
**SUPPLEMENTARY
INFORMATION**

Governmental Funds

Governmental funds include the General Fund, several special revenue funds, a Capital Projects Fund, and two permanent funds. The State does not use debt service funds because it does not accumulate resources to pay future years' general long-term debt principal and interest; instead, the State finances such payments directly from the current year's resources.

This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's 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 a Comprehensive Annual Financial Report (CAFR) 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 CAFR 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 the proceeds of 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:

Education Improvement Act Fund. This fund accounts for the special additional 1% sales tax levied to be used exclusively for improvements in elementary and secondary education, including academic loans for future teachers.

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.

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.

Homestead Exemption Fund. This fund accounts for a special additional 1% sales tax to be used for property tax relief reimbursements. The State allocates these revenues to counties and municipalities in accordance with State law.

Medicaid Expansion Fund. Resources of this fund include county assessments for indigent medical care and a tax on licensed hospitals. The fund was established to provide Medicaid coverage to persons formerly ineligible for such coverage and to provide additional State matching funds for Medicaid.

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. In return, the Authority transferred part of the bond proceeds to the State Tobacco Settlement Fund.

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, and scholarships for the State's universities and technical colleges.

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, certain housing programs, medical and dental scholarships, energy-related programs, and certain programs administered by the Department of Probation, Parole, and Pardon Services. These funds also include operations of the Jobs-Economic Development Authority, which acts in conjunction with other organizations in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State. The Authority's emphasis is on those areas of the State with the greatest economic need and those projects providing the greatest economic benefit.

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.

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, 2009

(Expressed in Thousands)

SPECIAL

	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Homestead Exemption	Medicaid Expansion
ASSETS						
Cash and cash equivalents.....	\$ 81,775	\$ 23,001	\$ 235,098	\$ 129,752	\$ 6,873	\$ 64,208
Invested securities lending collateral.....	1,331	3,150	30,608	3,771	—	6,433
Receivables, net:						
Accounts.....	337	—	540	3	—	17
Accrued interest.....	2,664	185	1,969	152	313	809
Sales and other taxes.....	54,692	—	—	60,835	45,807	714
Loans and notes.....	18,803	—	—	—	—	—
Due from Federal government and other grantors.....	—	—	—	—	—	—
Due from other funds.....	1,996	—	—	184	52,018	—
Due from component units.....	4	—	—	—	—	—
Interfund receivables.....	—	—	—	—	—	—
Inventories.....	—	—	6	—	—	—
Restricted assets:						
Cash and cash equivalents.....	—	—	—	—	—	—
Investments.....	—	—	—	—	—	—
Other.....	—	—	—	—	—	—
Total assets.....	\$ 161,602	\$ 26,336	\$ 268,221	\$ 194,697	\$ 105,011	\$ 72,181
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 7,017	\$ —	\$ 2,712	\$ —	\$ —	\$ —
Accrued salaries and related expenditures.....	882	—	253	—	—	—
Retainages payable.....	—	—	—	—	—	—
Tax refunds payable.....	330	—	—	294	296	—
Intergovernmental payables.....	32,997	13	634	232,348	58,629	—
Due to other funds.....	1,127	—	205	404	—	22,958
Interfund payables.....	250	—	—	—	—	—
Deferred revenues.....	—	—	—	—	—	26,751
Securities lending collateral.....	1,413	3,343	32,490	4,002	—	6,828
Other liabilities.....	47	—	—	—	—	—
Total liabilities.....	44,063	3,356	36,294	237,048	58,925	56,537
Fund balances (deficit):						
Reserved for:						
Inventories.....	—	—	6	—	—	—
Interfund receivables.....	—	—	—	—	—	—
Endowments.....	—	—	—	—	—	—
Long-term loans and notes receivable.....	16,940	—	—	—	—	—
Debt requirements.....	—	—	—	—	—	—
School building aid.....	20,694	—	—	—	—	—
Unreserved:						
Designated for scholarships.....	15,114	—	—	—	—	—
Designated for capital expenditures.....	—	—	—	—	—	—
Undesignated.....	64,791	22,980	231,921	(42,351)	46,086	15,644
Total fund balances (deficit).....	117,539	22,980	231,927	(42,351)	46,086	15,644
Total liabilities and fund balances.....	\$ 161,602	\$ 26,336	\$ 268,221	\$ 194,697	\$ 105,011	\$ 72,181

REVENUE					PERMANENT				
Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ 4,022	\$ 136,787	\$ 42,829	\$ 83,643	\$ 807,988	\$ 293,887	\$ 1,377	\$ 3,159	\$ 4,536	\$ 1,106,411
—	19,651	5,234	2,891	73,069	49,330	139	339	478	122,877
—	17	—	136	1,050	—	—	—	—	1,050
—	1,686	333	225	8,336	1,015	13	32	45	9,396
—	—	—	833	162,881	269	—	—	—	163,150
—	—	—	14,884	33,687	—	—	—	—	33,687
—	—	—	—	—	759	—	—	—	759
—	140	1,876	2,719	58,933	2,669	—	—	—	61,602
—	23,655	—	—	23,659	—	—	—	—	23,659
—	—	—	2,868	2,868	11,850	—	—	—	14,718
—	—	—	—	6	—	—	—	—	6
13,967	—	—	—	13,967	—	—	—	—	13,967
4,992	—	—	—	4,992	—	—	—	—	4,992
46,218	—	—	—	46,218	—	—	—	—	46,218
\$ 69,199	\$ 181,936	\$ 50,272	\$ 108,199	\$ 1,237,654	\$ 359,779	\$ 1,529	\$ 3,530	\$ 5,059	\$ 1,602,492
\$ 69	\$ 797	\$ 2,191	\$ 1,310	\$ 14,096	\$ 4,470	\$ —	\$ —	\$ —	\$ 18,566
—	3	—	746	1,884	78	—	6	6	1,968
—	—	—	—	—	617	—	—	—	617
—	—	—	6	926	—	—	—	—	926
—	7,606	10,119	7,067	349,413	—	—	—	—	349,413
265	7,523	314	2,302	35,098	27,722	—	3	3	62,823
—	—	—	30	280	16,980	—	—	—	17,260
—	—	—	20	26,771	220	—	—	—	26,991
—	20,859	5,556	3,069	77,560	52,362	148	360	508	130,430
—	—	—	—	47	—	—	—	—	47
334	36,788	18,180	14,550	506,075	102,449	148	369	517	609,041
—	—	—	—	6	—	—	—	—	6
—	—	—	2,241	2,241	9,200	—	—	—	11,441
—	—	—	—	—	—	714	2,326	3,040	3,040
—	—	—	13,964	30,904	—	—	—	—	30,904
65,177	—	—	—	65,177	—	—	—	—	65,177
—	—	—	—	20,694	—	—	—	—	20,694
—	—	—	—	15,114	—	—	—	—	15,114
—	—	—	—	—	248,130	—	—	—	248,130
3,688	145,148	32,092	77,444	597,443	—	667	835	1,502	598,945
68,865	145,148	32,092	93,649	731,579	257,330	1,381	3,161	4,542	993,451
\$ 69,199	\$ 181,936	\$ 50,272	\$ 108,199	\$ 1,237,654	\$ 359,779	\$ 1,529	\$ 3,530	\$ 5,059	\$ 1,602,492

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	SPECIAL					
	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Homestead Exemption	Medicaid Expansion
Revenues:						
Taxes:						
Retail sales and use.....	\$ 562,796	\$ —	\$ 1,571	\$ 575,152	\$ 517,782	\$ —
Other.....	—	—	2,372	—	—	260,771
Licenses, fees, and permits.....	244	—	26,393	—	—	—
Interest and other investment income.....	3,783	1,382	10,850	911	2,406	4,801
Federal.....	—	—	—	—	—	—
Departmental services.....	—	—	4,881	—	—	—
Contributions.....	—	—	—	—	—	7,583
Fines and penalties.....	—	—	532	—	—	—
Tobacco legal settlement.....	—	—	—	—	—	—
Other.....	692	—	270	—	—	6
Total revenues.....	567,515	1,382	46,869	576,063	520,188	273,161
Expenditures:						
Current:						
General government.....	11,610	—	—	—	—	—
Education.....	77,177	7,575	—	—	—	—
Health and environment.....	621	—	35,060	—	—	370,344
Social services.....	343	—	—	—	—	—
Administration of justice.....	975	—	—	—	—	—
Resources and economic development.....	—	—	—	—	—	—
Capital outlay.....	—	—	—	—	—	—
Debt service:						
Principal retirement.....	—	—	—	—	—	—
Interest and fiscal charges.....	—	—	—	—	—	—
Intergovernmental.....	469,747	8,759	7,574	616,445	922,457	—
Total expenditures.....	560,473	16,334	42,634	616,445	922,457	370,344
Excess of revenues over (under) expenditures.....	7,042	(14,952)	4,235	(40,382)	(402,269)	(97,183)
Other financing sources (uses):						
Bonds and notes issued.....	—	—	—	—	—	—
Premiums on bonds issued.....	—	—	—	—	—	—
Transfers in.....	1,832	5,169	—	—	396,660	—
Transfers out.....	(1,572)	—	(1,307)	(3,434)	—	(10,000)
Total other financing sources (uses).....	260	5,169	(1,307)	(3,434)	396,660	(10,000)
Net change in fund balances.....	7,302	(9,783)	2,928	(43,816)	(5,609)	(107,183)
Fund balances at beginning of year.....	110,237	32,763	228,999	1,465	51,695	122,827
Fund balances (deficit) at end of year.....	\$ 117,539	\$ 22,980	\$ 231,927	\$ (42,351)	\$ 46,086	\$ 15,644

REVENUE					PERMANENT				
Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ —	\$ —	\$ —	\$ —	\$ 1,657,301	\$ —	\$ —	\$ —	\$ —	\$ 1,657,301
—	—	—	31,594	294,737	—	—	—	—	294,737
—	—	89,387	10,969	126,993	5	—	219	219	127,217
124	9,113	1,820	1,394	36,584	4,931	92	223	315	41,830
—	—	—	149	149	9,625	—	—	—	9,774
—	—	11,368	1,130	17,379	95	—	—	—	17,474
—	260,973	—	179	268,735	166	—	2	2	268,903
—	—	—	23,064	23,596	—	—	—	—	23,596
95,115	—	—	—	95,115	—	—	—	—	95,115
813	148	—	364	2,293	1,452	—	—	—	3,745
96,052	270,234	102,575	68,843	2,522,882	16,274	92	444	536	2,539,692
786	—	89,242	34,269	135,907	—	—	—	—	135,907
—	228,818	—	—	313,570	—	5	—	5	313,575
—	234	—	31	406,290	—	8	—	8	406,298
—	—	—	15,298	15,641	—	—	—	—	15,641
—	—	—	12,396	13,371	—	—	—	—	13,371
—	—	—	4,714	4,714	—	—	9	9	4,723
—	—	—	—	—	71,130	—	—	—	71,130
75,730	—	—	—	75,730	1,055	—	—	—	76,785
13,786	—	—	—	13,786	2,208	—	—	—	15,994
—	47,251	9,218	23,998	2,105,449	—	—	—	—	2,105,449
90,302	276,303	98,460	90,706	3,084,458	74,393	13	9	22	3,158,873
5,750	(6,069)	4,115	(21,863)	(561,576)	(58,119)	79	435	514	(619,181)
—	—	—	—	—	91,521	—	—	—	91,521
—	—	—	—	—	4,541	—	—	—	4,541
—	2,148	—	10,640	416,449	37,816	—	—	—	454,265
(425)	(15,647)	(210)	(1,955)	(34,550)	(52,552)	—	—	—	(87,102)
(425)	(13,499)	(210)	8,685	381,899	81,326	—	—	—	463,225
5,325	(19,568)	3,905	(13,178)	(179,677)	23,207	79	435	514	(155,956)
63,540	164,716	28,187	106,827	911,256	234,123	1,302	2,726	4,028	1,149,407
\$ 68,865	\$ 145,148	\$ 32,092	\$ 93,649	\$ 731,579	\$ 257,330	\$ 1,381	\$ 3,161	\$ 4,542	\$ 993,451

General Reserve Fund Activity

BUDGETARY GENERAL FUND Last Ten Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Reserve Fund. 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.

