule equal to that of the revenue bonds. For the 2003B-2 agreement, the Bank pays a 3.932% fixed rate on a notional amount, having an amortization schedule equal to that of the revenue bond. In return, the counterparties of the agreement pay the Bank a variable rate equal to 67.0% of the one-month London Interbank Offered Rate (LIBOR), plus 0.40%, on such notional amount. For the fiscal year ended June 30, 2021, the Bank made variable bond interest payments of $1.894 million and fixed rate payments on the exchange agreement of $13.499 million. The Bank received variable swap payments on the exchange agreement of $331 thousand. On June 15, 2021, the Bank terminated its interest rate exchange agreements. The termination of the interest rate swaps resulted in the Bank having to make termination payments to the swap counterparties in the amount of $73.199 million. The agreements called for these payments to be made on or before July 7, 2021 and as the amounts were not paid before year-end, the Bank has accrued the payments as payable at June 30, 2021.

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	$177.428 million
General purpose for the debt	Provide financial assistance for major transportation projects for DOT
Term of commitment	FY 2041
% of revenue stream pledged	93.80%
Pledged revenue recognized	$277.350 million
Principal & interest paid	$140.880 million

Debt Service Requirements

At June 30, 2021, future debt service requirements for revenue, Infrastructure Bank, and other bonds and notes of the primary government were as follows (expressed in thousands):

	Primary Government			
	Governmental Activities		Business-Type Activities	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2022	$ 107,303	$ 59,319	$ 205	$ 7
2023	81,859	54,708	215	7
2024	68,251	50,663	225	7
2025	70,127	47,416	235	7
2026	79,224	44,058	245	6
2027-2031	436,544	168,633	1,380	25
2032-2036	392,982	74,370	1,700	14
2037-2041	191,688	24,071	785	2
2042-2046	—	—	—	—
2047	—	—	6,500	5,163
Total debt service requirements	**1,427,978**	**$ 523,238**	**11,490**	**$ 5,238**
Net unamortized premiums	146,367		—	
Total principal outstanding	**$ 1,574,345**		**$ 11,490**	

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, 2021, in governmental functions for these entities as follows (expressed in thousands):

	Amount
Transportation	$ 56,557
Total allocated interest expense	**$ 56,557**

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, 2021, the following outstanding bonds of the primary government were considered defeased (expressed in thousands):

	Governmental Activities
Economic Development bonds	$ 36,815
Tobacco Authority bonds	72,833
Totals	**$ 109,648**

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, 2021, there was an arbitrage rebate liability associated with the State's General Obligation Debt of $42 thousand and a $1.715 million arbitrage rebate liability associated with the Local Government Infrastructure Fund (a major governmental fund).

e. Conduit Debt

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

The Educational Facilities Authority, reported in the General Fund, issues bonds to assist nonprofit educational institutions that do not receive State appropriations in the acquisition, construction, and financing of facilities for educational programs. The bonds are payable solely from, and secured by, a lease agreement on the facilities between the Authority and the institution. When the bonds have been fully paid, the Authority conveys the title for the facility to the institution. At June 30, 2021, the outstanding balance of bonds issued was $138.161 million.

NOTE 13: CHANGES IN LIABILITIES

Changes in major classes of long-term liabilities for the fiscal year ended June 30, 2021, were (expressed in thousands):

	Balances at July 1, 2020 (as restated)	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Primary Government:					
Governmental Activities					
Policy claims	$ 751,221	$ 3,312,410	$ (3,232,875)	$ 830,756	$ 632,482
Notes payable	89,670	6,672	(31,664)	64,678	24,253
General obligation bonds payable	326,905	92,905	(194,980)	224,830	62,180
Unamortized discounts and premiums	41,842	11,813	(13,256)	40,399	—
Total general obligation bonds payable	368,747	104,718	(208,236)	265,229	62,180
Infrastructure Bank bonds payable	1,408,181	—	(77,636)	1,330,545	81,780
Unamortized discounts and premiums	150,343	—	(8,569)	141,774	—
Total Infrastructure Bank bonds	1,558,524	—	(86,205)	1,472,319	81,780
Revenue bonds payable	33,960	—	(1,205)	32,755	1,270
Unamortized discounts and premiums	4,744	—	(151)	4,593	—
Total revenue bonds payable	38,704	—	(1,356)	37,348	1,270
Capital leases payable	2,267	5,786	(1,747)	6,306	1,172
Compensated absences payable	210,091	130,286	(132,917)	207,460	117,733
Net pension liability	4,009,686	384,140	—	4,393,826	—
Net other post-employment benefit liability	3,122,653	508,241	—	3,630,894	—
Judgments and contingencies payable	2,713	—	(1,713)	1,000	1,000
Arbitrage payable	319	1,438	—	1,757	—
Total long-term liabilities	$ 10,154,595	$ 4,453,691	$ (3,696,713)	$ 10,911,573	$ 921,870

For compensated absences, the General Fund normally liquidates approximately 66%, Departmental Program Services approximately 19%, and the Department of Transportation Special Revenue approximately 13%. The remaining 2% is liquidated by other governmental funds and the internal service funds. The entire claims liability is reported in the internal service funds (See Note 10) and will be liquidated by those funds. The net pension and OPEB liabilities will be liquidated primarily from the General Fund, approximately 68%, with the remaining amounts from the Departmental Program Services Fund, Local Government Infrastructure Fund, Department of Transportation Special Revenue Fund, and internal service funds.

	Balances at July 1, 2020 (as restated)	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Primary Government:					
Business-type Activities					
Policy claims	$ 195,116	$ 756	$ (15,714)	$ 180,158	$ 23,043
Notes payable	6,500	—	—	6,500	—
Revenue bonds payable	5,185	—	(195)	4,990	205
Compensated absences payable	1,794	1,330	(1,132)	1,992	1,096
Net pension liability	14,974	24,441	—	39,415	—
Net other post-employment benefit liability	12,473	22,568	—	35,041	—
Total long-term liabilities	$ 236,042	$ 49,095	$ (17,041)	$ 268,096	$ 24,344

NOTE 14: FUND BALANCES IN GOVERNMENTAL FUNDS

Fund balance classifications in governmental funds represent levels of constraints on the use of the resources received and reported in each fund. At June 30, 2021, the amounts constrained within the fund balance in governmental funds (expressed in thousands) were as follows:

	General Fund	Departmental Program Services	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:						
Interfund receivables	$ 51,142	$ —	$ —	$ —	$ —	$ 51,142
Inventories	31,922	72,897	—	4,291	—	109,110
Prepaid items	25,655	3,699	—	5,878	312	35,544
Other assets	31	—	—	203	—	234
Long-term loans and notes receivable	29,657	—	—	—	—	29,657
Endowments	—	—	—	—	11,642	11,642
Total Non-spendable	138,407	76,596	—	10,372	11,954	237,329
Restricted:						
Primary and Secondary Education	252,041	894,918	—	—	254,602	1,401,561
Health, Human Services and Environment	119,769	312,340	—	—	159,668	591,777
Transportation	—	11,979	1,188,054	1,091,829	—	2,291,862
Debt Service	—	—	1,030,702	—	—	1,030,702
Waste management	—	—	—	—	522,443	522,443
General Government	971,826	417,784	—	—	—	1,389,610
Total Restricted	1,343,636	1,637,021	2,218,756	1,091,829	936,713	7,227,955
Committed:						
General Government	514,043	44,223	—	366,624	58,029	982,919
Primary and Secondary Education	43,299	17,057	—	—	—	60,356
Health, Human Services and Environment	70,593	—	—	—	277	70,870
Total Committed	627,935	61,280	—	366,624	58,306	1,114,145
Assigned:						
Primary and Secondary Education	6,971	—	—	—	—	6,971
Health, Human Services and Environment	153,352	46,222	—	—	55,980	255,554
General Government	123,746	12,741	—	—	104	136,591
Administration of Justice	19,032	10,001	—	—	18,338	47,371
Economic Development	20,491	18,255	—	—	6,296	45,042
Transportation	—	—	—	—	305	305
Social Programs	48,331	5	—	—	12,070	60,406
Total Assigned	371,923	87,224	—	—	93,093	552,240
Unassigned	8,148,491	(1,431,818)	—	—	(40)	6,716,633
Total Fund Balances	**$ 10,630,392**	**$ 430,303**	**$ 2,218,756**	**$ 1,468,825**	**$ 1,100,026**	**$ 15,848,302**

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

a. Non-spendable

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

b. Restricted

Primary and Secondary Education

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

Health, Human Services and Environment

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

Transportation

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

Debt Service

The balance represents resources received from external parties or through enabling legislation which requires the use of the resources for the repayment of outstanding debt, including principal and interest.

Administration of Justice

These are restricted resources for the continuation and enhancement of programs to improve the safety of the citizens and visitors of the State of South Carolina. Programs promote law enforcement agencies, judicial agencies and corrections of the State, its resources, citizens, and travelers.

Waste Management

The balance represents resources received from external parties which requires the use of the resources for governmental actions involving uncontrolled hazardous waste sites.

General Government

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

c. Committed

General Government

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

Primary and Secondary Education

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

Health, Human Services and Environment

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

d. Assigned

Capital Projects

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

Primary and Secondary Education

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

Health, Human Services and Environment

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

General Government

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

Administration of Justice

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

Economic Development

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

Transportation

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

Social Programs

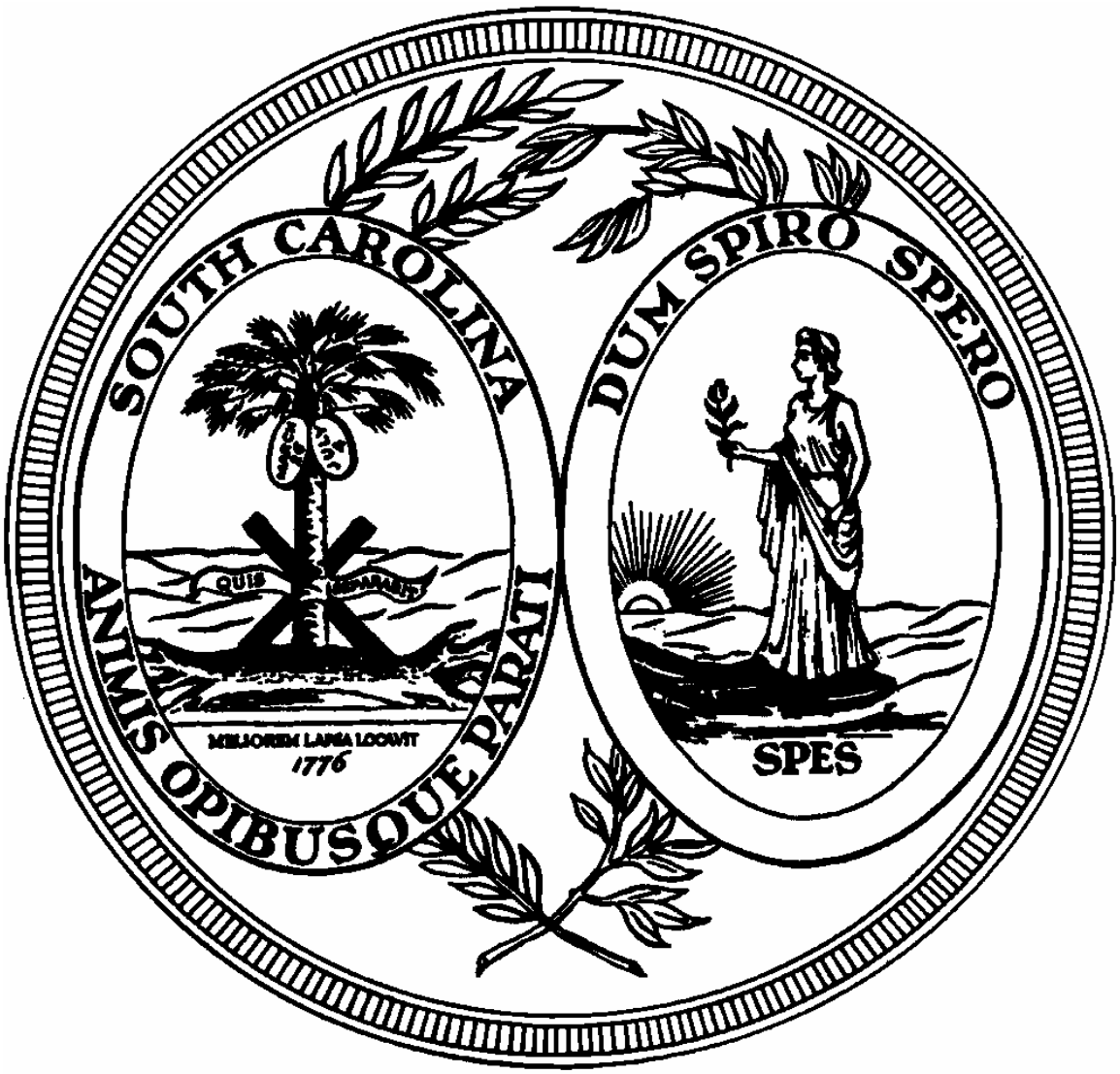
Amounts reported in this category primarily arise through contractual agreements between state agencies that cooperate in the provision of social programs to the citizens of the State.

e. Unassigned

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

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

The Reserve is fully funded when it equals 5 percent of the Budgetary General Fund's revenue of the previous fiscal year. At June 30, 2021, the Reserve met the legally-required fully funded amount.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NOTE 15: FUND EQUITY RECLASSIFICATIONS AND RESTATEMENTS

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

	7/1/2020 Fund Equity as Previously Reported	Implementation of GASB 84	7/1/2020 Fund Equity as Restated
Primary Government			
Governmental Funds:			
General Fund	$ 6,985,669	$ (39,747)	$ 6,945,922
Departmental Program Services	433,507	54,144	487,651
Local Government Infrastructure	2,291,457	—	2,291,457
Department of Transportation Special Revenue	981,818	170,635	1,152,453
Other Nonmajor Governmental Funds	961,625	6,228	967,853
Total Governmental Funds	11,654,076	191,260	11,845,336
Internal Service Funds	885,391	—	885,391
Government-wide:			
Capital assets	18,791,692	(2,817)	18,788,875
Net deferred outflows and inflows	662,853	—	662,853
Long-term liabilities	(9,525,653)	1,235	(9,524,418)
Total Government-wide	9,928,892	(1,582)	9,927,310
Total Governmental Activities	22,468,359	189,678	22,658,037
Business-type Activities - Enterprise Funds:			
Unemployment Compensation Fund	1,314,704	—	1,314,704
Second Injury Fund	55,343	—	55,343
Other nonmajor enterprise funds	198,726	17,761	216,487
Total Business-type Activities - Enterprise Funds	1,568,773	17,761	1,586,534
Fiduciary Funds:			
Pension and Other Post-Employment Trust	32,948,166	—	32,948,166
Investment Trust Local Government Investment Pool	8,432,150	—	8,432,150
Private Purpose Trust	4,364,461	(19,521)	4,344,940
Custodial Funds	66,456	(18,118)	48,338
Total Fiduciary Funds	45,811,233	(37,639)	45,773,594
Total Primary Government	$ 69,848,365	$ 169,800	$ 70,018,165
Component Units			
Public Service Authority	$ 2,033,359	$ —	$ 2,033,359
MUSC	(37,074)	—	(37,074)
USC	456,366	—	456,366
Clemson University	976,553	—	976,553
State Ports Authority	743,962	—	743,962
Housing Authority	479,941	—	479,941
Lottery Commission	1,011	—	1,011
Nonmajor component units	798,530	962	799,492
Total Component Units	$ 5,452,648	$ 962	$ 5,453,610

During the year ended June 30, 2021, the State implemented GASB 84. This resulted in a change in accounting principle which resulted in the restatements of July 1, 2020 fund equity detailed above.

NOTE 16: INTERFUND AND INTRAFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2021 (expressed in thousands):

Funds	Due From	Due To
General Fund		
Departmental Program Services	$ 120,883	$ 62,691
Local Government Infrastructure	39	19,800
Department of Transportation Special Revenue Fund	1,482	97,826
Nonmajor governmental funds	1,837	3,051
Internal service	773	23,720
Unemployment Compensation	4,376	1
Nonmajor enterprise funds	514	197
Fiduciary	144,303	488
	274,207	207,774
Departmental Program Services		
General Fund	62,691	120,883
Nonmajor governmental funds	92	85
Internal service	2,439	58
Nonmajor enterprise funds	50	7
Fiduciary	5,348	146
	70,620	121,179
Local Government Infrastructure		
General Fund	19,800	39
Department of Transportation Special Revenue Fund		
General Fund	97,826	1,482
Nonmajor Governmental Funds		
General Fund	3,051	1,837
Departmental Program Services	85	92
Fiduciary	823	29,490
	3,959	31,419
Internal Service		
General Fund	23,720	773
Departmental Program Services	58	2,439
Internal service	116	116
Nonmajor enterprise funds	15	—
Fiduciary	1,800	—
	25,709	3,328
Unemployment Compensation		
General Fund	1	4,376
Nonmajor Enterprise Funds		
General Fund	197	514
Departmental Program Services	7	50
Internal service	—	15
Fiduciary	51	6
	255	585
Fiduciary		
General Fund	488	144,303
Departmental Program Services	146	5,348
Department of Transportation Special Revenue Fund	—	—
Nonmajor governmental funds	29,490	823
Internal service	—	1,800
Nonmajor enterprise funds	6	51
Fiduciary	85,937	85,937
	116,067	238,262
Totals	**$ 608,444**	**$ 608,444**

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	$ —	$ 1,550	$ —
Nonmajor enterprise funds	51,000	—	—
Internal service	142	—	142
	51,142	1,550	142
Departmental Program Services			
General Fund	1,550	—	1,550
Custodial funds	—	234	234
	1,550	234	1,784
Local Government Infrastructure			
Department of Transportation Special Revenue	113,239	—	93,798
Department of Transportation Special Revenue Fund			
Local Government Infrastructure	—	113,239	—
Nonmajor Enterprise Funds			
General Fund	—	51,000	—
Internal Service			
General Fund	—	142	—
Custodial Funds			
Departmental Program Services	234	—	—
Totals	**$ 166,165**	**$ 166,165**	**$ 95,724**

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:

- $113.239 million owed by the Department of Transportation Special Revenue Fund, a major governmental fund, to the Local Government Infrastructure Fund, a major governmental fund. The Department of Transportation has entered into various agreements to provide assistance for highway and transportation facilities projects being constructed by the Local Government Infrastructure Fund.
- $51.000 million owed by the Palmetto Railways Fund, a nonmajor enterprise fund, to the General Fund. The $51.000 million interfund payable due to the Department of Commerce from the Palmetto Railways Fund was amended in August 2021 to establish semi-annual payments for 25 years from the beginning of the first year of operation of the Navy Base Intermodal Facility.

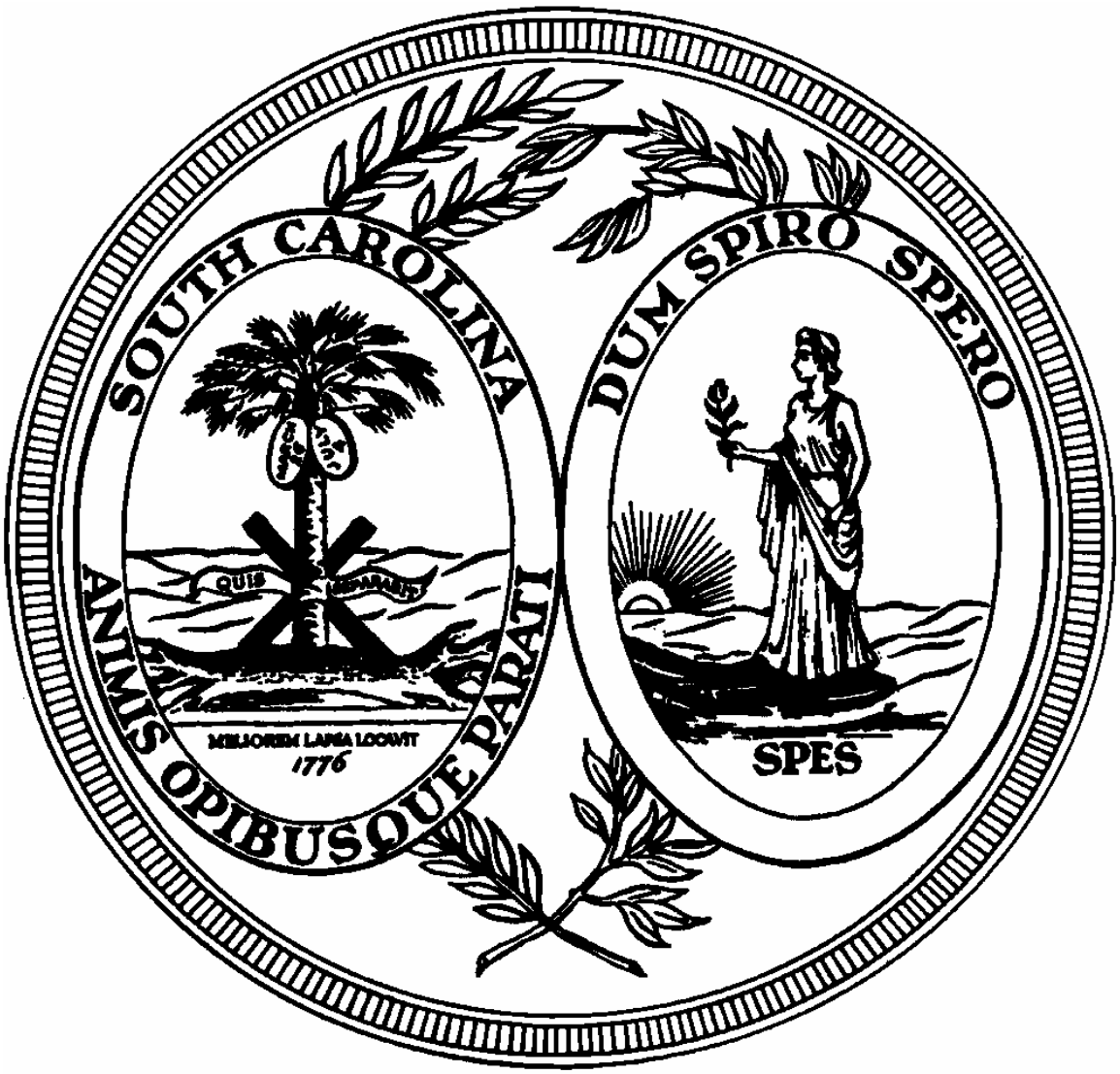
The following table summarizes interfund transfers during the fiscal year ended June 30, 2021 (expressed in thousands):

Funds	Transfers In	Transfers Out
General Fund		
Departmental Program Services	$ 2,602	$ 21,282
Local Government Infrastructure	—	6,166
Department of Transportation	3,564	5,837
Nonmajor governmental funds	19,178	49,829
Unemployment Compensation Benefits	19,363	336,397
Nonmajor enterprise funds	2,830	—
Internal service	418	3,711
Custodial funds	7,155	—
	55,110	423,222
Departmental Program Services		
General Fund	13,882	2,602
Nonmajor governmental funds	1,943	4,286
Unemployment Compensation Benefits	200	—
Second Injury	2,702	—
Internal service	6,831	—
Custodial funds	1,072	—
	26,630	6,888
Local Government Infrastructure		
General Fund	6,166	—
Department of Transportation		
General Fund	5,837	3,564
	5,837	3,564
Nonmajor Governmental Funds		
General Fund	57,229	19,178
Departmental Program Services	4,286	1,943
Nonmajor governmental funds	83,298	83,298
Nonmajor enterprise funds	1,170	232
Internal Service	966	—
	146,949	104,651
Unemployment Compensation Benefits		
General Fund	336,397	19,363
Second Injury Fund		
Departmental Program Services	—	200
Nonmajor Enterprise Funds		
General Fund	—	2,830
Department Program Services	—	2,702
Nonmajor governmental funds	232	1,170
	232	6,702
Internal Service		
General Fund	3,711	418
Department Program Services	—	6,831
Nonmajor governmental funds	—	966
Internal Service	2,281	2,281
	5,992	10,496
Custodial Funds		
General Fund	—	7,155
Department Program Services	—	1,072
	—	8,227
Totals	**$ 583,313**	**$ 583,313**

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 original fund to other funds authorized to receive portions of the proceeds.

The following tables summarize intra-entity balances between the primary government and its discretely presented component units at June 30, 2021 (expressed in thousands):

Funds	Due From	Due To
General Fund		
MUSC	$ —	$ 7,026
USC	—	1,360
Clemson University	—	7,240
Housing Authority	—	2,770
Ports Authority	50,000	—
Nonmajor discretely presented component units	4,488	713
	54,488	19,109
Departmental Program Services		
MUSC	—	12,428
USC	—	6,434
Clemson University	—	1,077
Nonmajor discretely presented component units	—	4,718
	—	24,657
Department of Transportation Special Revenue Fund		
Nonmajor discretely presented component units	84	—
Nonmajor Governmental Funds		
MUSC	—	35
USC	—	2
Clemson University	—	33,470
Lottery Commission	23,647	—
Nonmajor discretely presented component units	8,386	2,455
	32,033	35,962
Internal Service		
USC	6,486	—
Clemson University	5,483	—
Nonmajor discretely presented component units	4,797	—
	16,766	—
Governmental activities total	**103,371**	**79,728**
MUSC		
General Fund	7,026	—
Departmental Program Services	12,428	—
Nonmajor governmental funds	35	—
	19,489	—
USC		
General Fund	1,360	—
Departmental Program Services	6,434	—
Nonmajor governmental funds	2	—
Internal service	—	6,486
	7,796	6,486
Clemson University		
General Fund	7,240	—
Departmental Program Services	1,077	—
Nonmajor governmental funds	33,470	—
Internal service	—	5,483
	41,787	5,483
Housing Authority		
General Fund	2,770	—
Ports Authority		
General Fund	—	50,000
Lottery Commission		
Departmental Program Services	—	23,647
Nonmajor Discretely Presented Component Units		
General Fund	713	4,488
Departmental Program Services	4,718	—
Department of Transportation Special Revenue Fund	—	84
Nonmajor governmental funds	2,455	8,386
Internal service	—	4,797
	7,886	17,755
Discretely presented component units total	**79,728**	**103,371**
Totals	**$ 183,099**	**$ 183,099**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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, 2021, the Educational Television Endowment of South Carolina, Inc., disbursed $7.971 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 $457 thousand at June 30, 2021.

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, 2021, the Authority entered various transactions with SLC. Approximate amounts within the Authority that represent these transactions include: accounts receivable from SLC $64.998 million; program revenue from SLC $1.281 million; reimbursements to SLC for administrative costs $308 thousand; and payable to SLC $482 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 **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 Kiawah's spit from further erosion. The plaintiff seeks not less than $100 million in damages. The parties agreed to a stay of this suit while the Administrative Law Court (ALC) determined Kiawah's appeal of the permitting decision. The ALC subsequently ruled in favor of Kiawah and OCRM appealed. The Supreme Court reversed the ALC decision granting a permit for erosion control structure and the stay of the takings case lasts for 30 days after final disposition of the permit appeal. It is currently being assessed whether the stay will be lifted or how this case will proceed. Assessing the likelihood of a loss and the amount of any loss remains somewhat speculative. Additionally, there are multiple cases surrounding the denial and/or reduction of unemployment benefits which cannot yet be estimated.

The State is involved in other legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes cases involving claims asserted against the State arising from alleged torts, breach of contract, and possible violations of State laws. In the event of unfavorable outcomes in all of these matters, the State's estimated liability would be approximately $18.134 million and $70.238 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.

A settlement payment totaling $44.992 million in Sales Tax revenue was received subsequent to year-end for an agreement existing as of June 30, 2021. This collection is included within the State's Receivable balance. Additional collections are anticipated but are not presently determinable.

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

b. Federal Grants

The State receives significant federal grant and entitlement revenues. Compliance audits of federal programs may identify disallowed expenditures. Disallowances by federal program officials as a result of these audits may become liabilities of the State. The State records a liability for pending disallowances if settlement is probable and the settlement amount is reasonably estimable. Otherwise, the liability is recorded only when the State and the federal government agree on reimbursement terms. Based on an analysis of historical data, the State believes that any disallowances without an established agreement of reimbursement terms relating to the fiscal year ended June 30, 2021, or earlier years will not have a material impact on the State's financial statements.

c. Commitments to Provide Grants and Other Financial Assistance

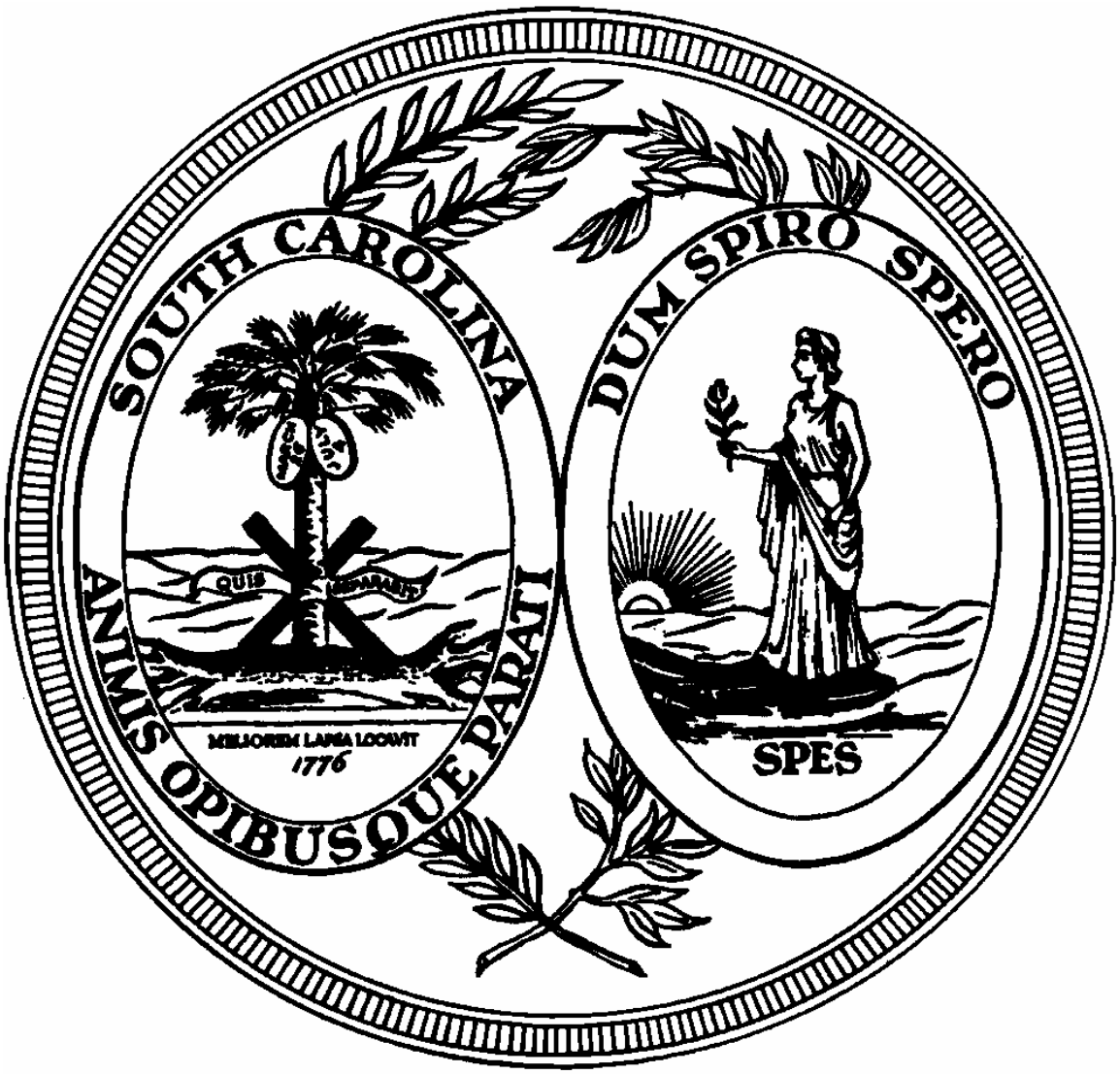
As of June 30, 2021, the following agencies had outstanding commitments for the identified programs:

- The South Carolina Transportation Infrastructure Bank, reported within the Local Government Infrastructure Fund (a major governmental fund), has $963.500 million remaining on agreements with various counties to provide financial assistance for highway and transportation facilities projects.
- The Department of Commerce has $278.375 million to provide funds to local governmental entities including grants for water and wastewater infrastructure projects, airport construction projects, and rural infrastructure projects. Of the outstanding commitment, $74.922 million will be funded by federal grants.
- The Office of Regulatory Staff has $3.121 million for energy efficiency improvement projects. Federal grants will fund $3.121 million of this commitment.
- The Division of Aeronautics has $2.978 million for grants made to municipal and county airports for capital improvements.
- The State Board for Technical and Comprehensive Education has $8.393 million to provide training for new and expanding business and industry in the State.
- The Department of Public Safety has $5.833 million for pass-through grants to various local governments and not-for-profit entities, of which $5.833 million will be funded by federal grants.
- The South Carolina Law Enforcement Division has $4.179 million for grant program activities and pass-through grants to subrecipients, of which $4.179 million will be funded by federal grants.
- The South Carolina Judicial Department has $6.440 million outstanding commitments related to vendor service contracts.
- The South Carolina Attorney General's Office has $15.265 million for pass-through grants to subrecipients, of which $14.953 million will be funded by federal grants.
- The South Carolina Department of Revenue has $11.969 million outstanding commitments for vendor contracts related to services for paper check and return processing.
- The Rural Infrastructure Authority has $212.100 million for loans to municipalities, counties, special purpose and public service districts and public works commissions for constructing and improving rural infrastructure facilities, of which $40.245 million will be funded by federal grants.
- The Department of Health and Environmental Control has $3.166 million in outstanding commitments for interim remediation and site cleanup of which $410 thousand will be funded by a federal credit.
- The Office of Regulatory Staff has $21.736 million in outstanding commitments for rural internet broadband infrastructure development.

d. DHEC Remedial Activities

DHEC has four sites where remediation activity is currently occurring. These sites are: The Pinewood Site, The Palmetto Wood National Priority List Site, The Frank Elmore National Priority List Site, and The Brewer Gold Mine Priority List Site. The estimated future loss expected in fiscal year 2022 in maintaining these sites is $7.199 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 2021, the budgeted $3.981 million operating funds have been placed in care of the trustee. The balances in these two accounts at June 30, 2021 were $3.185 million for capital improvements and $4.069 million for operating expenditures.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NOTE 19: DISCRETELY PRESENTED COMPONENT UNITS

a. Deposits and Investments

Deposits

As of June 30, 2021, the reported amount of the major discretely presented component units' deposits was $887.709 million and the bank balance was $904.712 million. Of the $774.819 million bank balance exposed to custodial credit risk, $160.590 million was uninsured and uncollateralized, $97.154 million was uninsured and collateralized with securities held by the pledging financial institution, and $467.840 million was uninsured and collateralized with securities held by the counterparty's trust department or agent, but not in the State's name.