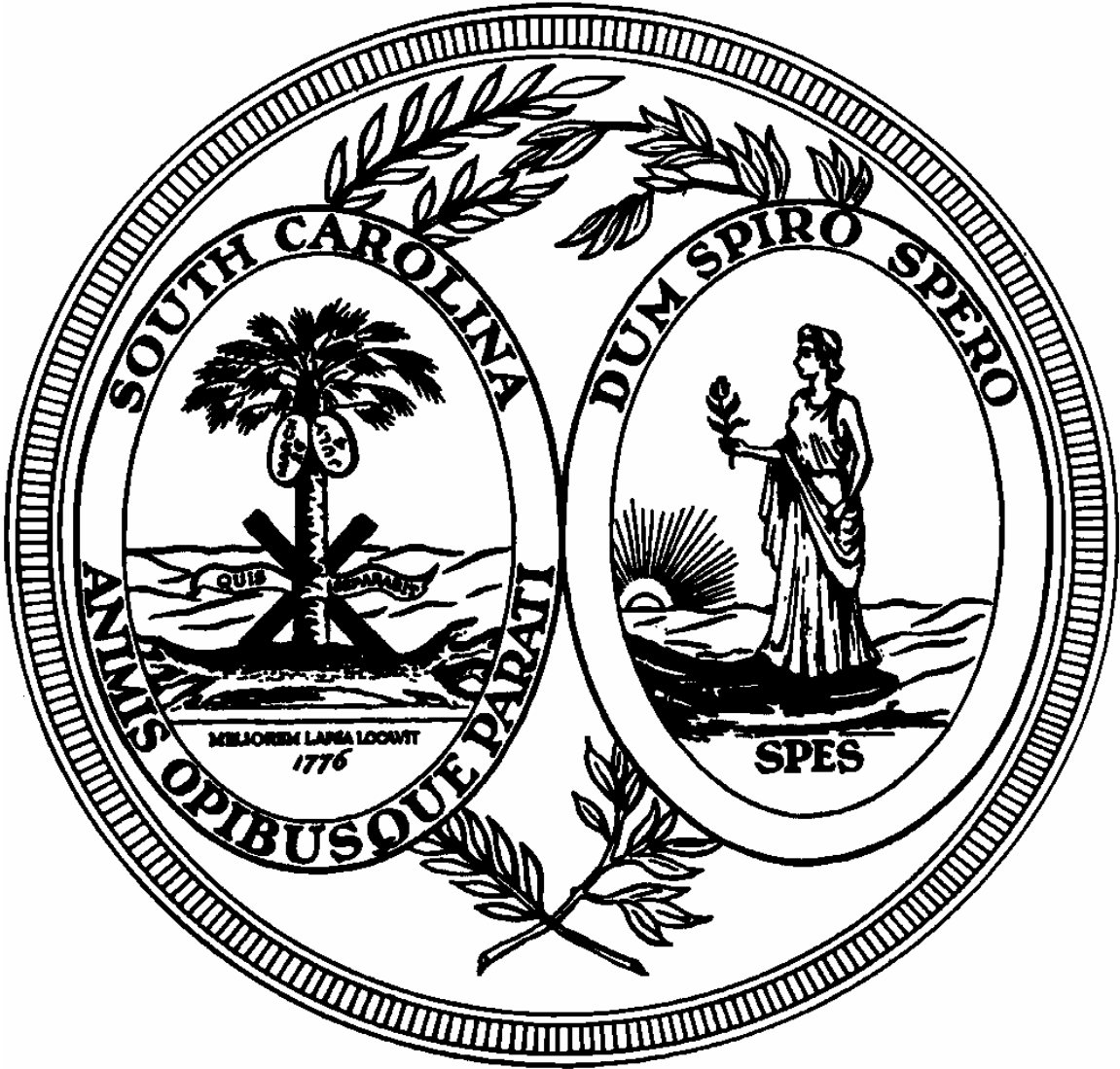
If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

Key amounts (dollars in thousands) for the General Reserve Fund for the last ten fiscal years are:

<u>Fiscal Year Ended June 30</u>	<u>Start-of- Year Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>End-of-Year Balance</u>	<u>Full-Funding Amount^a</u>	<u>Actual End-of- Year % Funded^b</u>
2000	137,650	7,721	—	145,371	145,371	100%
2001	145,371	2,545	(87,393)	60,523	147,916	41%
2002	60,523	2,286	(62,809)	—	150,202	0%
2003	—	38,797	(38,797)	—	152,410	0%
2004	—	74,455	(49,300)	25,155	147,708	17%
2005	25,155	50,000	—	75,155	149,034	50%
2006	75,155	78,333	—	153,488	153,488	100%
2007	153,488	14,244	—	167,732	167,732	100%
2008	167,732	19,049	(91,658)	95,123	186,781	51%
2009	95,123	12,974	(108,097)	—	199,755	0%

^aEquals 3% of the Budgetary General Fund revenues for the previous fiscal year.

^bEquals (End-of-Year Balance/Full-Funding Amount) expressed as a percentage.



Proprietary Funds

Proprietary funds include enterprise and internal service funds. This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's proprietary funds:

- Combining Statement of Net Assets—Nonmajor Enterprise Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets—Nonmajor Enterprise Funds
- Combining Statement of Cash Flows—Nonmajor Enterprise Funds
- Combining Statement of Net Assets—Internal Service Funds
- Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets—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.

Patients' Compensation Fund. This fund provides medical malpractice insurance to any public or private health care provider within the State. This fund is reported as an insurance enterprise.

Patriots Point Development Authority Fund. The Patriots Point Development Authority is responsible for developing and operating the Patriots Point area near Charleston, including a naval museum. The Authority is supported by user fees.

Second Injury Fund. This 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.

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.

The Citadel Trust, Inc., Fund. The Citadel Trust was formed for the purpose of investing funds in order to provide scholarship and other financial assistance or support to The Citadel, a higher education institution reported in the Higher Education Fund, a major enterprise fund.

University of South Carolina Trust Fund (the Trust). The Trust operates exclusively for the benefit of the University of South Carolina's School of Medicine to augment and aid education, research, and service in the field of health sciences. The University of South Carolina is a higher education institution reported in the Higher Education Fund, a major enterprise fund. The Trust's fiscal year ends December 31, and the accompanying supplementary information includes the Trust's financial information for the fiscal year ended December 31, 2008.

University Medical Associates Fund (UMA). UMA was established to promote and support educational, medical, scientific, and research purposes of the Medical University of South Carolina (MUSC), a higher education institution reported in the Higher Education Fund, a major enterprise fund. UMA promotes the recruitment and retention of superior faculty at MUSC.

Medical University Facilities Corporation Fund (MUFC). MUFC was established to obtain financing for the Medical University of South Carolina to purchase land, an office building, and a parking garage.

CHS Development Company Fund. The Company was established to provide financing for the Medical University of South Carolina by developing and leasing property.

Enterprise Campus Authority. The Authority was established to provide for the management, development, and operation of the Enterprise Campus of Midlands Technical College. Midlands Technical College is a higher education institution reported in the Higher Education Fund, a major enterprise fund.

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development and the Public Railways Divisions of the South Carolina Department of Commerce, the Canteens Fund, 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.

Central Supplies and Equipment Fund. This fund sells office supplies and equipment, food, and paper products to other governmental units. It also stores food and paper products for State agencies.

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.

Pension Administration Fund. This fund administers the public employee retirement systems. Revenues of the fund primarily consist of assessments charged to the pension trust funds.

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 Assets

NONMAJOR ENTERPRISE FUNDS

June 30, 2009

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 9,916	\$ 4,767	\$ 211	\$ 136,918	\$ 425
Investments.....	12,430	—	—	—	1,336
Invested securities lending collateral.....	44	621	6,122	3,833	—
Receivables, net:					
Accounts.....	—	295	—	168	—
Contributions.....	—	—	—	—	31
Participants.....	—	—	—	2,781	—
Accrued interest.....	90	10	—	(9)	173
Patient accounts.....	—	—	—	—	—
Due from Federal government and other grantors.....	—	—	—	—	1
Due from other funds.....	—	9,200	—	4	—
Inventories.....	—	283	—	—	—
Restricted assets:					
Cash and cash equivalents.....	—	—	41,514	—	988
Investments.....	—	—	—	—	6,935
Loans receivable.....	—	—	—	—	83
Other.....	—	—	530	—	155
Prepaid items.....	508	9	—	—	5
Other current assets.....	—	—	376	—	—
Total current assets.....	<u>22,988</u>	<u>15,185</u>	<u>48,753</u>	<u>143,695</u>	<u>10,132</u>
Long-term assets:					
Investments.....	—	—	—	—	3,463
Receivables, net:					
Contributions.....	—	—	—	—	11
Participants.....	—	—	—	7,987	—
Interfund receivables.....	—	—	—	—	—
Restricted assets:					
Cash and cash equivalents.....	—	—	—	—	2,877
Investments.....	—	—	—	—	36,948
Loans receivable.....	—	—	—	—	57
Other.....	—	—	—	—	170
Prepaid items.....	—	—	—	—	—
Other long-term assets.....	—	—	—	—	11
Deferred charges.....	—	—	—	—	—
Non-depreciable capital assets.....	287	5,616	—	—	2,182
Depreciable capital assets, net.....	—	8,556	16	—	—
Total long-term assets.....	<u>287</u>	<u>14,172</u>	<u>16</u>	<u>7,987</u>	<u>45,719</u>
Total assets.....	<u>23,275</u>	<u>29,357</u>	<u>48,769</u>	<u>151,682</u>	<u>55,851</u>