Investments

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

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

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

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

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

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

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

The major discretely presented component units have the following recurring fair value measurements as of June 30, 2021 (amounts in thousands):

Investments by Fair Value Level	At 6/30/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Investments			
U.S. treasuries	$ 203,442	$ 69,205	$ 134,237
U.S. agencies	674,997	1,402	673,595
Mortgage backed obligations	33,850	20,887	12,963
Common stock	26,582	26,582	—
Other equity securities	1,328,878	854,044	474,834
Corporate bonds	111,666	28,602	83,064
Repurchase agreements	100,000	—	100,000
Asset backed securities	22,309	22,309	—
Commercial paper	28,478	—	28,478
Money market mutual funds	87,490	87,490	—
Bond mutual funds	239,499	108,615	130,884
Other	808,574	216,446	17,035
Total Investments at Fair Value	$ 3,665,765	$ 1,435,582	$ 1,655,090

Investments measured at the net asset value (NAV)

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Private partnership - equity (1)	$ 127,803	$ 53,852	N/A	N/A
Private partnership - real assets (1)	22,076	15,134	N/A	N/A
Hedge funds (1)	132,699	—	Monthly to Annually	33-95 days
Hedge funds (2)	52,452	—	Monthly to Annually	30-90 days
Equity long/short hedge funds (4)	—	—	Quarterly	5 days
Multi-strategy hedge funds (5)	4,820	—	Monthly	30 days
Partnerships (6)	200,703	51,000	Monthly - No Liquidity	7 days
Hedge Funds (7)	279,898	—	Monthly - No Liquidity	3 days
Total investments measured at the NAV	$ 820,451	$ 119,986		
Total investments measured at fair value	$ 4,486,216	$ 1,555,568		

Investments measured at amortized cost

Repurchase agreements	100,000
Total investments measured at amortized cost	$ 100,000

Investment derivative instruments

Alternative Investments			
Interest rate swaps	(5,574)	—	(5,574)
Total investment derivative instruments	$ (5,574)	$ —	$ (5,574)

Total Invested Assets	$ 4,580,642

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

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

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

(4) Equity long/short hedge funds. This hedge fund is a multiple-manager investment fund that specializes primarily in classic long/short hedged equity strategies. The hedge fund invests globally, with a majority of the exposure in liquid, developed markets, and invests primarily in private investment partnerships or limited liability companies and in separately managed accounts, each of which are managed by independent managers.

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

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

(7) Hedge Funds. The MUSC Foundation holds ownership shares in several hedge funds with investment strategies including fund of fund long/short equity managers. Management believes that the investment strategies employed and availability of other MUSC Foundation resources allow the MUSC Foundation to be unaffected by lock-ups.

The major discretely presented component unit's investments that are exposed to custodial credit risk include investment securities that are uninsured, not registered in the name of the State, and are held by a counterparty's trust department or agent but not in a State entity's name. The portion of the State's major discretely presented component units investments with custodial credit risk is detailed (expressed in thousands) at June 30, 2021, as follows:

	Category		Reported
Investment Type	**A**	**B**	**Amount**
U.S. treasuries	$ 922	$ 5,198	$ 203,442
U.S. agencies	—	248,074	674,997
Mortgage backed obligations	—	12,963	33,850
Common stock	—	26,582	26,582
Other equity securities	—	—	1,328,878
Corporate bonds	—	61,679	111,666
Repurchase agreements	—	—	100,000
Asset backed securities	—	—	22,309
Commercial paper	—	—	28,478
Money market mutual funds	422	8,033	87,490
Bond mutual funds	30,293	46,763	239,499
Other	1,939	483,499	808,574
Totals	**$ 33,576**	**$892,791**	**$ 3,665,765**

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

Investment Type and Fair Value	AAA	AA	A	BBB	Alternative Rating	Not Rated
U.S. agencies	$ 673,595	$ —	$ —	$ —	$ —	$ 1,402
Mortgage backed obligations	—	—	—	—	—	33,850
Corporate bonds	48,695	12,449	11,360	10,560	—	28,602
Repurchase agreements	100,000	—	—	—	—	—
Asset backed securities	—	—	—	—	—	22,309
Commercial paper	—	—	28,478	—	—	—
Money market mutual funds	33,180	—	—	—	31	54,279
Bond mutual funds	—	863	—	—	373	238,263
Other	—	—	—	—	60	506,669
Totals	**$ 855,470**	**$ 13,312**	**$ 39,838**	**$ 10,560**	**$ 464**	**$ 885,374**

The State's major discretely presented component units may have interest rate risk policies that differ from that of the State Treasurer. At June 30, 2021, these major discretely presented component units had the following fixed income investments with maturities disclosed by investment category and segmented time distribution stated with fair value (expressed in thousands):

		Investment Maturities (in years)				
Investment Type	Fair Value	Does Not Mature	Less than 1	1 - 5	6 - 10	More than 10
U.S. treasuries	$ 203,442	$ —	$ 107,593	$ 65,133	$ 5,198	$ 25,518
U.S. agencies	674,997	—	313,662	161,539	29,629	170,167
Mortgage backed obligations	33,850	—	11	20,887	—	12,952
Common Stock	26,582	26,582	—	—	—	—
Other equity securities	1,328,878	1,328,878	—	—	—	—
Corporate bonds	111,666	—	11,521	44,749	55,396	—
Repurchase agreements	100,000	—	100,000	—	—	—
Asset backed securities	22,309	—	—	22,309	—	—
Commercial paper	28,478	—	28,478	—	—	—
Money market mutual funds	87,490	47,250	32,825	7,415	—	—
Bond mutual funds	239,499	237,864	863	—	772	—
Other	808,574	582,472	—	226,102	—	—
Totals	**$ 3,665,765**	**$ 2,223,046**	**$ 594,953**	**$ 548,134**	**$ 90,995**	**$ 208,637**

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a component unit's investments in a single issuer. As of June 30, 2021, the Medical University Hospital Authority has 56.20% of the Authority's investments in notes issued by the Federal Farm Credit Bank. The CHS Development Company of MUSC has 100% of debt securities with Santander UK PLC. The Public Service Authority has 88.46% of the US Agencies investments with two issuers. 46.39% are with the Federal Farm Credit Bank, and 32.78% of the investments are with the Federal Home Loan Bank.

Securities Lending Program

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

securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the State for income distributions by the securities' issuers while the securities are on loan.

The weighted average maturity of the State's collateral investments generally matched the maturity of the securities loaned during the fiscal year and at June 30, 2021. At June 30, 2021, the State had no credit risk exposure to borrowers because the amounts the State owed the borrowers exceeded the amounts the borrowers owed the State. Either the State or the borrower can terminate all securities loans on demand. There are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2021, the State experienced no losses on its securities lending transactions because of borrower defaults.

The State receives primarily cash as collateral for its loaned securities. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. During the fiscal year ended June 30, 2021, the State met the 102% requirement. The State cannot pledge or sell collateral securities unless the borrower defaults. The lending agent, on behalf of the State, invests cash collateral received. Accordingly, at June 30, 2021, the State recorded these investments of cash collateral as assets in the accompanying financial statements. Corresponding liability amounts also have been recorded because the State must return the cash collateral to the borrower upon expiration of the loan. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2021:

	Amount
Securities lent for cash collateral:	
U.S. Corporate-fixed income	$ 8,357
Total securities lent for cash collateral	**$ 8,357**
Cash collateral invested as follows:	
Repurchase agreements	$ 62,114
Total for cash collateral invested	**$ 62,114**
Securities received as collateral:	
U.S. treasuries	$ 62,114
Total for securities collateral invested	**$ 62,114**

At June 30, 2021, the fair value of securities on loan was $8.357 million. The fair value of the invested cash collateral was $62.114 million. Securities lending obligations were $62.114 million.

b. Capital Assets

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

	Beginning Balances January 1, 2020	Increases	Decreases	Ending Balances December 31, 2020
Public Service Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 183,145	$ 1,435	$ (93)	$ 184,487
Construction in progress	502,651	175,726	(231,068)	447,309
Total capital assets not being depreciated	685,796	177,161	(231,161)	631,796
Capital assets being depreciated:				
Buildings and improvements (utility plant)	8,284,818	223,118	(30,832)	8,477,104
Vehicles	72,778	—	(36)	72,742
Machinery and equipment	54,466	396	(2,620)	52,242
Intangibles	84,205	5,302	(14)	89,493
Total capital assets being depreciated	8,496,267	228,816	(33,502)	8,691,581
Less accumulated depreciation for:				
Buildings and improvements (utility plant)	(3,916,712)	(184,166)	—	(4,100,878)
Vehicles	(33,605)	(4,798)	1	(38,402)
Machinery and equipment	(33,284)	(3,428)	338	(36,374)
Intangibles	(78,069)	(4,429)	—	(82,498)
Total accumulated depreciation	(4,061,670)	(196,821)	339	(4,258,152)
Total capital assets being depreciated, net	4,434,597	31,995	(33,163)	4,433,429
Public Service Authority, net	**$ 5,120,393**	**$ 209,156**	**$ (264,324)**	**$ 5,065,225**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
State Ports Authority:				
Capital assets not being depreciated:				
Land and improvements	$ 374,341	$ 343,268	$ (21,401)	$ 696,208
Construction in progress	615,601	258,042	(800,810)	72,833
Total capital assets not being depreciated	989,942	601,310	(822,211)	769,041
Capital assets being depreciated:				
Land improvements	463,477	232,275	(6,794)	688,958
Buildings and improvements	498,134	182,954	(11,246)	669,842
Machinery and equipment	296,685	63,002	(7,193)	352,494
Intangibles	2,190	—	(2,190)	—
Total capital assets being depreciated	1,260,486	478,231	(27,423)	1,711,294
Less accumulated depreciation for:				
Land improvements	(261,550)	(25,696)	2,673	(284,573)
Buildings and improvements	(222,327)	(17,081)	3,629	(235,779)
Machinery and equipment	(164,546)	(16,617)	6,443	(174,720)
Intangibles	(849)	—	849	—
Total accumulated depreciation	(649,272)	(59,394)	13,594	(695,072)
Total capital assets being depreciated, net	611,214	418,837	(13,829)	1,016,222
State Ports Authority, net	**$ 1,601,156**	**$ 1,020,147**	**$ (836,040)**	**$ 1,785,263**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Clemson University:				
Capital assets not being depreciated:				
Land and improvements	$ 43,334	$ 169	$ (169)	$ 43,334
Construction in progress	170,298	30,890	(98,757)	102,431
Total capital assets not being depreciated	213,632	31,059	(98,926)	145,765
Capital assets being depreciated:				
Buildings and improvements	1,560,964	109,560	—	1,670,524
Vehicles	20,736	2,314	(252)	22,798
Machinery and equipment	473,335	17,936	(6,835)	484,436
Intangibles	24,283	—	—	24,283
Total capital assets being depreciated	2,079,318	129,810	(7,087)	2,202,041
Less accumulated depreciation for:				
Buildings and improvements	(501,165)	(37,839)	—	(539,004)
Vehicles	(15,091)	(2,004)	252	(16,843)
Machinery and equipment	(281,717)	(28,213)	6,684	(303,246)
Intangibles	(24,284)	—	—	(24,284)
Total accumulated depreciation	(822,257)	(68,056)	6,936	(883,377)
Total capital assets being depreciated, net	1,257,061	61,754	(151)	1,318,664
Clemson University, net	**$ 1,470,693**	**$ 92,813**	**$ (99,077)**	**$ 1,464,429**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Medical University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 128,006	$ —	$ (2,949)	$ 125,057
Construction in progress	43,013	75,599	(71,285)	47,327
Works of art and historical treasures	1,730	—	—	1,730
Total capital assets not being depreciated	172,749	75,599	(74,234)	174,114
Capital assets being depreciated:				
Land improvements	13,331	—	—	13,331
Buildings and improvements	2,146,336	45,312	—	2,191,648
Vehicles	7,765	783	(489)	8,059
Machinery and equipment	550,143	53,303	(27,258)	576,188
Intangibles	89,378	3,765	—	93,143
Total capital assets being depreciated	2,806,953	103,163	(27,747)	2,882,369
Less accumulated depreciation for:				
Land improvements	(9,414)	(398)	—	(9,812)
Buildings and improvements	(1,003,471)	(92,582)	—	(1,096,053)
Vehicles	(4,160)	(935)	393	(4,702)
Machinery and equipment	(351,255)	(52,172)	27,777	(375,650)
Intangibles	(69,879)	(6,306)	—	(76,185)
Total accumulated depreciation	(1,438,179)	(152,393)	28,170	(1,562,402)
Total capital assets being depreciated, net	1,368,774	(49,230)	423	1,319,967
MUSC, net	**$ 1,541,523**	**$ 26,369**	**$ (73,811)**	**$ 1,494,081**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
University of South Carolina:				
Capital assets not being depreciated:				
Land and improvements	$ 94,045	$ 3,608	$ (1,126)	$ 96,527
Construction in progress	26,460	52,146	(42,125)	36,481
Works of art and historical treasures	48,308	2,484	—	50,792
Total capital assets not being depreciated	168,813	58,238	(43,251)	183,800
Capital assets being depreciated:				
Land improvements	110,488	—	—	110,488
Buildings and improvements	1,967,595	37,866	(3,090)	2,002,371
Vehicles	15,834	1,349	(574)	16,609
Machinery and equipment	222,733	13,746	(11,436)	225,043
Intangibles	92,134	1,133	(100)	93,167
Total capital assets being depreciated	2,408,784	54,094	(15,200)	2,447,678
Less accumulated depreciation for:				
Land improvements	(52,556)	(4,166)	—	(56,722)
Buildings and improvements	(850,469)	(48,315)	3,054	(895,730)
Vehicles	(12,446)	(1,180)	574	(13,052)
Machinery and equipment	(159,325)	(14,332)	10,737	(162,920)
Intangibles	(48,607)	(11,572)	—	(60,179)
Total accumulated depreciation	(1,123,403)	(79,565)	14,365	(1,188,603)
Total capital assets being depreciated, net	1,285,381	(25,471)	(835)	1,259,075
USC, net	**$ 1,454,194**	**$ 32,767**	**$ (44,086)**	**$ 1,442,875**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Lottery Commission:				
Capital assets being depreciated:				
Buildings and improvements	$ 1,316	$ —	$ —	$ 1,316
Vehicles	440	—	—	440
Machinery and equipment	3,906	123	—	4,029
Intangibles	556	—	—	556
Total capital assets being depreciated	6,218	123	—	6,341
Less accumulated depreciation for:				
Buildings and improvements	(1,301)	—	—	(1,301)
Vehicles	(270)	(25)	—	(295)
Machinery and equipment	(3,563)	(214)	—	(3,777)
Intangibles	(556)	—	—	(556)
Total accumulated depreciation	(5,690)	(239)	—	(5,929)
Total capital assets being depreciated, net	528	(116)	—	412
Lottery Commission, net	**$ 528**	**$ (116)**	**$ —**	**$ 412**

	Beginning Balances July 1, 2020	Increases	Decreases	Ending Balances June 30, 2021
Housing Authority:				
Capital assets being depreciated:				
Machinery and equipment	$ 2,736	$ 249	$ (169)	$ 2,816
Total capital assets being depreciated	2,736	249	(169)	2,816
Less accumulated depreciation for:				
Machinery and equipment	(1,394)	(353)	169	(1,578)
Total accumulated depreciation	(1,394)	(353)	169	(1,578)
Total capital assets being depreciated, net	1,342	(104)	—	1,238
Housing Authority, net	**$ 1,342**	**$ (104)**	**$ —**	**$ 1,238**

During the fiscal year ended June 30, 2021, depreciation expense was charged to the major discretely presented component units as follows (expressed in thousands):

	Depreciation Expense
Public Service Authority	$ 196,821
State Ports Authority	59,394
MUSC	152,393
USC	79,565
Clemson University	68,056
Lottery Commission	239
Housing Authority	353

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

	Outstanding Construction Commitments
Public Service Authority	$ 112,040
State Ports Authority	68,650
MUSC	54,825
USC	322,220
Clemson University	51,401

Interest costs included as part of the cost of capital assets under construction (expressed in thousands) for the State's major discretely presented component units were as follows:

	Capitalized Interest Costs
USC	$ 8,456
Clemson University	6,126

c. Insurance Activities

Public Service Authority (Santee Cooper)

The Public Service Authority (Santee Cooper), a major discretely presented component unit with a fiscal year ended December 31, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions. The Authority purchases commercial insurance to cover these risks, subject to coverage limits and various exclusions. Settled claims resulting from these risks did not exceed commercial insurance coverage in 2020. Policies are subject to deductibles ranging from $500 to $2.000 million, with the exception of named storm losses which carry deductibles from $2.000 million up to $50.000 million. Also a $1.400 million general liability self-insured layer exists between

the Authority's primary and excess liability policies. During 2020, 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, 2020. There have been no third-party claims for environmental damages for 2020.

The Authority is exposed to additional risks specific to the utilities industry including nuclear incidents. The maximum liability for public claims arising from any nuclear incident has been established at $13.798 billion by the Price-Anderson Indemnification Act. The $13.798 billion would be covered by nuclear liability insurance of $450.000 million per reactor unit, with potential retrospective assessments of up to $137.600 million per licensee for each nuclear incident occurring at any reactor in the United States (payable at a rate not to exceed $20.500 million per incident, per year). Based on its one-third interest in V.C. Summer Nuclear Unit 1, the Authority could be responsible for the maximum assessment of $45.900 million, not to exceed approximately $6.800 million per incident, per year. This amount is subject to further increases to reflect the effect of (i) inflation, (ii) the licensing for operation of additional nuclear reactors and (iii) any increase in the amount of commercial liability insurance required to be maintained by the NRC.

Additionally, Dominion Energy and the Authority maintain, with Nuclear Electric Insurance Limited (NEIL), $1.500 billion primary and $1.250 billion excess property and decontamination insurance to cover the costs of cleanup of the facility in the event of an accident. Dominion Energy and the Authority also maintain accidental outage insurance to cover replacement power costs (within policy limits) associated with an insured property loss. In addition to the premiums paid on these three policies, Dominion Energy and the Authority could also be assessed a retrospective premium, not to exceed ten times the annual premium of each policy, in the event of property damage to any nuclear generating facility covered by NEIL. Based on current annual premiums and the Authority's one-third interest, the Authority's maximum retrospective premium would be approximately $7.600 million for the primary policy, $3.700 million for the excess policy and $1.800 million for the accidental outage policy.

The Authority is self-insured for any retrospective premium assessments, claims in excess of stated coverage or cost increases due to the purchase of replacement power associated with an uninsured event. Management does not expect any retrospective assessments, claims in excess of stated coverage or cost increases for any periods through December 31, 2020.

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
2020	$ 2,690	$ 576	$ (1,712)	$ 1,554
2019	1,075	5,486	(3,871)	2,690

d. Leases

Capital Leases

The State's discretely presented component units lease land, office facilities, equipment, and other assets under both capital and operating leases. The present value of future minimum capital lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net assets at June 30, 2021 for the State's discretely presented component units were as follows (expressed in thousands):

Fiscal Year Ending June 30	Clemson University	MUSC	USC
2022	$ 1,045	$ 13,979	$ 633
2023	840	13,014	598
2024	718	12,915	462
2025	629	8,863	273
2026	574	8,846	66
2027-2031	2,872	35,288	—
2032-2036	2,872	18,209	—
2037-2041	979	11,569	—
2042	—	—	—
Total minimum payments	**10,529**	**122,683**	**2,032**
Less: interest and executory costs	(121)	(38,579)	(205)
Net minimum payments	**$ 10,408**	**$ 84,104**	**$ 1,827**

Assets under capital leases recorded for the State's discretely presented component units at June 30, 2021, were as follows (expressed in thousands):

Assets Acquired Under Capital Leases	Clemson University	MUSC	USC
Land and non-depreciable improvements	$ —	$ —	$ —
Buildings and improvements	14,300	57,265	—
Machinery and equipment	1,999	65,917	2,733
Assets acquired under capital leases before accumulated amortization	**16,299**	**123,182**	**2,733**
Less: accumulated amortization	(5,599)	(37,919)	(943)
Assets acquired under capital leases, net	**$ 10,700**	**$ 85,263**	**$ 1,790**

Operating Leases

The State Ports Authority had minimum rental payments under operating leases which totaled $1.866 million for the fiscal year. The Housing Authority had minimum rental payments under operating leases for the fiscal year which totaled $90 thousand. The Lottery Commission had minimum rental payments under operating leases for the fiscal year which totaled $649 thousand. For Clemson University, minimum rental payments under operating leases for the fiscal year totaled $139 thousand. MUSC had minimum rental payments under operating leases for the fiscal year which totaled $21.805 million. USC had minimum rental payments under operating leases for the fiscal year which totaled $20.478 million.

At June 30, 2021, future minimum payments under noncancelable operating leases with initial or remaining terms in excess of one year were as follows (expressed in thousands):

Fiscal Year Ending June 30	Housing Authority	Clemson University	MUSC	USC	Lottery Commission
2022	$ 369	$ 3,729	$ 30,752	$ 18,754	$ 619
2023	379	3,198	26,367	10,236	631
2024	127	2,477	23,293	10,025	643
2025	—	1,867	18,777	2,896	—
2026	—	1,258	16,866	2,447	—
2027-2031	—	—	47,249	15,971	—
2032-2036	—	—	9,904	11,260	—
2037-2041	—	—	420	180	—
Thereafter	—	—	561	—	—
Net minimum payments	**$ 875**	**$ 12,529**	**$ 174,189**	**$ 71,769**	**$ 1,893**

Facilities and Equipment Leased to Others

At June 30, 2021, the State Ports Authority had leased to non-State parties certain land and facilities having a cost of approximately $72.422 million and related accumulated depreciation of $27.547 million. Also, at June 30, 2021, MUSC had leased to non-State parties certain land and facilities having a cost of approximately $1.371 million and related accumulated depreciation of $924 thousand. Additionally, the Public Service Authority had leased to non-State parties land and non-depreciable land improvements having a cost of $6.400 million. Future minimum rental payments to be received at June 30, 2021, under these operating leases were as follows (expressed in thousands):

Fiscal Year Ending June 30	Public Service Authority
2022	$ 404
2023	404
2024	404
2025	404
2026	404
2027-2031	2,020
2032-2036	2,020
2037-2039	811
Total	**$ 6,871**

Fiscal Year Ending June 30	State Ports Authority
2022	$ 4,034
2023	2,767
2024	2,385
2025	1,460
2026	684
2027-2031	2,974
2032-2036	55
Total	**$ 14,359**

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, 2021, were (net of unamortized premiums/discounts, expressed in thousands):

Clemson University institution bonds, 2.00% to 5.00%, maturing serially through 2039	$ 216,614
University of South Carolina institution bonds, 2.50% to 5.00%, maturing serially through 2037	142,671
Medical University of South Carolina institution bonds, 2.50% to 5.00%, maturing serially through 2040	52,634

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

	Clemson University		Medical University of South Carolina	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2022	$ 10,980	$ 7,632	$ 2,910	$ 1,895
2023	11,530	7,083	3,040	1,749
2024	12,110	6,506	3,170	1,613
2025	12,715	5,901	2,445	1,476
2026	13,350	5,265	2,565	1,353
2027-2031	74,465	17,494	14,870	4,785
2032-2036	52,155	5,854	11,785	1,967
2037-2040	7,990	360	4,110	313
Total debt service requirements	**$ 195,295**	**$ 56,095**	**$ 44,895**	**$ 15,151**
Unamortized premiums	21,319		7,739	
Total principal outstanding	**$ 216,614**		**$ 52,634**	

	University of South Carolina	
Year Ending June 30	**Principal**	**Interest**
2022	$ 12,720	$ 5,402
2023	10,935	4,766
2024	10,300	4,252
2025	10,355	3,749
2026	10,915	3,232
2027-2031	39,385	9,956
2032-2036	30,695	3,038
2037-2039	2,735	81
Total debt service requirements	**$ 128,040**	**$ 34,476**
Unamortized premiums	14,631	
Total principal outstanding	**$ 142,671**	

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 $474.580 million were outstanding at June 30, 2021.

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, 2021 and December 31, 2020 (for PSA), were (net of unamortized premiums/discounts, expressed in thousands):

	Bonds	Notes
Major Discretely Presented Component Units:		
Public Service Authority bonds, 1.49% to 6.22%, maturing serially through 2056	$ 6,987,952	$ —
Clemson University bonds, 2.00% to 5.00%, maturing serially through 2047	407,896	—
University of South Carolina bonds and notes, 2.50% to 5.00%, maturing serially through 2051	655,165	1,733
Medical University of South Carolina bonds and notes, 2.25% to 5.00%, maturing serially through 2046	813,230	76,075
State Ports Authority bonds and notes, 0.92% to 5.25%, maturing serially through 2061	1,099,973	202,608
State Housing Authority bonds, 0.25% to 5.50%, maturing serially through 2056	675,850	—

University Medical Associates

University Medical Associates of the Medical University of South Carolina (UMA) is a discretely presented component unit and part of the Medical University of South Carolina, a major discretely presented component unit. UMA entered into an interest rate swap agreement with a financial institution to modify interest rates on certain bonds by converting the variable interest rate into a rate equal to 2.70% plus 13.00% of the one-month LIBOR rate. The interest rate swap agreement matures on July 1, 2037. The notional amount as of June 30, 2021 is $53.960 million, which equals the principal outstanding. Under the swap agreement, UMA pays the financial institution a fixed interest payment of 2.10% and receives a variable payment equal to 67.00% of the one-month LIBOR rate. The variable rate in effect at June 30, 2021 was 0.06%. The fair value of this swap, estimated using the zero-coupon method, was negative $5.574 million as of June 30, 2021. The negative fair value of the cash flow hedge swap has been recorded on the statement of net position. The increase in the fair value of the cash flow hedge swap from June 30, 2020 of $3.296 million is recognized as investment income in these financial statements.

As of June 30, 2021, debt service requirements of the UMA variable rate debt and net swap payments, assuming current interest rates remain the same for their term, were as follows (expressed in thousands):

Year Ending June 30	Variable Rate Debt Principal	Variable Rate Debt Interest	Interest Rate Swaps, Net	Totals
2022	$ 2,525	$ 289	$ 1,053	$ 3,867
2023	2,600	274	999	3,873
2024	2,635	259	946	3,840
2025	2,745	244	889	3,878
2026	2,825	228	831	3,884
2027-2031	15,315	887	3,233	19,435
2032-2036	17,575	420	1,531	19,526
2037-2041	7,740	22	80	7,842
Totals.....	**$ 53,960**	**$ 2,623**	**$ 9,562**	**$ 66,145**

Debt Service Requirements

The fiscal year for the Public Service Authority ends December 31 while the fiscal year for Clemson University, the University of South Carolina, the Medical University of South Carolina, the State Ports Authority, and the State Housing Authority ends June 30. At December 31, 2020, the carrying value of the Public Service Authority's debt was $6.509 billion while the fair value was approximately $7.700 billion.

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

	Public Service Authority	
Year Ending December 31	**Principal**	**Interest**
2021	$ 130,675	$ 315,198
2022	197,006	307,889
2023	293,791	302,840
2024	123,176	293,498
2025	123,360	288,654
2026-2030	786,412	1,352,887
2031-2035	940,420	1,173,542
2036-2040	913,845	942,220
2041-2045	993,827	731,515
2046-2050	1,127,925	441,917
2051-2055	973,415	153,492
2056	41,395	1,987
Total debt service requirements	**$ 6,645,247**	**$ 6,305,639**
Unamortized discounts and premiums	342,705	
Total principal outstanding	**$ 6,987,952**	

	State Ports Authority		State Housing Authority	
Year Ending June 30	**Principal**	**Interest**	**Principal**	**Interest**
2022	$ 15,088	$ 49,183	$ 12,840	$ 21,703
2023	17,757	48,569	20,530	20,470
2024	20,274	47,833	21,135	19,898
2025	30,026	46,973	20,755	19,292
2026	21,342	46,060	21,130	18,670
2027-2031	136,843	232,407	89,980	85,059
2032-2036	183,819	184,922	90,955	71,093
2037-2041	132,192	151,638	84,315	58,378
2042-2046	162,966	118,849	75,710	46,268
2047-2051	199,290	82,045	147,005	31,357
2052-2056	233,615	37,830	64,360	1,649
2057-2061	74,250	5,716	—	—
Total debt service requirements	**$ 1,227,462**	**$ 1,052,025**	**$ 648,715**	**$ 393,837**
Unamortized premiums and discounts.	75,119		27,135	
Total principal outstanding	**$ 1,302,581**		**$ 675,850**	

Year Ending June 30	Clemson University Principal	Clemson University Interest	University of South Carolina Principal	University of South Carolina Interest
2022	$ 11,675	$ 15,447	$ 17,903	$ 24,389
2023	12,210	14,945	17,338	24,875
2024	12,880	14,386	21,299	24,019
2025	13,500	13,761	22,200	23,117
2026	11,715	13,121	22,366	22,159
2027-2031	62,850	57,320	119,007	94,876
2032-2036	74,520	44,643	123,095	65,208
2037-2041	89,140	30,034	93,755	37,980
2042-2046	96,775	11,023	64,070	19,585
2047-2051	650	22	53,840	6,423
Total debt service requirements	**$ 385,915**	**$ 214,702**	**$ 554,873**	**$ 342,631**
Unamortized discounts and premiums	21,981		102,025	
Total principal outstanding.....	**$ 407,896**		**$ 656,898**	

Year Ending June 30	Medical University of South Carolina Principal	Medical University of South Carolina Interest
2022	$ 45,914	$ 27,976
2023	46,935	26,491
2024	80,162	24,255
2025	47,994	22,043
2026	43,109	20,536
2027-2031	256,788	79,635
2032-2036	164,003	44,707
2037-2041	121,607	23,854
2042-2045	81,694	4,679
Total debt service requirements	**$ 888,206**	**$ 274,176**
Unamortized discounts and premiums	1,099	
Total principal outstanding.....	**$ 889,305**	

Bond Anticipation Notes

At June 30, 2021, all short-term general obligation bond anticipation notes that were outstanding at the prior fiscal year's end at MUSC were fully defeased.

Defeased Bonds

At December 31, 2020, $319.240 million of bonds associated with the Public Service Authority were considered defeased.

Conduit Debt

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

The Housing Authority issues certain mortgage loan notes and housing revenue bonds for developers to construct moderate to low income housing projects. The bonds are payable solely from housing rental payments received by the developer and generally are secured by an irrevocable letter of credit or bond insurance. At June 30, 2021, the outstanding balance of bonds issued was $397.388 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, 2021, the outstanding balance of bonds issued after June 30, 1995, was $4.736 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, 2021 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The Public Service Authority has recorded a $171.251 million liability for commercial paper notes at its fiscal year ended December 31, 2020. The paper is issued for valid corporate purposes with terms not to exceed 120 days. The Authority has an $200.000 million revolving credit agreement to support the issuance of commercial paper. There were no borrowings under the agreement during 2020.

The University of South Carolina Educational Foundation, a discretely presented component unit of USC, has a line of credit with a maximum borrowing limit of $20.000 million, on which it could draw for working capital. The loan bears interest at the 30-day LIBOR rate plus 1.20%. As of June 30, 2021, the University of South Carolina Educational Foundation has an outstanding balance of $6.388 million on this line of credit. Interest only payments on this line of credit were due beginning in August 2015 and the entire principal balance and any outstanding interest are due on June 25, 2023.

f. Changes in Liabilities

	Balances at January 1, 2020	Increases	Decreases	Balances at December 31, 2020	Amounts Due Within One Year
Public Service Authority					
Policy claims	$ 2,690	$ 576	$ (1,712)	$ 1,554	$ 6,318
Revenue bonds payable	6,632,097	903,571	(890,421)	6,645,247	130,675
Unamortized discounts and premiums	358,318	56,638	(72,251)	342,705	—
Total revenue bonds payable	6,990,415	960,209	(962,672)	6,987,952	130,675
Compensated absences payable	18,909	4,147	(2,747)	20,309	—
Net pension liability	326,299	18,496	—	344,795	—
Net OPEB liability	186,714	—	(10,605)	176,109	—
Total long-term liabilities	$ 7,525,027	$ 983,428	$ (977,736)	$ 7,530,719	$ 136,993

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
State Ports Authority					
Notes payable	$ 211,359	$ 21,256	$ (30,007)	$ 202,608	$ 8,438
Revenue bonds payable	1,031,180	—	(6,326)	1,024,854	6,650
Unamortized discounts and premiums	77,654	—	(2,535)	75,119	—
Total revenue bonds payable	1,108,834	—	(8,861)	1,099,973	6,650
Compensated absences payable	2,038	595	(174)	2,459	595
Net pension liability	118,329	16,802	—	135,131	—
Net OPEB liability	60,817	17,637	—	78,454	—
Total long-term liabilities	$ 1,501,377	$ 56,290	$ (39,042)	$ 1,518,625	$ 15,683

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Housing Authority					
Revenue bonds payable	$ 614,415	$ 123,280	$ (88,980)	$ 648,715	$ 12,840
Unamortized discounts and premiums	22,332	6,755	(1,952)	27,135	—
Total revenue bonds payable	636,747	130,035	(90,932)	675,850	12,840
Compensated absences payable	829	845	(835)	839	537
Net pension liability	14,574	1,448	—	16,022	—
Net OPEB liability	12,026	2,133	—	14,159	—
Total long-term liabilities	$ 664,176	$ 134,461	$ (91,767)	$ 706,870	$ 13,377

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Clemson University					
General obligation bonds payable	$ 199,360	$ 6,385	$ (10,450)	$ 195,295	$ 10,980
Unamortized discounts and premiums	21,181	1,704	(1,566)	21,319	—
Total general obligation bonds payable	220,541	8,089	(12,016)	216,614	10,980
Revenue bonds payable	396,955	—	(11,040)	385,915	11,675
Unamortized discounts and premiums	23,065	—	(1,084)	21,981	—
Total revenue bonds	420,020	—	(12,124)	407,896	11,675
Capital leases payable	11,143	247	(982)	10,408	988
Compensated absences payable	31,443	17,687	(13,063)	36,067	17,178
Net pension liability	672,314	92,692	—	765,006	—
Net OPEB liability	646,325	130,413	—	776,738	—
Total long-term liabilities	$ 2,001,786	$ 249,128	$ (38,185)	$ 2,212,729	$ 40,821

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Medical University of South Carolina					
Notes payable	$ 79,496	$ 233	$ (3,654)	$ 76,075	$ 6,011
General obligation bonds payable	35,095	23,415	(13,615)	44,895	2,910
Unamortized discounts and premiums	2,081	5,962	(304)	7,739	—
Total general obligation bonds payable	37,176	29,377	(13,919)	52,634	2,910
Revenue bonds payable	851,258	—	(39,127)	812,131	39,903
Unamortized discounts and premiums	1,340	—	(241)	1,099	—
Total revenue bonds	852,598	—	(39,368)	813,230	39,903
Capital leases payable	76,232	23,463	(15,591)	84,104	9,557
Compensated absences payable	36,286	25,680	(21,090)	40,876	17,869
Net pension liability	1,331,119	401,630	—	1,732,749	—
Net OPEB liability	1,202,467	434,020	—	1,636,487	—
Total long-term liabilities	$ 3,615,374	$ 914,403	$ (93,622)	$ 4,436,155	$ 76,250

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
Lottery Commission					
Compensated absences payable	$ 1,003	$ 685	$ (706)	$ 982	$ 633
Net pension liability	15,845	1,608	—	17,453	—
Net OPEB liability	13,166	2,185	—	15,351	—
Total long-term liabilities	$ 30,014	$ 4,478	$ (706)	$ 33,786	$ 633

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021	Amounts Due Within One Year
University of South Carolina					
Notes payable	$ 1,344	$ 430	$ (41)	$ 1,733	$ 1,413
General obligation bonds payable	143,020	11,840	(26,820)	128,040	12,720
Unamortized discounts and premiums	13,729	3,047	(2,145)	14,631	—
Total general obligation bonds payable	156,749	14,887	(28,965)	142,671	12,720
Revenue bonds payable	388,805	180,045	(15,710)	553,140	16,490
Unamortized discounts and premiums	57,937	47,479	(3,391)	102,025	—
Total revenue bonds	446,742	227,524	(19,101)	655,165	16,490
Capital leases payable	1,394	903	(470)	1,827	536
Compensated absences payable	36,087	33,713	(33,569)	36,231	33,695
Net pension liability	1,001,086	108,867	—	1,109,953	—
Net OPEB liability	958,529	158,943	—	1,117,472	—
Total long-term liabilities	$ 2,601,931	$ 545,267	$ (82,146)	$ 3,065,052	$ 64,854

Short-Term Debt

The Medical University of South Carolina and the University of South Carolina may issue bond anticipation notes (BANS) 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, 2021 included: a line of credit for USC and commercial paper notes in the Public Service Authority. Short-term debt activity during the fiscal year was as follows (expressed in thousands):

	Balances at January 1, 2020	Increases	Decreases	Balances at December 31, 2020
Public Service Authority				
Commercial paper notes	$ 142,351	$ 63,636	$ (34,736)	$ 171,251

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021
Medical University of South Carolina				
Revenue anticipation notes	$ 120,000	$ —	$ (120,000)	$ —

	Balances at July 1, 2020	Increases	Decreases	Balances at June 30, 2021
University of South Carolina				
Line of credit	$ 2,780	$ 6,388	$ (2,780)	$ 6,388

g. Joint Ventures

Joint Ventures

The Public Service Authority (Authority) is a member of The Energy Authority (TEA). TEA markets wholesale power and coordinates the operation of the generation assets of its members to maximize the efficient use of electrical energy resources, reduce operating costs and increase operating revenues of the members. It is expected to accomplish the foregoing without impacting the safety and reliability of the electric system of each member. TEA does not engage in the construction or ownership of generation or transmission assets. In addition, it assists members with fuel hedging activities and acts as an agent in the execution of forward transactions. The Authority accounts for its investment in TEA under the equity method of accounting.