University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ 3,463	\$ 106,771	\$ —	\$ —	\$ —	\$ 41,607	\$ 304,078
5,191	5,005	—	—	—	—	23,962
—	—	—	—	—	5,456	16,076
5,782	1,145	—	—	19	1,055	8,464
—	—	—	—	—	—	31
—	—	—	—	—	—	2,781
—	—	7	—	—	324	595
3,250	31,863	—	—	—	—	35,113
—	—	—	—	—	—	1
—	11,320	1,906	968	230	23	23,651
—	—	—	—	—	3,304	3,587
—	—	1,398	11	—	8	43,919
—	—	316	629	—	—	7,880
—	—	—	—	—	—	83
—	—	—	—	—	175	860
—	631	—	156	—	121	1,430
—	1,205	64	61	—	—	1,706
17,686	157,940	3,691	1,825	249	52,073	474,217
—	13,168	—	—	—	—	16,631
—	—	—	—	—	—	11
—	—	—	—	—	—	7,987
—	—	11,734	20,312	—	—	32,046
—	—	—	4,239	—	—	7,116
—	—	213	—	—	—	37,161
—	—	—	—	—	8,294	8,351
—	—	—	—	—	—	170
—	9,384	—	2,115	—	—	11,499
—	2,313	—	—	—	—	2,324
—	1,028	220	821	—	—	2,069
—	3,194	—	—	2,759	20,729	34,767
13,026	42,102	—	—	4,396	6,133	74,229
13,026	71,189	12,167	27,487	7,155	35,156	234,361
30,712	229,129	15,858	29,312	7,404	87,229	708,578

Continued on Next Page

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2009

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 168	\$ 285	\$ 3	\$ —	\$ 7
Accrued salaries and related expenses.....	26	277	98	—	6
Accrued interest payable.....	—	—	—	—	—
Tuition benefits payable.....	—	—	—	24,721	—
Policy claims.....	10,000	—	—	—	—
Due to other funds.....	—	66	408	—	—
Unearned revenues.....	9,791	216	—	—	5
Securities lending collateral.....	48	659	6,498	3,889	—
Liabilities payable from restricted assets:					
Accrued interest payable.....	—	—	—	—	—
Other.....	—	—	41,635	—	—
Notes payable.....	—	—	—	—	—
Revenue bonds payable.....	—	—	—	—	—
Capital leases payable.....	—	—	—	—	—
Compensated absences payable.....	9	23	100	—	—
Other current liabilities	298	—	—	—	8
Total current liabilities.....	<u>20,340</u>	<u>1,526</u>	<u>48,742</u>	<u>28,610</u>	<u>26</u>
Long-term liabilities:					
Tuition benefits payable.....	—	—	—	165,070	—
Policy claims.....	145,574	—	—	—	—
Interfund payables.....	—	9,200	—	—	—
Unearned revenues.....	—	476	—	—	—
Other liabilities payable from restricted assets.....	—	—	—	—	—
Notes payable.....	—	—	—	—	—
Revenue bonds payable.....	—	—	—	—	—
Capital leases payable.....	—	—	—	—	—
Compensated absences payable.....	—	258	11	—	—
Other long-term liabilities.....	—	—	—	—	17
Total long-term liabilities.....	<u>145,574</u>	<u>9,934</u>	<u>11</u>	<u>165,070</u>	<u>17</u>
Total liabilities.....	<u>165,914</u>	<u>11,460</u>	<u>48,753</u>	<u>193,680</u>	<u>43</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	287	14,172	16	—	2,182
Restricted:					
Expendable:					
Education.....	—	—	—	—	20,507
Capital projects.....	—	—	—	—	1,402
Debt service.....	—	—	—	—	—
Nonexpendable:					
Education.....	—	—	—	—	26,424
Unrestricted.....	(142,926)	3,725	—	(41,998)	5,293
Total net assets (deficits).....	<u>\$ (142,639)</u>	<u>\$ 17,897</u>	<u>\$ 16</u>	<u>\$ (41,998)</u>	<u>\$ 55,808</u>

<u>University of South Carolina Trust</u>	<u>University Medical Associates</u>	<u>Medical University Facilities Corporation</u>	<u>CHS Development Company</u>	<u>Enterprise Campus Authority</u>	<u>Other Enterprise</u>	<u>Totals</u>
\$ 4,995	\$ 2,773	\$ —	\$ —	\$ —	\$ 350	\$ 8,581
(3)	12,666	—	—	—	351	13,421
—	228	156	666	—	—	1,050
—	—	—	—	—	—	24,721
—	—	—	—	—	—	10,000
—	376	—	—	—	620	1,470
—	—	20	—	—	33	10,065
—	—	—	—	—	5,791	16,885
—	—	—	—	—	178	178
—	—	—	—	—	—	41,635
—	3,791	1,245	1,235	—	—	6,271
425	—	741	—	—	—	1,166
—	62	—	—	—	—	62
1,325	2,085	—	—	—	426	3,968
—	1,955	—	—	—	—	2,261
<u>6,742</u>	<u>23,936</u>	<u>2,162</u>	<u>1,901</u>	<u>—</u>	<u>7,749</u>	<u>141,734</u>
—	—	—	—	—	—	165,070
—	—	—	—	—	—	145,574
—	—	—	—	—	8,294	17,494
—	—	—	—	—	—	476
—	—	—	—	—	7	7
—	22,746	5,770	27,232	—	—	55,748
6,800	46,100	6,609	—	—	—	59,509
—	27	—	—	—	—	27
—	1,389	—	—	—	197	1,855
549	—	—	—	—	—	566
<u>7,349</u>	<u>70,262</u>	<u>12,379</u>	<u>27,232</u>	<u>—</u>	<u>8,498</u>	<u>446,326</u>
<u>14,091</u>	<u>94,198</u>	<u>14,541</u>	<u>29,133</u>	<u>—</u>	<u>16,247</u>	<u>588,060</u>
5,801	10,563	—	—	7,155	26,862	67,038
—	—	—	—	—	—	20,507
—	—	—	—	—	—	1,402
—	—	1,317	179	—	—	1,496
—	—	—	—	—	—	26,424
10,820	124,368	—	—	249	44,120	3,651
<u>\$ 16,621</u>	<u>\$ 134,931</u>	<u>\$ 1,317</u>	<u>\$ 179</u>	<u>\$ 7,404</u>	<u>\$ 70,982</u>	<u>\$ 120,518</u>

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2009
(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	Tuition Prepayment Program	The Citadel Trust, Inc.
Operating revenues:					
Charges for services.....	\$ 32,938	\$ 8,654	\$ 2,091	\$ 672	\$ —
Contributions.....	—	—	—	(114)	—
Interest and other investment income.....	—	—	—	(6,756)	(11,574)
Operating revenues pledged for revenue bonds.....	—	—	—	—	—
Other operating revenues.....	—	—	—	—	—
Total operating revenues.....	32,938	8,654	2,091	(6,198)	(11,574)
Operating expenses:					
General operations and administration.....	1,595	7,654	1,673	—	155
Benefits and claims.....	(8,319)	—	—	—	—
Tuition plan disbursements.....	—	—	—	10,598	—
Depreciation and amortization.....	—	679	5	—	—
Other operating expenses.....	—	289	21	—	—
Total operating expenses.....	(6,724)	8,622	1,699	10,598	155
Operating income (loss).....	39,662	32	392	(16,796)	(11,729)
Nonoperating revenues (expenses):					
Interest income.....	580	126	(376)	(56)	—
Contributions.....	—	41	—	—	1,753
Local/private grants and contracts.....	—	—	—	—	170
Interest expense.....	—	—	—	—	—
Net other nonoperating revenues (expenses).....	—	—	—	—	156
Total nonoperating revenues (expenses).....	580	167	(376)	(56)	2,079
Income (loss) before other revenues, expenses, and transfers.....	40,242	199	16	(16,852)	(9,650)
Capital contributions.....	—	—	—	—	—
Local/private grants and contracts.....	—	—	—	—	27
Additions to endowments.....	—	—	—	—	1,150
Transfers in.....	—	—	—	—	—
Transfers out.....	(1)	(21)	(7)	(505)	(5,636)
Change in net assets.....	40,241	178	9	(17,357)	(14,109)
Net assets (deficits) at beginning of year (restated).....	(182,880)	17,719	7	(24,641)	69,917
Net assets (deficits) at end of year.....	\$ (142,639)	\$ 17,897	\$ 16	\$ (41,998)	\$ 55,808

University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ 32,419	\$ 283,529	\$ —	\$ —	\$ 71	\$ 29,836	\$ 390,210
—	—	—	—	—	—	(114)
—	—	—	—	—	—	(18,330)
—	—	932	1,120	—	—	2,052
24,723	13,442	39	—	—	261	38,465
57,142	296,971	971	1,120	71	30,097	412,283
54,004	224,950	—	—	101	24,290	314,422
—	—	—	—	—	—	(8,319)
—	—	—	—	—	—	10,598
1,021	3,314	64	218	112	634	6,047
—	—	830	1,343	—	17	2,500
55,025	228,264	894	1,561	213	24,941	325,248
2,117	68,707	77	(441)	(142)	5,156	87,035
(2,202)	(4,699)	—	—	—	1,616	(5,011)
—	—	—	—	—	—	1,794
—	—	—	—	—	—	170
(352)	(6,363)	—	—	—	(435)	(7,150)
—	(1,907)	—	—	—	(4,225)	(5,976)
(2,554)	(12,969)	—	—	—	(3,044)	(16,173)
(437)	55,738	77	(441)	(142)	2,112	70,862
—	—	—	—	—	77	77
—	—	—	—	—	—	27
—	—	—	—	—	—	1,150
—	—	—	688	7,228	121	8,037
—	(45,759)	(104)	—	—	(127)	(52,160)
(437)	9,979	(27)	247	7,086	2,183	27,993
17,058	124,952	1,344	(68)	318	68,799	92,525
\$ 16,621	\$ 134,931	\$ 1,317	\$ 179	\$ 7,404	\$ 70,982	\$ 120,518

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	Tuition Prepayment Program
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers.....	\$ 30,925	\$ 4,577	\$ —	\$ —
Assessments received.....	—	—	102,550	—
Tuition plan contributions received.....	—	—	—	12,403
Other operating cash receipts.....	—	4,094	—	500
Claims and benefits paid.....	(18,476)	—	(112,280)	—
Payments to suppliers for goods and services.....	—	(2,895)	—	—
Payments to employees.....	—	(4,045)	—	—
Internal activity - payments to other funds.....	—	—	—	—
Other operating cash payments.....	(1,711)	(1,058)	(1,681)	(10,224)
Net cash provided by (used in) operating activities.....	10,738	673	(11,411)	2,679
Cash flows from noncapital financing activities:				
Principal payments made to other funds.....	—	—	—	—
Interest payments made to other funds.....	—	—	—	—
Proceeds from sale of noncapital debt.....	—	—	—	—
Principal paid on noncapital debt.....	—	—	—	—
Interest payments on noncapital debt.....	—	—	—	—
Gifts and grants for other than capital purposes.....	—	—	—	—
Other cash receipts.....	—	—	—	—
Other cash payments.....	—	—	—	—
Transfers in.....	—	—	—	—
Transfers out.....	—	(22)	(7)	(505)
Net cash provided by (used in) noncapital financing activities.....	—	(22)	(7)	(505)
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(287)	(716)	(14)	—
Proceeds from issuance of capital debt.....	—	—	—	—
Principal payments on capital debt.....	—	—	—	—
Interest payments on capital debt.....	—	—	—	—
Payment of agent and broker fees.....	—	—	—	—
Proceeds from sale of capital assets.....	—	—	—	—
Net cash used in capital and related financing activities.....	(287)	(716)	(14)	—
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	7,850	—	—	—
Purchase of investments.....	(13,824)	—	—	—
Interest and dividends on investments.....	437	165	3,158	(6,435)
Collection of escrow payments from borrower.....	—	—	—	—
Net cash provided by (used in) investing activities.....	(5,537)	165	3,158	(6,435)
Net increase (decrease) in cash and cash equivalents.....	4,914	100	(8,274)	(4,261)
Cash and cash equivalents at beginning of year (restated).....	5,002	4,667	49,999	141,179
Cash and cash equivalents at end of year.....	\$ 9,916	\$ 4,767	\$ 41,725	\$ 136,918

The Citadel Trust, Inc.	University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ —	\$ 32,140	\$ 278,877	\$ —	\$ —	\$ —	\$ 30,599	\$ 377,118
—	—	—	—	—	—	—	102,550
—	—	—	—	—	—	—	12,403
—	21,699	25,879	—	—	—	842	53,014
—	—	—	—	—	—	—	(130,756)
(106)	(16,794)	(82,147)	—	—	(48)	(19,356)	(121,346)
(50)	(35,004)	(139,906)	—	—	—	(5,482)	(184,487)
—	—	—	—	—	—	(815)	(815)
—	—	—	—	—	—	(2,434)	(17,108)
(156)	2,041	82,703	—	—	(48)	3,354	90,573
—	—	—	—	—	—	(739)	(739)
—	—	—	—	—	—	(465)	(465)
—	—	70,317	—	—	—	—	70,317
—	—	(63,809)	—	—	—	—	(63,809)
—	—	(2,755)	—	—	—	—	(2,755)
3,154	—	(5,525)	—	—	—	—	(2,371)
158	—	—	—	—	—	—	158
—	—	(11,985)	—	—	—	—	(11,985)
—	—	—	—	688	48	121	857
(6,675)	—	(45,758)	(104)	—	—	(127)	(53,198)
(3,363)	—	(59,515)	(104)	688	48	(1,210)	(63,990)
—	(540)	(4,841)	—	—	—	(3,144)	(9,542)
—	—	51,883	—	—	—	—	51,883
—	(545)	(45,133)	(1,884)	(1,200)	—	—	(48,762)
—	(352)	(2,883)	(845)	(1,366)	—	—	(5,446)
—	—	(12,588)	—	—	—	—	(12,588)
—	—	7	—	—	—	105	112
—	(1,437)	(13,555)	(2,729)	(2,566)	—	(3,039)	(24,343)
33,278	4,405	26,883	3,124	4,062	—	—	79,602
(34,262)	(4,450)	(39)	(1,330)	(3,151)	—	—	(57,056)
1,370	246	2,528	970	1,111	—	1,509	5,059
—	—	—	—	—	—	1,201	1,201
386	201	29,372	2,764	2,022	—	2,710	28,806
(3,133)	805	39,005	(69)	144	—	1,815	31,046
7,423	2,658	67,766	1,467	4,106	—	39,800	324,067
\$ 4,290	\$ 3,463	\$ 106,771	\$ 1,398	\$ 4,250	\$ —	\$ 41,615	\$ 355,113

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots</u> <u>Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	\$ 39,662	\$ 32	\$ 392	\$ (16,796)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	678	5	—
Provision for bad debts.....	—	—	—	—
Realized gains and losses on sale of assets.....	—	—	—	—
Net (increase) decrease in the fair value of investments.....	—	—	—	—
Interest and dividends on investments and interfund loans.....	—	—	—	6,756
Amounts received for payment of claims.....	—	—	100,530	—
Payment of claims.....	—	—	(112,351)	—
Other nonoperating revenues.....	—	41	—	—
Other nonoperating expenses.....	—	—	—	—
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	2	78	—	(168)
Receivable from participants, net.....	—	—	—	12,517
Loans receivable.....	—	—	—	—
Due from other funds.....	—	—	—	(4)
Inventories.....	—	(4)	—	—
Other assets	(311)	—	—	—
Accounts payable.....	90	(110)	1	—
Accrued salaries and related expenses.....	(1)	(11)	2	—
Tuition benefits payable.....	—	—	—	374
Policy claims.....	(26,794)	—	—	—
Due to other funds.....	—	52	—	—
Unearned revenues	(2,013)	(100)	—	—
Compensated absences payable	7	17	10	—
Other liabilities.....	96	—	—	—
Net cash provided by (used in) operating activities.....	\$ 10,738	\$ 673	\$ (11,411)	\$ 2,679
Noncash capital, investing, and financing activities:				
Increase (decrease) in fair value of investments.....	\$ 119	\$ (38)	\$ (376)	\$ (56)
Other non-cash activity.....	—	—	—	—
	<u>\$ 119</u>	<u>\$ (38)</u>	<u>\$ (376)</u>	<u>\$ (56)</u>

The Citadel Trust, Inc.	University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ (11,729)	\$ 2,117	\$ 68,707	\$ 77	\$ (441)	\$ (142)	\$ 5,156	\$ 87,035
—	1,021	3,314	64	218	112	633	6,045
—	—	30,530	—	—	—	—	30,530
—	—	—	—	—	—	90	90
11,573	—	—	—	—	—	—	11,573
—	—	—	—	—	—	—	6,756
—	—	—	—	—	—	—	100,530
—	—	—	—	—	—	—	(112,351)
—	—	4,849	(971)	(1,120)	—	761	3,560
—	—	—	830	1,343	—	(2,417)	(244)
—	(3,024)	(31,608)	—	—	(18)	235	(34,503)
—	—	—	—	—	—	—	12,517
—	(278)	—	—	—	—	—	(278)
—	—	5,394	—	—	—	(23)	5,367
—	—	—	—	—	—	(192)	(196)
—	—	596	—	—	—	38	323
—	1,206	529	—	—	—	(53)	1,663
—	(2)	—	—	—	—	(40)	(52)
—	—	—	—	—	—	—	374
—	—	—	—	—	—	—	(26,794)
—	—	—	—	—	—	(815)	(763)
—	—	—	—	—	—	(32)	(2,145)
—	326	392	—	—	—	13	765
—	675	—	—	—	—	—	771
<u>\$ (156)</u>	<u>\$ 2,041</u>	<u>\$ 82,703</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (48)</u>	<u>\$ 3,354</u>	<u>\$ 90,573</u>
\$ (6,834)	\$ (1,519)	\$ (6,945)	\$ —	\$ —	\$ —	\$ (335)	\$ (15,984)
27	—	—	—	—	—	—	27
<u>\$ (6,807)</u>	<u>\$ (1,519)</u>	<u>\$ (6,945)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ (335)</u>	<u>\$ (15,957)</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS

June 30, 2009

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>	<u>Central Supplies and Equipment</u>
ASSETS					
Current assets:					
Cash and cash equivalents.....	\$ 21,115	\$ 239,865	\$ 135,082	\$ 35,187	\$ 656
Invested securities lending collateral.....	36,567	32,161	18,632	222	—
Receivables, net:					
Accounts	21,233	35,649	77,844	346	—
Accrued interest.....	5,373	32	1,150	25	—
Due from other funds.....	—	14,617	1,285	6,021	670
Due from component units.....	—	—	—	—	—
Inventories.....	—	—	—	705	1,517
Prepaid items.....	18,159	—	19	—	—
Total current assets.....	<u>102,447</u>	<u>322,324</u>	<u>234,012</u>	<u>42,506</u>	<u>2,843</u>
Long-term assets:					
Investments.....	419,891	—	—	—	—
Accounts receivable, net.....	—	—	122	—	—
Interfund receivables.....	10,294	—	—	16,940	—
Other long-term assets.....	—	—	519	—	—
Deferred charges.....	—	—	—	101	—
Non-depreciable capital assets.....	—	—	—	6,897	—
Depreciable capital assets, net.....	110	64	112	101,236	4
Total long-term assets.....	<u>430,295</u>	<u>64</u>	<u>753</u>	<u>125,174</u>	<u>4</u>
Total assets.....	<u>532,742</u>	<u>322,388</u>	<u>234,765</u>	<u>167,680</u>	<u>2,847</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 8,727	\$ 1,681	\$ 2,607	\$ 408	\$ 445,328
—	266	—	—	87,848
612	—	3,284	—	138,968
—	32	—	—	6,612
4,111	—	365	34	27,103
6	—	—	—	6
24	—	3,715	—	5,961
—	—	—	—	18,178
<u>13,480</u>	<u>1,979</u>	<u>9,971</u>	<u>442</u>	<u>730,004</u>
—	—	—	—	419,891
—	—	—	—	122
1,000	—	—	—	28,234
—	—	—	—	519
—	—	—	—	101
875	—	—	—	7,772
19,588	547	5,895	—	127,556
<u>21,463</u>	<u>547</u>	<u>5,895</u>	<u>—</u>	<u>584,195</u>
<u>34,943</u>	<u>2,526</u>	<u>15,866</u>	<u>442</u>	<u>1,314,199</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS (Continued)