All of TEA's revenues and costs are allocated to the members. The Authority's exposure relating to TEA is limited to the Authority's capital investment, any accounts receivable and trade guarantees provided by the Authority. These guarantees are within the scope of FASB ASC 952. Upon the Authority making any payments under its electric guarantee, it has certain contribution rights with the other members in order that payments made under the TEA member guarantees would be equalized ratably, based upon each member's equity ownership interest. After such contributions have been affected, the Authority would only have recourse against TEA to recover amounts paid under the guarantee. The term of this guarantee is generally indefinite, but the Authority has the ability to terminate its guarantee obligations by providing advance notice to the beneficiaries thereof. Such termination of its guarantee obligations only applies to TEA transactions not yet entered into at the time the termination takes effect. The Authority's support of TEA's trading activities is limited based on the formula derived from the forward value of TEA's trading positions at a point in time. The formula was approved by the Authority's Board. At December 31, 2020, the trade guarantees are an amount not to exceed approximately $68.600 million.

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

The Energy Authority
301 West Bay Street, Suite 2600
Jacksonville, Florida 32202
http://teainc.org

The Authority and South Carolina Electric and Gas (became Dominion Energy on January 1, 2019), or SCE&G, are parties to a joint ownership agreement providing that the Authority and SCE&G own Unit 1 at the V.C. Summer Nuclear Station with undivided interests of 33.33% and 66.67%, respectively. SCE&G is solely responsible for the design, construction, budgeting, management, operation, maintenance and decommissioning of Unit 1 and the Authority is obligated to pay its ownership share of all costs relating thereto. The Authority receives 33.33% of the net electricity generated. In 2004, the Nuclear Regulatory Commission (NRC) granted a twenty-year extension to the operating license for Unit 1, extending it to August 6, 2042. Nuclear fuel costs are being amortized based on energy expended using the unit-of-production method. Costs include a component for estimated disposal expense of spent nuclear fuel; however as of May 2015, the Department of Energy suspended the collection of spent fuel disposal fees. Fuel amortization and disposal fees (through April 2014) are included in fuel expense and recovered through the Authority's rates.

The NRC requires a licensee of a nuclear reactor to provide minimum financial assurance of its ability to decommission its nuclear facilities. In compliance with the applicable NRC regulations, the Authority established an external trust fund and began making deposits into this fund in September 1990. In addition to providing for the minimum requirements imposed by

the NRC, the Authority makes deposits into an internal fund in the amount necessary to fund the difference between a site-specific decommissioning study completed in 2016 and the NRC's imposed minimum requirement. Based on these estimates, the Authority's one-third share of the estimated decommissioning costs of Unit 1 equals approximately $427.500 million in 2016 dollars. As deposits are made, the Authority debits FERC account 532 - Maintenance of Nuclear Plant, an amount equal to the deposits made to the internal and external trust funds. These costs are recovered through the Authority's rates.

The Authority and SCE&G were constructing two additional nuclear generating units (Summer Units 2 and 3) at the V.C. Summer Nuclear Station. Together the Design and Construction Agreement and the Operating and Decommissioning Agreement provided for a 45.00% ownership interest by the Authority in each of the two new units and replace the Amended and Restated Bridge Agreement which had governed the relationship between the Authority and SCE&G. On July 31, 2017 the Authority, along with SCE&G, halted the V.C. Summer Units 2 and 3 projects. The Authority reclassified the construction in progress related to the Summer Units 2 and 3 to a regulatory asset to be amortized over the remaining life of the revenue bonds related to the halted project.

h. Significant Transactions of Major Component Units with the Primary Government

The Public Service Authority makes payments to the General Fund in lieu of taxes each year based on requirements under bond indentures. These payments totaled $17.500 million during the Authority's fiscal year ended December 31, 2020.

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, 2021.

Clemson University provided computer services and information systems development to other State agencies for a fee. These fees totaled $517 thousand and $32.586 million, respectively, for the fiscal year ended June 30, 2021.

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, 2020, as follows (expressed in thousands):

Customer	Revenue	Revenue
Central Electric Power Cooperative, Inc	$ 968,000	60%

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

State Ports Authority

During the fiscal year ended June 30, 2021, of the State Ports Authority's total revenues, three customers accounted for approximately 17%, 12%, and 11% each. The Authority performs ongoing credit evaluations of its customers and operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Authority maintains reserves for potential credit losses.

j. Contingencies and Commitments

Litigation – State Ports Authority

In January 2013, the Ports Authority intervened in a federal case brought by preservation and environmental groups against the U.S. Army Corps of Engineers (The "Corps"), to challenge issuance of authority for the Ports Authority to drive pilings under a building on Union Pier Terminal in renovating the cruise terminal. On September 19, 2013, the federal district court remanded the permit to the Corps for further review and action. The permit application is under review by the Corps of Engineers on remand. The Ports Authority intends to continue pursuing the federal permit and to continue any legal actions necessary to perfect the final permit.

In February 2013, the same cruise terminal opponents and others filed an administrative action challenging the State permit issued for the piling work at Union Pier. The South Carolina Administrative Law Court granted summary judgment in favor of the Ports Authority and dismissed the challenge on April 21, 2014. On October 18, 2017, the Court of Appeals issued a unanimous opinion affirming the South Carolina Administrative Law Court. This was appealed to the South Carolina Supreme Court, and the Supreme Court accepted a petition for certiorari on August 21, 2018. Briefing and argument were held on February 19, 2020. The Ports Authority filed a reconsideration, which was denied, and the case has been remitted back to the ALC for a merit hearing. The effect of these administrative permit cases on the financial position of the Ports Authority cannot be determined at this time.

On March 17, 2021, the State of South Carolina and the Ports Authority filed labor charges against the United States Maritime Alliance, Ltd. (USMX), the International Longshoreman's Association, AFL-CIO, CLC and the International Longshoreman's Association, AFL-CIO, CLC, Local 1422 (together, the ILA) with the National Labor Relations Board (NLRB) for entering into and maintaining an unlawful hot-cargo agreement as contained in Article VII, Section 7 of the USMX-ILA collective bargaining agreement (Master Agreement) and the Hugh K. Leatherman Terminal (HLT). The NLRB issued a complaint against Respondents (USMX and the ILA). Following issuance of the complaint, in April 2021, the ILA filed a lawsuit in the New Jersey Superior Court (the Lawsuit) against two USMX member-carriers seeking to effectuate the unlawful provision in the Master Agreement. In doing so, the ILA not only reaffirmed the unlawful nature of Article VII, Section 7 of the Master Agreement, it asserted additional unlawful interpretations of the Master Contract. The State of South Carolina and Ports Authority filed additional charges against the ILA for these additional unlawful interpretations, and the NLRB issued a second complaint against the ILA. A hearing was held before an Administrative Law Judge on June 9th and 10th, 2021. No order has been issued by the Administrative Law Judge. On September 16, 2021, a National Labor Relations Board judge ruled in favor of the Ports Authority stating that the ILA cannot force the use of union labor at the Port of Charleston and ordered that the ILA drop a lawsuit filed against two ocean carriers that utilized the HLT. The ILA will have 28 days to file an appeal if they choose. The Ports Authority intends to aggressively protect its interests with regards to the ILA. The effect of this labor dispute on the financial position of the Ports Authority related to operations at HLT cannot be determined at this time.

Purchase Commitments – Public Service Authority

At December 31, 2020, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling $475.908 million for coal. In addition, at December 31, 2020, the Authority had commitments for nuclear fuel and nuclear fuel conversion contracts of $106.900 million over the next thirteen years.

The Authority amended a service agreement to an approximate amount of $55.400 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.

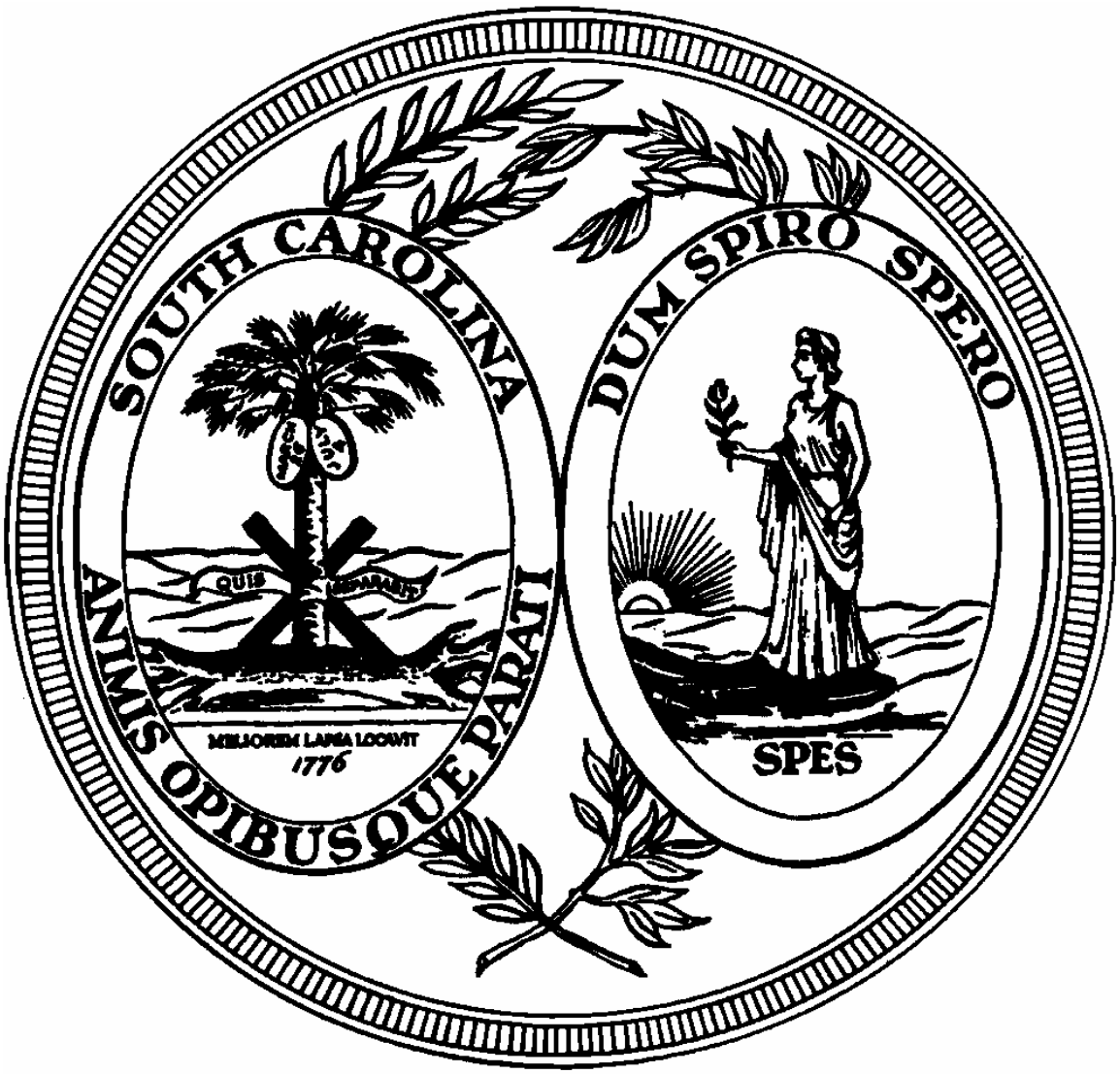
Purchase Commitments – Ports Authority

At June 30, 2021, the Ports Authority had construction commitments of approximately $68.650 million and non-construction commitments for property, plant and equipment of approximately $7.500 million.

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

The State Housing Finance and Development Authority, a major discretely presented component unit, had commitments of $7.683 million from the Housing Trust Fund for affordable housing projects and developments as of June 30, 2021.

Additionally, in May 2020, the South Carolina Legislature enacted the "Workforce and Senior Affordable Housing Act", which gives tax credits to developers of affordable housing projects that are approved by the South Carolina Housing Authority and placed into service after January 1, 2020. Initial impact estimates put the annual General Fund tax credit impact at approximately $2.057 million per calendar year until the program, which mirrors the federal low-income housing tax credit, sunsets for projects completed by December 31, 2030 in calendar year 2039. But, later in 2020, the federal government changed the low-income housing tax credit financing program, which greatly increased participation in this program by developers. Tax credits for calendar years 2020 and 2021 are now estimated to be $1.629 million and $2.263 million, respectively. Additionally, if the program is left unchanged by the South Legislature, tax credits from General Fund revenues are estimated to increase up to $516.069 million by calendar year 2030 before they begin to decrease and the tax credits are fully used for calendar year 2039.


SOUTH CAROLINA
ANIMIS OPIBUSQUE PARATI
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NOTE 20: COVID-19 PANDEMIC

The 2019 Novel Coronavirus (or "COVID-19") has adversely affected economic activity globally, nationally and locally. In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. The extent of the impact of the virus and its variants on the State's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, severity of the impact on the state's economy, and governmental, regulatory, and private sector responses. The full extent of the economic uncertainty caused by COVID-19 on the State's financial statements in future periods is not yet determinable.

To respond to this pandemic, the State held its fiscal year 2021 budget at fiscal year 2020 spending levels, although fiscal 2021 revenues have ultimately surpassed projections. All of the $1.905 billion in COVID Relief Funds received has been recognized with corresponding expenditures or obligated to be expended (see table below) before the December 31, 2021 deadline.

CARES Act
Coronavirus Relief Funds
(expressed in thousands)

Program	Amount
Unemployment Trust Fund	$ 841,906
State Government	353,869
Department of Education	222,657
State Testing/Monitoring	144,071
Broadband/Mobile Hotspots	38,370
PPE Stockpile	13,056
Grant Management	10,000
Total State	**$ 1,623,929**
Local Government	$ 92,976
Hospital Relief	123,210
Small/Minority Businesses	40,000
Nonprofits	25,000
Total Non-State	**$ 281,186**
Grand Total	**$ 1,905,115**

In addition, the State received $2.499 billion in September 2021 under the American Rescue Plan Act (ARPA) for the State Fiscal Recovery Fund. The AccelerateSC group, a group designated by the Governor, has submitted its recommendations for the $2.499 billion but the General Assembly has not yet approved a spending plan. States must obligate the funds by December 31, 2024, and spend by December 31, 2026.

Also, on September 3, 2021, the state received $217.563 million under ARPA for the Local Fiscal Recovery Fund. Of the $217.563 million received, $121.300 million has been allocated to local governments. States must also obligate these funds by December 31, 2024, and spend them by December 31, 2026.

NOTE 21: SUBSEQUENT EVENTS

a. Debt Issuances

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

- On July 7, 2021, the State Infrastructure Bank, reported within the Local Government Infrastructure Fund (a major governmental fund), issued $370.445 million in revenue refunding bonds, Series 2021A and Series 2021B.
- On September 9, 2021, the State Housing Authority, a major discretely presented component unit, issued $166.000 million in mortgage revenue bonds, Series 2021A.
- On September 22, 2021, the College of Charleston, a non-major discretely presented component unit, issued $43.190 million in revenue bonds, Series 2021B.
- On October 6, 2021, the Department of Education, reported within the General Fund, issued a $23.000 million note.

- On September 2, 2021, the Public Service Authority, a major discretely presented component unit, issued $145.735 million in 2021 Tax-Exempt Refunding Series A revenue bonds and $284.555 million in 2021 Tax-Exempt Improvement Series B revenue bonds. The $430.290 million in revenue bonds will be used to refund $174.000 million in revenue bonds to lower their interest rates, covert $190.000 million from short-term variable rate debt to long-term fixed rate debt, and $160.000 of the bond issuance will be used for various capital projects and debt issuance costs.

b. Tuition Prepayment Program

On September 17, 2021, the Tuition Prepayment Program received $31.900 million in State fiscal year 2022 appropriations to eliminate the Program's accumulated unfunded liability.

c. South Carolina Housing Authority Tax Credits

In May 2020, the South Carolina Legislature enacted the "Workforce and Senior Affordable Housing Act", which gives tax credits to developers of affordable housing projects that are approved by the South Carolina Housing Authority and placed into service after January 1, 2020. Initial impact estimates put the annual General Fund tax credit impact at approximately $2.057 million per calendar year until the program, which mirrors the federal low-income housing tax credit, sunsets for projects completed by December 31, 2030 in calendar year 2039. But, later in 2020, the federal government changed the low-income housing tax credit financing program, which greatly increased participation in this program by developers. Tax credits for calendar years 2020 and 2021 are now estimated to be $1.629 million and $2.263 million, respectively. Additionally, if the program is left unchanged by the South Legislature, tax credits from General Fund revenues are estimated to increase up to $516.069 million by calendar year 2030 before they begin to decrease and the tax credits are fully used for calendar year 2039.

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, 2021
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Regular sources				
Individual Income Tax	$ 4,110,476	$ 4,125,011	$ 4,838,376	$ 713,365
Sales and Use Tax	3,294,402	3,399,926	3,825,920	425,994
Corporation Income Tax	352,497	329,060	622,721	293,661
Insurance Tax	266,000	288,995	293,235	4,240
Corporation License Tax	105,162	107,154	148,137	40,983
Documentary (Deed Stamp) Tax	84,652	91,050	118,903	27,853
Beer and Wine Tax	110,764	113,728	116,859	3,131
Alcoholic Liquors Tax	85,920	91,948	101,570	9,622
Earned on Investments	45,000	75,000	72,624	(2,376)
Bank Tax	54,851	87,190	69,828	(17,362)
Other Source Revenues	11,372	11,931	37,384	25,453
Admissions Tax	32,429	34,354	29,531	(4,823)
Security Dealer Fees	27,300	28,100	29,189	1,089
Tobacco Tax	23,142	28,657	28,786	129
Indirect Cost Recoveries	16,500	15,500	23,270	7,770
Public Service Authority Assessment	17,000	17,700	17,135	(565)
Unclaimed Property Fund Transfers	15,000	15,000	15,000	—
Business Filing Fees	7,750	8,200	12,764	4,564
Workers' Compensation Insurance Tax	11,137	8,828	12,517	3,689
Motor Vehicle Licenses	11,476	12,890	12,128	(762)
Private Rail Car Lines Tax	6,596	6,787	6,673	(114)
Circuit and Family Court Fines	6,917	6,217	5,366	(851)
Record Search Fees	4,461	4,461	4,461	—
Parole and Probation Supervision Fees	3,393	3,393	3,393	—
Nursing Home Fees	3,600	3,600	3,356	(244)
Purchasing Card Rebates	3,147	3,497	3,089	(408)
Uncashed Checks	2,000	1,000	3,064	2,064
Aircraft Tax	2,500	2,500	2,877	377
Savings and Loan Tax	803	1,038	1,147	109
Bingo Tax	362	113	419	306
Total revenues	**8,716,609**	**8,922,828**	**10,459,722**	**1,536,894**

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Expenditures:				
Legislative	$ 51,266	$ 86,687	$ 54,247	$ 32,440
Judicial	134,141	149,526	132,935	16,591
Executive and administrative	229,321	300,800	240,114	60,686
Educational	4,206,419	4,352,674	4,234,921	117,753
Health	2,102,142	2,158,968	2,023,565	135,403
Social rehabilitation services	238,722	288,556	239,597	48,959
Correctional and public safety	780,425	839,983	765,667	74,316
Conservation, natural resources, and development	207,829	336,306	214,460	121,846
Regulatory	155,673	209,679	152,191	57,488
Transportation	2,181	8,149	2,290	5,859
Debt service	191,630	71,391	62,220	9,171
Aid to subdivisions	274,778	276,594	275,778	816
Total expenditures	**8,574,527**	**9,079,313**	**8,397,985**	**681,328**
Excess of revenues over (under) expenditures—budgetary basis	**142,082**	**(156,485)**	**2,061,737**	**2,218,222**
Fund balance, beginning — budgetary basis	**1,804,723**	**1,804,723**	**1,804,723**	**—**
Fund balance, ending — budgetary basis	**$ 1,946,805**	**$ 1,648,238**	**$ 3,866,460**	**$ 2,218,222**
Less:				
Transfers for COVID response			**(251,152)**	
Fund balance, ending — budgetary basis, after reservation			**$ 3,615,308**	

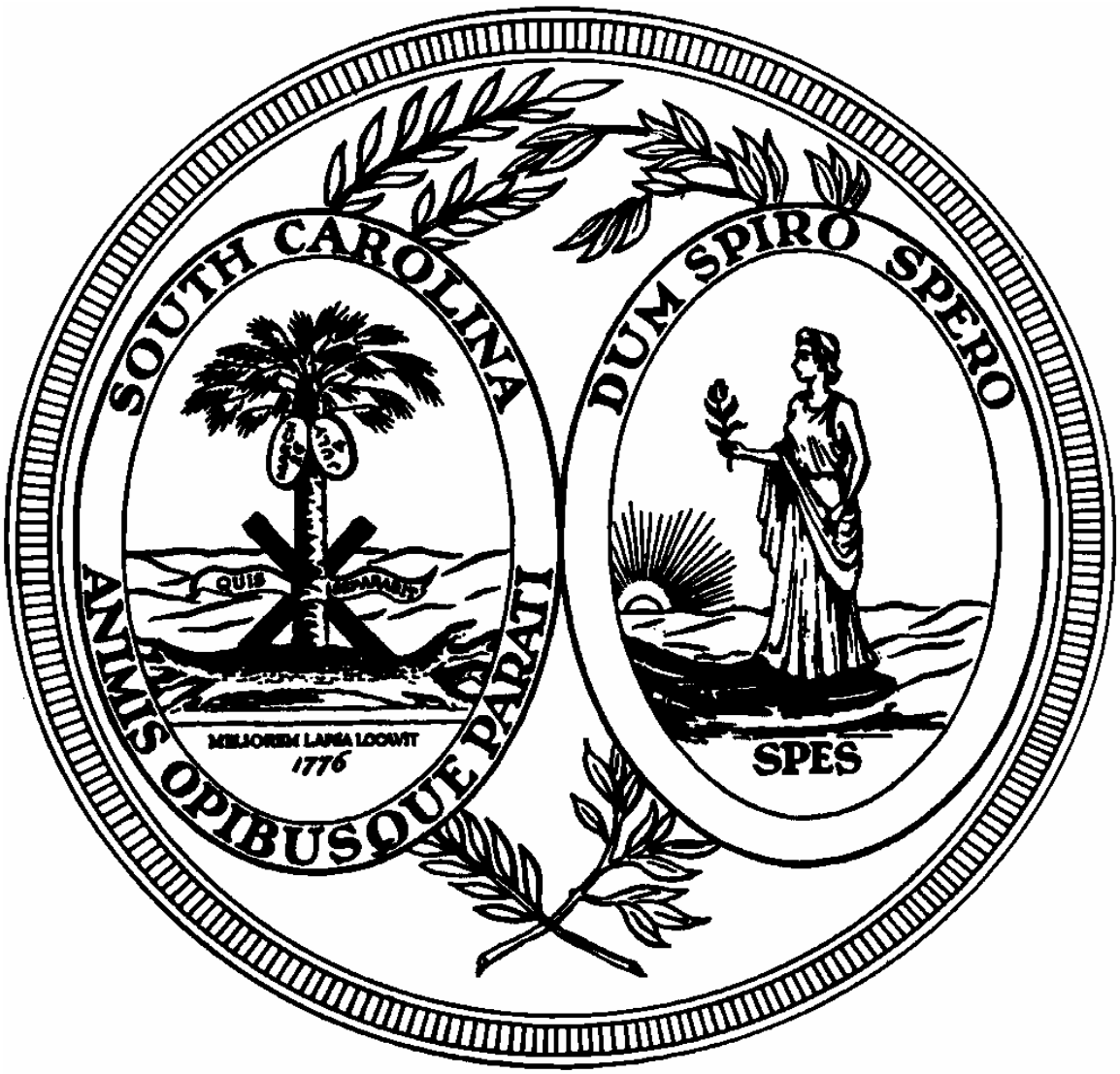
The notes to the Required Supplementary Information--Budgetary are an integral part of the schedule.

REQUIRED SUPPLEMENTARY INFORMATION
Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)
OTHER BUDGETED FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget—Positive (Negative)
	Original	Final		
Revenues:				
Federal	$ 8,856,469	$ 11,075,472	$ 9,593,884	$ (1,481,588)
Earmarked	4,834,371	4,955,747	5,946,434	990,687
Restricted	4,423,042	4,432,506	4,776,961	344,455
Total revenues	**18,113,882**	**20,463,725**	**20,317,279**	**(146,446)**
Expenditures:				
Legislative	2,793	9,188	8,025	1,163
Judicial	22,958	23,889	16,598	7,291
Executive and administrative	680,546	3,125,096	2,682,220	442,876
Educational	7,179,416	8,099,878	6,705,120	1,394,758
Health	7,678,131	8,858,340	8,022,116	836,224
Social rehabilitation services	831,025	1,033,548	812,550	220,998
Correctional and public safety	191,201	202,804	132,497	70,307
Conservation, natural resources, and development	288,702	336,014	240,533	95,481
Regulatory	314,797	406,795	299,615	107,180
Transportation	2,929,032	2,947,249	1,921,264	1,025,985
Total expenditures	**20,118,601**	**25,042,801**	**20,840,538**	**4,202,263**
Excess of revenues over (under) expenditures—budgetary basis	**(2,004,719)**	**(4,579,076)**	**(523,259)**	**4,055,817**
Fund balance at beginning of year—budgetary basis	**6,258,600**	**6,258,600**	**6,258,600**	—
Fund balance at end of year—budgetary basis	**$ 4,253,881**	**$ 1,679,524**	**$ 5,735,341**	**$ 4,055,817**

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

NOTE 1: BUDGETARY FUNDS AND PERSPECTIVE DIFFERENCES

a. Budgetary Funds

South Carolina's Annual Appropriations Act, the State's legally adopted budget, does not present budgets by GAAP fund. Instead, it presents program-level budgets categorized by:

General Funds. These funds are general operating funds. The resources in these funds are primarily taxes. The State expends General Funds to provide traditional State government services. The General Funds column in the Appropriations Act differs somewhat from the GAAP General Fund and is referred to within these notes and in the accompanying schedules as the *Budgetary General Fund*.

Total Funds. The Total Funds column in the Appropriations Act includes all budgeted resources. Amounts in this column include General Funds as well as most, but not all, federal and department-generated resources. Total funds include portions of certain proprietary and capital project fund activities as well as most special revenue activities but exclude the pension trust funds and some other fiduciary fund activities.

Amounts obtained by subtracting the General Funds column in the Appropriations Act from the Total Funds column in the Appropriation Act are referred to within these notes and in the accompanying schedules as *Other Budgeted Funds*.

b. Perspective Differences

Perspective differences exist when the structure of financial information for budgetary purposes differs from the fund structure that is defined by GAAP. Although there are some perspective differences between the Budgetary General Fund and the GAAP General Fund, those differences are *not* significant enough to prevent the State from preparing a budgetary comparison schedule for the Budgetary General Fund.

In contrast, however, there are *significant* perspective differences between the Other Budgeted Funds and the State's GAAP funds, including its major special revenue funds. These perspective differences are so significant that the State is unable to present separate budgetary comparison schedules for its major special revenue funds. Accordingly, the State instead has presented a budgetary comparison schedule for its Other Budgeted Funds in accordance with GASB Statement No. 41, *Budgetary Comparison Schedules—Perspective Differences*.

NOTE 2: ORIGINAL AND FINAL BUDGETED AMOUNTS; BASIS OF PRESENTATION

a. Budgetary General Fund

Each year, the General Assembly enacts an Appropriations Act that includes initial estimated revenue and appropriation figures for the Budgetary General Fund. The *original appropriations* presented in the accompanying schedule for the Budgetary General Fund include the amounts displayed in the Appropriations Act as well as any appropriations authorized to carry forward from the preceding fiscal year. *Original budgeted revenues* in the accompanying schedule for the Budgetary General Fund include amounts displayed in the Statement of Revenues at the end of Part 1A of the Appropriations Act and nonrecurring transfers from other funds that were legislatively required by various provisos within the Appropriations Act.

The accompanying schedule for the Budgetary General Fund presents a fund balance section whereas the budget document does not present fund balances; in other respects, however, the format of the accompanying schedule is substantively the same as for the legally enacted budget.

After the beginning of the fiscal year, departments and agencies may request transfers of appropriations among programs. No such transfer request may exceed 20.0% of the program budget. In addition, the Executive Budget Office within the Department of Administration has the authority to approve transfers of appropriations between personal service and other operating accounts.

The authority to reduce enacted appropriations is provided to the Executive Budget Office if it is deemed necessary to prevent a deficit. Likewise, the State Board of Economic Advisors may approve revisions of estimated revenues for the Budgetary General Fund during the year.

b. Other Budgeted Funds

The *original appropriations* presented in the accompanying schedule for Other Budgeted Funds include the amounts displayed in the Appropriations Act as well as any appropriation reductions specifically authorized by law to prevent duplicate appropriations. The terminology, classifications, and format of the appropriations section of the accompanying schedule for Other Budgeted Funds is substantively the same as for the legally enacted budget.

The State's General Assembly does not approve estimated revenue or fund balance amounts for Other Budgeted Funds (or for Total Funds). However, the *Recapitulation* section of the Appropriations Act includes net *source of funds* amounts for two categories of Other Budgeted Funds: Federal and Other. The *original budgeted revenue* amounts in the accompanying schedule for Other Budgeted Funds were obtained from the Executive Budget Office's breakdown of the source of funds amounts.

As operating conditions change, departments and agencies may request revisions of budgeted amounts in Other Budgeted Funds. Such changes require Executive Budget Office approval. Departments and agencies also may request revisions of estimated revenues and appropriations for permanent improvement projects. The State Fiscal Accountability Authority and the Joint Bond Review Committee must approve and review those changes for projects that exceed $1.000 million.

NOTE 3: LEGAL LEVEL OF BUDGETARY CONTROL

The State maintains budgetary control at the level of summary object category of expenditure within each program of each department or agency. The State's Appropriation Acts for the 2020-21 fiscal year has approximately 2,500 appropriated line items. These line items constitute the level of legal control over expenditures. The level of legal control for all agencies is reported in a publication of the State Comptroller General's Office titled "A Detailed Report of Appropriations and Expenditures," not included herein.

NOTE 4: BASIS OF BUDGETING

Current legislation states that the General Assembly intends to appropriate all monies to operate State government for the current fiscal year. Unexpended appropriations lapse on July 31 unless the department or agency is given specific authorization to carry them forward to the next fiscal year. Cash-basis accounting for payroll expenditures is required.

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

(i) Departments and agencies charge certain vendor and interfund payments against the preceding fiscal year's appropriations through July 22.

(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.

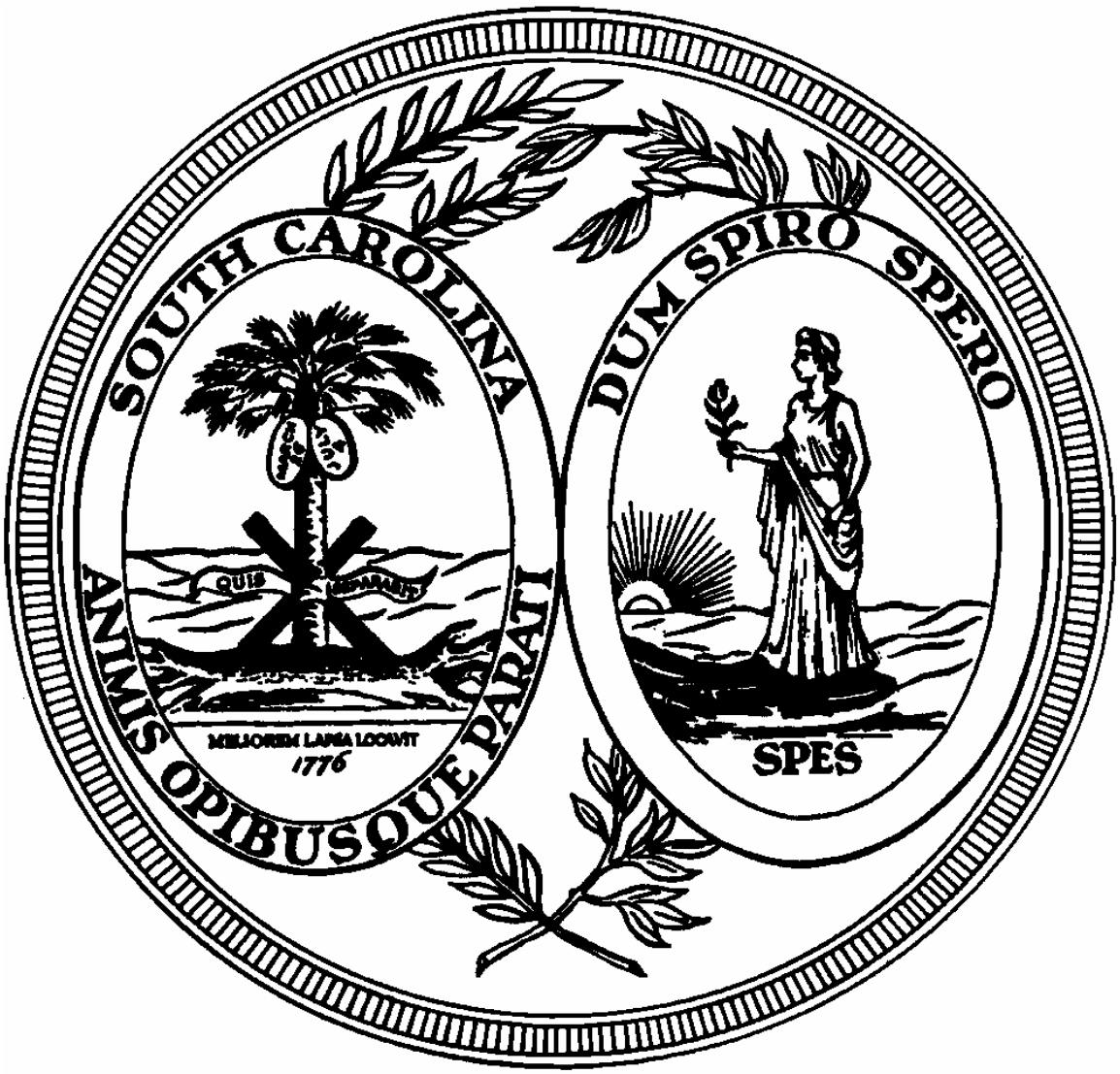
(iv) Certain non-cash activity, such as food stamp benefits, is recorded as revenue and expenditure in the fiscal year in which the resources are distributed to the beneficiaries.

(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, 2021, were as follows (expressed in thousands):

		Major Special Revenue Funds		
Budgetary funds	***Budgetary General Fund***			
GAAP funds	**General Fund**	**Departmental Program Services**	**Local Government Infrastructure**	**Department of Transportation Special Revenue**
Net increase (decrease) in fund balance—budgetary basis	$ 2,061,737	$ —	$ —	$ —
Perspective differences:				
Other Budgeted Funds net increase (decrease) allocated among the State's major governmental GAAP funds	217,429	(1,657,052)	(1,722)	—
Basis of accounting differences	1,401,983	1,595,914	(70,979)	316,372
Entity differences	3,321	3,790	—	—
Net increase (decrease) in fund balance—GAAP basis	**$ 3,684,470**	**$ (57,348)**	**$ (72,701)**	**$ 316,372**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REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's Proportionate Share of the SCRS and PORS Net Pension Liabilities
For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

Last 10 Fiscal Years*

SCRS - South Carolina Retirement System	**2021**	**2020**	**2019**	**2018**	**2017**
State's Proportion of the Net Pension Liability	12.54%	12.75%	12.96%	13.05%	12.94%
State's Proportionate Share of the Net Pension Liability	$3,203,359	$2,910,713	$2,905,027	$2,938,212	$2,763,455
State Covered Payroll	$1,133,366	$1,101,602	$1,079,349	$1,021,083	$ 954,763
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	282.64%	264.23%	269.15%	287.75%	289.44%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.70%	54.40%	54.10%	53.30%	52.91%
PORS - South Carolina Police Officers Retirement System					
State's Proportion of the Net Pension Liability	27.46%	28.24%	29.17%	28.97%	28.88%
State's Proportionate Share of the Net Pension Liability	$ 910,737	$ 809,373	$ 826,613	$ 793,572	$ 732,637
State Covered Payroll	$ 370,843	$ 364,884	$ 337,092	$ 328,193	$ 316,491
State's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	245.59%	221.82%	245.22%	241.80%	231.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.80%	62.70%	61.70%	60.90%	60.44%

* - The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of that day, projected forward to June 30 of the previous year. Additionally, the State implemented GASB 68 during fiscal year 2015. As such, only the last eight years of information is available.

2016	2015	2014
12.87%	12.70%	12.70%
$2,441,249	$2,185,979	$2,277,364
$ 973,471	$ 958,913	$ 943,177
250.78%	227.96%	241.46%
56.99%	59.92%	56.39%
30.05%	30.37%	30.37%
$ 654,937	$ 581,343	$ 629,487
$ 337,916	$ 338,025	$ 325,628
193.82%	171.98%	193.31%
64.57%	67.55%	62.98%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRS and PORS Contributions
For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

Last 10 Fiscal Years*

SCRS - South Carolina Retirement System

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 209,454	$ 207,694	$ 186,054	$ 168,903	$ 152,191
Contributions in Relation to the Contractually Required Contribution	(209,454)	(207,694)	(186,054)	(168,903)	(152,191)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
State Covered Payroll	$ 1,173,557	$ 1,133,366	$ 1,101,602	$ 1,079,349	$ 1,021,083
Contributions as a Percentage of Covered Payroll	17.85%	18.33%	16.89%	15.65%	14.90%

PORS - South Carolina Police Officers Retirement System

Contractually Required Contribution	$ 69,088	$ 71,887	$ 66,834	$ 61,790	$ 55,534
Contributions in Relation to the Contractually Required Contribution	(69,088)	(71,887)	(66,834)	(61,790)	(55,534)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
State Covered Payroll	$ 379,401	$ 370,843	$ 364,884	$ 337,092	$ 328,193
Contributions as a Percentage of Covered Payroll	18.21%	19.38%	18.32%	18.33%	16.92%

* - In fiscal year 2013 (2014 on this schedule due to GASB 68), the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category. Fiscal years 2013 and 2012 have not been restated.

2016	2015	2014	2013	2012
$ 131,856	$ 130,062	$ 122,348	$ 123,651	$ 255,277
(131,856)	(130,062)	(122,348)	(123,651)	(255,277)
$ —	$ —	$ —	$ —	$ —
$ 954,763	$ 973,471	$ 958,913	$ 956,163	$ 2,227,527
13.81%	13.36%	12.76%	12.93%	11.46%
$ 50,546	$ 49,915	$ 46,907	$ 44,393	$ 43,776
(50,546)	(49,915)	(46,907)	(44,393)	(43,776)
$ —	$ —	$ —	$ —	$ —
$ 316,491	$ 337,916	$ 338,025	$ 339,686	$ 352,998
15.97%	14.77%	13.88%	13.07%	12.40%

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

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 5,956	$ 6,329	$ 5,804	$ 5,428	$ 4,539
Contributions in Relation to the Contractually Required Contribution	(5,956)	(6,329)	(5,804)	(5,428)	(4,539)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 1,570	$ 1,570	$ 1,866	$ 1,961	$ 2,316
Contributions as a Percentage of Covered Payroll	379.36%	403.12%	311.04%	276.80%	195.98%

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:	8 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	None
Investment Rate of Return:	7.25%, net of investment and administration expenses, including inflation
Retirement Age:	Age 60 or 30 years of service or age 70 or 30 years of service while continuing to serve in the General Assembly.
Mortality:	In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.
Other Information:	GARS is closed to members of the General Assembly first elected in November 2012 or after.

2016	2015	2014	2013	2012
$ 4,501	$ 4,275	$ 4,063	$ 2,831	$ 2,532
(4,501)	(4,275)	(4,063)	(2,831)	(2,532)
$ —	$ —	$ —	$ —	$ —
$ 2,338	$ 2,383	$ 2,688	$ 3,854	$ 3,854
192.51%	179.40%	151.15%	73.46%	65.70%

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

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	$ 358	$ 440	$ 464	$ 488	$ 493
Interest	5,003	5,149	5,200	5,293	5,301
Difference Between Actual and Expected Experience	60	(1,135)	138	(348)	798
Assumption Changes	—	—	—	2,330	—
Benefit Payments	(6,348)	(6,515)	(6,468)	(6,737)	(6,656)
Net Change in Total Pension Liability	(927)	(2,061)	(666)	1,026	(64)
Total Pension Liability - Beginning	72,001	74,062	74,728	73,702	73,766
Total Pension Liability - Ending (a)	$ 71,074	$ 72,001	$ 74,062	$ 74,728	$ 73,702
Plan Fiduciary Net Position					
Contributions - Employer	$ 6,329	$ 5,804	$ 5,428	$ 4,539	$ 4,501
Contributions - Member	222	162	287	468	292
Refunds of Contributions to Members	—	(17)	—	—	(22)
Retirement Benefits	(6,322)	(6,480)	(6,452)	(6,678)	(6,625)
Death Benefits	(25)	(18)	(16)	(59)	(9)
Net Investment Income (Loss)	(443)	1,887	2,376	3,329	(266)
Administrative Expense	(18)	(20)	(18)	(17)	(18)
Other	—	—	—	19	(147)
Net Change in Plan Fiduciary Net Position	(257)	1,318	1,605	1,601	(2,294)
Plan Fiduciary Net Position - Beginning	34,712	33,394	31,789	30,188	32,482
Plan Fiduciary Net Position - Ending (b)	$ 34,455	$ 34,712	$ 33,394	$ 31,789	$ 30,188
Net Pension Liability - Ending (a) - (b)	$ 36,619	$ 37,289	$ 40,668	$ 42,939	$ 43,514
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.48%	48.21%	45.09%	42.54%	40.96%
Covered Payroll	$ 1,570	$ 1,866	$ 1,961	$ 2,316	$ 2,338
Net Pension Liability as a Percentage of Covered Payroll	2332.42%	1998.34%	2073.84%	1854.02%	1861.16%

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

2016	2015
$ 553	$ 572
5,380	5,437
(294)	(2,585)
—	—
(6,660)	(6,861)
(1,021)	(3,437)
74,787	78,224
$ 73,766	$ 74,787
$ 4,275	$ 4,063
369	384
—	(41)
(6,639)	(6,799)
(21)	(20)
500	4,545
(18)	(17)
(18)	15
(1,552)	2,130
34,034	31,904
$ 32,482	$ 34,034
$ 41,284	$ 40,753
44.03%	45.51%
$ 2,383	$ 2,688
1732.44%	1516.11%

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

Last 10 Fiscal Years

JSRS - Retirement System for Judges and Solicitors of the State of South Carolina

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 19,100	$ 19,098	$ 11,730	$ 11,043	$ 10,534
Contributions in Relation to the Contractually Required Contribution	(19,100)	(19,098)	(11,730)	(11,043)	(10,534)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ —
Covered Payroll	$ 30,346	$ 30,346	$ 22,347	$ 22,347	$ 21,958
Contributions as a Percentage of Covered Payroll	62.94%	62.93%	52.49%	49.42%	47.97%

Notes to Schedule

Valuation Date:	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which they are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry age
Amortization Method:	Level percent of pay, open
Remaining Amortization Period:	28 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	2.75%
Investment Rate of Return:	7.25%, net of investment and administration expenses, including inflation
Retirement Age:	In the 2017 valuation the retirement age changed from a varying formula based on years of service and age to age 70 or 25 years of service for judges and 24 years of service for solicitors or circuit public defenders regardless of age.
Mortality:	In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.

2016	2015	2014	2013	2012
$ 10,202	$ 10,109	$ 9,659	$ 8,667	$ 8,414
(10,202)	(10,109)	(9,659)	(8,667)	(8,414)
$ —	$ —	$ —	$ —	$ —
$ 21,267	$ 18,138	$ 20,407	$ 19,221	$ 18,661
47.97%	55.73%	47.33%	45.09%	45.09%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the State of South Carolina's JSRS Net Pension Liability and Related Ratios
(Expressed in Thousands)

Last 10 Fiscal Years*

JSRS - Retirement System for Judges and Solicitors of the State of South Carolina

	2021	2020	2019	2018	2017
Total Pension Liability					
Service Cost	$ 8,919	$ 6,645	$ 6,521	$ 6,186	$ 5,886
Interest	28,154	21,737	21,271	20,404	20,022
Benefit Changes	—	—	—	—	—
Difference Between Actual and Expected Experience	3,262	80,801	(3,548)	(995)	(3,085)
Assumption Changes	—	—	—	13,790	—
Benefit Payments	(25,673)	(17,950)	(17,811)	(18,602)	(17,191)
Net Change in Total Pension Liability	14,662	91,233	6,433	20,783	5,632
Total Pension Liability - Beginning	396,705	305,472	299,039	278,256	272,624
Total Pension Liability - Ending (a)	$ 411,367	$ 396,705	$ 305,472	$ 299,039	$ 278,256
Plan Fiduciary Net Position					
Contributions - Employer	$ 19,098	$ 11,730	$ 11,043	$ 10,534	$ 10,202
Contributions - Nonemployer	2,900	—	—	—	—
Contributions - Member	4,966	2,840	3,016	2,928	2,303
Refunds of Contributions to Members	(182)	—	—	(629)	(60)
Retirement Benefits	(25,301)	(17,947)	(17,655)	(17,679)	(16,989)
Death Benefits	(190)	(3)	(156)	(293)	(143)
Net Investment Income (Loss)	(2,361)	9,183	11,723	16,399	(871)
Administrative Expense	(86)	(92)	(86)	(79)	(75)
Other	563	96	—	253	(3)
Net Change in Plan Fiduciary Net Position	(593)	5,807	7,885	11,434	(5,636)
Plan Fiduciary Net Position - Beginning	165,843	160,036	152,151	140,717	146,353
Plan Fiduciary Net Position - Ending (b)	$ 165,250	$ 165,843	$ 160,036	$ 152,151	$ 140,717
Net Pension Liability - Ending (a) - (b)	$ 246,117	$ 230,862	$ 145,436	$ 146,888	$ 137,539
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.17%	41.81%	52.39%	50.88%	50.57%
Covered Payroll	$ 30,346	$ 22,347	$ 22,347	$ 21,958	$ 21,267
Net Pension Liability as a Percentage of Covered Payroll	811.04%	1033.08%	650.81%	668.95%	646.72%

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

2016	2015
$ 5,760	$ 5,571
19,440	18,857
666	—
(1,138)	(3,240)
—	—
(16,836)	(16,684)
7,892	4,504
264,732	260,228
$ 272,624	$ 264,732
$ 10,109	$ 9,659
—	—
3,153	2,448
—	—
(16,832)	(16,675)
(4)	(10)
2,216	19,962
(71)	(68)
286	195
(1,143)	15,511
147,496	131,985
$ 146,353	$ 147,496
$ 126,271	$ 117,236
53.68%	55.72%
$ 18,138	$ 20,407
696.17%	574.49%

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

Last 10 Fiscal Years

SCNG - South Carolina National Guard Supplemental Retirement Plan

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 5,188	$ 5,262	$ 5,290	$ 4,814	$ 4,509
Contributions in Relation to the Contractually Required Contribution	(5,290)	(5,290)	(5,290)	(4,814)	(4,591)
Contribution Deficiency/(Excess)	$ (102)	$ (28)	$ —	$ —	$ (82)
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date:	Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which they are reported

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method:	Entry age
Amortization Method:	Level dollar, closed
Remaining Amortization Period:	17 years
Asset Valuation Method:	5-Year Smoothed
Inflation:	2.25%
Salary Increases:	N/A
Investment Rate of Return:	7.25%, net of investment and administration expenses, including inflation
Retirement Age:	Age 60 provided the member was honorably discharged from active duty with at least 20 years of total creditable military service. Of that 20 years of service, 15 years, and the final 10 years, must have been served in the South Carolina National Guard.
Mortality:	In the 2021 actuarial valuation, assumed life expectancies were adjusted as a result of adopting the 2020 Public Retirees of South Carolina Mortality Table. In prior years, those assumptions were based on the RP-2000 Healthy Annuitant Mortality Table.

2016	2015	2014	2013	2012
$ 4,570	$ 4,591	$ 4,586	$ 4,539	$ 3,937
(4,591)	(4,591)	(4,586)	(4,539)	(3,937)
$ (21)	$ —	$ —	$ —	$ —
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the State of South Carolina's SCNG Net Pension Liability and Related Ratios
(Expressed in Thousands)

Last 10 Fiscal Years*

SCNG - South Carolina National Guard Supplemental Retirement Plan	**2021**	**2020**	**2019**	**2018**	**2017**
Total Pension Liability					
Service Cost	$ 805	$ 786	$ 804	$ 696	$ 689
Interest	4,731	4,764	4,743	4,589	4,594
Difference Between Actual and Expected Experience	(627)	(1,501)	(767)	(843)	(992)
Assumption Changes	—	—	—	4,161	—
Benefit Payments	(4,514)	(4,534)	(4,411)	(4,426)	(4,310)
Net Change in Total Pension Liability	395	(485)	369	4,177	(19)
Total Pension Liability - Beginning	67,106	67,591	67,222	63,045	63,064
Total Pension Liability - Ending (a)	$ 67,501	$ 67,106	$ 67,591	$ 67,222	$ 63,045
Plan Fiduciary Net Position					
Contributions - Employer	$ 5,290	$ 5,290	$ 4,814	$ 4,591	$ 4,591
Retirement Benefits	(4,514)	(4,534)	(4,411)	(4,425)	(4,310)
Net Investment Income (Loss)	(352)	1,616	1,902	2,533	(121)
Administrative Expense	(15)	(16)	(14)	(13)	(12)
Net Change in Plan Fiduciary Net Position	409	2,356	2,291	2,686	148
Plan Fiduciary Net Position - Beginning	30,683	28,327	26,036	23,350	23,202
Plan Fiduciary Net Position - Ending (b)	$ 31,092	$ 30,683	$ 28,327	$ 26,036	$ 23,350
Net Pension Liability - Ending (a) - (b)	$ 36,409	$ 36,423	$ 39,264	$ 41,186	$ 39,695
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	46.06%	45.72%	41.91%	38.73%	37.04%
Covered Payroll	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

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

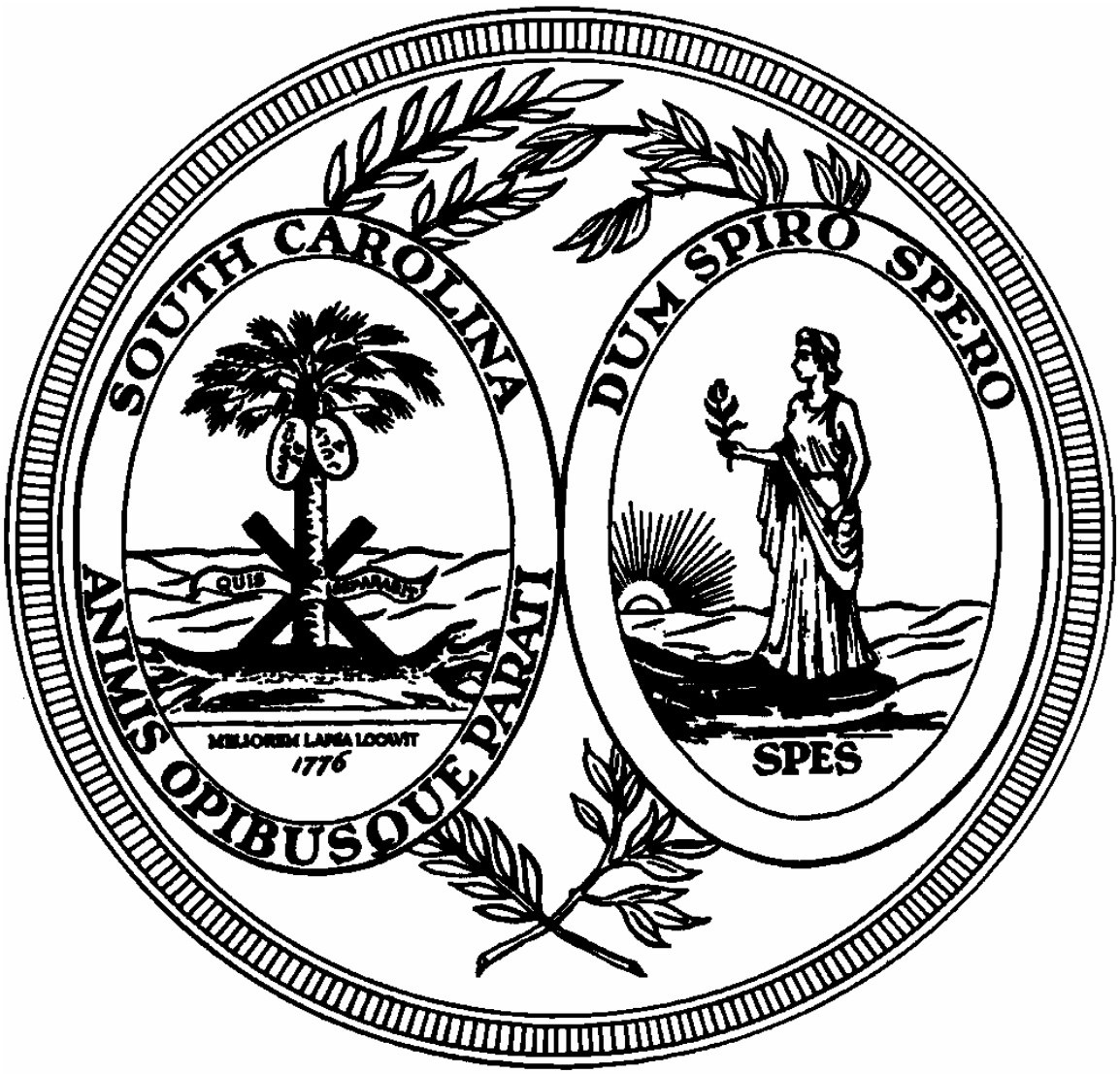
2016	2015
$ 690	$ 697
4,481	4,417
612	(262)
—	—
(4,249)	(4,248)
1,534	604
61,530	60,926
$ 63,064	$ 61,530
$ 4,591	$ 4,586
(4,249)	(4,248)
313	2,806
(11)	(10)
644	3,134
22,558	19,424
$ 23,202	$ 22,558
$ 39,862	$ 38,972
36.79%	36.66%
N/A	N/A
N/A	N/A

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	**2021**	**2020**	**2019**	**2018**	**2017**
State's Proportion of the Net OPEB Liability	20.31%	20.73%	20.92%	20.95%	20.95%
State's Proportionate Share of the Net OPEB Liability	$ 3,665,881	$ 3,134,761	$ 2,964,579	$ 2,837,273	$ 3,030,783
State Covered Payroll	$ 1,919,893	$ 1,830,287	$ 1,804,721	$ 1,767,564	$ 1,704,840
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.39%	8.44%	7.91%	7.60%	6.62%

* - The State implemented GASB 75 in fiscal year 2018, which changed prior calculations of the total OPEB liabilities. As such, only the last five years' information is available.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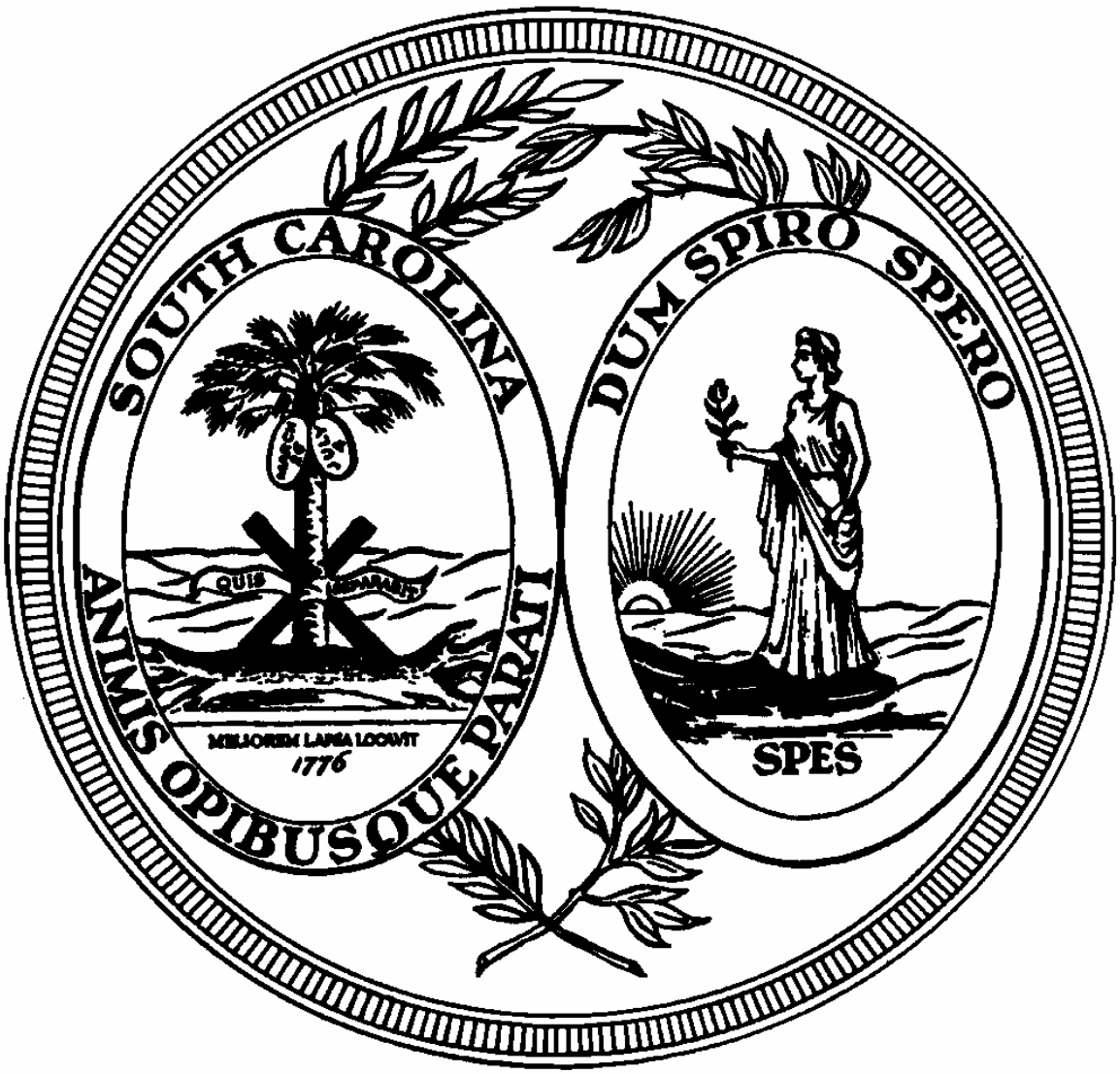
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's SCRHITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

SCRHITF - The South Carolina Retiree Health Insurance Trust Fund

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 118,591	$ 146,271	$ 133,157	$ 102,826	$ 166,834
Contributions in Relation to the Contractually Required Contribution	(118,591)	(146,271)	(133,157)	(102,826)	(102,887)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ —	$ 63,947
State Covered Payroll	$1,902,583	$1,919,893	$1,830,287	$1,804,721	$1,767,564
Contributions as a Percentage of Covered Payroll	6.23%	7.62%	7.28%	5.70%	5.82%

2016	2015	2014	2013	2012
$ 157,065	$ 156,653	$ 163,194	$ 171,551	$ 164,938
(95,903)	(119,745)	(99,102)	(85,810)	(87,782)
$ 61,162	$ 36,908	$ 64,092	$ 85,741	$ 77,156
$1,704,840	N/A	N/A	N/A	N/A
5.63%	N/A	N/A	N/A	N/A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REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's Proportionate Share of the Net OPEB Liability
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2021	2020	2019	2018	2017
State's Proportion of the Net OPEB Liability	17.91%	18.55%	21.98%	21.71%	21.71%
State's Proportionate Share of the Net OPEB Liability	$ 54	$ 365	$ 673	$ 394	$ 151
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	99.29%	95.17%	92.20%	95.29%	95.29%

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

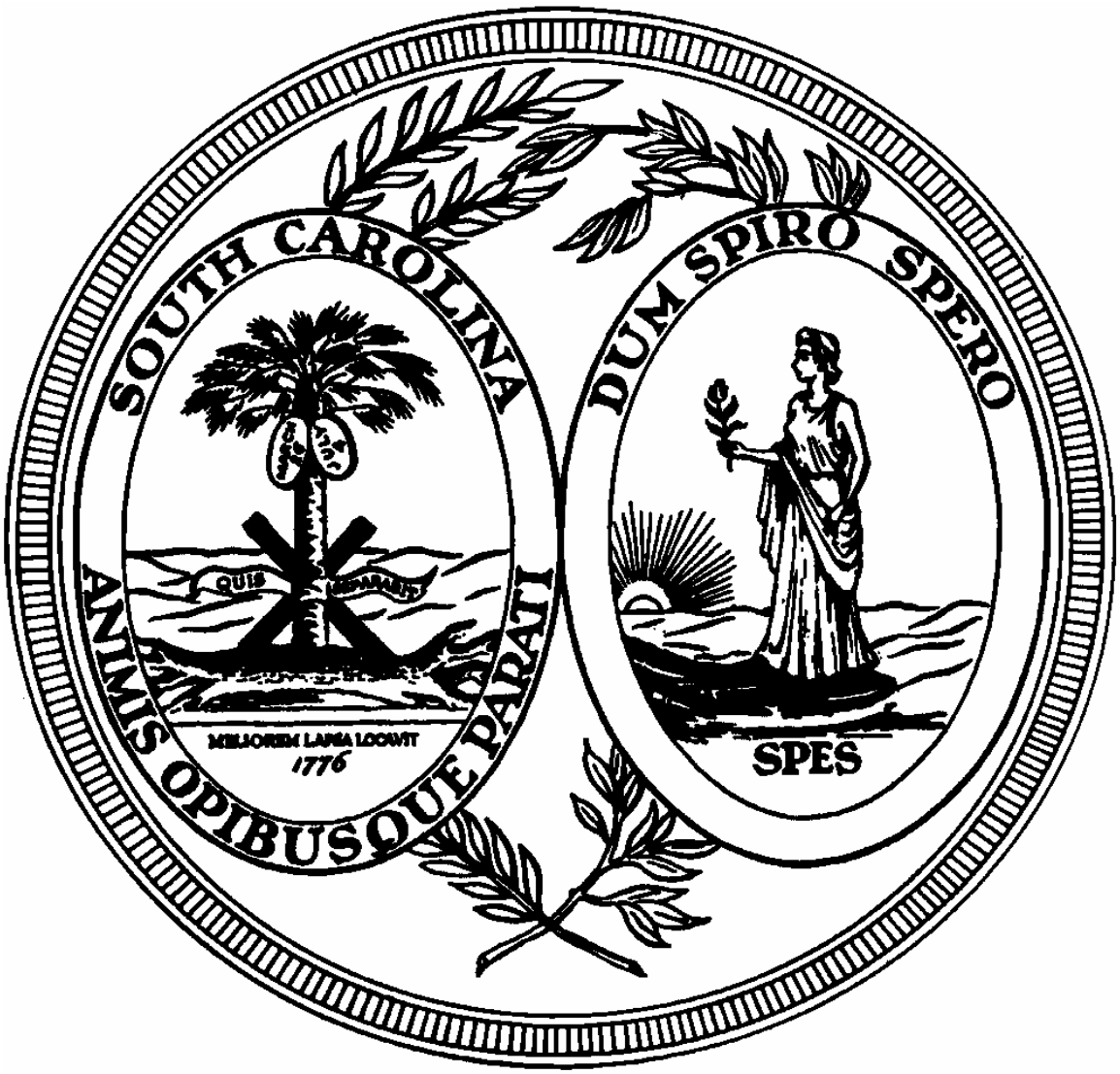
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the State of South Carolina's LTDITF Contributions
(Expressed in Thousands)

Last 10 Fiscal Years

LTDITF - The Long Term Disability Insurance Trust Fund

	2021	2020	2019	2018	2017
Contractually Required Contribution	$ 1,357	$ 1,402	$ 1,656	$ 1,976	$ 2,918
Contributions in Relation to the Contractually Required Contribution	(1,357)	(1,402)	(1,656)	(1,658)	(1,669)
Contribution Deficiency/(Excess)	$ —	$ —	$ —	$ 318	$ 1,249

2016	2015	2014	2013	2012
$ 2,845	$ 2,256	$ 1,574	$ 2,043	$ 2,004
(1,547)	(1,520)	(1,508)	(1,476)	(1,465)
$ 1,298	$ 736	$ 66	$ 567	$ 539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S U P P L E M E N T A R Y
I N F O R M A T I O N

Governmental Funds

Governmental funds include the General Fund, several special revenue funds, a Capital Projects Fund, and three permanent funds.

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor governmental funds:

- Combining Balance Sheet—Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds
- General Reserve Fund Activity—Budgetary General Fund

Generally accepted accounting principles (GAAP) for governments require that an Annual Comprehensive Financial Report (ACFR) include budgetary comparison schedules for "individual nonmajor special revenue funds and other governmental funds of the primary government (including its blended component units)." Such schedules would be included as supplementary information in this subsection of the ACFR if they were applicable. The State of South Carolina, however, does not prepare separate budgets for its individual special revenue funds or for its other governmental funds. Accordingly, this subsection includes no budgetary comparison schedules. (Also see the budgetary comparison schedules within the Required Supplementary Information section of this report.)

Note 1b in the notes to the financial statements describes the State's major governmental funds. The paragraphs below describe all other individual governmental funds that the State uses.

a. Nonmajor Special Revenue Funds

Special revenue funds account for specific revenue sources (other than trusts for individuals, private organizations, or other governments or for major capital projects) that are legally restricted to expenditure for specified purposes. The State uses the nonmajor special revenue funds described below:

Waste Management Fund. This fund accounts for fees collected from consumers, generators of solid and hazardous wastes, and owners and operators of solid waste and hazardous waste storage facilities. These fees must be used for the purposes set forth in the State's Solid Waste Policy and Management Act of 1991 and to cover the State's costs in governmental actions involving uncontrolled hazardous waste sites.

Accommodations and Local Option Sales Tax Fund. This fund accounts for: (1) a special additional 2% sales tax on the gross proceeds on the rental of transient accommodations and (2) a special 1% sales tax applicable in some localities within the State. The State allocates these revenues to counties and municipalities in accordance with State law.

Education Lottery Fund. State law requires the Lottery Commission, a major discretely presented component unit, to transfer all proceeds from lottery ticket sales and other revenues net of expenses to the Education Lottery Fund. The Fund distributes these monies for education purposes and programs as stipulated in State law. These programs include tuition assistance, needs-based grants, scholarships for the State's universities and technical colleges and acquisition or improvement of physical resources for education.

Tobacco Settlement Revenue Management Authority Fund. The Tobacco Settlement Revenue Management Authority was created to issue bonds that securitized future payments received under the multi-state legal settlement with the tobacco industry. The State transferred to the Authority, from its General Fund, all of its rights to the future tobacco settlement revenues.

The *State Tobacco Settlement Fund* accounts for revenues received from the General Fund and from the Tobacco Settlement Revenue Management Authority. Various healthcare and local government programs use these funds and the related interest.

Public Telecommunications Fund. The Public Telecommunications Fund of the State's Office of Regulatory Staff accounts for revenues collected from telephone companies within the State and redistributed to certain telephone companies in an effort to align prices and cost recovery with costs. This program also is intended to ensure basic telephone service at affordable rates is available to all citizens. Other revenues of the Fund include telephone customer surcharges for the 911 emergency system mandated by the FCC. These monies are collected from the telephone companies and distributed to local governments for their 911 emergency telephone systems.

Other Special Revenue Funds. These funds, aggregated for reporting purposes, account for various other revenues that must be used for specific purposes. These funds include operations of various employment services, water recreation, agricultural boards, forest renewal programs, medical and dental scholarships, energy-related programs, and certain programs administered by the Department of Probation, Parole, and Pardon Services.

b. Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments). Capital outlays financed from general obligation bond proceeds are accounted for through the Capital Projects Fund.

c. Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs—that is, for the benefit of the State or its citizenry.

Bequests Fund. Sometimes private citizens make bequests of specific assets within their wills to the State. Typically, these gifts provide that the State may expend the earnings, but not the principal, to support certain State agencies or certain programs within a specific State agency. The Bequests Fund accounts for these funds.

Children's Education Endowment Fund. This fund accounts for low-level radioactive waste fees collected from the Barnwell waste facility that are not required to be deposited to the General Fund or remitted to Barnwell County. These funds are to be used for public school facilities assistance and higher education scholarship grants.

Wildlife Endowment Fund. The Wildlife Endowment Fund accounts for funds received from private citizens as gifts and contributions, as well as fees for certain lifetime hunting and fishing licenses. The State may expend the earnings, but not the principal, in furthering the conservation of wildlife resources and the efficient operation of the State's Department of Natural Resources.