June 30, 2009

(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Central Supplies and Equipment
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 782	\$ 547	\$ 273	\$ 4,711	\$ 402
Accrued salaries and related expenses.....	280	406	280	1,404	—
Accrued interest payable.....	—	—	—	538	—
Intergovernmental payables.....	—	—	—	42	—
Policy claims.....	226,834	185,837	78,095	—	—
Due to other funds.....	161	296	4	1,509	4
Unearned revenues.....	64,089	3,973	86,088	—	—
Securities lending collateral.....	38,815	34,138	19,777	236	—
Notes payable.....	—	—	—	1,843	—
Revenue bonds payable.....	—	—	—	1,540	—
Limited obligation bonds payable.....	—	—	—	1,200	—
Compensated absences payable.....	149	223	293	1,383	—
Other current liabilities.....	—	—	3,688	—	—
Total current liabilities.....	<u>331,110</u>	<u>225,420</u>	<u>188,498</u>	<u>14,406</u>	<u>406</u>
Long-term liabilities:					
Policy claims.....	—	—	136,655	—	—
Interfund payables.....	—	—	—	541	1,500
Notes payable.....	—	—	—	1,556	—
Revenue bonds payable.....	—	—	—	16,179	—
Limited obligation bonds payable.....	—	—	—	6,429	—
Compensated absences payable.....	214	389	47	1,228	—
Total long-term liabilities.....	<u>214</u>	<u>389</u>	<u>136,702</u>	<u>25,933</u>	<u>1,500</u>
Total liabilities.....	<u>331,324</u>	<u>225,809</u>	<u>325,200</u>	<u>40,339</u>	<u>1,906</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	110	64	112	79,813	4
Restricted:					
Expendable:					
Loan programs.....	20,000	—	—	—	—
Insurance programs.....	181,308	96,515	—	—	—
Unrestricted.....	—	—	(90,547)	47,528	937
Total net assets (deficits).....	<u>\$ 201,418</u>	<u>\$ 96,579</u>	<u>\$ (90,435)</u>	<u>\$ 127,341</u>	<u>\$ 941</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 1,218	\$ 961	\$ 87	\$ 2	\$ 8,983
90	759	748	15	3,982
290	—	—	—	828
—	—	—	—	42
—	—	—	—	490,766
63	397	1,448	7	3,889
—	—	—	—	154,150
—	282	—	—	93,248
3,465	—	—	—	5,308
—	—	—	—	1,540
—	—	—	—	1,200
99	715	300	17	3,179
—	—	—	—	3,688
<u>5,225</u>	<u>3,114</u>	<u>2,583</u>	<u>41</u>	<u>770,803</u>
—	—	—	—	136,655
—	—	—	—	2,041
7,589	—	—	—	9,145
—	—	—	—	16,179
—	—	—	—	6,429
<u>88</u>	<u>636</u>	<u>266</u>	<u>15</u>	<u>2,883</u>
<u>7,677</u>	<u>636</u>	<u>266</u>	<u>15</u>	<u>173,332</u>
<u>12,902</u>	<u>3,750</u>	<u>2,849</u>	<u>56</u>	<u>944,135</u>
9,768	547	5,895	—	96,313
—	—	—	—	20,000
—	—	—	—	277,823
<u>12,273</u>	<u>(1,771)</u>	<u>7,122</u>	<u>386</u>	<u>(24,072)</u>
<u>\$ 22,041</u>	<u>\$ (1,224)</u>	<u>\$ 13,017</u>	<u>\$ 386</u>	<u>\$ 370,064</u>

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2009
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Central Supplies and Equipment
Operating revenues:					
Charges for services.....	\$ 103,817	\$ 1,610,075	\$ 94,095	\$ 80,224	\$ 10,127
Interest and other investment income.....	—	—	—	862	—
Licenses, fees, and permits.....	—	—	—	7	—
Other operating revenues.....	—	68,283	—	—	—
Total operating revenues.....	103,817	1,678,358	94,095	81,093	10,127
Operating expenses:					
General operations and administration.....	62,964	150,598	4,820	85,390	9,935
Benefits and claims.....	44,709	1,608,500	82,458	—	—
Interest.....	—	—	—	5	—
Depreciation and amortization.....	52	42	127	6,433	1
Other operating expenses.....	—	—	4,856	762	24
Total operating expenses.....	107,725	1,759,140	92,261	92,590	9,960
Operating income (loss).....	(3,908)	(80,782)	1,834	(11,497)	167
Nonoperating revenues (expenses):					
Interest income.....	34,170	11,991	6,880	185	—
Interest expense.....	—	—	—	(1,426)	—
Net other nonoperating revenues (expenses).....	3	7	51	2,215	(1)
Total nonoperating revenues (expenses).....	34,173	11,998	6,931	974	(1)
Income (loss) before other revenues and transfers.....	30,265	(68,784)	8,765	(10,523)	166
Capital contributions.....	—	—	—	—	—
Transfers in.....	58	85	—	3,448	—
Transfers out.....	(328)	(320)	(22)	(9,373)	—
Change in net assets.....	29,995	(69,019)	8,743	(16,448)	166
Net assets (deficits) at beginning of year.....	171,423	165,598	(99,178)	143,789	775
Net assets (deficits) at end of year.....	\$ 201,418	\$ 96,579	\$ (90,435)	\$ 127,341	\$ 941

Motor Pool	Pension Administration	Prison Industries	Other Internal Service	Totals
\$ 27,542	\$ 21,090	\$ 22,317	\$ 325	\$ 1,969,612
—	33	—	—	895
—	—	—	—	7
—	—	—	—	68,283
27,542	21,123	22,317	325	2,038,797
17,112	20,732	23,331	536	375,418
—	—	—	—	1,735,667
—	—	—	—	5
10,378	169	344	—	17,546
2	129	3	—	5,776
27,492	21,030	23,678	536	2,134,412
50	93	(1,361)	(211)	(95,615)
—	162	—	—	53,388
(508)	—	—	—	(1,934)
581	120	466	(17)	3,425
73	282	466	(17)	54,879
123	375	(895)	(228)	(40,736)
36	—	—	—	36
6,530	49	—	2	10,172
(1,708)	(516)	—	(20)	(12,287)
4,981	(92)	(895)	(246)	(42,815)
17,060	(1,132)	13,912	632	412,879
\$ 22,041	\$ (1,224)	\$ 13,017	\$ 386	\$ 370,064

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>
Cash flows from operating activities:				
Receipts from customers.....	\$ 53,957	\$ 1,293,768	\$ 23,688	\$ —
Internal activity—payments from other funds.....	51,433	280,440	74,249	81,782
Other operating cash receipts.....	—	64,483	16,944	2,299
Claims paid.....	(36,294)	(1,611,974)	(67,865)	—
Payments to suppliers for goods and services.....	(58,743)	(139,737)	(5,047)	(55,705)
Payments to employees.....	(3,602)	(5,769)	(3,854)	(30,976)
Internal activity—payments to other funds.....	(245)	—	(6,611)	(1,330)
Other operating cash payments.....	—	—	—	—
Net cash provided by (used in) operating activities.....	<u>6,506</u>	<u>(118,789)</u>	<u>31,504</u>	<u>(3,930)</u>
Cash flows from noncapital financing activities:				
Principal payments received from other funds.....	845	—	—	—
Principal payments made to other funds.....	—	—	—	(1,730)
Receipt of interest from other funds.....	471	—	—	—
Transfers in.....	58	85	—	3,448
Transfers out.....	(328)	(320)	(22)	(9,373)
Net cash provided by (used in) noncapital financing activities.....	<u>1,046</u>	<u>(235)</u>	<u>(22)</u>	<u>(7,655)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(25)	—	(47)	(2,759)
Principal payments on limited obligation bonds.....	—	—	—	(1,723)
Principal payments on capital debt.....	—	—	—	(2,983)
Interest payments on capital debt.....	—	—	—	(1,426)
Proceeds from sale or disposal of capital assets.....	—	—	—	—
Net cash used in capital financing activities.....	<u>(25)</u>	<u>—</u>	<u>(47)</u>	<u>(8,891)</u>
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	105,934	—	—	—
Purchase of investments.....	(129,355)	—	—	—
Interest on investments.....	8,291	13,988	7,647	185
Net cash provided by (used in) investing activities.....	<u>(15,130)</u>	<u>13,988</u>	<u>7,647</u>	<u>185</u>
Net increase (decrease) in cash and cash equivalents.....	<u>(7,603)</u>	<u>(105,036)</u>	<u>39,082</u>	<u>(20,291)</u>
Cash and cash equivalents at beginning of year.....	<u>28,718</u>	<u>344,901</u>	<u>96,000</u>	<u>55,478</u>
Cash and cash equivalents at end of year.....	<u>\$ 21,115</u>	<u>\$ 239,865</u>	<u>\$ 135,082</u>	<u>\$ 35,187</u>

<u>Central Supplies and Equipment</u>	<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ —	\$ —	\$ —	\$ 22,316	\$ 325	\$ 1,394,054
10,128	25,895	21,085	—	—	545,012
—	210	143	1,217	—	85,296
—	—	—	—	—	(1,716,133)
(10,029)	(15,847)	(4,886)	(7,824)	(247)	(298,065)
—	(1,741)	(13,773)	(15,759)	(269)	(75,743)
—	(493)	(1,651)	(14)	—	(10,344)
—	—	—	(750)	(17)	(767)
99	8,024	918	(814)	(208)	(76,690)
—	—	—	—	—	845
—	(1,500)	—	—	—	(3,230)
—	—	—	—	—	471
—	6,530	49	—	2	10,172
—	(1,708)	(516)	—	(20)	(12,287)
—	3,322	(467)	—	(18)	(4,029)
—	(5,854)	(289)	(86)	—	(9,060)
—	—	—	—	—	(1,723)
—	(3,331)	—	(37)	—	(6,351)
—	(578)	—	—	—	(2,004)
—	1,048	—	—	—	1,048
—	(8,715)	(289)	(123)	—	(18,090)
—	—	—	—	—	105,934
—	—	—	—	—	(129,355)
—	—	211	—	—	30,322
—	—	211	—	—	6,901
99	2,631	373	(937)	(226)	(91,908)
557	6,096	1,308	3,544	634	537,236
\$ 656	\$ 8,727	\$ 1,681	\$ 2,607	\$ 408	\$ 445,328

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	\$ (3,908)	\$ (80,782)	\$ 1,834	\$ (11,497)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	52	42	127	6,433
Other nonoperating revenues.....	—	—	—	2,299
Other nonoperating expenses.....	—	—	—	—
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	(3,387)	(18,838)	3,153	597
Accrued interest.....	—	—	—	63
Due from other funds	1,235	(13,915)	—	—
Inventories.....	—	—	—	28
Other assets.....	(3,812)	—	6	—
Accounts payable.....	28	319	1,537	(1,578)
Accrued salaries and related expenses.....	(4)	—	—	(234)
Accrued interest payable.....	—	—	—	(70)
Retainages payable.....	—	—	—	(214)
Policy claims.....	10,932	1,244	25,940	—
Due to other funds.....	121	—	4	721
Unearned revenues	5,250	(6,912)	(1,083)	—
Compensated absences payable.....	(1)	53	(14)	(478)
Net cash provided by (used in) operating activities.....	<u>\$ 6,506</u>	<u>\$ (118,789)</u>	<u>\$ 31,504</u>	<u>\$ (3,930)</u>
Noncash capital, investing, and financing activities:				
Increase (decrease) in fair value of investments.....	\$ 12,406	\$ (1,977)	\$ (1,145)	\$ (3)
Increase in investments for amortization and accretion.....	11,939	—	—	—
Total noncash capital, investing, and financing activities.....	<u>\$ 24,345</u>	<u>\$ (1,977)</u>	<u>\$ (1,145)</u>	<u>\$ (3)</u>