Combining Balance Sheet

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2021
(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	Accommodations and Local Option Sales Tax	Education Lottery	Tobacco Settlement Revenue Management Authority	State Tobacco Settlement	Public Telecommunications
ASSETS						
Cash and cash equivalents	$ 19,669	$ 259,484	$ 65,243	$ 5,283	$ 16,455	$ 5,026
Investments	165,497	123,946	232,647	—	114,650	9,189
Invested securities lending collateral	5,560	4,164	7,816	—	3,852	309
Receivables, net:						
Accounts	340	149	13,544	—	132	19
Accrued interest	1,292	566	1,813	—	503	73
Sales and other taxes	242	126,870	—	—	—	416
Due from Federal government and other grantors	—	—	—	—	—	—
Due from other funds	962	819	379	—	—	—
Due from component units	—	—	23,647	—	—	—
Restricted assets:						
Other	—	—	—	38,000	—	—
Prepaid items	—	—	300	—	—	1
Total assets	**$ 193,562**	**$ 515,998**	**$ 345,389**	**$ 43,283**	**$ 135,592**	**$ 15,033**
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	2,479	516	47,668	122	—	119
Accrued salaries and related expenditures	58	—	40	—	—	20
Retainages payable	—	—	—	—	—	—
Intergovernmental payables	855	245,111	—	—	—	—
Due to other funds	74	30,586	22	—	—	41
Due to component units	—	—	34,962	—	—	—
Securities lending collateral	5,560	4,164	7,816	—	3,852	309
Other liabilities	—	—	—	—	—	—
Total liabilities	**9,026**	**280,377**	**90,508**	**122**	**3,852**	**489**
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	—	—	—	—	—	650
Total deferred inflows of resources	**—**	**—**	**—**	**—**	**—**	**650**
Fund balances:						
Nonspendable	—	—	300	—	—	1
Restricted	184,259	235,621	254,581	43,161	128,394	13,893
Committed	277	—	—	—	3,346	—
Assigned	—	—	—	—	—	—
Total fund balances	**184,536**	**235,621**	**254,881**	**43,161**	**131,740**	**13,894**
Total liabilities and fund balances	**$ 193,562**	**$ 515,998**	**$ 345,389**	**$ 43,283**	**$ 135,592**	**$ 15,033**

Exhibit D-1

			PERMANENT				
Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ 60,323	$ 431,483	$ 65,163	$ 165	$ 4,998	$ 460	$ 5,623	$ 502,269
65,134	711,063	30,003	817	2,811	8,260	11,888	752,954
2,152	23,853	1,008	25	241	243	509	25,370
154	14,338	74	1	15	20	36	14,448
505	4,752	281	6	31	67	104	5,137
984	128,512	—	—	—	—	—	128,512
—	—	388	—	—	—	—	388
1,391	3,551	408	—	—	—	—	3,959
—	23,647	8,386	—	—	—	—	32,033
—	38,000	—	—	—	—	—	38,000
11	312	—	—	—	—	—	312
$ 130,654	**$ 1,379,511**	**$ 105,711**	**$ 1,014**	**$ 8,096**	**$ 9,050**	**$ 18,160**	**$ 1,503,382**
1,394	52,298	5,438	—	—	—	—	57,736
214	332	—	—	—	5	5	337
—	—	3,025	—	—	—	—	3,025
2,477	248,443	105	—	—	—	—	248,548
245	30,968	448	—	—	3	3	31,419
2	34,964	998	—	—	—	—	35,962
2,152	23,853	1,008	25	241	243	509	25,370
309	309	—	—	—	—	—	309
6,793	**391,167**	**11,022**	**25**	**241**	**251**	**517**	**402,706**
—	650	—	—	—	—	—	650
—	**650**	**—**	**—**	**—**	**—**	**—**	**650**
11	312	—	568	7,855	3,179	11,602	11,914
69,096	929,005	1,667	421	—	5,620	6,041	936,713
54,683	58,306	—	—	—	—	—	58,306
71	71	93,022	—	—	—	—	93,093
123,861	**987,694**	**94,689**	**989**	**7,855**	**8,799**	**17,643**	**1,100,026**
$ 130,654	**$ 1,378,861**	**$ 105,711**	**$ 1,014**	**$ 8,096**	**$ 9,050**	**$ 18,160**	**$ 1,502,732**

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	SPECIAL REVENUE					
	Waste Management	Accommodations and Local Option Sales Tax	Education Lottery	Tobacco Settlement Revenue Management Authority	State Tobacco Settlement	Public Tele-commun-ications
Revenues:						
Taxes:						
Retail sales and use	$ 2,719	$ 1,308,362	$ —	$ —	$ —	$ —
Other	6	—	—	—	—	—
Licenses, fees, and permits	5,379	—	—	—	—	42,739
Interest and other investment income	285	535	4,488	976	(876)	(6)
Federal	—	—	—	—	—	—
Departmental services	—	—	—	—	—	—
Contributions	—	—	607,641	—	—	—
Fines and penalties	—	—	—	—	1,052	—
Tobacco legal settlement	—	—	—	88,349	—	—
Other	298	—	24,284	—	—	894
Total revenues	**8,687**	**1,308,897**	**636,413**	**89,325**	**176**	**43,627**
Expenditures:						
Current:						
General government	1,766	—	25,135	2,058	31	45,586
Education	—	—	477,004	—	—	—
Health and environment	5,243	—	12	—	—	—
Social services	—	—	—	—	—	—
Resources and economic development	—	—	—	—	—	—
Capital outlay	90	—	20,201	—	—	84
Debt service:						
Principal retirement	—	—	2,889	—	—	2
Interest and fiscal charges	—	—	21	—	—	—
Intergovernmental	5,457	1,282,031	13,365	—	—	—
Total expenditures	**12,556**	**1,282,031**	**538,627**	**2,058**	**31**	**45,672**
Excess of revenues over (under) expenditures	**(3,869)**	**26,866**	**97,786**	**87,267**	**145**	**(2,045)**
Other financing sources (uses):						
Refunding bonds issued	—	—	—	—	—	—
Premiums on bonds issued	—	—	—	—	—	—
Payment to refunded bond escrow agent	—	—	—	—	—	—
Capital leases	—	—	—	—	—	1
Transfers in	137	—	—	—	83,298	—
Transfers out	(418)	—	—	(83,298)	(2,028)	—
Total other financing sources (uses)	**(281)**	**—**	**—**	**(83,298)**	**81,270**	**1**
Net change in fund balances	**(4,150)**	**26,866**	**97,786**	**3,969**	**81,415**	**(2,044)**
Fund balances at beginning of year, as restated	**188,686**	**208,755**	**157,095**	**39,192**	**50,325**	**15,938**
Fund balances at end of year	**$ 184,536**	**$ 235,621**	**$ 254,881**	**$ 43,161**	**$ 131,740**	**$ 13,894**

Exhibit D-2

			PERMANENT				
Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Children's Education Endowment	Wildlife Endowment	Totals	TOTALS
$ —	$ 1,311,081	$ —	$ —	$ —	$ —	$ —	$ 1,311,081
3,708	3,714	—	—	—	—	—	3,714
7,281	55,399	—	—	—	686	686	56,085
389	5,791	(378)	(76)	(46)	(7)	(129)	5,284
—	—	162	—	—	—	—	162
34,557	34,557	2,702	—	—	—	—	37,259
87	607,728	—	43	—	—	43	607,771
5,410	6,462	—	—	—	—	—	6,462
—	88,349	—	—	—	—	—	88,349
—	25,476	732	112	2	1	115	26,323
51,432	**2,138,557**	**3,218**	**79**	**(44)**	**680**	**715**	**2,142,490**
27,965	102,541	—	3	—	—	3	102,544
—	477,004	—	—	5,304	—	5,304	482,308
59	5,314	—	—	—	—	—	5,314
2	2	—	54	—	—	54	56
6,450	6,450	—	—	—	150	150	6,600
12	20,387	104,141	—	—	—	—	124,528
3	2,894	—	—	—	—	—	2,894
—	21	984	—	—	—	—	1,005
36,830	1,337,683	(3,961)	—	(5,308)	—	(5,308)	1,328,414
71,321	**1,952,296**	**101,164**	**57**	**(4)**	**150**	**203**	**2,053,663**
(19,889)	**186,261**	**(97,946)**	**22**	**(40)**	**530**	**512**	**88,827**
—	—	83,935	—	—	—	—	83,935
—	—	10,410	—	—	—	—	10,410
—	—	(93,299)	—	—	—	—	(93,299)
1	2	—	—	—	—	—	2
7,443	90,878	56,071	—	—	—	—	146,949
(399)	(86,143)	(18,508)	—	—	—	—	(104,651)
7,045	**4,737**	**38,609**	**—**	**—**	**—**	**—**	**43,346**
(12,844)	**190,998**	**(59,337)**	**22**	**(40)**	**530**	**512**	**132,173**
136,705	**796,696**	**154,026**	**967**	**7,895**	**8,269**	**17,131**	**967,853**
$ 123,861	**$ 987,694**	**$ 94,689**	**$ 989**	**$ 7,855**	**$ 8,799**	**$ 17,643**	**$ 1,100,026**

General Reserve Fund Activity

Exhibit D-3

BUDGETARY GENERAL FUND

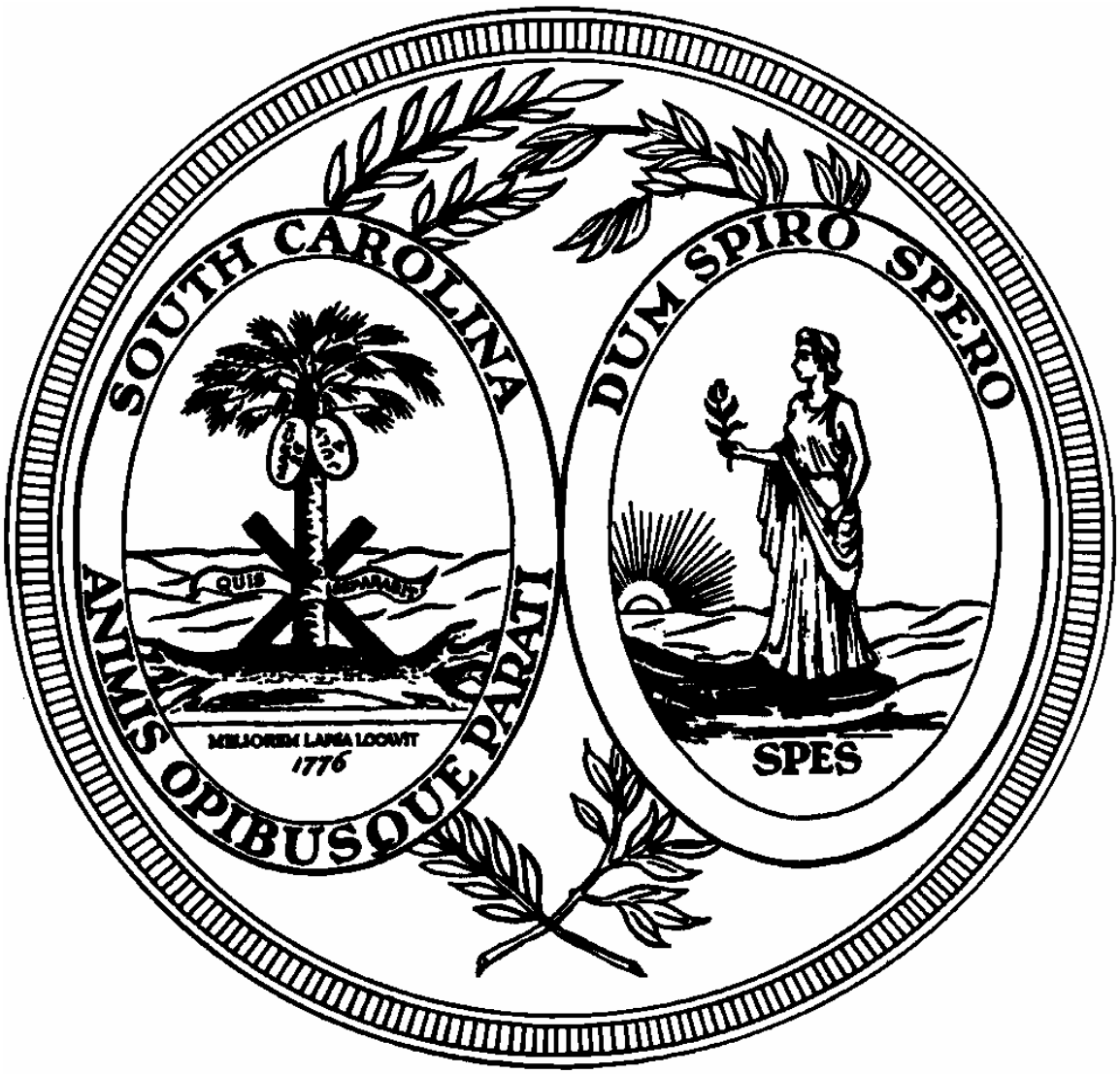
Last Ten Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Reserve Fund (Reserve). The Reserve primarily is designed to prevent Budgetary General Fund deficits. On November 4, 1988, a Constitutional amendment was passed, which permanently changed the funding requirement for the Reserve to three percent of the Budgetary General Fund revenue of the previous fiscal year. An additional Constitutional amendment was passed to be effective for the fiscal year 2011-2012, that requires the amount in the Reserve to be gradually increased one-half of one percent annually until the Reserve is five percent of the Budgetary General Fund revenue of the previous fiscal year.

If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

Key amounts for the General Reserve Fund for the last ten fiscal years are (dollars in thousands):

Fiscal Year Ended June 30	Start-of-Year Balance	Deposits	Withdrawals	End-of-Year Balance	Full-Funding Amount	Actual End-of-Year % Funded
2021	$ 406,213	$ 34,025	$ —	$ 440,238	$ 440,238	100%
2020	379,123	27,090	—	406,213	406,213	100%
2019	363,552	15,571	—	379,123	379,123	100%
2018	348,019	15,533	—	363,552	363,552	100%
2017	327,619	20,400	—	348,019	348,019	100%
2016	319,479	8,140	—	327,619	327,619	100%
2015	292,890	26,589	—	319,479	319,479	100%
2014	281,641	11,249	—	292,890	263,601	111%
2013	183,466	98,175	—	281,641	225,313	125%
2012	166,325	17,141	—	183,466	183,466	100%


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

Proprietary Funds

Proprietary funds include enterprise and internal service funds. This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor proprietary funds:

- Combining Statement of Net Position—Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Position—Nonmajor Enterprise Funds
- Combining Statement of Cash Flows—Nonmajor Enterprise Funds
- Combining Statement of Net Position—Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Position—Internal Service Funds
- Combining Statement of Cash Flows—Internal Service Funds

Note 1b in the notes to the financial statements describes the State's major enterprise funds. The paragraphs below describe all nonmajor enterprise funds and the internal service funds that the State uses.

a. Nonmajor Enterprise Funds

The State uses enterprise funds to report activities for which it charges fees to external users for goods or services if *any* of the following situations applies:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The State uses the nonmajor enterprise funds described below.

Canteen Fund. This fund accounts for the operations of canteens at various correctional institutions.

Tuition Prepayment Program Fund. This fund, previously known as the PACE program, allows contributors to make payments, under the terms of a tuition prepayment contract, to cover future undergraduate tuition expenses of a designated beneficiary at a South Carolina public higher education institution. Alternatively, the benefits of this contract can be applied toward the cost of tuition, up to the weighted average tuition at South Carolina public institutions, at any accredited college or university to which the designated beneficiary has been admitted.

Palmetto Railways Fund. The Public Railways Division of the Department of Commerce d/b/a Palmetto Railways consists of two divisions: the Ports Utilities Commission and Port Terminal Railroad, which operates the railroad yard at the Charleston Harbor; and the East Cooper and Berkeley Railroad, which operates the railroad line in Berkeley County.

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development of the South Carolina Department of Commerce, operation of the Columbia Farmers' Market, and enterprise operations of the Adjutant General's Office and the State Board for Technical and Comprehensive Education.

b. Internal Service Funds

The State uses the internal service funds described below to report activities that provide goods or services to other State funds, departments, agencies, component units, and/or to other governments, on a cost-reimbursement basis if the State is the predominant participant in the activity. If the State is *not* the predominant participant, it reports the activity as an enterprise fund.

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. State law limits the Fund's customers to certain governmental persons/entities within the State and certain associated parties.

Employee Insurance Programs Fund. This is a risk management fund that underwrites the group health, dental, life, accidental death and dismemberment, disability, and long-term care benefits provided to State and public school employees and retirees.

State Accident Fund. This is a risk management fund that provides workers' compensation benefits predominantly to State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include telecommunication and computer services, rental of office buildings, janitorial services, building maintenance, and procurement services.

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of internal service funds. Such activities include provision of training programs for State employees and work activity centers of the Vocational Rehabilitation Department.

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS

June 30, 2021
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
ASSETS			
Current assets:			
Cash and cash equivalents	$ 3,662	$ 3,218	$ 15,599
Investments	—	16,627	—
Invested securities lending collateral	—	—	30
Receivables, net:			
Accounts	16	86	5,073
Participants	—	91	—
Accrued interest	—	—	8
Due from other funds	—	—	—
Inventories	1,043	—	502
Prepaid items	7	—	419
Total current assets	4,728	20,022	21,631
Long-term assets:			
Receivables, net:			
Participants	—	50	—
Non-depreciable capital assets	—	—	299,045
Depreciable capital assets, net	571	—	22,260
Total long-term assets	571	50	321,305
Total assets	**5,299**	**20,072**	**342,936**
DEFERRED OUTFLOWS OF RESOURCES			
Pension related	582	—	1,849
Other post-employment benefits related	673	—	2,432
Total deferred outflows of resources	**$ 1,255**	**$ —**	**$ 4,281**

Exhibit E-1

Other Enterprise	Totals
$ 21,064	$ 43,543
36	16,663
1	31
120	5,295
—	91
—	8
255	255
—	1,545
—	426
21,476	67,857
—	50
498	299,543
1,719	24,550
2,217	324,143
23,693	**392,000**
4,280	6,711
4,960	8,065
$ 9,240	**$ 14,776**

Continued on Next Page

Combining Statement of Net Position

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2021
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
LIABILITIES			
Current liabilities:			
Accounts payable	$ 192	$ 105	$ 2,003
Accrued salaries and related expenses	167	—	1,009
Accrued interest payable	—	—	158
Intergovernmental payables	1	—	—
Interfund payables	—	—	51,000
Tuition benefits payable	—	10,739	—
Due to other funds	77	—	—
Unearned revenues	—	—	33
Deposits	—	—	300
Securities lending collateral	—	—	30
Revenue bonds payable	—	—	205
Compensated absences payable	122	—	278
Other current liabilities	—	—	12
Total current liabilities	559	10,844	55,028
Long-term liabilities:			
Tuition benefits payable	—	38,180	—
Notes payable	—	—	6,500
Revenue bonds payable	—	—	4,785
Compensated absences payable	121	—	82
Net pension liability	3,259	—	12,154
Net OPEB liability	2,905	—	10,740
Total long-term liabilities	6,285	38,180	34,261
Total liabilities	**6,844**	**49,024**	**89,289**
DEFERRED INFLOWS OF RESOURCES			
Pension related	128	—	601
Other post-employment benefits related	304	—	1,234
Total deferred inflows of resources	**432**	**—**	**1,835**
NET POSITION			
Net investment in capital assets	$ 571	$ —	$ 309,815
Unrestricted	(1,293)	(28,952)	(53,722)
Total net position (deficit)	**$ (722)**	**$ (28,952)**	**$ 256,093**

Exhibit E-1

Other Enterprise	Totals
$ 138	$ 2,438
923	2,099
—	158
2	3
—	51,000
—	10,739
508	585
—	33
—	300
1	31
—	205
696	1,096
—	12
2,268	68,699
—	38,180
—	6,500
—	4,785
693	896
24,002	39,415
21,396	35,041
46,091	124,817
48,359	**193,516**
944	1,673
2,243	3,781
3,187	**5,454**
$ 2,217	$ 312,603
(20,830)	(104,797)
$ (18,613)	**$ 207,806**

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways
Operating revenues:			
Charges for services	$ 24,837	$ —	$ 21,873
Contributions	—	213	—
Federal grants and contracts	—	—	20,966
Interest and other investment income	—	13,507	—
Licenses, fees, and permits	—	—	—
Other operating revenues	—	—	22
Total operating revenues	**24,837**	**13,720**	**42,861**
Operating expenses:			
General operations and administration	20,510	325	14,862
Tuition plan disbursements	—	10,800	—
Depreciation and amortization	159	—	1,176
Other operating expenses	—	—	—
Total operating expenses	**20,669**	**11,125**	**16,038**
Operating income (loss)	**4,168**	**2,595**	**26,823**
Nonoperating revenues (expenses):			
Interest income	—	—	111
Interest expense	—	—	(158)
Net other nonoperating revenues (expenses)	—	—	1,076
Gains on sale of capital assets	—	—	85
Total nonoperating revenues (expenses)	**—**	**—**	**1,114**
Income (loss) before transfers	**4,168**	**2,595**	**27,937**
Transfers in	232	—	—
Transfers out	(4,796)	—	—
Change in net position	**(396)**	**2,595**	**27,937**
Net position (deficit), at beginning of year, as restated	**(326)**	**(31,547)**	**228,156**
Net position (deficit) at end of year	**$ (722)**	**$ (28,952)**	**$ 256,093**

Exhibit E-2

Other Enterprise	Totals
$ 2,268	$ 48,978
—	213
—	20,966
—	13,507
19,252	19,252
—	22
21,520	**102,938**
58,201	93,898
—	10,800
317	1,652
50	50
58,568	**106,400**
(37,048)	**(3,462)**
—	111
—	(158)
137	1,213
—	85
137	**1,251**
(36,911)	**(2,211)**
—	232
(1,906)	(6,702)
(38,817)	**(8,681)**
20,204	**216,487**
$ (18,613)	**$ 207,806**

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers	$ 24,241	$ —	$ 22,267	$ 21,475
Tuition plan contributions received	—	521	—	—
Claims and benefits paid	—	(24,363)	—	—
Payments to suppliers for goods and services	(19,182)	—	(10,280)	(3,158)
Payments to employees	(648)	—	(3,353)	(16,260)
Capital grants and gifts received	—	—	20,966	—
Other operating cash receipts	—	—	319	632
Other operating cash payments	—	(228)	—	(494)
Net cash provided by (used in) operating activities	**4,411**	**(24,070)**	**29,919**	**2,195**
Cash flows from noncapital financing activities:				
Rental income cash receipts	2	—	1,573	—
Industrial development costs	—	—	(793)	—
Transfers in	232	—	—	—
Transfers out	(4,796)	—	—	(1,906)
Net cash provided by (used in) noncapital financing activities	**(4,562)**	**—**	**780**	**(1,906)**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(497)	—	(30,533)	(386)
Principal payments on capital debt	—	—	(198)	—
Interest payments on capital debt	—	—	(97)	—
Proceeds from sale or disposal of capital assets	—	—	85	—
Net cash provided by (used in) capital and related financing activities	**(497)**	**—**	**(30,743)**	**(386)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	—	13,324	—	—
Purchase of investments	—	—	—	(5)
Collection of interfund receivables	—	—	—	—
Collection of interest on interfund receivables	—	—	—	—
Interest and dividends on investments	—	13,507	111	—
Net cash provided by (used in) investing activities	**—**	**26,831**	**111**	**(5)**
Net increase (decrease) in cash and cash equivalents	**(648)**	**2,761**	**67**	**(102)**
Cash and cash equivalents at beginning of year, as restated	**4,310**	**457**	**15,532**	**21,166**
Cash and cash equivalents at end of year	**$ 3,662**	**$ 3,218**	**$ 15,599**	**$ 21,064**

Exhibit E-3

	Totals
$	67,983
	521
	(24,363)
	(32,620)
	(20,261)
	20,966
	951
	(722)
	12,455
	1,575
	(793)
	232
	(6,702)
	(5,688)
	(31,416)
	(198)
	(97)
	85
	(31,626)
	13,324
	(5)
	—
	—
	13,618
	26,937
	2,078
	41,465
$	**43,543**

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Canteen	Tuition Prepayment Program	Palmetto Railways	Other Enterprise
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 4,168	$ 2,595	$ 26,823	$ (37,048)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	159	—	1,176	317
Interest and dividends on investments and interfund loans	—	(13,507)	111	—
Other nonoperating revenues	—	—	319	138
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	308	426	(33)
Due from other funds	—	—	1	—
Inventories	49	—	204	—
Other assets	(604)	—	99	—
Deferred outflows	(603)	—	(1,434)	(9,291)
Accounts payable	(359)	97	(243)	4
Accrued salaries and related expenses	54	—	56	850
Tuition benefits payable	—	(13,563)	—	—
Due to other funds	24	—	—	(15)
Compensated absences payable	70	—	58	69
Other liabilities	1,411	—	1,537	43,882
Deferred inflows	42	—	786	3,322
Net cash provided by (used in) operating activities	**$ 4,411**	**$ (24,070)**	**$ 29,919**	**$ 2,195**
Noncash capital, investing, and financing activities:				
Decrease in fair value of investments	$ —	$ (1,454)	$ —	$ —

Exhibit E-3

	Totals
$	(3,462)
	1,652
	(13,396)
	457
	701
	1
	253
	(505)
	(11,328)
	(501)
	960
	(13,563)
	9
	197
	46,830
	4,150
$	**12,455**
$	(1,454)

Combining Statement of Net Position

INTERNAL SERVICE FUNDS

June 30, 2021
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
ASSETS				
Current assets:				
Cash and cash equivalents	$ 15,436	$ 485,186	$ 357,803	$ 35,572
Investments	—	—	—	2,239
Invested securities lending collateral	27,358	58,956	10,886	75
Receivables, net:				
Accounts	30,852	288,213	54,087	47
Accrued interest	2,820	9	2,533	17
Due from other funds	21,657	1,800	29	1,103
Due from component units	16,766	—	—	—
Inventories	—	—	—	338
Prepaid items	27,202	487	53	325
Total current assets	142,091	834,651	425,391	39,716
Long-term assets:				
Investments	566,414	—	—	—
Accounts receivable, net	—	—	—	—
Prepaid items	—	—	—	266
Other long-term assets	—	—	132	—
Non-depreciable capital assets	—	—	—	6,339
Depreciable capital assets, net	—	117	331	49,032
Total long-term assets	566,414	117	463	55,637
Total assets	**708,505**	**834,768**	**425,854**	**95,353**
DEFERRED OUTFLOWS OF RESOURCES				
Pension related	793	3,752	1,827	4,702
Other post-employment benefits related	1,002	2,990	1,112	5,449
Total deferred outflows of resources	**$ 1,795**	**$ 6,742**	**$ 2,939**	**$ 10,151**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 17,131	$ 3,909	$ 1,352	$ 916,389
—	—	—	2,239
—	—	—	97,275
158	658	—	374,015
—	—	—	5,379
863	255	2	25,709
—	—	—	16,766
—	2,906	—	3,244
—	—	—	28,067
18,152	7,728	1,354	1,469,083
—	—	—	566,414
—	67	—	67
—	—	—	266
—	—	—	132
—	—	—	6,339
24,989	4,265	—	78,734
24,989	4,332	—	651,952
43,141	**12,060**	**1,354**	**2,121,035**
350	1,207	97	12,728
404	1,396	113	12,466
$ 754	**$ 2,603**	**$ 210**	**$ 25,194**

Continued on Next Page

Combining Statement of Net Position

INTERNAL SERVICE FUNDS (Continued)

June 30, 2021
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
LIABILITIES				
Current liabilities:				
Accounts payable	$ 10	$ —	$ 315	$ 6,773
Accrued salaries and related expenses	266	805	534	1,034
Accrued interest payable	—	—	—	—
Intergovernmental payables	—	—	—	4
Policy claims	333,664	244,966	47,534	—
Due to other funds	—	—	—	3,087
Unearned revenues	116,962	22,766	57,082	4,220
Deposits	—	—	9	—
Securities lending collateral	27,358	58,956	10,886	75
Notes payable	—	—	—	—
Compensated absences payable	191	713	224	872
Other current liabilities	—	—	3,501	—
Total current liabilities	478,451	328,206	120,085	16,065
Long-term liabilities:				
Policy claims	—	—	175,885	—
Interfund payables	—	—	—	142
Notes payable	—	—	—	—
Compensated absences payable	48	472	62	701
Other long-term liabilities	—	—	152	—
Net pension liability	5,243	16,039	7,070	26,368
Net OPEB liability	4,690	14,387	4,849	23,505
Total long-term liabilities	9,981	30,898	188,018	50,716
Total liabilities	**488,432**	**359,104**	**308,103**	**66,781**
DEFERRED INFLOWS OF RESOURCES				
Pension related	278	61	111	1,037
Other post-employment benefits related	606	1,171	728	2,464
Total deferred inflows of resources	**884**	**1,232**	**839**	**3,501**
NET POSITION				
Net investment in capital assets	$ —	$ 117	$ 331	$ 55,371
Restricted:				
Expendable:				
Insurance programs	—	481,057	—	—
Unrestricted	220,984	—	119,520	(20,149)
Total net position (deficit)	**$ 220,984**	**$ 481,174**	**$ 119,851**	**$ 35,222**

Exhibit E-4

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 763	$ 211	$ —	$ 8,072
89	942	25	3,695
7	3	—	10
—	1	—	5
—	—	—	626,164
39	193	9	3,328
—	—	—	201,030
—	—	—	9
—	—	—	97,275
3,775	135	—	3,910
66	188	13	2,267
—	—	—	3,501
4,739	1,673	47	949,266
—	—	—	175,885
—	—	—	142
1,339	280	—	1,619
53	151	11	1,498
—	—	—	152
1,957	6,762	542	63,981
1,745	6,028	483	55,687
5,094	13,221	1,036	298,964
9,833	**14,894**	**1,083**	**1,248,230**
77	267	21	1,852
184	632	50	5,835
261	**899**	**71**	**7,687**
$ 19,875	$ 3,850	$ —	$ 79,544
—	—	—	481,057
13,926	(4,980)	410	329,711
$ 33,801	**$ (1,130)**	**$ 410**	**$ 890,312**

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Operating revenues:				
Charges for services	$ 188,870	$ 2,793,023	$ 56,419	$ 76,780
Licenses, fees, and permits	—	—	—	108
Other operating revenues	—	581,660	—	—
Total operating revenues	**188,870**	**3,374,683**	**56,419**	**76,888**
Operating expenses:				
General operations and administration	57,039	273,251	6,698	79,377
Benefits and claims	87,777	3,130,429	72,969	—
Depreciation and amortization	—	55	79	6,290
Other operating expenses	—	—	34	283
Total operating expenses	**144,816**	**3,403,735**	**79,780**	**85,950**
Operating income (loss)	**44,054**	**(29,052)**	**(23,361)**	**(9,062)**
Nonoperating revenues (expenses):				
Interest income	6,301	11,512	(364)	(3)
Interest expense	—	—	(1)	(3)
Net other nonoperating revenues (expenses)	40	—	67	6,678
Losses on sale of capital assets	—	—	(4)	(94)
Total nonoperating revenues (expenses)	**6,341**	**11,512**	**(302)**	**6,578**
Income (loss) before transfers	**50,395**	**(17,540)**	**(23,663)**	**(2,484)**
Transfers in	—	—	—	5,992
Transfers out	(1,215)	—	—	(7,000)
Change in net position	**49,180**	**(17,540)**	**(23,663)**	**(3,492)**
Net position (deficit), at beginning of year	**171,804**	**498,714**	**143,514**	**38,714**
Net position (deficit) at end of year	**$ 220,984**	**$ 481,174**	**$ 119,851**	**$ 35,222**

Exhibit E-5

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 32,842	$ 14,451	$ 305	$ 3,162,690
3	—	—	111
—	—	—	581,660
32,845	**14,451**	**305**	**3,744,461**
19,820	16,142	892	453,219
—	—	—	3,291,175
12,312	405	—	19,141
—	—	—	317
32,132	**16,547**	**892**	**3,763,852**
713	**(2,096)**	**(587)**	**(19,391)**
—	(2)	—	17,444
(134)	(17)	—	(155)
3,258	1,516	192	11,751
(126)	—	—	(224)
2,998	**1,497**	**192**	**28,816**
3,711	**(599)**	**(395)**	**9,425**
—	—	—	5,992
(2,281)	—	—	(10,496)
1,430	**(599)**	**(395)**	**4,921**
32,371	**(531)**	**805**	**885,391**
$ 33,801	**$ (1,130)**	**$ 410**	**$ 890,312**

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services
Cash flows from operating activities:				
Receipts from customers	$ 90,411	$ 2,793,144	$ 9,996	$ —
Internal activity–payments from other funds	93,560	—	46,777	88,611
Other operating cash receipts	40	448,870	—	5,166
Claims paid	(88,883)	—	(52,292)	—
Payments to suppliers for goods and services	(54,383)	(3,341,839)	(523)	(58,889)
Payments to employees	(3,352)	(9,730)	(4,837)	(17,024)
Net cash provided by (used in) operating activities	**37,393**	**(109,555)**	**(879)**	**17,864**
Cash flows from noncapital financing activities:				
Local and private grants and contracts	—	—	—	(143)
Insurance claims	—	—	—	—
Transfers in	—	—	—	5,992
Transfers out	(1,215)	—	—	(7,000)
Net cash provided by (used in) noncapital financing activities	**(1,215)**	**—**	**—**	**(1,151)**
Cash flows from capital and related financing activities:				
Acquisition of capital assets	—	(76)	(273)	—
Principal payments on capital debt	—	—	(28)	(507)
Interest payments on capital debt	—	—	(1)	(4)
Proceeds from sale or disposal of capital assets	—	—	—	—
Net cash used in capital and related financing activities	**—**	**(76)**	**(302)**	**(511)**
Cash flows from investing activities:				
Proceeds from sales and maturities of investments	129,988	—	—	198
Purchase of investments	(178,185)	—	—	(349)
Interest on investments	6,605	11,513	37	2
Net cash provided by (used in) investing activities	**(41,592)**	**11,513**	**37**	**(149)**
Net increase (decrease) in cash and cash equivalents	**(5,414)**	**(98,118)**	**(1,144)**	**16,053**
Cash and cash equivalents at beginning	**20,850**	**583,304**	**358,947**	**19,519**
Cash and cash equivalents at end of year	**$ 15,436**	**$ 485,186**	**$ 357,803**	**$ 35,572**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ —	$ 14,527	$ —	$ 2,908,078
32,717	—	493	262,158
31	1,516	—	455,623
—	—	—	(141,175)
(18,227)	(4,546)	(236)	(3,478,643)
(1,377)	(11,139)	(369)	(47,828)
13,144	**358**	**(112)**	**(41,787)**
—	—	—	(143)
833	—	—	833
—	—	—	5,992
(2,281)	—	—	(10,496)
(1,448)	**—**	**—**	**(3,814)**
(6,084)	(573)	—	(7,006)
(5,022)	(132)	—	(5,689)
(127)	(14)	—	(146)
2,267	—	—	2,267
(8,966)	**(719)**	**—**	**(10,574)**
—	—	—	130,186
—	—	—	(178,534)
—	(2)	—	18,155
—	**(2)**	**—**	**(30,193)**
2,730	**(363)**	**(112)**	**(86,368)**
14,401	**4,272**	**1,464**	**1,002,757**
$ 17,131	**$ 3,909**	**$ 1,352**	**$ 916,389**