<u>Central Supplies and Equipment</u>	<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 167	\$ 50	\$ 93	\$ (1,361)	\$ (211)	\$ (95,615)
1	10,378	169	344	—	17,546
—	210	110	1,217	—	3,836
—	—	—	(750)	(17)	(767)
5	232	(5)	177	—	(18,066)
—	—	31	—	—	94
(12)	(1,878)	—	(108)	9	(14,669)
(6)	(3)	—	656	—	675
—	—	—	—	—	(3,806)
(49)	(860)	442	(242)	2	(401)
—	—	31	(216)	—	(423)
—	—	—	—	—	(70)
—	—	—	—	—	(214)
—	—	—	—	—	38,116
(7)	(121)	(18)	(536)	—	164
—	—	—	—	—	(2,745)
—	16	65	5	9	(345)
\$ 99	\$ 8,024	\$ 918	\$ (814)	\$ (208)	\$ (76,690)
\$ —	\$ —	\$ 17	\$ —	\$ —	\$ 9,298
—	—	—	—	—	11,939
\$ —	\$ —	\$ 17	\$ —	\$ —	\$ 21,237

Fiduciary Funds

Fiduciary funds include pension and other post-employment benefit trust funds, investment trust funds, private-purpose trust funds, and agency funds. Note 1b in the notes to the financial statements provides definitions of each of these fund types.

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

- Combining Statement of Plan Net Assets—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Changes in Plan Net Assets—Pension and Other Post-Employment Benefit Trust Funds
- Combining Statement of Fiduciary Net Assets—Private-Purpose Trust Funds
- Combining Statement of Changes in Fiduciary Net Assets—Private-Purpose Trust Funds
- Combining Statement of Fiduciary Net Assets—Agency Funds
- Combining Statement of Changes in Assets and Liabilities—Agency 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. Agency Funds

Insurance Company Deposits Fund. This fund accounts for deposits which are required to be made by insurance companies in lieu of surety bonds.

Payroll Clearing Fund. This fund accounts for employee deductions and contributions for the short period of time between the issuance of payroll checks and payment to the proper recipient.

Other Agency Funds. 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 Assets

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

June 30, 2009

(Expressed in Thousands)

PENSION TRUST

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents.....	\$ 2,695,971	\$ 375,430	\$ 4,527	\$ 14,568	\$ 1,854
Receivables:					
Accounts.....	—	—	—	—	—
Contributions.....	155,555	17,846	22	575	—
Employer long-term.....	457	16	—	—	—
Accrued interest.....	60,211	8,263	106	336	43
Unsettled investment sales.....	45,849	6,354	80	255	33
Other investment receivables.....	2,465	342	4	14	2
Total receivables.....	<u>264,537</u>	<u>32,821</u>	<u>212</u>	<u>1,180</u>	<u>78</u>
Due from other funds.....	11,626	747	7	1	—
Due from component units.....	4	—	—	—	—
Investments, at fair value:					
Short term securities.....	61,745	8,557	108	343	43
Debt-domestic.....	2,941,043	407,611	5,139	16,330	2,083
Debt-international.....	2,998,334	415,551	5,239	16,648	2,124
Equity-domestic.....	1,962,536	271,996	3,429	10,897	1,390
Alternatives.....	7,661,625	1,061,857	13,387	42,541	5,426
Financial and other.....	—	—	—	—	—
Total investments.....	<u>15,625,283</u>	<u>2,165,572</u>	<u>27,302</u>	<u>86,759</u>	<u>11,066</u>
Invested securities lending collateral.....	1,609,854	223,116	2,813	8,939	1,140
Capital assets, net.....	3,009	308	9	14	—
Prepaid items.....	165	23	—	1	—
Total assets.....	<u>20,210,449</u>	<u>2,798,017</u>	<u>34,870</u>	<u>111,462</u>	<u>14,138</u>
LIABILITIES					
Accounts payable.....	8,286	1,149	14	46	6
Accounts payable—unsettled investment purchases.....	31,521	4,369	55	175	22
Due to other funds.....	37,814	741	—	—	1
Deferred retirement benefits.....	430,805	—	—	698	—
Securities lending collateral.....	1,804,064	250,032	3,152	10,017	1,278
Other liabilities.....	80,480	11,094	144	537	58
Total liabilities.....	<u>2,392,970</u>	<u>267,385</u>	<u>3,365</u>	<u>11,473</u>	<u>1,365</u>
NET ASSETS					
Held in trust for pension and other post-employment benefits.....	<u>\$ 17,817,479</u>	<u>\$ 2,530,632</u>	<u>\$ 31,505</u>	<u>\$ 99,989</u>	<u>\$ 12,773</u>

OPEB TRUST		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 68,558	\$ 2,869	\$ 3,163,777
—	71	71
—	—	173,998
—	—	473
4,828	364	74,151
—	—	52,571
—	—	2,827
<u>4,828</u>	<u>435</u>	<u>304,091</u>
38,294	—	50,675
—	—	4
—	—	70,796
337,324	24,097	3,733,627
—	—	3,437,896
—	—	2,250,248
—	—	8,784,836
<u>6,551</u>	<u>2,171</u>	<u>8,722</u>
<u>343,875</u>	<u>26,268</u>	<u>18,286,125</u>
27,463	2,127	1,875,452
—	—	3,340
—	—	189
<u>483,018</u>	<u>31,699</u>	<u>23,683,653</u>
50	—	9,551
—	—	36,142
13,914	—	52,470
—	—	431,503
29,151	2,258	2,099,952
—	—	92,313
<u>43,115</u>	<u>2,258</u>	<u>2,721,931</u>
<u>\$ 439,903</u>	<u>\$ 29,441</u>	<u>\$ 20,961,722</u>

Combining Statement of Changes in Plan Net Assets

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

PENSION TRUST

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
Additions:					
Contributions:					
Employer.....	\$ 828,654	\$ 124,194	\$ 2,495	\$ 8,414	\$ 4,052
Employee.....	564,872	77,014	706	2,524	—
Total contributions.....	1,393,526	201,208	3,201	10,938	4,052
Investment income:					
Interest income and net depreciation in investments.....	(4,736,839)	(635,994)	(9,377)	(26,644)	(4,007)
Securities lending income.....	51,145	6,900	96	284	40
Total investment income.....	(4,685,694)	(629,094)	(9,281)	(26,360)	(3,967)
Less investment expense:					
Investment expense.....	38,850	5,233	71	215	29
Securities lending expense.....	30,124	4,062	57	166	24
Net investment income.....	(4,754,668)	(638,389)	(9,409)	(26,741)	(4,020)
Assets moved between pension trust funds.....	81	1,625	84	83	—
Total additions.....	(3,361,061)	(435,556)	(6,124)	(15,720)	32
Deductions:					
Regular retirement benefits.....	1,770,775	210,345	6,416	13,135	3,432
Supplemental retirement benefits.....	1,152	46	—	—	—
Deferred retirement benefits.....	184,519	—	—	349	—
Refunds of retirement contributions to members.....	73,882	13,753	33	—	—
Death benefit claims.....	17,908	1,720	14	134	—
Accidental death benefits.....	—	1,482	—	—	—
Other post-employment benefits.....	—	—	—	—	—
Depreciation.....	107	11	—	1	—
Administrative expense.....	18,472	2,526	35	103	15
Assets moved between pension trust funds.....	1,792	—	81	—	—
Total deductions.....	2,068,607	229,883	6,579	13,722	3,447
Change in net assets	(5,429,668)	(665,439)	(12,703)	(29,442)	(3,415)
Net assets at beginning of year.....	23,247,147	3,196,071	44,208	129,431	16,188
Net assets at end of year.....	\$ 17,817,479	\$ 2,530,632	\$ 31,505	\$ 99,989	\$ 12,773

OPEB TRUST

South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 369,844	\$ 6,966	\$ 1,344,619
—	—	645,116
369,844	6,966	1,989,735
32,638	2,308	(5,377,915)
235	15	58,715
32,873	2,323	(5,319,200)
—	—	44,398
139	8	34,580
32,734	2,315	(5,398,178)
—	—	1,873
402,578	9,281	(3,406,570)
—	—	2,004,103
—	—	1,198
—	—	184,868
—	—	87,668
—	—	19,776
—	—	1,482
269,871	6,871	276,742
—	—	119
95	—	21,246
—	—	1,873
269,966	6,871	2,599,075
132,612	2,410	(6,005,645)
307,291	27,031	26,967,367
\$ 439,903	\$ 29,441	\$ 20,961,722

Combining Statement of Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2009

(Expressed in Thousands)

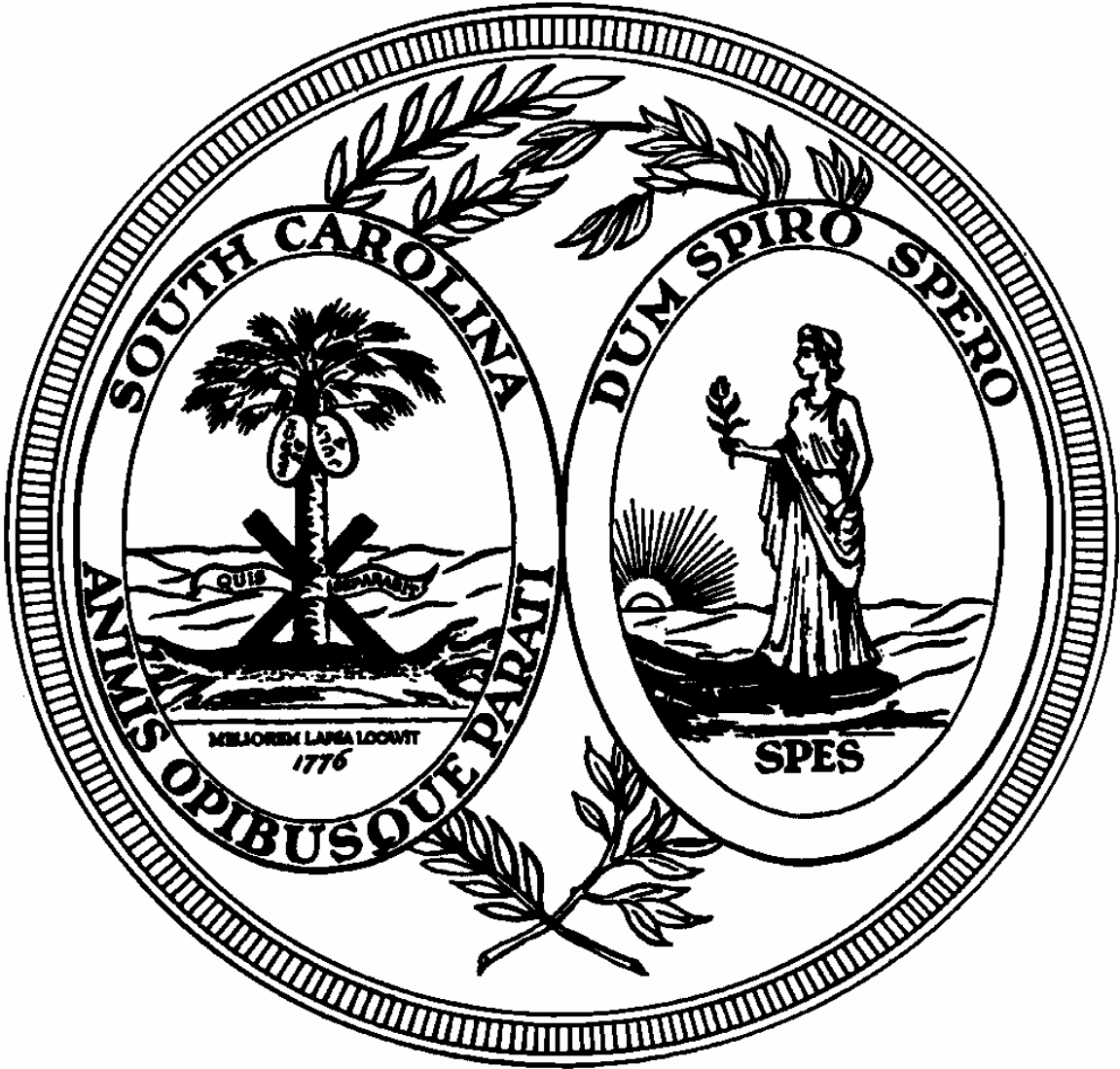
	College Savings Plan	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents.....	\$ —	\$ 21,857	\$ 21,857
Receivables, net:			
Accrued interest.....	661	254	915
Unsettled investment sales.....	1,107	—	1,107
Investments.....	937,207	—	937,207
Invested securities lending collateral	—	2,423	2,423
Other assets.....	—	5,084	5,084
Total assets.....	938,975	29,618	968,593
LIABILITIES			
Accounts payable.....	1,016	1,242	2,258
Accounts payable—unsettled investment purchases.....	434	—	434
Intergovernmental payables.....	—	500	500
Securities lending collateral.....	—	2,572	2,572
Total liabilities.....	1,450	4,314	5,764
NET ASSETS			
Held in trust for other purposes.....	\$ 937,525	\$ 25,304	\$ 962,829

Combining Statement of Changes in Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2009
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
Additions:			
Licenses, fees, and permits.....	\$ —	\$ 52	\$ 52
Tuition plan deposits.....	81,380	—	81,380
Interest income.....	(201,466)	1,626	(199,840)
Total additions.....	(120,086)	1,678	(118,408)
Deductions:			
Administrative expense.....	6,570	9,201	15,771
Payments in accordance with trust agreements.....	—	657	657
Other expenses.....	—	2	2
Total deductions.....	6,570	9,860	16,430
Change in net assets.....	(126,656)	(8,182)	(134,838)
Net assets at beginning of year	1,064,181	33,486	1,097,667
Net assets at end of year.....	\$ 937,525	\$ 25,304	\$ 962,829



Combining Statement of Assets and Liabilities

AGENCY FUNDS

June 30, 2009

(Expressed in Thousands)

	Insurance Company Deposits	Payroll Clearing	Other Agency	Totals
ASSETS				
Cash and cash equivalents.....	\$ —	\$ 13,306	\$ 190,822	\$ 204,128
Receivables, net:				
Accounts.....	—	37	7,023	7,060
Accrued interest.....	—	—	1,060	1,060
Taxes.....	—	—	1,877	1,877
Due from other funds.....	—	46,836	12,599	59,435
Investments.....	—	—	34,775	34,775
Securities held in lieu of surety bonds.....	270,604	—	—	270,604
Invested securities lending collateral	—	—	21,559	21,559
Total assets.....	\$ 270,604	\$ 60,179	\$ 269,715	\$ 600,498
LIABILITIES				
Accounts payable.....	\$ —	\$ 167	\$ 11,256	\$ 11,423
Tax refunds payable.....	—	—	1,462	1,462
Intergovernmental payables.....	—	—	9,112	9,112
Deposits.....	—	—	3,228	3,228
Amounts held in custody for others.....	270,604	60,012	221,773	552,389
Securities lending collateral.....	—	—	22,884	22,884
Total liabilities.....	\$ 270,604	\$ 60,179	\$ 269,715	\$ 600,498

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
INSURANCE COMPANY DEPOSITS				
Assets:				
Cash and cash equivalents.....	\$ —	\$ 21,867	\$ 21,867	\$ —
Securities held in lieu of surety bonds.....	292,471	—	21,867	270,604
Total assets.....	\$ 292,471	\$ 21,867	\$ 43,734	\$ 270,604
Liabilities:				
Amounts held in custody for others.....	\$ 292,471	\$ —	\$ 21,867	\$ 270,604
Total liabilities.....	\$ 292,471	\$ —	\$ 21,867	\$ 270,604
 PAYROLL CLEARING				
Assets:				
Cash and cash equivalents.....	\$ 13,580	\$ 1,146,203	\$ 1,146,477	\$ 13,306
Accounts receivable.....	48	37	48	37
Due from other funds.....	51,636	46,836	51,636	46,836
Total assets.....	\$ 65,264	\$ 1,193,076	\$ 1,198,161	\$ 60,179
Liabilities:				
Accounts payable.....	\$ 215	\$ 167	\$ 215	\$ 167
Amounts held in custody for others.....	65,049	996,250	1,001,287	60,012
Total liabilities.....	\$ 65,264	\$ 996,417	\$ 1,001,502	\$ 60,179

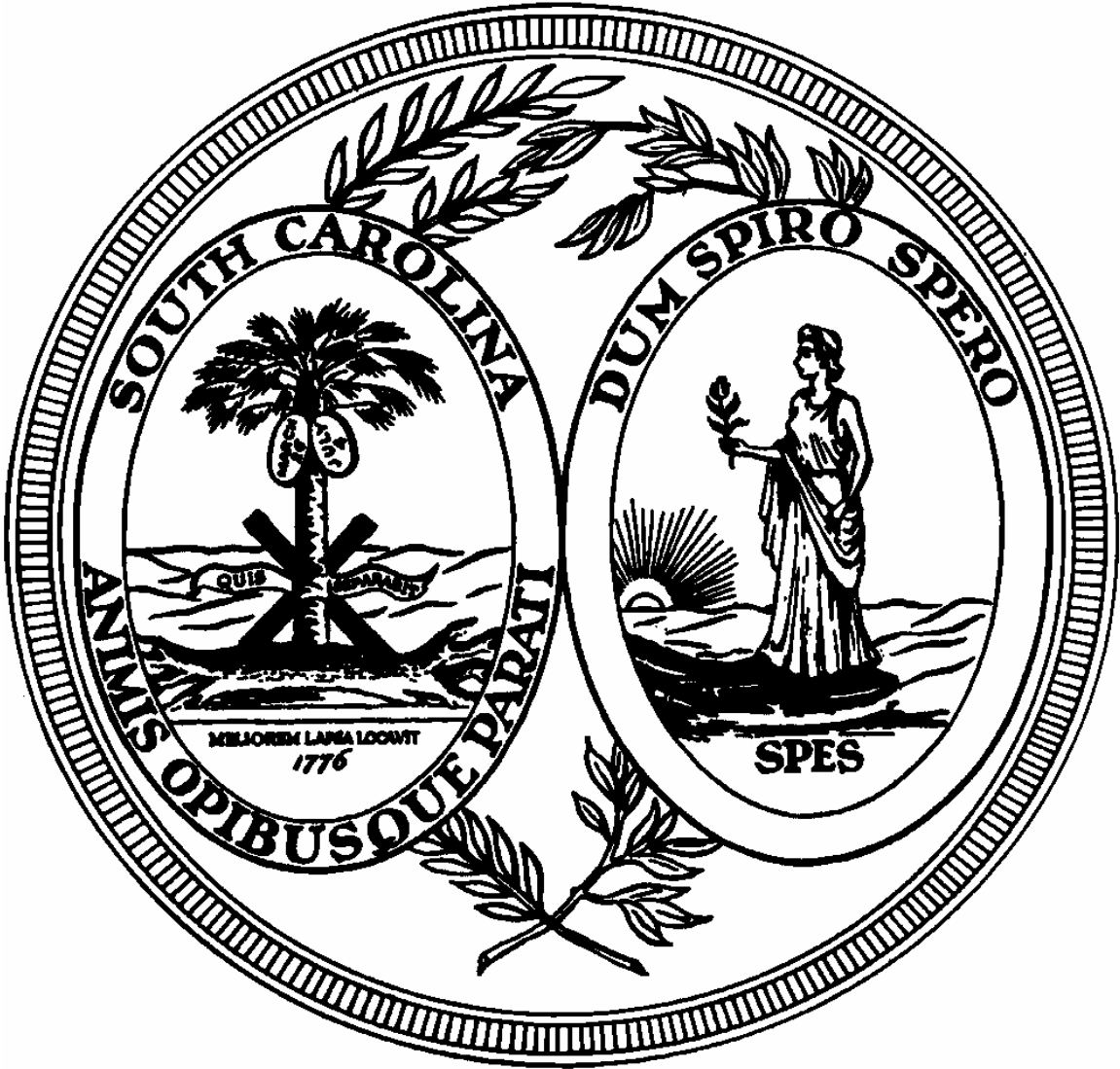
Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
OTHER AGENCY				
Assets:				
Cash and cash equivalents.....	\$ 215,138	\$ 2,466,012	\$ 2,490,328	\$ 190,822
Accounts receivable.....	11,081	7,284	11,342	7,023
Accrued interest receivable.....	3,669	1,060	3,669	1,060
Taxes receivable.....	2,622	1,877	2,622	1,877
Due from other funds.....	5,653	18,154	11,208	12,599
Investments.....	32,682	2,093	—	34,775
Invested securities lending collateral.....	19,132	21,559	19,132	21,559
Total assets.....	\$ 289,977	\$ 2,518,039	\$ 2,538,301	\$ 269,715
Liabilities:				
Accounts payable.....	\$ 16,078	\$ 17,788	\$ 22,610	\$ 11,256
Tax refunds payable.....	2,696	1,462	2,696	1,462
Intergovernmental payables.....	2,196	9,400	2,484	9,112
Deposits.....	4,983	3,228	4,983	3,228
Amounts held in custody for others.....	244,892	2,050,800	2,073,919	221,773
Securities lending collateral.....	19,132	22,884	19,132	22,884
Total liabilities.....	\$ 289,977	\$ 2,105,562	\$ 2,125,824	\$ 269,715
TOTALS--ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents.....	\$ 228,718	\$ 3,634,082	\$ 3,658,672	\$ 204,128
Accounts receivable.....	11,129	7,321	11,390	7,060
Accrued interest receivable.....	3,669	1,060	3,669	1,060
Taxes receivable.....	2,622	1,877	2,622	1,877
Due from other funds.....	57,289	64,990	62,844	59,435
Investments.....	32,682	2,093	—	34,775
Securities held in lieu of surety bonds.....	292,471	—	21,867	270,604
Invested securities lending collateral.....	19,132	21,559	19,132	21,559
Total assets.....	\$ 647,712	\$ 3,732,982	\$ 3,780,196	\$ 600,498
Liabilities:				
Accounts payable.....	\$ 16,293	\$ 17,955	\$ 22,825	\$ 11,423
Tax refunds payable.....	2,696	1,462	2,696	1,462
Intergovernmental payables.....	2,196	9,400	2,484	9,112
Deposits.....	4,983	3,228	4,983	3,228
Amounts held in custody for others.....	602,412	3,047,050	3,097,073	552,389
Securities lending collateral.....	19,132	22,884	19,132	22,884
Total liabilities.....	\$ 647,712	\$ 3,101,979	\$ 3,149,193	\$ 600,498