Continued on Next Page

Combining Statement of Cash Flows

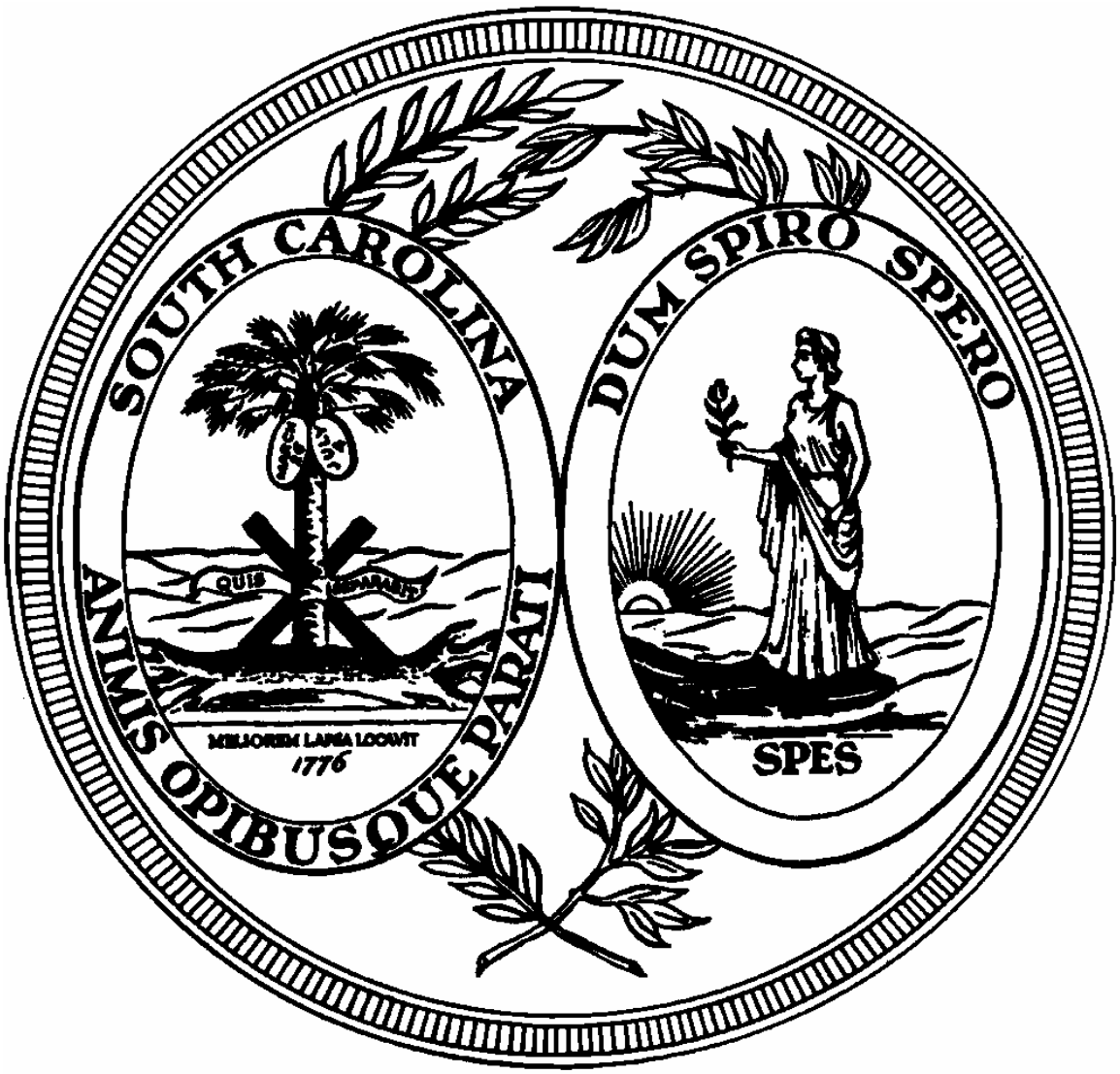
INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2021
(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)	$ 44,054	$ (29,052)	$ (23,361)	$ (9,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	55	79	6,290
Realized losses on sale of assets	—	—	(4)	(94)
Other nonoperating revenues	40	—	67	5,166
Other nonoperating expenses	—	—	(1)	—
Effect of change in operating assets and liabilities:				
Accounts receivable, net	—	(133,370)	(2,700)	344
Due from other funds	(472)	(1,800)	—	11,487
Inventories	—	—	—	309
Other assets	(970)	200	676	(416)
Deferred outflows	(601)	(3,347)	(1,729)	(4,020)
Accounts payable	(79)	—	151	3,120
Accrued salaries and related expenses	1	20	(24)	(16)
Policy claims	(1,107)	52,979	20,652	—
Due to other funds	—	—	—	(672)
Unearned revenues	(4,342)	700	1,145	143
Compensated absences payable	24	106	(27)	11
Other liabilities	758	4,091	4,154	5,469
Deferred inflows	87	(137)	43	(195)
Net cash provided by (used in) operating activities	**$ 37,393**	**$ (109,555)**	**$ (879)**	**$ 17,864**
Noncash capital, investing, and financing activities:				
Disposal of capital assets	$ —	$ —	$ —	$ 20,564
Decrease in fair value of investments	(21,911)	—	—	—
Total noncash capital, investing, and financing activities	**$ (21,911)**	**$ —**	**$ —**	**$ 20,564**

Exhibit E-6

Motor Pool	Prison Industries	Other Internal Service	Totals
$ 713	$ (2,096)	$ (587)	$ (19,391)
12,312	405	—	19,141
(126)	—	—	(224)
31	1,516	192	7,012
—	—	—	(1)
633	331	—	(134,762)
(631)	(255)	(4)	8,325
—	(430)	—	(121)
—	—	—	(510)
(247)	(1,037)	(122)	(11,103)
462	148	—	3,802
2	348	—	331
—	—	—	72,524
(2)	45	—	(629)
—	—	—	(2,354)
(8)	(13)	1	94
51	1,442	387	16,352
(46)	(46)	21	(273)
$ 13,144	**$ 358**	**$ (112)**	**$ (41,787)**
$ —	$ —	$ —	$ 20,564
—	—	—	(21,911)
$ —	**$ —**	**$ —**	**$ (1,347)**


SOUTH CAROLINA
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Fiduciary Funds

Fiduciary funds include pension and other post-employment benefit trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Note 1b in the notes to the financial statements provides definitions of each of these fund types.

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's fiduciary funds:

- Combining Statement of Plan Net Position—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Changes in Plan Net Position—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Fiduciary Net Position—Private-Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Position—Private-Purpose Trust Funds
- Combining Statement of Changes in Assets and Liabilities—Custodial Funds

The State maintains only one investment trust fund, so no combining statements are necessary for that fund type. The paragraphs below describe all other individual fiduciary funds that the State uses.

a. Pension and Other Post-Employment Benefit Trust Funds

South Carolina Retirement System. This is a multiple-employer pension system that benefits employees of the State, public schools, and political subdivisions of the State.

Police Officers' Retirement System. This is a multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions.

General Assembly Retirement System. This is a single-employer pension system that benefits members of the South Carolina General Assembly.

Judges' and Solicitors' Retirement System. This is a single-employer pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors.

National Guard Retirement System. The State administers this single-employer pension system that provides a supplemental retirement benefit to members of the South Carolina National Guard. The State is a nonemployer contributor to the system.

South Carolina Retiree Health Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer post-employment health and dental benefit plans.

Long-term Disability Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer long-term disability insurance plans.

b. Private-Purpose Trust Funds

College Savings Plan Fund. The Future Scholar 529 College Savings Plan (the Plan), accounted for in this fund, provides participant families a tax-advantaged method of saving for future college costs. A primary objective of both the financial advisor program and the direct program within the Plan is to provide families with flexibility and professional investment management in meeting their college savings objectives.

Other Private-Purpose Trust Funds. This fund accounts for monies the State has received as trustee under various trust arrangements that specify how the principal and interest earnings must be used. In each case, all of the principal and income benefit individuals, private organizations, or governments outside the State reporting entity; none of the monies may be used for State purposes. The purposes to which the resources of these funds are dedicated include scholarships, the operation of the equestrian center and activities at the Springdale Race Course (for the exclusive benefit of the Carolina Cup Racing Association, Inc., a private nonprofit corporation), and the decommissioning of a low-level radioactive waste disposal facility on behalf of Chem-Nuclear Systems, Inc., a for-profit corporation.

c. Custodial Funds

Custodial Funds are used to account for resources held by the State in a short-term caretaker capacity for individuals, private organizations, and other governments. Balances in these funds, aggregated for presentation purposes, represent amounts held for prisoners and patients of State institutions, cash bonds, miscellaneous clearing accounts, and other deposits.

Combining Statement of Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

June 30, 2021
(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents	$ 1,245,440	$ 219,193	$ 4,355	$ 13,328	$ 6,517
Receivables:					
Contributions	271,414	29,508	9	1,389	2
Accrued interest	29,062	5,319	36	180	30
Unsettled investment sales	2,324,803	425,476	2,849	14,351	2,412
Other investment receivables	207	38	—	1	—
Total receivables	2,625,486	460,341	2,894	15,921	2,444
Due from other funds	—	133	—	—	—
Investments, at fair value:					
Short-term investments and opportunistic	72,206	13,215	88	446	75
Debt-domestic	2,585,942	473,269	3,168	15,963	2,683
Equity-international	16,237,652	2,971,752	19,895	100,236	16,846
Alternatives	13,144,090	2,405,580	16,105	81,140	13,636
Financial and other	—	—	—	—	—
Total investments	32,039,890	5,863,816	39,256	197,785	33,240
Invested securities lending collateral	17,918	3,279	22	111	18
Capital assets, net	1,871	199	5	9	—
Prepaid items	756	135	1	5	1
Total assets	**35,931,361**	**6,547,096**	**46,533**	**227,159**	**42,220**
LIABILITIES					
Accounts payable	3,424	627	4	21	3
Accounts payable–unsettled investment purchases	2,264,295	414,402	2,774	13,978	2,349
Policy claims	—	—	—	—	—
Due to other funds	85,932	1,708	2	9	2
Securities lending collateral	55,371	10,133	68	342	56
Other liabilities	32,033	8,554	30	126	26
Total liabilities	**2,441,055**	**435,424**	**2,878**	**14,476**	**2,436**
NET POSITION					
Restricted for pension benefits	$ 33,490,306	$ 6,111,672	$ 43,655	$ 212,683	$ 39,784
Restricted for other post-employment benefits	—	—	—	—	—
Held in trust for pension and other post-employment benefits	**$ 33,490,306**	**$ 6,111,672**	**$ 43,655**	**$ 212,683**	**$ 39,784**

Exhibit F-1

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 68,029	$ 1,974	$ 1,558,836
—	—	302,322
7,697	266	42,590
—	—	2,769,891
—	—	246
7,697	266	3,115,049
85,720	—	85,853
—	—	86,030
1,311,208	33,591	4,425,824
—	—	19,346,381
—	—	15,660,551
211,590	6,149	217,739
1,522,798	39,740	39,736,525
41,375	3,056	65,779
—	—	2,084
—	—	898
1,725,619	**45,036**	**44,565,024**
—	—	4,079
—	—	2,697,798
—	718	718
—	—	87,653
42,201	3,117	111,288
—	—	40,769
42,201	**3,835**	**2,942,305**
$ —	$ —	$ 39,898,100
1,683,418	41,201	1,724,619
$ 1,683,418	**$ 41,201**	**$ 41,622,719**

Combining Statement of Changes in Plan Net Position

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	PENSION TRUST FUNDS				
	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
Additions:					
Contributions:					
Employer	$ 1,673,678	$ 262,586	$ 5,956	$ 19,100	$ 5,290
Employee	932,014	152,148	184	3,587	—
Nonemployer	88,706	12,470	—	2,900	—
Total contributions	2,694,398	427,204	6,140	25,587	5,290
Investment income:					
Interest income and net appreciation (depletion) in investments	8,234,470	1,496,739	10,015	50,540	8,479
Securities lending income	1,513	275	2	9	2
Total investment income	8,235,983	1,497,014	10,017	50,549	8,481
Less investment expense:					
Investment expense	468,798	85,661	573	2,890	485
Securities lending expense	—	—	—	—	—
Net investment income	7,767,185	1,411,353	9,444	47,659	7,996
Assets moved between pension trust funds	45	1,401	—	237	—
Total additions	**10,461,628**	**1,839,958**	**15,584**	**73,483**	**13,286**
Deductions:					
Regular retirement benefits	3,090,155	425,232	6,222	25,746	4,574
Supplemental retirement benefits	358	9	—	—	—
Refunds of retirement contributions to members	124,286	24,346	77	—	—
Death benefit claims	29,780	3,780	16	195	—
Accidental death benefits	—	1,973	—	—	—
Other post-employment benefits	—	—	—	—	—
Depreciation	149	19	—	1	—
Administrative expense	17,374	3,102	23	108	20
Assets moved between pension trust funds	1,638	—	45	—	—
Total deductions	**3,263,740**	**458,461**	**6,383**	**26,050**	**4,594**
Change in net position	**7,197,888**	**1,381,497**	**9,201**	**47,433**	**8,692**
Net position at beginning of year	**26,292,418**	**4,730,175**	**34,454**	**165,250**	**31,092**
Net position at end of year	**$ 33,490,306**	**$ 6,111,672**	**$ 43,655**	**$ 212,683**	**$ 39,784**

Exhibit F-2

OPEB TRUST FUNDS		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
$ 581,528	$ 7,576	$ 2,555,714
—	—	1,087,933
2,375	—	106,451
583,903	7,576	3,750,098
3,814	(180)	9,803,877
40	3	1,844
3,854	(177)	9,805,721
—	—	558,407
4	—	4
3,850	(177)	9,247,310
—	—	1,683
587,753	**7,399**	**12,999,091**
—	—	3,551,929
—	—	367
—	—	148,709
—	—	33,771
—	—	1,973
555,537	8,584	564,121
—	—	169
1,096	93	21,816
—	—	1,683
556,633	**8,677**	**4,324,538**
31,120	**(1,278)**	**8,674,553**
1,652,298	**42,479**	**32,948,166**
$ 1,683,418	**$ 41,201**	**$ 41,622,719**

Combining Statement of Fiduciary Net Position — Exhibit F-3

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2021
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents	$ 1,180	$ 398	$ 1,578
Receivables, net:			
Accounts receivable	—	9	9
Accrued interest	2,849	33	2,882
Unsettled investment sales	6,684	—	6,684
Investments	5,557,069	4,198	5,561,267
Invested securities lending collateral	—	140	140
Other assets	—	4,320	4,320
Total assets	**5,567,782**	**9,098**	**5,576,880**
LIABILITIES			
Accounts payable	3,617	10	3,627
Accounts payable–unsettled investment purchases	4,979	—	4,979
Securities lending collateral	—	140	140
Total liabilities	**8,596**	**150**	**8,746**
NET POSITION			
Held in trust for other purposes	**$ 5,559,186**	**$ 8,948**	**$ 5,568,134**

Combining Statement of Changes in Fiduciary Net Position

Exhibit F-4

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
Additions:			
Licenses, fees, and permits	$ —	$ 105	$ 105
Tuition plan deposits	1,217	—	1,217
Contributions	271,216	—	271,216
Interest income	968,395	(330)	968,065
Total additions	**1,240,828**	**(225)**	**1,240,603**
Deductions:			
Administrative expense	16,421	104	16,525
Other expenses	846	38	884
Total deductions	**17,267**	**142**	**17,409**
Change in net position	**1,223,561**	**(367)**	**1,223,194**
Net position at beginning of year, as restated	**4,335,625**	**9,315**	**4,344,940**
Net position at end of year	**$ 5,559,186**	**$ 8,948**	**$ 5,568,134**

Statement of Fiduciary Net Position

Exhibit F-5

CUSTODIAL FUNDS

June 30, 2021
(Expressed in Thousands)

	Custodial Funds
ASSETS	
Cash and cash equivalents	$ 298,872
Receivables, net:	
Accounts receivable	9,647
Due from other funds	30,214
Investments	8,729
Invested securities lending collateral	293
Interfund receivables	234
Total assets	**347,989**
LIABILITIES	
Accounts payable	82,719
Due to other funds	150,609
Intergovernmental payables	27,441
Deposits	2,279
Amount held in custody for others	16,595
Securities lending collateral	293
Due to participants	2
Total liabilities	**279,938**
NET POSITION	
Held in trust for custodial funds	**$ 68,051**

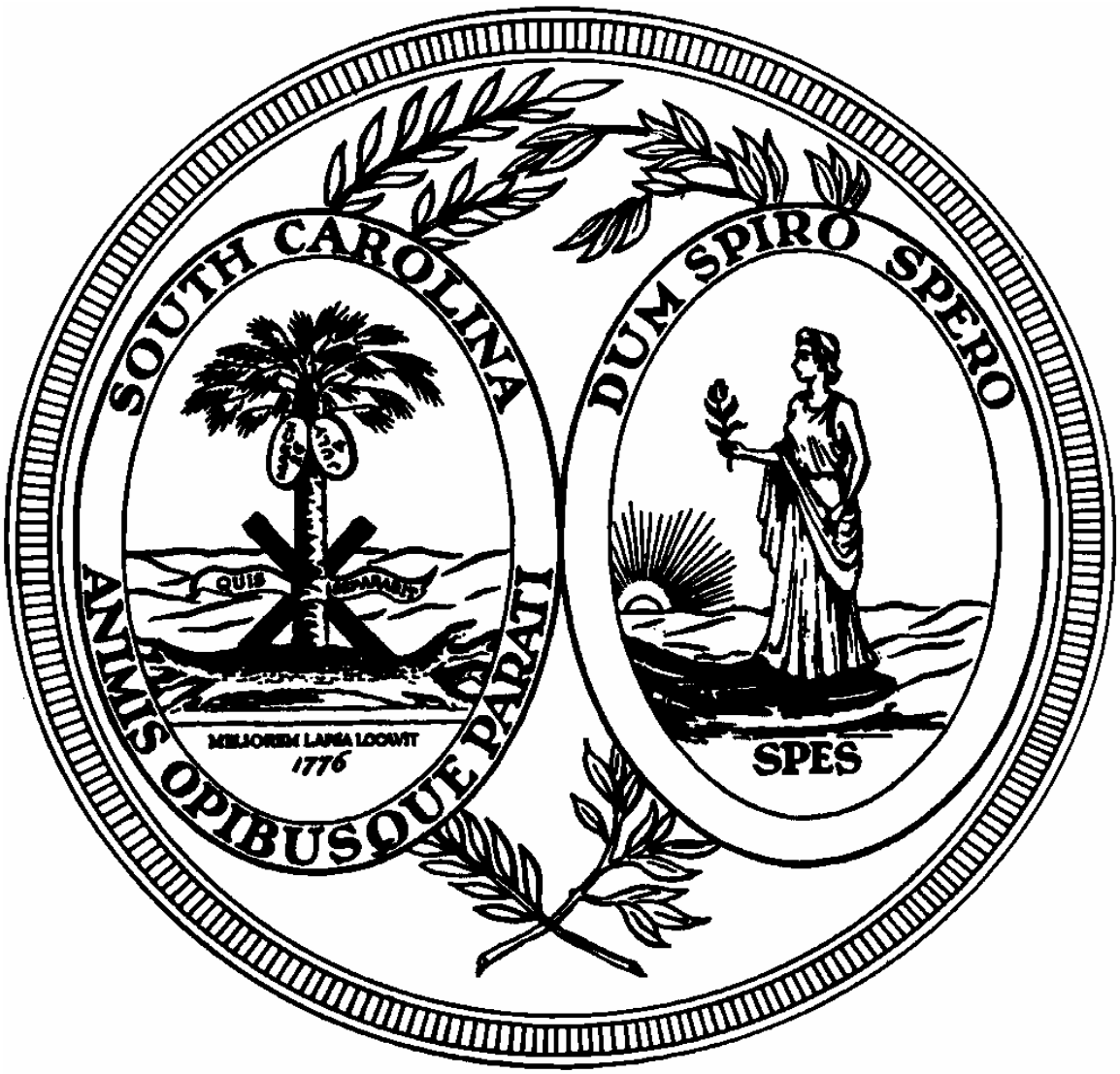
Statement of Changes in Fiduciary Net Position

Exhibit F-6

CUSTODIAL FUNDS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

	Custodial Funds
Additions:	
Licenses, fees, and permits	$ 893
Contributions	16,596
Taxes:	
Retail sales and use	309
Other	295,820
Interest income	(608)
Total additions	**313,010**
Deductions:	
Administrative expense	62
Other expenses	285,008
Total deductions	**285,070**
Transfers:	
Transfers out	(8,227)
Total transfers	(8,227)
Change in net position	**19,713**
Net position at beginning of year, as restated	**48,338**
Net position at end of year	**$ 68,051**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Nonmajor Discretely Presented Component Units

This subsection of the Annual Comprehensive Financial Report provides the following supplementary information for the State's nonmajor discretely presented component units:

- Combining Statement of Net Position—Nonmajor Discretely Presented Component Units
- Combining Statement of Activities—Nonmajor Discretely Presented Component Units

The following entities are nonmajor discretely presented component units of the State:

The following universities are nonmajor component units: *The Citadel, Coastal Carolina University, College of Charleston, Francis Marion University, Lander University, South Carolina State University,* and *Winthrop University*.

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

Connector 2000 Association, Inc. is a legally separate entity created to contract with the State Department of Transportation (DOT) in financing, acquiring, constructing, and operating turnpikes and other transportation projects, primarily the project known as the Southern Connector in Greenville County.

The *South Carolina Education Assistance Authority* issues bonds to make loans to individuals to enable students to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, loan repayments, and investment earnings.

The *South Carolina Jobs-Economic Development Authority* is a legally separate entity that promotes and develops business and economic welfare in the state.

The *South Carolina Research Authority* was created through an act of the General Assembly for the development and marketing of a statewide system of research and technology-based infrastructure and to conduct applied research and commercialization services on a contractual basis.

The *Patriots Point Development Authority* was established to develop and maintain a naval and maritime museum on Charleston Harbor, and to provide a place of education and recreation. The Patriots Point Development Authority Board also oversees the stewardship of over 350 acres of property on Charleston Harbor.

The *South Carolina Medical Malpractice Association* was established to provide medical malpractice insurance on a self-supporting basis. In May 2019, the State decided to combine the South Carolina Medical Malpractice Liability Joint Underwriting Association and the Patients' Compensation Fund, a nonmajor enterprise fund, which took effect on January 1, 2020. The new combined entity is named the South Carolina Medical Malpractice Association, which is a nonmajor discretely presented component unit.

The *South Carolina First Steps to School Readiness* is a legally separate non-profit, tax-exempt public charity created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the initiative for improving early childhood development of the Act.

The *Children's Trust Fund of South Carolina, Inc.* is a non-profit, tax-exempt public charity with a purpose to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations.

Combining Statement of Net Position

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2021
(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	$ 70,581	$ 85,928	$ 74,922	$ 36,807	$ 11,188	$ 8,586	$ 44,174
Investments	93,155	—	11,187	8,635	19,049	—	—
Invested securities lending collateral	2,912	2,747	2,617	338	176	195	908
Receivables, net:							
Accounts	5,463	13,290	2,169	3,426	97	2,199	2,196
Contributions	16,944	4,500	5,888	41	2,957	—	2,017
Accrued interest	—	602	179	110	297	—	101
Student accounts	2,495	823	1,317	334	1,337	4,431	2,450
Loans and notes	3,628	—	—	—	—	—	—
Due from Federal government and other grantors	—	1,724	2,509	618	1,839	13,809	639
Due from primary government	177	—	145	291	—	520	—
Inventories	1,764	1,023	283	—	55	—	382
Restricted assets:							
Cash and cash equivalents	65,674	50,239	117,456	5,517	6,287	34,339	12,943
Investments	270,357	723	140,839	23,280	1,380	117	76,597
Loans receivable	3	607	537	1,033	841	3,019	1,150
Other	3,806	—	—	—	—	—	—
Prepaid items	1,033	2,206	7,057	1,337	413	662	1,730
Other assets	797	—	1,650	—	125	16	—
Capital assets-nondepreciable	10,538	37,002	65,139	9,809	11,184	11,233	4,888
Capital assets-depreciable, net	124,290	407,442	331,641	90,903	65,044	107,038	82,904
Total assets	673,617	608,856	765,535	182,479	122,269	186,164	233,079
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	239	308	—	—	—	1,002
Pension related	13,867	30,195	32,445	10,197	10,652	11,788	16,179
Other post-employment benefits related	21,857	42,636	45,024	13,428	12,929	13,183	21,459
Total deferred outflows of resources	$ 35,724	$ 73,070	$ 77,777	$ 23,625	$ 23,581	$ 24,971	$ 38,640
LIABILITIES							
Accounts payable	$ 6,387	$ 3,895	$ 4,240	$ 1,325	$ 744	$ 7,549	$ 3,754
Accrued salaries and related expenses	2,886	16,408	9,314	227	2,613	510	5,891
Accrued interest payable	564	602	1,705	360	143	214	281
Retainages payable	243	23	12	129	19	—	114
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	2,091	1,750	—	—	4,736	47
Unearned revenues and deferred credits	3,740	2,986	6,201	1,565	780	1,397	6,180
Deposits	4,258	550	1,629	—	—	—	244
Amounts held in custody for others	2	213	473	193	—	—	4,724
Securities lending collateral	2,912	2,747	2,617	338	176	195	908
Liabilities payable from restricted assets	—	—	—	—	—	—	1,787
Other liabilities	3,250	2,272	1,326	1,295	982	938	1,366
Long-term liabilities:							
Due within one year	6,362	8,386	11,591	2,733	2,764	2,110	7,108
Due in more than one year	249,715	568,216	589,443	150,958	126,486	133,439	226,377
Total liabilities	280,319	608,389	630,301	159,123	134,707	151,088	258,781
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	—	571	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	32
Pension related	2,006	971	2,318	1,654	211	2,473	3,471
Other post-employment benefits related	8,279	17,036	19,394	6,489	3,271	4,584	13,483
Total deferred outflows of resources	$ 10,285	$ 18,007	$ 22,283	$ 8,143	$ 3,482	$ 7,057	$ 16,986
NET POSITION							
Net investment in capital assets	119,170	255,543	209,863	78,128	49,491	71,179	62,229
Restricted:							
Expendable:							
Education	225,883	—	80,822	10,424	26,173	34,684	6,731
Transportation	—	—	—	—	—	—	—
Capital projects	14,432	55,903	63,793	2,419	1,285	—	—
Debt service	1,399	3,596	7,262	—	2,707	5,908	1,506
Loan programs	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	163,186	166	72,230	16,068	—	970	68,693
Unrestricted	(105,333)	(259,678)	(243,242)	(68,201)	(71,995)	(59,751)	(143,207)
Total net position (deficit)	**$ 418,737**	**$ 55,530**	**$ 190,728**	**$ 38,838**	**$ 7,661**	**$ 52,990**	**$ (4,048)**

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
$ 14,825	$ 12,549	$ 1,019	$ 8,472	$ 30,976	$ 22,282	$ 15,133	$ 13,194	$ 2,212	$ 6,397	$ 28,498
12,231	—	—	—	37,474	52,956	392	83,589	—	3,207	6,847
—	—	—	—	10	—	—	574	—	—	—
629	746	530	1,709	3,073	1,398	1,146	2,639	547	165	838
—	—	—	—	1,848	—	15	—	1,531	—	20
—	—	—	—	549	312	10	—	—	8	—
778	663	921	2,655	358	4,583	3,677	1,091	—	487	246
—	—	—	—	—	41	3,356	—	—	—	—
866	1,029	1,659	1,366	3,927	8,868	791	5,970	868	4,135	333
132	117	—	185	285	689	255	1,380	183	255	338
422	207	44	478	1,436	—	—	—	—	126	—
—	1,475	—	11,450	4,601	195	5,539	18,433	971	—	—
—	—	—	—	—	—	1,436	—	—	—	1,381
—	—	—	136	—	—	—	—	—	—	—
—	—	—	—	1,453	—	—	—	—	—	—
123	499	—	133	116	439	4,037	—	—	56	167
—	—	—	—	—	—	—	536	43	5	—
1,127	2,448	174	2,986	42,615	13,193	11,987	8,515	662	106	2,301
21,185	34,459	4,307	40,681	100,248	73,904	12,640	74,680	6,796	21,312	53,619
52,318	54,192	8,654	70,251	228,969	178,860	60,414	210,601	13,813	36,259	94,588
—	—	—	241	338	—	—	152	—	—	—
2,647	4,803	1,134	5,463	14,632	7,764	3,006	14,904	1,671	3,727	7,208
3,370	5,864	1,425	7,082	17,934	10,014	3,733	18,165	2,170	4,378	8,688
$ 6,017	$ 10,667	$ 2,559	$ 12,786	$ 32,904	$ 17,778	$ 6,739	$ 33,221	$ 3,841	$ 8,105	$ 15,896
$ 428	$ 602	$ 516	$ 506	$ 2,593	$ 1,984	$ 1,141	$ 1,227	$ 362	$ 391	$ 689
221	514	120	604	2,523	1,555	395	2,074	172	322	554
—	—	—	146	—	—	4	248	—	—	—
—	15	—	—	—	—	—	60	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
2,869	2,638	1,292	3,899	8,881	5,703	5,016	5,844	9	2,144	1,711
—	—	169	—	—	—	2,905	272	—	—	69
—	25	9	—	655	21	6	593	86	—	—
—	—	—	—	10	—	—	574	—	—	—
—	—	—	—	—	—	—	—	—	—	—
5	—	—	335	3,089	—	720	—	—	—	—
57	67	958	1,151	4,205	17	1,725	2,284	73	117	559
34,111	59,408	14,725	83,426	228,374	96,057	52,129	211,772	19,158	45,827	77,826
37,691	63,269	17,789	90,067	250,330	105,337	64,041	224,948	19,860	48,801	81,408
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
1,076	965	1,250	4,022	5,791	970	1,003	7,351	171	1,892	569
2,319	2,691	2,002	7,153	11,945	3,655	1,982	14,049	735	3,485	2,903
$ 3,395	$ 3,656	$ 3,252	$ 11,175	$ 17,736	$ 4,625	$ 2,985	$ 21,400	$ 906	$ 5,377	$ 3,472
22,311	36,907	4,481	32,552	92,609	87,067	16,845	57,588	7,458	21,418	55,920
64	2	—	190	4,381	980	1,959	—	971	—	1,679
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	637	24,703	—	89,976	—	—	11,952
—	—	—	11,431	—	—	—	15,279	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—
—	252	—	—	13,510	—	—	—	—	—	1,381
(5,126)	(39,227)	(14,309)	(62,378)	(117,330)	(26,074)	(18,677)	(165,369)	(11,541)	(31,232)	(45,328)
$ 17,249	**$ (2,066)**	**$ (9,828)**	**$ (18,205)**	**$ (6,193)**	**$ 86,676**	**$ 127**	**$ (2,526)**	**$ (3,112)**	**$ (9,814)**	**$ 25,604**

Continued on Next Page

Combining Statement of Net Position (Continued)

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2021
(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	$ 17,182	$ 57,904	$ 67,283	$ 10,990	$ 20,525	$ 1,538	$ 31,945
Investments	9,014	34,892	—	87	19,571	—	—
Invested securities lending collateral	—	—	—	—	—	—	2,919
Receivables, net:							
Accounts	1,037	977	3,376	274	2,284	—	40,031
Contributions	100	244	—	—	1,121	—	—
Accrued interest	—	—	—	—	—	—	577
Student accounts	609	655	8,996	178	2,582	—	—
Loans and notes	—	—	—	—	—	—	25,038
Due from Federal government and other grantors	446	6,506	6,466	339	5,994	—	—
Due from primary government	158	391	616	—	415	—	—
Inventories	756	192	509	76	—	122	—
Restricted assets:							
Cash and cash equivalents	—	—	—	—	—	12,894	73,984
Investments	—	—	—	7	—	—	—
Loans receivable	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—
Prepaid items	326	544	—	208	—	50	2
Other assets	—	—	902	—	47	109,318	—
Capital assets-nondepreciable	7,085	5,508	8,807	127	14,224	—	—
Capital assets-depreciable, net	59,662	70,799	144,034	1,639	27,001	604	—
Total assets	96,375	178,612	240,989	13,925	93,764	124,526	174,496
DEFERRED OUTFLOWS OF RESOURCES							
Unamortized loss on refunded and defeased debt	—	—	—	—	—	—	—
Pension related	6,973	8,063	14,895	1,403	6,002	—	—
Other post-employment benefits related	8,987	10,192	18,389	1,713	7,329	—	—
Total deferred outflows of resources	$ 15,960	$ 18,255	$ 33,284	$ 3,116	$ 13,331	$ —	$ —
LIABILITIES							
Accounts payable	$ 1,767	$ 2,462	$ 993	$ 10	$ 1,558	$ 53	$ 5,269
Accrued salaries and related expenses	407	65	1,430	—	47	—	—
Accrued interest payable	10	257	15	—	—	—	—
Retainages payable	—	—	—	—	—	—	—
Intergovernmental payables	—	—	—	—	—	—	—
Due to primary government	—	—	—	—	246	84	194
Unearned revenues and deferred credits	2,542	5,058	9,507	1,891	4,177	778	5
Deposits	—	—	—	—	—	—	—
Amounts held in custody for others	—	—	230	—	11	—	—
Securities lending collateral	—	—	—	—	—	—	2,919
Liabilities payable from restricted assets	—	—	258	—	—	—	125
Other liabilities	41	—	62	—	—	—	—
Long-term liabilities:							
Due within one year	276	1,776	1,761	19	510	9,600	5,965
Due in more than one year	86,283	115,056	192,165	15,098	72,416	216,680	3,812
Total liabilities	91,326	124,674	206,421	17,018	78,965	227,195	18,289
DEFERRED INFLOWS OF RESOURCES							
Deferred service concession arrangement receipts	—	—	—	—	—	—	—
Deferred nonexchange revenues	—	—	—	—	—	—	—
Pension related	618	182	3,953	197	2,707	—	—
Other post-employment benefits related	2,857	2,886	10,858	610	5,076	—	—
Total deferred outflows of resources	$ 3,475	$ 3,068	$ 14,811	$ 807	$ 7,783	$ —	$ —
NET POSITION							
Net investment in capital assets	66,009	53,052	150,874	1,766	41,225	(6,504)	—
Restricted:							
Expendable:							
Education	7,298	20,111	—	—	—	—	—
Transportation	—	—	—	—	—	2,708	—
Capital projects	4,903	—	24,975	—	—	—	—
Debt service	(10)	—	—	—	—	—	6,866
Loan programs	—	—	—	—	—	—	65,438
Other	—	—	—	—	—	—	—
Nonexpendable:							
Education	—	16,599	—	7	—	—	—
Unrestricted	(60,666)	(20,637)	(122,808)	(2,557)	(20,878)	(98,873)	83,903
Total net position (deficit)	**$ 17,534**	**$ 69,125**	**$ 53,041**	**$ (784)**	**$ 20,347**	**$ (102,669)**	**$ 156,207**

Exhibit G-1

South Carolina Jobs-Economic Development Authority	South Carolina Research Authority	Patriots Point Development Authority	South Carolina Medical Malpractice Association	South Carolina First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
$ 1,281	$ 6,763	$ 7,235	$ 159	$ 15,243	$ 3,587	$ 729,378
3,002	51,946	—	9,483	—	1,901	458,618
—	—	222	—	34	—	13,652
3,360	938	1,098	1,647	—	17	97,299
—	1,378	—	—	—	—	38,604
—	—	—	68	—	—	2,813
—	—	—	—	—	—	41,666
2,000	294	—	—	—	—	34,357
—	—	—	—	2,106	2,166	74,973
—	—	—	—	371	983	7,886
—	—	228	—	—	—	8,103
—	482	231	—	—	—	422,710
—	—	—	—	—	—	516,117
—	—	—	—	—	—	7,326
—	—	—	—	—	—	5,259
—	57	9	—	—	48	21,252
—	—	—	973	—	17	114,429
—	7,174	4,476	—	—	—	283,308
—	27,519	12,159	60	22	12	1,996,604
9,643	96,551	25,658	12,390	17,776	8,731	4,874,354
—	—	—	—	—	—	2,280
141	—	1,418	—	1,351	—	232,528
178	—	1,771	—	1,405	—	303,303
$ 319	$ —	$ 3,189	$ —	$ 2,756	$ —	$ 538,111
$ —	$ 111	$ 34	$ 707	$ 85	$ 1,743	$ 53,125
—	186	380	—	—	—	49,418
—	—	—	—	—	—	4,549
—	—	—	—	—	—	615
—	—	—	—	—	680	680
—	—	8,607	—	—	—	17,755
—	1,580	660	9,412	500	327	99,292
—	—	—	—	—	—	10,096
—	—	—	73	—	550	7,864
—	—	222	—	34	—	13,652
—	—	—	—	—	—	2,170
68	162	—	—	431	109	16,451
11	777	258	20,000	163	—	93,383
1,229	11,722	17,481	78,798	12,029	113	3,790,329
1,308	14,538	27,642	108,990	13,242	3,522	4,159,379
—	—	—	—	—	—	571
—	—	—	—	—	—	32
13	—	326	—	1,846	—	48,006
48	—	848	—	2,972	—	151,610
$ 61	$ —	$ 1,174	$ —	$ 4,818	$ —	$ 200,219
—	22,194	8,434	—	22	12	1,617,843
—	—	—	—	15,606	—	437,958
—	—	—	—	—	—	2,708
—	—	—	—	—	—	294,978
—	—	—	—	—	—	55,944
—	—	—	—	—	—	65,438
3,300	14,159	—	2,318	—	1,138	20,915
—	—	—	—	—	—	353,062
5,293	45,660	(8,403)	(98,918)	(13,156)	4,059	(1,795,979)
$ 8,593	**$ 82,013**	**$ 31**	**$ (96,600)**	**$ 2,472**	**$ 5,209**	**$ 1,052,867**

Combining Statement of Activities

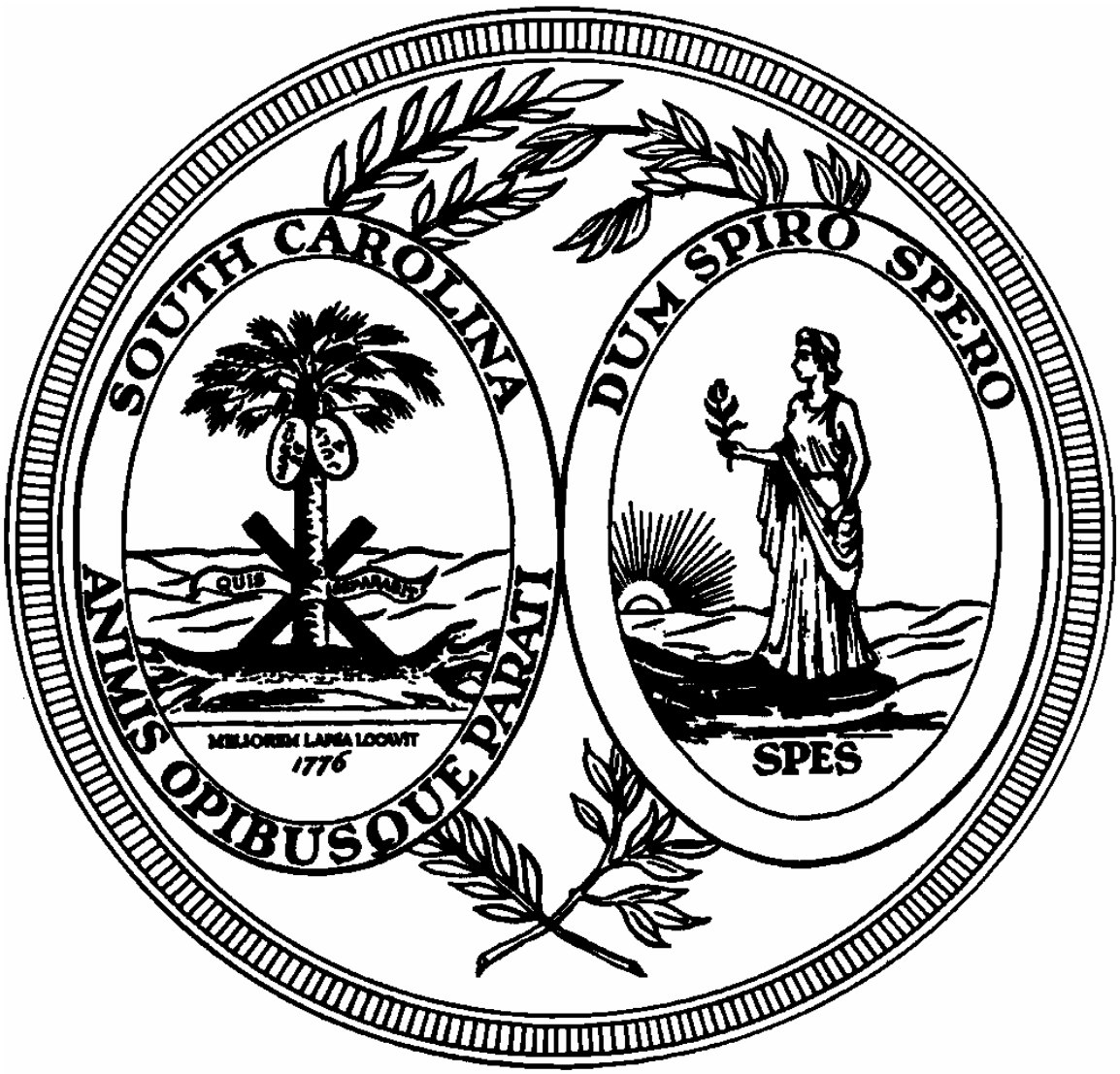
NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2021
(Expressed in Thousands)

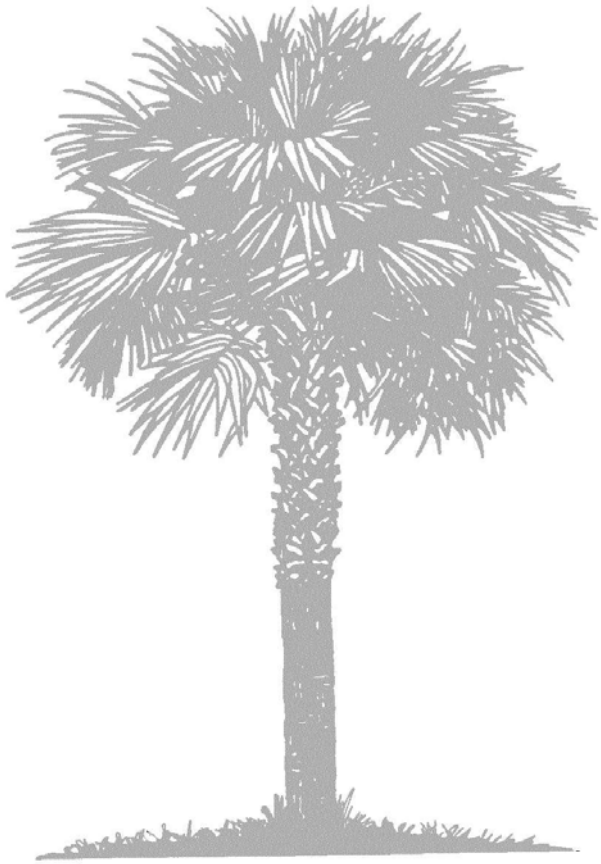
		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
The Citadel	$ 142,216	$ 96,140	$ 113,318	$ 41
Coastal Carolina University	242,129	179,777	51,111	12,664
College of Charleston	288,843	214,412	67,408	854
Francis Marion University	84,204	46,756	23,599	—
Lander University	75,654	45,041	9,733	12,078
South Carolina State University	92,378	54,342	42,972	1,959
Winthrop University	136,533	91,631	38,455	2,674
Aiken Technical College	22,961	12,279	6,444	590
Central Carolina Technical College	39,970	13,574	17,665	3,115
Denmark Technical College	11,061	4,876	2,790	462
Florence- Darlington Technical College	44,040	18,225	18,620	52
Greenville Technical College	118,109	57,617	41,147	5,804
Horry- Georgetown Technical College	73,720	34,997	27,346	7,740
Technical College of the Lowcountry	22,021	9,147	9,900	1,286
Midlands Technical College	107,217	53,508	41,126	5,890
Northeastern Technical College	16,568	7,178	4,967	180
Orangeburg- Calhoun Technical College	26,338	9,647	11,890	413
Piedmont Technical College	51,445	20,044	20,925	1,203
Spartanburg Community College	58,449	24,626	18,356	2,844
Tri-county Technical College	70,194	32,965	34,378	2,289
Trident Technical College	115,186	45,944	47,806	645
Williamsburg Technical College	7,983	2,183	2,741	285
York Technical College	45,611	28,680	15,549	1,157
Connector 2000	22,594	11,627	21	—
South Carolina Education Assistance Authority	1,375	1,281	1,872	—
South Carolina Jobs- Economic Development Authority	618	1,073	86	—
South Carolina Research Authority	15,890	6,257	13,621	—
Patriots Point Development Authority	9,952	10,045	80	415
South Carolina Medical Malpractice Association	15,073	22,874	709	—
South Carolina First Steps to School Readiness Board of Trustees	37,665	—	9,148	—
Children's Trust Fund of S.C., Inc.	15,662	—	16,257	—
Totals	**$ 2,011,659**	**$ 1,156,746**	**$ 710,040**	**$ 64,640**

Exhibit G-2

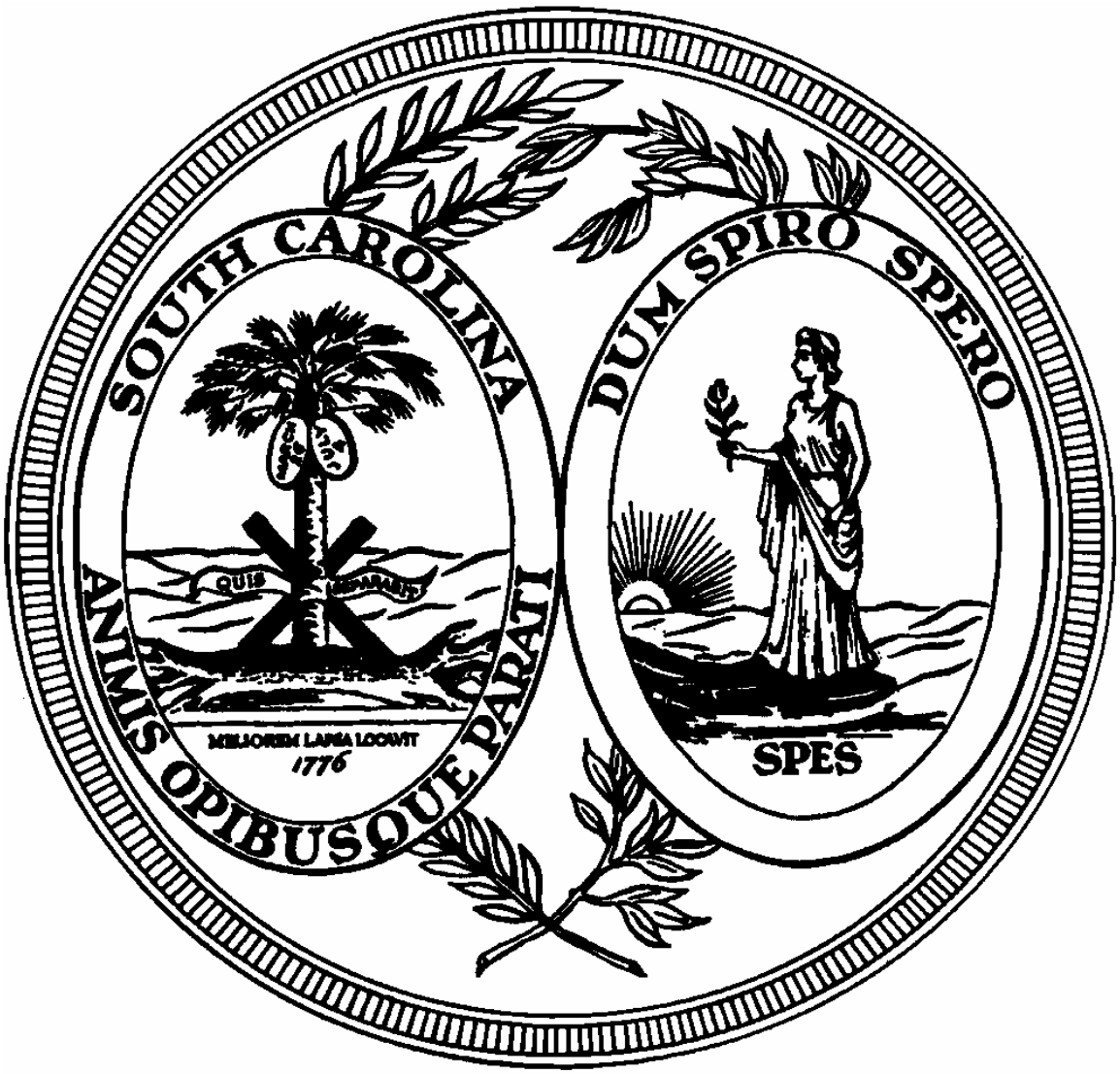
Net Revenue (Expenses)	Additions to Endowments	State Appropriations	Net Position (Deficit) Beginning (as Restated)	Net Position (Deficit) Ending
$ 67,283	$ —	$ 12,779	$ 338,675	$ 418,737
1,423	—	17,922	36,185	55,530
(6,169)	3,664	30,821	162,412	190,728
(13,849)	—	19,137	33,550	38,838
(8,802)	—	12,536	3,927	7,661
6,895	—	25,118	20,977	52,990
(3,773)	2,010	20,289	(22,574)	(4,048)
(3,648)	—	5,069	15,828	17,249
(5,616)	—	6,773	(3,223)	(2,066)
(2,933)	—	1,993	(8,888)	(9,828)
(7,143)	—	11,025	(22,087)	(18,205)
(13,541)	—	19,147	(11,799)	(6,193)
(3,637)	—	11,997	78,316	86,676
(1,688)	—	5,072	(3,257)	127
(6,693)	—	18,878	(14,711)	(2,526)
(4,243)	—	4,304	(3,173)	(3,112)
(4,388)	—	5,343	(10,769)	(9,814)
(9,273)	—	9,518	25,359	25,604
(12,623)	—	9,881	20,276	17,534
(562)	—	12,017	57,670	69,125
(20,791)	—	20,831	53,001	53,041
(2,774)	—	2,828	(838)	(784)
(225)	—	8,525	12,047	20,347
(10,946)	—	—	(91,723)	(102,669)
1,778	—	—	154,429	156,207
541	—	—	8,052	8,593
3,988	—	—	78,025	82,013
588	—	—	(557)	31
8,510	—	—	(105,110)	(96,600)
(28,517)	—	36,131	(5,142)	2,472
595	—	—	4,614	5,209
$ (80,233)	**$ 5,674**	**$ 327,934**	**$ 799,492**	**$ 1,052,867**


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

Statistical Section (Unaudited)



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

This section of the Annual Comprehensive Financial Report provides additional information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State of South Carolina's overall financial health.

CONTENTS

Page

Financial Trends 270

These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.

Revenue Capacity 280

These schedules contain information to help the reader assess the State's most significant revenue sources, the personal income tax and the retail sales tax.

Debt Capacity 286

These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.

Demographic and Economic Information 295

These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.

Operating Information 300

These schedules contain service and capital asset data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.

SOURCES

Unless otherwise noted, the information in these schedules is derived from the State's Annual Comprehensive Financial Report for the relevant fiscal year.

Net Position by Component

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	2020 (as restated)	2019	2018
Governmental activities				
Net Investment in capital assets.....	$ 17,534,618	$ 16,902,032	$ 16,039,329	$ 15,079,318
Restricted.....	9,497,442	9,612,909	6,064,521	6,068,437
Unrestricted.....	(54,389)	(3,856,904)	(2,049,166)	(3,578,770)
Total governmental activities net position.....	**$ 26,977,671**	**$ 22,658,037**	**$ 20,054,684**	**$ 17,568,985**
Business-type activities				
Net Investment in capital assets.....	$ 312,603	$ 282,806	$ 221,494	$ 218,157
Restricted.....	1,366,066	1,721,780	1,226,011	1,023,083
Unrestricted.....	(118,814)	(418,052)	(87,385)	(86,254)
Total business-type activities net position.....	**$ 1,559,855**	**$ 1,586,534**	**$ 1,360,120**	**$ 1,154,986**
Primary government				
Net Investment in capital assets.....	$ 17,847,221	$ 17,184,838	$ 16,260,823	$ 15,297,475
Restricted.....	10,863,508	11,334,689	7,290,532	7,091,520
Unrestricted.....	(173,203)	(4,274,956)	(2,136,551)	(3,665,024)
Total primary government net position.....	**$ 28,537,526**	**$ 24,244,571**	**$ 21,414,804**	**$ 18,723,971**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenses and related net position balances. Amounts for fiscal years prior to 2020 have not been restated.

For fiscal years 2018 and 2019 (December 31, 2018 year-ends), the State implemented GASB Statement No. 75 (GASB 75). The implementation resulted in the restatement of prior year OPEB-related expenses and related net position balances. Amounts for fiscal years prior to 2017 have not been restated.

For fiscal years 2015 and 2016 (December 31, 2015 year-ends), the State implemented GASB Statement No. 68 (GASB 68). The implementation resulted in the restatement of prior year pension-related expenses and related net position balances. Amounts for fiscal years prior to 2014 have not been restated.

For fiscal year 2013, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in the reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category. Prior year amounts 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

2017	2016	2015	2014	2013	2012
$ 14,133,938	$ 13,088,862	$ 12,667,605	$ 11,892,515	$ 11,455,604	$ 11,251,603
8,204,123	6,691,147	6,062,068	5,488,629	5,323,431	3,158,419
(6,445,213)	(2,261,569)	(2,687,165)	(2,121,995)	332,163	1,763,505
$ 15,892,848	**$ 17,518,440**	**$ 16,042,508**	**$ 15,259,149**	**$ 17,111,198**	**$ 16,173,527**
$ 216,697	$ 203,351	$ 146,739	$ 124,223	$ 72,497	$ 2,742,733
792,899	584,700	337,834	185,732	56	1,438,402
(94,601)	(177,149)	(251,392)	(413,206)	(541,375)	974,730
$ 914,995	**$ 610,902**	**$ 233,181**	**$ (103,251)**	**$ (468,822)**	**$ 5,155,865**
$ 14,350,635	$ 13,292,213	$ 12,814,344	$ 12,016,738	$ 11,528,101	$ 13,994,336
8,997,022	7,275,847	6,399,902	5,674,361	5,323,487	4,596,821
(6,539,814)	(2,438,718)	(2,938,557)	(2,535,201)	(209,212)	2,738,235
$ 16,807,843	**$ 18,129,342**	**$ 16,275,689**	**$ 15,155,898**	**$ 16,642,376**	**$ 21,329,392**

Changes in Net Position

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	**2020**	**2019**	**2018**
Expenses				
Governmental activities:				
General government	$ 9,004,041	$ 6,950,505	$ 6,661,431	$ 6,819,685
Education	5,913,437	5,233,490	4,893,190	4,745,126
Health and environment	9,182,050	8,752,266	8,388,809	8,156,138
Social services	2,454,063	1,783,094	1,602,776	1,695,379
Administration of justice	1,105,209	1,108,837	1,013,459	986,839
Resources and economic development	495,883	481,058	472,696	393,575
Transportation	1,723,480	1,761,563	1,526,454	1,620,126
Unallocated interest expense	8,135	10,888	18,211	18,335
Total governmental activities expenses	**29,886,298**	**26,081,701**	**24,577,026**	**24,435,203**
Business-type activities:				
Higher education	—	—	—	—
Higher education institution support	—	—	—	—
Unemployment compensation benefits	3,595,804	3,038,557	149,581	182,537
Second injury fund benefits	1,205	1,484	12,085	285
Financing of housing facilities	—	—	—	—
Medical malpractice insurance	—	—	—	—
Financing of student loans	—	—	—	—
Tuition prepayment program	—	—	—	—
State maritime museum	—	—	—	—
Insurance claims processing	—	—	—	—
Other	106,315	56,490	64,908	60,142
Total business-type activities expenses	**3,703,324**	**3,096,531**	**226,574**	**242,964**
Total primary government expenses	**33,589,622**	**29,178,232**	**24,803,600**	**24,678,167**
Program Revenues				
Governmental activities:				
Charges for services:				
General government	3,761,937	3,501,970	3,227,055	3,055,388
Other activities	659,294	661,031	628,071	672,590
Operating grants and contributions	13,306,491	9,677,634	8,711,747	9,253,825
Capital grants and contributions	707,650	905,754	673,255	977,834
Total governmental activities program revenues	**18,435,372**	**14,746,389**	**13,240,128**	**13,959,637**
Business-type activities:				
Charges for services:				
Higher education	—	—	—	—
Higher education institution support	—	—	—	—
Unemployment compensation benefits	256,970	292,409	342,263	344,552
Second injury fund benefits	443	—	16	60,291
Other activities	68,252	52,065	51,908	53,758
Operating grants and contributions	2,969,920	2,377,360	5,497	5,660
Capital grants and contributions	20,966	53,113	—	—
Total business-type activities program revenues	**3,316,551**	**2,774,947**	**399,684**	**464,261**
Total primary government activities program revenues	**21,751,923**	**17,521,336**	**13,639,812**	**14,423,898**
Net Revenues (Expenses)				
Governmental activities	(11,450,926)	(11,335,312)	(11,336,898)	(10,475,566)
Business-type activities	(386,773)	(321,584)	173,110	221,297
Total primary government net revenues (expense)	**(11,837,699)**	**(11,656,896)**	**(11,163,788)**	**(10,254,269)**

Table 2

Ended June 30

2017	2016	2015	2014	2013	2012
$ 5,507,990	$ 4,697,228	$ 5,352,363	$ 5,381,542	$ 5,307,714	$ 4,688,917
4,991,282	4,906,919	4,742,995	4,250,632	4,243,187	4,163,313
8,156,599	7,683,019	7,832,147	7,071,800	6,403,284	5,778,883
1,766,719	1,832,743	1,821,016	1,977,904	2,087,077	2,066,923
938,748	883,458	873,450	830,536	719,891	658,925
484,902	463,630	389,814	334,898	281,763	207,810
1,481,762	1,310,449	1,118,603	1,159,917	931,980	1,194,222
25,865	23,537	33,322	36,896	44,451	87,929
23,353,867	**21,800,983**	**22,163,710**	**21,044,125**	**20,019,347**	**18,846,922**
—	—	—	—	—	3,844,159
—	—	—	—	—	1,359,870
199,409	208,710	226,470	342,741	616,064	1,066,105
600	27	7,461	2,547	52,656	1,564
—	—	—	—	—	197,555
—	—	—	—	—	9,705
—	—	—	—	—	15,336
—	—	—	—	—	737
—	—	—	—	—	9,883
—	—	—	—	—	1,830
52,900	45,855	55,325	35,194	54,061	27,753
252,909	**254,592**	**289,256**	**380,482**	**722,781**	**6,534,497**
23,606,776	**22,055,575**	**22,452,966**	**21,424,607**	**20,742,128**	**25,381,419**
2,797,733	2,732,909	2,592,512	2,426,885	2,327,752	2,039,415
608,357	543,485	657,266	790,717	551,319	584,966
9,127,975	8,823,007	8,388,996	7,661,223	7,328,281	7,366,197
813,622	582,940	680,842	806,657	716,702	646,148
13,347,687	**12,682,341**	**12,319,616**	**11,685,482**	**10,924,054**	**10,636,726**
—	—	—	—	—	2,688,543
—	—	—	—	—	1,376,960
385,759	422,479	442,545	507,907	467,256	438,115
59,848	59,874	60,000	60,043	1,520	1,560
51,405	46,759	44,208	45,815	42,790	133,133
22,708	11,909	14,335	90,107	323,321	1,553,432
18,998	39,480	12,567	210	3	84,654
538,718	**580,501**	**573,655**	**704,082**	**834,890**	**6,276,397**
13,886,405	**13,262,842**	**12,893,271**	**12,389,564**	**11,758,944**	**16,913,123**
(10,006,180)	(9,118,642)	(9,844,094)	(9,358,643)	(9,095,293)	(8,210,196)
285,809	325,909	284,399	323,600	112,109	(258,100)
(9,720,371)	**(8,792,733)**	**(9,559,695)**	**(9,035,043)**	**(8,983,184)**	**(8,468,296)**

Continued on Next Page

Changes in Net Position (Continued)

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	**2020**	**2019**	**2018**
General Revenues and Other Changes in Net Assets				
Governmental activities:				
Taxes:				
Individual income	$ 5,584,914	$ 5,045,819	$ 4,835,821	$ 4,408,772
Retail sales and use	6,106,578	5,167,804	5,004,470	4,688,789
Corporate income	573,618	362,569	396,207	404,164
Gas and motor vehicle	1,406,817	1,263,560	1,198,220	1,084,630
Insurance	224,996	215,722	204,755	191,016
Hospital	258,970	268,702	261,448	260,715
Other	837,842	760,619	731,276	711,502
Unrestricted grants and contributions	—	40	14	38
Unrestricted investment income	71,582	470,543	365,453	160,636
Loss on termination of hedge accounting	—	—	—	—
Tobacco legal settlement	88,349	71,750	80,723	81,605
Other revenues	927,258	594,187	723,194	150,635
Transfers	(310,364)	(472,328)	21,016	9,201
Total governmental activities	**15,770,560**	**13,748,987**	**13,822,597**	**12,151,703**
Business-type activities:				
Unrestricted investment income	48,517	55,291	48,530	34,132
Other revenues	1,213	2,618	4,510	4,545
Additions to endowments	—	—	—	—
Gain on early extinguishment of debt	—	—	—	—
Transfers	310,364	472,328	(21,016)	(9,201)
Total business-type activities	**360,094**	**530,237**	**32,024**	**29,476**
Total primary government	**16,130,654**	**14,279,224**	**13,854,621**	**12,181,179**
Change in Net Position				
Governmental activities	4,319,634	2,413,675	2,485,699	1,676,137
Business-type activities	(26,679)	208,653	205,134	250,773
Total primary government	**$ 4,292,955**	**$ 2,622,328**	**$ 2,690,833**	**$ 1,926,910**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenses and related net position balances. Prior year amounts have not been restated.

For fiscal years 2018 and 2019, the State implemented GASB Statement No. 75 (GASB 75). The implementation resulted in the restatement of prior year OPEB-related expenses and related net position balances. Amounts for fiscal years prior to 2017 have not been restated.

For fiscal years 2015 and 2016 (December 31, 2015 year-ends), the State implemented GASB Statement No. 68 (GASB 68). The implementation resulted in the restatement of prior year pension-related expenses. Prior year amounts have not been restated.

For fiscal year 2013, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in the reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category. Prior year amounts have not been restated.

Source: South Carolina Comptroller General's Office

Table 2

Ended June 30

2017	2016	2015	2014	2013	2012
$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532	$ 3,479,143	$ 3,101,861
4,436,958	4,279,959	4,357,672	4,178,102	3,988,918	4,148,010
340,327	408,297	377,329	327,809	390,527	N/A
883,891	698,090	666,772	636,216	557,209	N/A
168,974	156,766	152,314	138,037	139,240	N/A
267,235	265,689	263,557	262,962	263,435	N/A
661,573	666,017	645,783	601,692	568,040	2,003,804
—	90	1	1	159	93,970
191,486	109,748	67,343	120,171	68,899	78,232
—	—	—	—	—	—
73,533	71,119	70,419	109,113	73,326	74,122
154,778	53,026	280,491	684,412	587,729	509,742
2,559	918	3,972	(47,900)	(60,968)	(640,774)
11,324,531	**10,594,574**	**10,627,453**	**10,433,147**	**10,055,657**	**9,368,967**
22,777	28,952	16,306	26,107	8,632	6,953
1,802	8,946	3,141	204	85	62
—	—	—	—	—	20,171
—	—	—	—	—	119
(2,559)	(918)	(3,972)	47,900	60,968	640,774
22,020	**36,980**	**15,475**	**74,211**	**69,685**	**668,079**
11,346,551	**10,631,554**	**10,642,928**	**10,507,358**	**10,125,342**	**10,037,046**
1,318,351	1,475,932	783,359	1,074,504	960,364	1,158,771
307,829	362,889	299,874	397,811	181,794	409,979
$ 1,626,180	**$ 1,838,821**	**$ 1,083,233**	**$ 1,472,315**	**$ 1,142,158**	**$ 1,568,750**

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	2020 (as restated)	2019	2018
General Fund				
Non-spendable	$ 138,407	$ 129,273	$ 125,746	$ 128,937
Restricted	1,343,636	923,224	1,194,858	1,134,704
Committed	627,935	507,269	520,128	505,425
Assigned	371,923	263,888	187,427	252,357
Unassigned, previously unreserved	8,148,491	5,122,268	3,620,911	2,186,155
Total General Fund	**10,630,392**	**6,945,922**	**5,649,070**	**4,207,578**
All other governmental funds				
Non-spendable	98,882	64,805	739,642	33,767
Restricted	5,884,319	6,230,230	3,566,039	4,253,086
Committed	486,210	598,891	559,507	496,120
Assigned	93,093	351,797	155,657	22,572
Unassigned, previously unreserved	(1,344,594)	(2,346,309)	(560,631)	(678,731)
Total all other governmental funds	**5,217,910**	**4,899,414**	**4,460,214**	**4,126,814**
Total fund balances, governmental funds	**$15,848,302**	**$11,845,336**	**$10,109,284**	**$8,334,392**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenditures 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

2017	2016	2015	2014	2013	2012
$ 120,194	$ 94,624	$ 74,743	$ 68,128	$ 67,717	67,842
604,959	530,698	502,620	359,073	337,687	1,335
2,137,028	1,142,072	976,846	967,245	650,545	384,252
397,688	416,089	369,967	444,630	996,539	495,878
482,198	1,359,456	1,067,829	1,140,840	545,007	998,002
3,742,067	**3,542,939**	**2,992,005**	**2,979,916**	**2,597,495**	**1,947,309**
35,322	24,897	800,713	775,675	771,168	795,761
3,796,996	3,652,234	2,581,099	2,624,909	2,045,302	2,330,297
588,668	465,712	475,586	346,688	166,205	145,613
11,099	5,311	6,842	5,387	156,918	132,045
(672,008)	(608,503)	(656,236)	(748,859)	(366,066)	(635,940)
3,760,077	**3,539,651**	**3,208,004**	**3,003,800**	**2,773,527**	**2,767,776**
$7,502,144	**$7,082,590**	**$6,200,009**	**$5,983,716**	**$5,371,022**	**$4,715,085**

Changes in Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	**2020**	**2019**	**2018**
Revenues				
Taxes:				
Individual income	$ 5,584,914	$ 5,045,819	$ 4,835,821	$ 4,408,772
Retail sales and use	6,106,578	5,167,804	5,004,470	4,688,789
Corporate Income	573,618	362,569	396,207	404,164
Gas and motor vehicle	1,406,817	1,263,560	1,198,220	1,084,630
Insurance	224,996	215,722	204,755	191,016
Hospital	258,970	268,702	261,448	260,715
Other	837,842	760,619	731,276	711,502
Licenses, fees, and permits	603,099	508,433	467,948	517,788
Interest and other investment income	54,138	403,451	312,458	144,282
Federal	12,867,888	9,958,601	8,789,089	8,944,281
Local and private grants	83,565	53,146	63,530	66,549
Departmental services	1,048,142	1,032,295	1,054,200	956,978
Contributions	645,413	577,733	653,431	589,190
Fines and penalties	122,392	71,298	80,891	167,951
Tobacco legal settlement	88,349	71,750	80,723	81,605
Other	1,327,382	521,833	633,051	638,490
Total revenues	**31,834,103**	**26,283,335**	**24,767,518**	**23,856,702**
Expenditures				
Current:				
General government	2,608,265	1,335,658	1,446,655	688,451
Education	1,528,645	1,321,512	1,164,487	1,114,861
Health and environment	9,933,636	9,466,722	9,023,319	8,820,524
Social services	2,302,577	1,698,573	1,561,488	1,673,808
Administration of justice	949,634	941,907	913,852	891,487
Resources and economic development	285,160	292,990	256,568	313,350
Transportation	1,283,931	1,236,512	1,073,053	1,149,334
Capital outlay	932,849	1,178,586	1,003,394	1,012,966
Debt service:				
Principal retirement	197,956	157,123	181,319	254,783
Interest and fiscal charges	81,966	109,800	102,464	126,883
Intergovernmental	7,369,274	6,551,933	6,301,993	7,027,182
Total expenditures	**27,473,893**	**24,291,316**	**23,028,592**	**23,073,629**
Excess of revenues over (under) expenditures	**4,360,210**	**1,992,019**	**1,738,926**	**783,073**
Other financing sources (uses)				
Bonds and notes issued	6,672	22,133	2,857	15,065
Refunding bonds issued	92,905	179,030	350,375	188,725
Premiums on bonds issued	11,813	43,973	—	30,041
Termination payment to SWAP counterparties	(73,199)	—	—	—
Capital leases	5,786	1,122	1,854	1,847
Payments to refunded bond escrow agent	(103,588)	(224,858)	(350,375)	(203,580)
Redemption of refunded bonds	—	—	—	—
Transfers in	240,692	548,590	178,116	380,842
Transfers out	(538,325)	(1,017,217)	(146,861)	(363,765)
Total other financing sources (uses)	**(357,244)**	**(447,227)**	**35,966**	**49,175**
Net change in fund balances	**$ 4,002,966**	**$ 1,544,792**	**$ 1,774,892**	**$ 832,248**
Debt service as a percentage of noncapital expenditures	**1.1%**	**1.2%**	**1.3%**	**1.7%**

For fiscal year 2021, the State implemented GASB Statement No. 84 (GASB 84). The implementation resulted in the restatement of prior year revenues and expenditures and related net position balances. Prior year amounts have not been restated.