Discretely Presented Component Units

Note 1a in the notes to the financial statements explains the relationship of component units to the primary government and the differences between blended component units and discretely presented component units. Note 1b in the notes to the financial statements explains that the State has designated four of its discretely presented component units as major component units. Government-wide financial statements for each of the four major component units are included in the basic financial statements (immediately preceding the notes to the financial statements).

This subsection of the Comprehensive Annual Financial Report provides the following supplementary information for the State's nonmajor discretely presented component units:

- Combining Statement of Net Assets—Nonmajor Discretely Presented Component Units
- Combining Statement of Activities—Nonmajor Discretely Presented Component Units
- Balance Sheet—South Carolina First Steps to School Readiness Board of Trustees
- Statement of Revenues, Expenditures, and Changes in Fund Balances—South Carolina First Steps to School Readiness Board of Trustees

The paragraphs below describe the State's nonmajor discretely presented component units:

The Clemson University Foundation is a non-profit, tax-exempt public charity that was established to raise and manage private gifts for the advancement and benefit of Clemson University.

The University of South Carolina Educational Foundation (the Foundation) is an eleemosynary corporation operating for the benefit and support of the University of South Carolina. The Foundation establishes and implements long-range fund raising programs to assist in the expansion and improvement of the educational functions of the University.

The South Carolina Medical Malpractice Liability Joint Underwriting Association (the Association) was established to provide medical malpractice insurance on a self supporting basis. The financial information presented in the accompanying supplemental information is for the Association's fiscal year ended December 31, 2008.

The South Carolina First Steps to School Readiness Board of Trustees (First Steps) was established in 1999 as a non-profit, tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The corporation was 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 South Carolina First Steps to School Readiness initiative for improving early childhood development.

The State presents fund financial statements for First Steps, a nonmajor discretely presented component unit, because that organization does not issue separately audited financial statements of its own. First Steps uses accounting principles that apply to special revenue funds. As such, it uses the current financial resources measurement focus and the modified accrual basis of accounting.

The Children's Trust Fund of South Carolina, Inc. (the Fund) is a non-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is 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 financial information presented in the accompanying supplemental information is for the Fund's fiscal year ended December 31, 2008.

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2009

(Expressed in Thousands)

	Clemson University Foundation	University of South Carolina Educational Foundation	South Carolina Medical Liability Joint Underwriting Association	South Carolina First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
ASSETS						
Current assets:						
Cash and cash equivalents.....	\$ 4,417	\$ 7,501	\$ 17,039	\$ 5,773	\$ 310	\$ 35,040
Investments.....	—	11,977	54,455	—	638	67,070
Invested securities lending collateral.....	—	—	—	710	—	710
Receivables, net						
Accounts	130	62	4,082	9	68	4,351
Contributions	3,627	—	—	—	9	3,636
Accrued interest	—	28	630	82	—	740
Loans and notes	—	30	—	—	—	30
Due from Federal government and other grantors..	—	—	—	—	77	77
Restricted assets:						
Cash and cash equivalents.....	16,318	—	—	—	—	16,318
Prepaid items.....	—	—	—	—	15	15
Other current assets.....	155	—	—	—	—	155
Deferred charges.....	—	—	1,616	—	—	1,616
Total current assets.....	<u>24,647</u>	<u>19,598</u>	<u>77,822</u>	<u>6,574</u>	<u>1,117</u>	<u>129,758</u>
Long-term assets:						
Investments.....	318,835	217,129	—	—	—	535,964
Receivables, net:						
Accounts.....	1,671	—	—	—	—	1,671
Contributions.....	23,365	13,080	—	—	—	36,445
Other long-term assets.....	507	—	—	—	—	507
Non-depreciable capital assets.....	8,971	—	—	—	—	8,971
Depreciable capital assets, net.....	763	43	106	—	6	918
Total long-term assets.....	<u>354,112</u>	<u>230,252</u>	<u>106</u>	<u>—</u>	<u>6</u>	<u>584,476</u>
Total assets.....	<u>378,759</u>	<u>249,850</u>	<u>77,928</u>	<u>6,574</u>	<u>1,123</u>	<u>714,234</u>

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

June 30, 2009

(Expressed in Thousands)

	Clemson University Foundation	University of South Carolina Educational Foundation	South Carolina Medical Liability Joint Underwriting Association	South Carolina First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
LIABILITIES						
Current liabilities:						
Accounts payable.....	\$ 143	\$ 1,098	\$ 854	\$ 266	\$ 70	\$ 2,431
Accrued salaries and related expenses.....	—	—	—	85	—	85
Intergovernmental payables.....	—	—	—	72	—	72
Policy claims.....	—	—	36,000	—	—	36,000
Due to primary government.....	94,803	22,087	—	328	—	117,218
Unearned revenues and deferred credits.....	—	—	22,125	—	45	22,170
Amounts held in custody for others.....	1,179	—	—	—	—	1,179
Securities lending collateral.....	—	—	—	754	—	754
Accounts payable from restricted assets.....	331	—	—	—	—	331
Notes payable.....	—	8	—	—	—	8
Compensated absences payable.....	—	—	—	46	—	46
Other current liabilities.....	—	500	—	—	—	500
Total current liabilities.....	96,456	23,693	58,979	1,551	115	180,794
Long-term liabilities:						
Policy claims.....	—	—	144,656	—	—	144,656
Amounts held in custody for others.....	1,904	—	73	—	—	1,977
Notes payable.....	—	30	—	—	—	30
Compensated absences payable.....	—	—	—	41	7	48
Other long-term liabilities.....	5,513	2,936	—	—	—	8,449
Total long-term liabilities.....	7,417	2,966	144,729	41	7	155,160
Total liabilities.....	103,873	26,659	203,708	1,592	122	335,954
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt.....	9,734	43	106	—	6	9,889
Restricted:						
Expendable:						
Education.....	75,503	80,343	—	4,982	—	160,828
Other.....	—	—	2,140	—	—	2,140
Nonexpendable, education.....	190,593	146,553	—	—	—	337,146
Unrestricted.....	(944)	(3,748)	(128,026)	—	995	(131,723)
Total net assets (deficit).....	\$ 274,886	\$ 223,191	\$ (125,780)	\$ 4,982	\$ 1,001	\$ 378,280

Combining Statement of Activities

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2009

(Expressed in Thousands)

	Expenses	Program Revenues		Net Revenue (Expense)
		Charges for Services	Operating Grants and Contributions	
Clemson University Foundation.....	\$ 28,410	\$ —	\$ (43,964)	\$ (72,374)
University of South Carolina Educational Foundation.....	27,858	—	(28,680)	(56,538)
South Carolina Medical Malpractice Liability Joint Underwriting Association.....	26,385	44,372	562	18,549
South Carolina First Steps to School Readiness Board of Trustees.....	23,988	8	19,087	(4,893)
Children's Trust Fund of S.C., Inc.....	938	—	883	(55)
Totals.....	\$ 107,579	\$ 44,380	\$ (52,112)	\$ (115,311)

<u>Net Assets (Deficit)</u> <u>Beginning of Year</u>	<u>Net Assets (Deficit)</u> <u>End of Year</u>
\$ 347,260	\$ 274,886
279,729	223,191
(144,329)	(125,780)
9,875	4,982
1,056	1,001
\$ 493,591	\$ 378,280

Balance Sheet

SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES

June 30, 2009

(Expressed in Thousands)

ASSETS

Cash and cash equivalents.....	\$	5,773
Invested securities lending collateral.....		710
Accounts receivable, net.....		9
Accrued interest receivable.....		82
Total assets.....	\$	6,574

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable.....	\$	266
Accrued salaries and related expenditures.....		85
Intergovernmental payables.....		72
Due to primary government.....		328
Securities lending collateral.....		754
Total liabilities.....		1,505

Fund Balance:

Unreserved, undesignated.....		5,069
Total liabilities and fund balance.....	\$	6,574

Reconciliation of the Balance Sheet to the Combining Statement of Net Assets Nonmajor Discretely Presented Component Units

Total fund balance	\$	5,069
Amounts reported for First Steps in the Combining Statement of Net Assets are different because:		
Compensated absences payable are not due and payable in the current period and therefore are not reported in the Balance Sheet.....		(87)
Net assets	\$	4,982

Statement of Revenues, Expenditures, and Changes in Fund Balance

SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES

For the Fiscal Year Ended June 30, 2009
(Expressed in Thousands)

Revenues:

Interest and other investment income.....	\$	563
State operating grants and contracts.....		18,196
Departmental services.....		8
Contributions.....		328
Total revenues.....		19,095

Expenditures:

Current: Education.....		8,584
Intergovernmental		15,416
Total expenditures.....		24,000

Excess of expenditures over revenues.....		(4,905)
Fund balance at beginning of year.....		9,974
Fund balance at end of year.....	\$	5,069

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balance to the Combining Statement of Activities
Nonmajor Discretely Presented Component Units**

Net change in fund balance	\$	(4,905)
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Amounts reported for First Steps in the Combining Statement of
Activities are different because:

Compensated absences expenses reported in the Combining Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental fund. Increase in compensated absences payable.....		12
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Change in net assets.....	\$	(4,893)
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