Source: South Carolina Comptroller General's Office

Table 4

Ended June 30

2017	2016	2015	2014	2013	2012
$ 4,143,217	$ 3,884,855	$ 3,741,800	$ 3,422,532	$ 3,480,213	$ 3,114,888
4,436,958	4,279,959	4,357,672	4,178,102	3,961,867	4,148,009
340,327	408,297	377,329	327,809	390,527	N/A
883,891	698,090	666,772	636,216	557,209	N/A
168,974	156,766	152,314	138,037	139,240	N/A
267,235	265,689	263,557	262,962	263,435	N/A
661,573	666,017	645,783	601,692	591,992	2,049,900
552,790	614,339	588,594	543,558	500,684	474,826
150,870	99,540	47,926	99,575	50,674	140,701
8,934,219	8,311,023	8,434,117	7,812,816	7,464,240	7,615,387
70,056	62,100	57,977	57,589	51,766	54,098
927,982	841,391	808,512	950,754	776,895	989,677
503,409	531,825	448,014	433,931	390,124	371,989
165,561	180,244	187,524	146,722	131,236	115,161
73,533	71,119	70,419	109,113	73,326	74,122
562,690	468,076	338,467	741,857	523,672	672,398
22,843,285	**21,539,330**	**21,186,777**	**20,463,265**	**19,347,100**	**19,821,156**
822,078	749,510	771,349	788,764	667,014	636,359
1,102,649	1,028,316	971,961	948,137	993,174	946,054
8,563,572	8,112,805	8,090,340	7,323,555	6,646,790	6,397,669
1,740,666	1,816,736	1,802,517	1,978,585	2,075,475	2,056,782
845,291	805,266	814,443	798,031	698,055	720,769
269,758	246,418	221,350	203,833	138,793	189,366
1,044,346	694,038	768,196	692,243	731,793	835,064
985,878	656,003	599,316	702,651	454,053	400,354
261,033	261,979	278,729	270,081	270,223	324,456
127,391	161,055	171,106	183,008	201,304	217,890
6,726,753	6,168,555	6,509,788	6,043,436	5,763,966	5,602,752
22,489,415	**20,700,681**	**20,999,095**	**19,932,324**	**18,640,640**	**18,327,515**
353,870	**838,649**	**187,682**	**530,941**	**706,460**	**1,493,641**
51,103	115,370	18,110	100,235	—	810
213,595	573,505	—	86,575	424,910	398,665
22,464	44,852	3,070	30,389	53,560	47,398
—	—	—	—	—	—
47	411	—	7,466	—	230
(229,205)	(692,095)	—	(101,062)	(476,620)	(422,456)
—	—	—	—	—	(19,834)
449,624	851,955	270,402	808,132	431,827	167,133
(441,944)	(850,066)	(262,971)	(849,982)	(484,200)	(820,960)
65,684	**43,932**	**28,611**	**81,753**	**(50,523)**	**(649,014)**
$ 419,554	**$ 882,581**	**$ 216,293**	**$ 612,694**	**$ 655,937**	**$ 844,627**
1.8%	**2.1%**	**2.2%**	**2.4%**	**2.6%**	**3.0%**

Personal Income by Industry

Last Ten Calendar Years
(expressed in millions)

Sources	Calendar Year 2020	2019	2018
Farm earnings	$ 48	$ 120	$ 182
Agricultural services, forestry, fishing, and other	477	449	436
Mining	177	194	159
Construction	10,627	10,189	9,631
Manufacturing	20,121	21,113	20,007
Transportation and public utilities	6,855	6,700	6,243
Wholesale trade	6,725	6,595	6,312
Retail trade	10,839	10,175	9,717
Finance, insurance, and real estate	11,431	10,516	10,040
Services	56,275	56,070	53,632
Federal government, civilian	3,854	3,649	3,495
Military	3,980	3,898	3,686
State and local government	21,909	22,350	21,307
Other [a]	94,682	81,982	78,153
Total personal income	**$ 248,000**	**$234,000**	**$ 223,000**
Average effective rate [b]	[c]	2.0%	1.9%

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

2017	2016	2015	2014	2013	2012	2011
$ 301	$ 185	$ 214	$ 236	$ 741	$ 476	$ 364
407	388	375	344	301	297	280
160	121	104	80	77	78	82
9,320	8,192	7,438	6,905	6,228	5,783	5,145
19,063	18,306	17,913	16,984	15,862	15,189	14,643
5,924	5,657	5,441	5,031	4,704	4,421	4,301
6,126	5,799	5,714	5,348	4,998	4,837	4,614
9,259	8,945	8,646	8,277	7,995	7,645	7,482
10,520	10,035	9,721	8,721	8,285	9,504	6,971
50,239	47,149	45,157	42,862	40,194	38,527	36,889
3,330	3,215	3,125	2,981	2,941	2,913	2,846
3,472	3,511	3,591	3,535	3,631	3,694	3,612
20,348	19,731	19,135	18,481	17,752	16,987	16,711
73,531	69,766	66,426	61,215	56,291	57,649	55,060
$ 212,000	**$ 201,000**	**$ 193,000**	**$ 181,000**	**$ 170,000**	**$ 168,000**	**$ 159,000**
1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%

Taxable Sales by Industry

Last Ten Fiscal Years
(expressed in millions)

Sources	For the Fiscal Year 2021	2020	2019	2018
Retail trade	$ 50,075	$ 44,445	$ 44,641	$ 43,852
Services	14,255	12,808	13,045	12,534
Transportation, communication, and utilities.	10,359	10,089	9,951	10,093
Wholesale trade	4,034	3,655	3,448	3,234
Other	16,412	11,281	8,590	5,955
Total taxable sales [a]	**$ 95,135**	**$ 82,278**	**$ 79,675**	**$ 75,668**

Percent Distribution of Taxable Sales by Industry

Last Ten Fiscal Years

Sources	For the Fiscal Year 2021	2020	2019	2018
Retail trade	52.6%	54.0%	56.0%	58.0%
Services	15.0%	15.6%	16.4%	16.6%
Transportation, communication, and utilities.	10.9%	12.3%	12.5%	13.3%
Wholesale trade	4.2%	4.4%	4.3%	4.3%
Other	17.3%	13.7%	10.8%	7.8%
Total taxable sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Sales tax rate[a]	**6.0%**	**6.0%**	**6.0%**	**6.0%**

[a] Excludes the 2% accommodations tax and the local option sales tax; includes the 5% retail sales tax and 1% Education Improvement Act sales tax.

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not presented. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenues.

Note: Effective 2011 the Department of Revenue ceased collection of data using SIC with a change to NAICS coding.

Source: South Carolina Department of Revenue

Table 6

Ended June 30

2017	2016	2015	2014	2013	2012
$ 42,980	$ 48,777	$ 45,579	$ 42,828	$ 40,817	$ 32,435
11,773	12,479	11,661	10,957	10,443	15,923
10,206	5,379	5,027	4,724	4,502	2,139
3,033	3,132	2,927	2,751	2,621	1,988
7,344	1,711	1,599	1,502	1,432	925
$ 75,336	**$ 71,478**	**$ 66,793**	**$ 62,762**	**$ 59,815**	**$ 53,410**

Table 7

Ended June 30

2017	2016	2015	2014	2013	2012
57.1%	68.2%	68.2%	68.2%	68.2%	60.7%
15.6%	17.5%	17.5%	17.5%	17.5%	29.8%
13.5%	7.5%	7.5%	7.5%	7.5%	4.0%
4.0%	4.4%	4.4%	4.4%	4.4%	3.7%
9.8%	2.4%	2.4%	2.4%	2.4%	1.8%
100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
6.0%	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**6.0%**

Personal Income Tax Rates

Table 8

Last Ten Calendar Years

Tax Year	Tax Rates	Number of Brackets	Income Brackets		Average Effective Rate[a]
			Low	High	
2020	0.0% - 7.0%	6	3,070	15,400	b
2019	0.0% - 7.0%	6	3,030	15,150	2.0%
2018	0.0% - 7.0%	6	2,970	14,860	1.9%
2017	0.0% - 7.0%	6	2,930	14,670	1.9%
2016	0.0% - 7.0%	6	2,920	14,600	1.9%
2015	0.0% - 7.0%	6	2,910	14,550	1.8%
2014	0.0% - 7.0%	6	2,880	14,400	1.8%
2013	0.0% – 7.0%	6	2,850	14,250	1.8%
2012	0.0% – 7.0%	6	2,800	14,000	1.8%
2011	0.0% – 7.0%	6	2,760	13,800	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 2019 and 2010
(dollars, except income level, expressed in thousands)

2019 [a]

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	174,613	7.0%	$ 2,456,256	52.3%
$75,001 - $100,000	101,366	4.1%	519,098	11.0%
$50,001 - $75,000	182,293	7.3%	645,526	13.7%
$25,001 - $50,000	364,946	14.6%	697,794	14.9%
$10,001 - $25,000	388,980	15.6%	257,313	5.5%
$10,000 and lower	1,286,920	51.4%	121,865	2.6%
Total	**2,499,118**	**100.0%**	**$ 4,697,852**	**100.0%**

2010

State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	81,324	4.0%	$ 1,065,853	38.5%
$75,001 - $100,000	64,915	3.2%	338,127	12.2%
$50,001 - $75,000	137,088	6.7%	488,302	17.6%
$25,001 - $50,000	292,440	14.3%	566,430	20.4%
$10,001 - $25,000	347,018	16.9%	242,107	8.7%
$10,000 and lower	1,128,434	54.9%	70,853	2.6%
Total	**2,051,219**	**100.0%**	**$ 2,771,672**	**100.0%**

[a] Information for 2020 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			
	2021	**2020**	**2019**	**2018**
Governmental Activities				
General obligation bonds	$ 265,229	$ 368,747	$ 457,555	$ 564,811
Limited obligation bonds	—	—	—	—
Infrastructure Bank bonds	1,472,319	1,558,524	1,645,007	1,729,005
Revenue bonds	37,348	38,704	39,964	41,109
Notes payable	64,678	89,670	94,384	105,045
Capital leases	6,306	2,267	2,488	1,745
Total governmental activities	1,845,880	2,057,912	2,239,398	2,441,715
Business-Type Activities				
Revenue bonds	4,990	5,185	5,375	5,555
Notes payable	6,500	6,500	6,500	6,500
Total business-type activities	11,490	11,685	11,875	12,055
Total primary government	**$1,857,370**	**$2,069,597**	**$2,251,273**	**$2,453,770**
Debt as a percentage of personal income	0.7%	0.9%	1.0%	1.2%
Debt per capita expressed in actual dollars	[a]	$ 397	$ 436	$ 482

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

[a] Not yet available.

Source: South Carolina Comptroller General's Office

Table 10

Ended June 30					
2017	**2016**	**2015**	**2014**	**2013**	**2012**
$ 756,172	$ 962,196	$1,126,138	$1,320,532	$1,376,697	$1,571,957
—	—	185	919	2,408	3,822
1,788,232	1,854,451	1,942,456	2,016,518	2,003,486	2,074,308
44,270	14,144	17,680	21,072	24,318	27,424
86,971	66,875	61,185	68,265	77,126	91,430
1,871	3,395	4,493	6,004	349	318
2,677,516	2,901,061	3,152,137	3,433,310	3,484,384	3,769,259
5,730	5,895	6,055	6,210	6,360	—
—	—	—	—	—	—
5,730	5,895	6,055	6,210	6,360	—
$2,683,246	**$2,906,956**	**$3,158,192**	**$3,439,520**	**$3,490,744**	**$3,769,259**
1.3%	1.5%	1.7%	2.0%	2.1%	2.4%
$ 534	$ 586	$ 645	$ 713	$ 732	$ 799

Ratios of General Bonded Debt Outstanding

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

	For the Fiscal Year			
	2021	2020	2019	2018
Governmental Activities				
Capital improvement bonds	$ —	$ —	$ —	$ 8,698
State highway bonds	27,749	69,852	109,839	162,628
State school facilities bonds	—	—	—	—
Infrastructure Bank bonds	24,595	27,649	30,746	33,725
State economic development bonds	170,924	206,967	230,095	251,837
Research university infrastructure bonds	25,784	44,538	63,654	81,348
Air carrier hub terminal facilities bonds	16,177	19,741	23,221	26,575
Total governmental activities	265,229	368,747	457,555	564,811
Total primary government	**$ 265,229**	**$ 368,747**	**$ 457,555**	**$ 564,811**
Debt as a percentage of personal income	[a]	0.2%	0.2%	0.3%
Debt per capita expressed in actual dollars	[a]	$ 71	$ 89	$ 111

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

[a] Not yet available.

Source: South Carolina Comptroller General's Office

Table 11

Ended June 30 2017	2016	2015	2014	2013	2012
$ 26,564	$ 55,629	$ 99,296	$ 148,642	$ 191,926	$ 243,248
213,686	263,083	311,034	358,484	390,046	433,266
9,021	31,500	76,909	143,868	204,120	264,245
36,630	39,326	42,061	44,533	44,052	45,953
342,669	426,280	427,646	436,379	356,623	377,809
97,783	113,410	133,165	149,609	147,989	162,626
29,819	32,968	36,027	39,017	41,941	44,810
756,172	962,196	1,126,138	1,320,532	1,376,697	1,571,957
$ 756,172	**$ 962,196**	**$ 1,126,138**	**$ 1,320,532**	**$ 1,376,697**	**$ 1,571,957**
0.4%	0.5%	0.6%	0.8%	0.8%	1.0%
$ 150	$ 194	$ 230	$ 274	$ 289	$ 333

Computation of Legal Debt Margin

June 30, 2021
(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		
2019-2020 Budgetary General Fund revenues pledged for highway bonds	$	10,977
2019-2020 other revenues pledged for highway bonds		753,934
2019-2020 revenues pledged for highway bonds		764,911
15% of 2019-2020 revenues pledged for highway bonds		114,737
Less: maximum annual debt service for highway bonds [a]		13,900
Legal debt service margin at June 30, 2021--highway bonds	**$**	**100,837**
GENERAL OBLIGATION BONDS (EXCLUDING INSTITUTION BONDS, HIGHWAY BONDS, AND ANTICIPATION NOTES)[f]		
2019-2020 Budgetary General Fund revenues	$	9,179,224
Less: 2019-2020 Budgetary General Fund revenues pledged for highway bonds [e]		10,977
2019-2020 net Budgetary General Fund revenues		9,168,247
6% of 2019-2020 net Budgetary General Fund revenues		550,095
Less: maximum annual debt service for general obligation bonds excluding institution and highway bonds and bond anticipation notes [b]		29,798
Legal debt service margin at June 30, 2021--general obligation bonds excluding institution and highway bonds and bond anticipation notes	**$**	**520,297**

Table 12

ECONOMIC DEVELOPMENT BONDS[g]		
2019-2020 Budgetary General Fund revenues	$	9,179,224
Less: 2019-2020 Budgetary General Fund revenues pledged for highway bonds[e]		10,977
2019-2020 net Budgetary General Fund revenues		9,168,247
0.5% of 2019-2020 net Budgetary General Fund revenues		45,841
Less: maximum annual debt service for economic development bonds[d]		4,229
Legal debt service margin at June 30, 2021--economic development bonds	**$**	**41,612**
RESEARCH UNIVERSITY INFRASTRUCTURE BONDS		
2019-2020 Budgetary General Fund revenues	$	9,179,224
Less: 2019-2020 Budgetary General Fund revenues pledged for highway bonds[e]		10,977
2019-2020 net Budgetary General Fund revenues		9,168,247
0.5% of 2019-2020 net Budgetary General Fund revenues		45,841
Less: maximum annual debt service for research university infrastructure bonds[c]		4,801
Legal debt service margin at June 30, 2021--research university infrastructure bonds	**$**	**41,040**

[a] As of June 30, 2021, the maximum annual debt service will occur in the fiscal year ending June 30, 2022.

[b] As of June 30, 2021, the maximum annual debt service will occur in the fiscal year ending June 30, 2024.

[c] As of June 30, 2021, the maximum annual debt service will occur in the fiscal year ending June 30, 2025.

[d] As of June 30, 2021, the maximum annual debt service will occur in the fiscal year ending June 30, 2028.

[e] For the fiscal year ended June 30, 2021, there were no net Budgetary General Fund revenues pledged for State institution bonds and anticipation notes.

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

[g] During the fiscal year ended June 30, 2010, the State issued $170 million of Economic Development bonds, during the fiscal year ended June 30, 2014, the State issued an additional $85 million of Economic Development bonds, during the fiscal year ended June 30, 2015, the State issued an additional $18.11 million of Economic Development bonds, which, based on the provisions of Section 11-41-60 of the South Carolina Code of Laws, are not subject to the limitation on maximum annual debt service. The $170 million, $85 million, and $18.11 million bond issues have been excluded from the debt service limit calculations.

Source: South Carolina Comptroller General's Office

Legal Debt Margin Information

Last Ten Fiscal Years
(expressed in thousands)

	For the Fiscal Year			
	2021	**2020**	**2019**	**2018**
State Highway Bonds				
Debt service limitation	$ 114,737	$ 115,049	$ 108,261	$ 105,579
Debt service applicable to limit	13,900	39,452	39,452	53,171
Legal debt margin at June 30	**$ 100,837**	**$ 75,597**	**$ 68,809**	**$ 52,408**
Legal debt margin as a percentage of debt service limitation	**87.9%**	**65.7%**	**63.6%**	**49.6%**
General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes				
Debt service limitation	$ 550,095	$ 527,560	$ 486,794	$ 454,285
Debt service applicable to limit	29,798	42,392	44,785	52,936
Legal debt margin at June 30	**$ 520,297**	**$ 485,168**	**$ 442,009**	**$ 401,349**
Legal debt margin as a percentage of debt service limitation	**94.6%**	**92.0%**	**90.8%**	**88.3%**
Economic Development Bonds				
Debt service limitation	$ 45,841	$ 43,963	$ 40,566	$ 37,857
Debt service applicable to limit	4,229	4,229	4,489	4,489
Legal debt margin at June 30	**$ 41,612**	**$ 39,734**	**$ 36,077**	**$ 33,368**
Legal debt margin as a percentage of debt service limitation	**90.8%**	**90.4%**	**88.9%**	**88.1%**
Research University Infrastructure Bonds				
Debt service limitation	$ 45,841	$ 43,963	$ 40,566	$ 37,857
Debt service applicable to limit	4,801	17,274	19,375	19,375
Legal debt margin at June 30	**$ 41,040**	**$ 26,689**	**$ 21,191**	**$ 18,482**
Legal debt margin as a percentage of debt service limitation	**89.5%**	**60.7%**	**52.2%**	**48.8%**

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

Source: South Carolina Comptroller General's Office

Table 13

Ended June 30					
2017	2016	2015	2014	2013	2012
$ 104,142	$ 99,210	$ 96,244	$ 93,314	$ 95,326	$ 95,525
53,915	54,646	56,534	57,365	57,717	58,390
$ 50,227	**$ 44,564**	**$ 39,710**	**$ 35,949**	**$ 37,609**	**$ 37,135**
48.2%	**44.9%**	**41.3%**	**38.5%**	**39.5%**	**38.9%**
$ 440,260	$ 416,987	$ 392,469	$ 382,796	$ 350,844	$ 337,073
83,191	111,150	141,006	175,354	173,992	180,387
$ 357,069	**$ 305,837**	**$ 251,463**	**$ 207,442**	**$ 176,852**	**$ 156,686**
81.1%	**73.3%**	**64.1%**	**54.2%**	**50.4%**	**46.5%**
$ 36,688	$ 34,749	$ 32,706	$ 31,900	$ 29,237	$ 28,089
17,678	22,771	24,473	24,493	24,521	24,521
$ 19,010	**$ 11,978**	**$ 8,233**	**$ 7,407**	**$ 4,716**	**$ 3,568**
51.8%	**34.5%**	**25.2%**	**23.2%**	**16.1%**	**12.7%**
$ 36,688	$ 34,749	$ 32,706	$ 31,900	$ 29,237	$ 28,089
19,375	19,375	21,521	21,663	20,452	20,624
$ 17,313	**$ 15,374**	**$ 11,185**	**$ 10,237**	**$ 8,785**	**$ 7,465**
47.2%	**44.2%**	**34.2%**	**32.1%**	**30.0%**	**26.6%**

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					
2021	$ —	$ —	$ —	$ —	N/A
2020	—	—	—	—	N/A
2019	—	—	—	—	N/A
2018	2,373	2,260	113	2,373	1.00
2017	2,376	2,155	221	2,376	1.00
2016	2,379	2,055	324	2,379	1.00
2015	2,387	1,965	422	2,387	1.00
2014	2,385	1,870	515	2,385	1.00
2013	2,384	1,780	604	2,384	1.00
2012	2,384	1,695	689	2,384	1.00
Infrastructure Bank Bonds					
2021	$ 179,455	$ 80,330	$ 60,551	$ 140,881	1.27
2020	223,293	77,185	64,446	141,631	1.58
2019	221,151	78,135	74,884	153,019	1.45
2018	230,447	79,744	74,222	153,966	1.50
2017	236,635	60,754	80,734	141,488	1.67
2016	288,284	78,125	87,548	165,673	1.74
2015	219,487	67,125	89,129	156,254	1.40
2014	208,256	71,550	92,522	164,072	1.27
2013	212,078	60,730	95,789	156,519	1.35
2012	217,883	54,410	103,703	158,113	1.38
Tobacco Settlement Revenue Management Authority Bonds					
2021	$ 88,349	$ —	$ —	$ —	N/A
2020	71,750	—	—	—	N/A
2019	80,723	—	—	—	N/A
2018	81,605	—	—	—	N/A
2017	73,533	—	—	—	N/A
2016	71,119	—	—	—	N/A
2015	70,419	—	—	—	N/A
2014	109,113	—	—	—	N/A
2013	73,326	—	—	—	N/A
2012	74,122	71,700	3,585	75,285	0.98

For fiscal year 2012-13, the State implemented GASB Statement No. 61 (GASB 61). The implementation resulted in reclassification of state universities, state technical colleges and other state-related entities from the primary government category to the component units category.

Demographic Statistics

Table 15

Last Ten Calendar Years

Year	Population at July 1 [a]	Per Capita Income [b]	Average Annual Unemployment Rate [c]
2020	5,218,040	$ 47,502	6.2%
2019	5,157,702	45,359	2.8%
2018	5,091,702	43,847	3.4%
2017	5,027,102	42,178	4.2%
2016	4,963,031	40,527	4.9%
2015	4,896,006	39,413	5.9%
2014	4,826,858	37,599	6.3%
2013	4,766,469	35,713	7.4%
2012	4,719,027	35,558	9.0%
2011	4,672,655	34,068	10.5%

Information has been updated when modifications are provided by the Federal Government Sources.

[a] Source: U.S. Census Bureau

[b] Source: U.S. Department of Commerce, Bureau of Economic Statistics

[c] Source: U.S. Department of Commerce, Bureau of Economic Statistics

Employment by Industry

Table 16

Latest Completed Calendar Year and Nine Years Prior

Sources	2020 Number of Employees	2020 Percent of Total	2011 Number of Employees	2011 Percent of Total
Services	875,771	40.5%	764,333	40.0%
State and local	325,400	15.0%	305,505	16.0%
Retail trade	247,594	11.4%	227,146	11.9%
Manufacturing	244,489	11.3%	216,463	11.3%
Finance, insurance, and real estate	108,348	5.0%	94,761	5.0%
Construction	106,162	4.9%	78,773	4.1%
Transportation and public utilities	83,675	3.9%	59,851	3.1%
Wholesale trade	72,774	3.4%	64,778	3.4%
Military	48,298	2.2%	53,685	2.8%
Federal government, civilian	36,723	1.7%	32,817	1.7%
Farming	5,854	0.3%	6,817	0.4%
Agricultural services, forestry, fishing, and other	7,298	0.3%	6,915	0.4%
Mining	1,922	0.1%	1,233	0.1%
Total wage and salary employment	**2,164,308**	**100.0%**	**1,913,077**	**100.0%**

Note: Pursuant to the provisions of Section 41-29-150 of the South Carolina Code of Laws, the number of employees for individual companies within the State is not available. The categories presented are intended to provide alternative information regarding the principal employers within the State.

Source: U.S. Department of Commerce, Bureau of Economic Statistics

Ten Largest Employers

Table 17

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

2020	2011
BMW Manufacturing Corporation	Bi-Lo, Inc.
Greenville County School District	Blue Cross/Blue Shield of South Carolina
Hospital Authority of MUSC	Greenville County School District
Lowes Home Centers, Inc.	Greenville Hospital System
Prisma Health Midlands	Michelin North America, Inc.
Publix Super Markets, Inc.	Palmetto Health Alliance, Inc.
Spartanburg Regional Medical Center	U.S. Department of Defense
U.S. Department of Defense	U.S. Postal Service
Upstate Affiliate Organization	University of South Carolina
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.

Note: Pursuant to the provisions of Section 41-29-150 of the South Carolina Code of Laws, the number 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			
	2021 [a]	2020 [a]	2019 [a]	2018 [a]
General government	5,954	6,011	5,977	6,265
Education	2,720	2,787	2,800	2,898
Higher education	—	—	—	—
Health and environment	9,203	10,112	9,982	9,818
Social services	4,510	4,673	4,416	4,062
Administration of justice	7,786	8,424	8,425	8,755
Resources and economic development	1,752	1,782	1,744	1,742
Transportation	3,793	4,135	4,236	4,342
Other	74	78	86	81
Totals	**35,792**	**38,002**	**37,666**	**37,963**

[a] Beginning with fiscal year 2012-2013, the following entities are reported as discretely presented component units rather than as part of the primary government: Higher education institutions, Housing Authority, Education Assistance Authority, Jobs-Economic Development Authority, and Patriots Point Development Authority.

Source: South Carolina Comptroller General's Office

Table 18

as of June 30					
2017 [a]	2016 [a]	2015 [a]	2014 [a]	2013 [a]	2012
6,243	6,102	6,068	6,023	5,748	5,927
2,974	2,898	2,857	2,773	2,717	2,726
—	—	—	—	—	29,518
9,493	9,489	9,741	9,683	9,675	9,875
3,730	3,675	3,438	3,294	3,222	3,150
8,659	8,578	8,886	9,205	9,261	9,295
1,630	1,607	1,612	1,525	1,477	1,410
4,530	4,602	4,361	4,291	4,417	4,471
82	76	66	56	66	300
37,341	**37,027**	**37,029**	**36,850**	**36,583**	**66,672**

Operating Indicators by Function

Last Ten Fiscal Years

	For the Fiscal Year			
	2021	2020	2019	2018
General government				
Individual income tax returns processed	2,812,397	2,284,026	2,424,308	2,433,317
Corporate income tax returns processed	147,433	136,102	136,143	133,959
Department of Motor Vehicles transactions	18,970,964	15,599,029	15,744,086	15,447,021
Workers' compensation cases reviewed	58,327	66,825	65,827	67,255
Education				
Per pupil spending	14,801*	14,476*	14,060	13,601
Public school enrollment	766,819	787,069	781,493	774,004
Average operating miles per school bus	15,142	11,845	14,800	14,400
State Museum visitors	58,168	141,718	170,907	208,300
Health and environment				
Medicaid eligible participants	1,456,437	1,449,935	1,436,247	1,424,134
Women, Infant and Children (WIC) participants	86,521	85,242	86,354	109,864
Community mental health center clients	50,000	50,000	57,559	84,528
Social services				
Average food stamp households per month	292,308	275,382	264,179	345,511
Child Protective Services investigations	34,683	33,187	37,689	37,837
Administration of justice				
Adult prison average daily population	15,315	17,196	18,541	19,097
Juvenile facility average daily population	394	396	413	435
Resources and economic development				
Dept of Commerce capital investment projects	126	129	162	157
Welcome Center visitors	1,995,469	2,540,977	4,692,510	3,232,816
Hunting and fishing licenses processed	1,007,094	949,088	831,193	845,333
Watercraft registrations	574,477	554,864	521,004	505,817
Transportation				
Miles of surface repairs	137,489	140,566	173,578	143,334
Miles of roadway inspections	437,389	400,097	360,112	349,335
Unemployment compensation benefits				
Initial claims	265,652	739,569	128,980	139,336
Total benefit weeks claimed	3,575,435	3,284,932	802,474	863,828
Tuition prepayment program				
Individual accounts	2,046	2,374	2,707	5,317
Insurance claims processing				
Second Injury Fund claims paid	959	1,147	1,256	1,380
Other				
Public railway carloads (calendar year)	98,919	101,282	104,010	106,490

* Estimated spending

Source: South Carolina Comptroller General's Office

Table 19

Ended June 30					
2017	2016	2015	2014	2013	2012
3,058,609	2,995,483	2,582,598	2,514,090	2,444,843	2,406,252
126,000	129,511	212,072	209,677	208,208	194,680
14,681,110	14,113,064	13,401,505	12,767,033	11,541,043	10,522,707
64,802	63,480	63,164	63,541	53,683	44,327
13,043	12,368	12,007	11,634	11,429	11,093
769,130	760,500	753,485	742,325	731,679	719,201
14,600	14,798	14,715	14,862	16,041	15,048
161,335	161,372	181,284	127,943	143,199	185,124
1,413,345	1,424,039	1,336,550	1,246,546	1,162,210	1,069,195
101,563	107,257	114,562	112,131	125,368	130,646
82,560	82,241	80,792	78,825	89,510	83,880
342,551	371,331	382,054	403,281	415,475	444,268
26,347	24,980	19,784	14,606	11,924	15,803
20,105	20,593	20,948	21,581	22,152	22,776
514	534	560	523	508	532
132	150	146	127	151	149
2,954,241	3,018,376	2,054,310	2,001,594	2,046,582	2,158,943
875,912	918,677	995,773	962,561	938,736	965,598
499,512	500,687	481,144	460,300	462,926	450,935
139,399	171,818	160,674	166,174	150,859	137,479
364,882	198,161	178,761	354,953	341,907	325,930
114,951	159,186	179,984	225,420	264,447	278,714
964,485	1,197,550	956,586	1,365,992	1,787,530	2,402,387
5,486	5,575	5,662	5,758	5,841	5,935
1,336	1,567	1,759	1,964	2,190	3,312
135,267	133,147	117,550	122,475	105,775	88,746

Capital Assets by Function

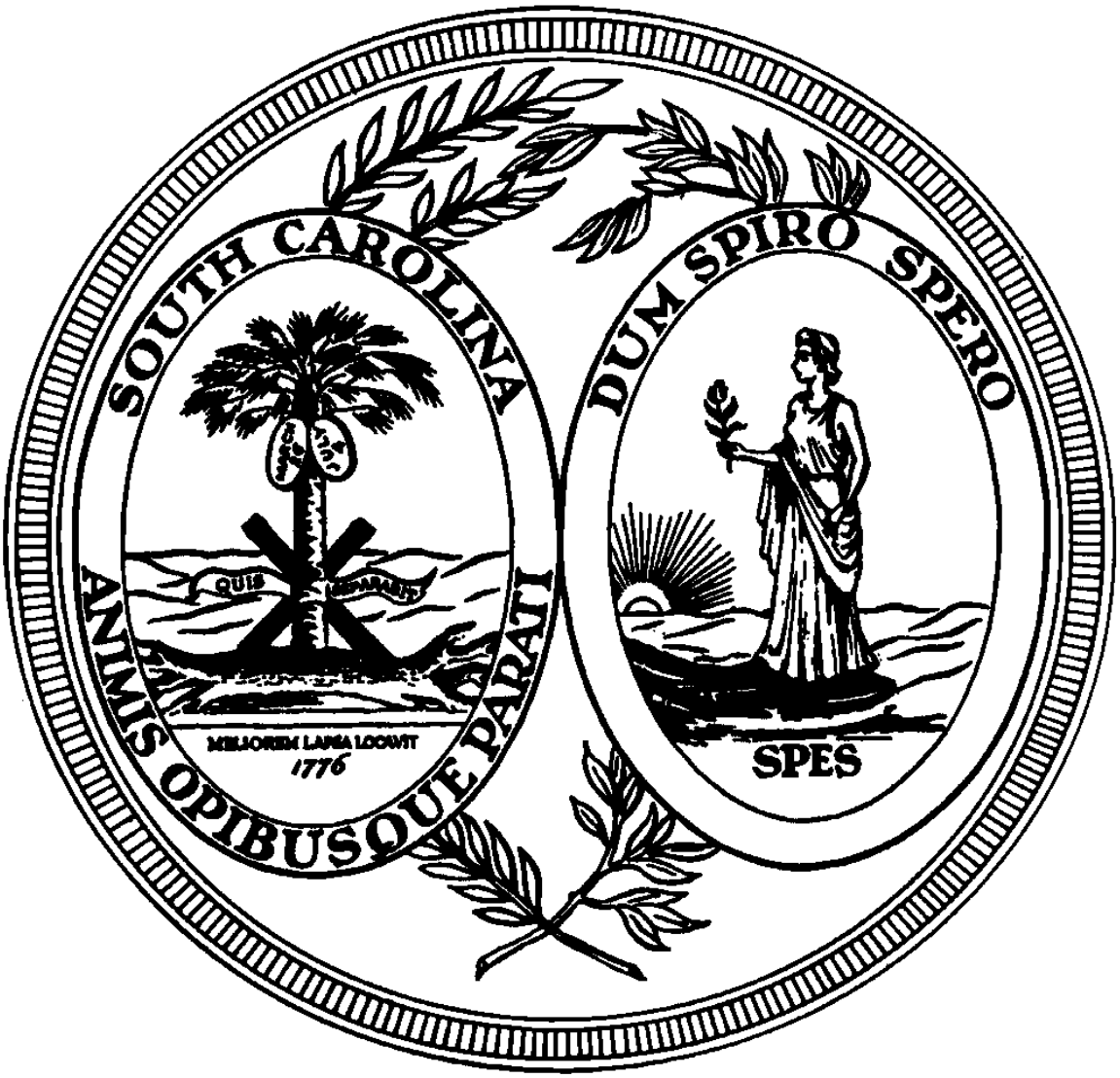
Last Ten Fiscal Years

	For the Fiscal Year			
	2021	2020	2019	2018
General government				
Buildings and facilities	42	41	41	44
State armories	56	56	56	59
Fleet vehicles	3,350	3,769	3,617	3,607
Motor vehicle district offices	66	66	66	66
Education				
School buses	5,689	5,643	5,684	5,681
Television transmitters	10	10	10	11
Vocational training/client centers	34	34	34	34
Health and environment				
Mental health buildings	117	113	115	127
Community mental health centers	71	70	70	71
Special needs centers and homes	10	10	10	10
Social services				
Buildings and facilities	63	65	65	65
Administration of justice				
Adult correctional institutions	21	21	21	21
Juvenile correctional facilities	5	5	5	5
Highway patrol district offices	7	6	6	6
Highway patrol vehicles	1,459	1,586	1,703	1,628
Resources and economic development				
Acres of State parks	92,816	92,495	92,259	91,144
Acres of State forests	94,462	94,462	94,462	94,462
State parks and historical sites	54	53	53	53
State farmers' markets	3	3	3	3
DNR vehicles and boats	1,777	1,669	1,863	1,732
Transportation				
Miles of State highways (calendar year)	41,297	41,299	41,315	41,330
Weigh stations	9	8	8	8
Traffic cameras	537	517	485	447
Miles of cable median barriers	502	476	476	490
Other				
Rail yards	4	4	4	4
State-owned locomotives	12	12	12	12

Source: South Carolina Comptroller General's Office

Table 20

Ended June 30					
2017	2016	2015	2014	2013	2012
45	49	49	49	46	33
57	57	58	59	66	63
3,325	3,000	3,029	3,093	2,991	3,092
67	67	66	66	67	67
5,671	5,617	5,776	5,640	5,705	5,630
11	11	11	11	11	11
34	35	35	35	35	35
139	141	144	149	148	149
68	64	64	64	51	48
10	10	10	10	10	10
67	69	69	69	65	66
23	23	24	25	26	27
5	5	5	5	5	5
6	6	6	6	6	6
1,551	1,442	1,442	1,351	1,050	1,054
86,445	86,445	86,445	86,445	86,370	84,604
94,462	94,462	94,462	94,245	94,215	94,215
53	53	53	53	53	53
3	3	3	3	3	3
1,753	1,645	1,169	1,292	1,081	1,223
41,358	41,377	41,391	41,414	41,432	41,448
8	8	8	8	8	8
379	359	360	360	360	360
490	490	480	480	480	480
3	3	3	3	3	3
12	12	10	10	10	10



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was $311.00; 100 copies were printed at a cost of $3.11 each.