
**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.

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, 2010

(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.....	\$ 68,318	\$ 18,031	\$ 236,522	\$ 136,834	\$ 4,666	\$ 24,538
Invested securities lending collateral.....	490	962	12,095	1,755	—	604
Receivables, net:						
Accounts.....	118	—	500	3	—	—
Accrued interest.....	2,726	115	1,497	149	169	168
Sales and other taxes.....	56,185	—	—	67,655	47,893	876
Loans and notes.....	21,980	—	—	—	—	—
Due from Federal government and other grantors.....	—	—	—	—	—	—
Due from other funds.....	1,101	—	—	107	21,309	—
Due from component units.....	—	—	—	—	—	—
Interfund receivables.....	4,000	—	—	—	—	—
Inventories.....	—	—	3	—	—	—
Restricted assets:						
Cash and cash equivalents.....	—	—	—	—	—	—
Other.....	—	—	—	—	—	—
Total assets.....	\$ 154,918	\$ 19,108	\$ 250,617	\$ 206,503	\$ 74,037	\$ 26,186
LIABILITIES AND FUND BALANCES (DEFICITS)						
Liabilities:						
Accounts payable.....	\$ 5,604	\$ —	\$ 2,024	\$ 38	\$ —	\$ —
Accrued salaries and related expenditures.....	770	—	236	—	—	—
Retainages payable.....	—	—	—	—	—	—
Tax refunds payable.....	350	—	—	105	338	—
Intergovernmental payables.....	2,142	189	513	246,081	25,778	—
Due to other funds.....	1,615	2,435	10,255	319	—	24,435
Interfund payables.....	313	—	—	—	—	—
Deferred revenues.....	—	—	—	—	—	24,338
Securities lending collateral.....	541	1,061	13,336	1,935	—	665
Other liabilities.....	29	—	—	—	—	—
Total liabilities.....	11,364	3,685	26,364	248,478	26,116	49,438
Fund balances (deficits):						
Reserved for:						
Inventories.....	—	—	3	—	—	—
Interfund receivables.....	—	—	—	—	—	—
Endowments.....	—	—	—	—	—	—
Long-term loans and notes receivable.....	20,089	—	—	—	—	—
Debt requirements.....	—	—	—	—	—	—
School building aid.....	51,119	—	—	—	—	—
Unreserved:						
Designated for scholarships.....	14,055	—	—	—	—	—
Designated for capital expenditures.....	—	—	—	—	—	—
Undesignated.....	58,291	15,423	224,250	(41,975)	47,921	(23,252)
Total fund balances (deficits).....	143,554	15,423	224,253	(41,975)	47,921	(23,252)
Total liabilities and fund balances.....	\$ 154,918	\$ 19,108	\$ 250,617	\$ 206,503	\$ 74,037	\$ 26,186

REVENUE					PERMANENT				
Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ 6,766	\$ 114,283	\$ 41,597	\$ 81,543	\$ 733,098	\$ 438,789	\$ 1,430	\$ 3,316	\$ 4,746	\$ 1,176,633
—	6,303	2,075	1,181	25,465	22,610	38	93	131	48,206
—	—	—	151	772	—	—	—	—	772
—	1,275	260	234	6,593	2,066	12	32	44	8,703
—	—	—	966	173,575	328	—	—	—	173,903
—	—	—	14,063	36,043	—	—	—	—	36,043
—	—	—	—	—	449	—	—	—	449
—	8,555	1,930	3,807	36,809	1,118	—	—	—	37,927
—	25,634	—	—	25,634	—	—	—	—	25,634
—	—	—	2,663	6,663	9,227	—	—	—	15,890
—	—	—	—	3	—	—	—	—	3
17,215	—	—	—	17,215	—	—	—	—	17,215
38,618	—	—	—	38,618	—	—	—	—	38,618
\$ 62,599	\$ 156,050	\$ 45,862	\$ 104,608	\$ 1,100,488	\$ 474,587	\$ 1,480	\$ 3,441	\$ 4,921	\$ 1,579,996
\$ 162	\$ 273	\$ 1,423	\$ 479	\$ 10,003	\$ 40,329	\$ —	\$ —	\$ —	\$ 50,332
—	26	—	762	1,794	13	—	23	23	1,830
—	—	—	—	—	470	—	—	—	470
—	—	—	3	796	—	—	—	—	796
—	378	9,849	3,634	288,564	—	—	—	—	288,564
450	17,949	322	5,780	63,560	21,976	—	10	10	85,546
—	4,027	—	—	4,340	15,440	—	—	—	19,780
—	—	—	61	24,399	104	—	—	—	24,503
—	6,949	2,289	1,302	28,078	24,930	42	103	145	53,153
—	—	—	—	29	—	—	—	—	29
612	29,602	13,883	12,021	421,563	103,262	42	136	178	525,003
—	—	—	—	3	—	—	—	—	3
—	—	—	1,802	1,802	9,228	—	—	—	11,030
—	—	—	—	—	—	714	2,556	3,270	3,270
—	—	—	12,850	32,939	—	—	—	—	32,939
55,833	—	—	—	55,833	—	—	—	—	55,833
—	—	—	—	51,119	—	—	—	—	51,119
—	—	—	—	14,055	—	—	—	—	14,055
—	—	—	—	—	362,097	—	—	—	362,097
6,154	126,448	31,979	77,935	523,174	—	724	749	1,473	524,647
61,987	126,448	31,979	92,587	678,925	371,325	1,438	3,305	4,743	1,054,993
\$ 62,599	\$ 156,050	\$ 45,862	\$ 104,608	\$ 1,100,488	\$ 474,587	\$ 1,480	\$ 3,441	\$ 4,921	\$ 1,579,996

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2010

(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.....	\$ 550,122	\$ —	\$ 1,702	\$ 597,746	\$ 504,734	\$ —
Other.....	—	1,144	—	1	—	265,271
Licenses, fees, and permits.....	138	—	26,807	—	—	—
Interest and other investment income.....	3,268	690	7,114	760	1,313	759
Federal.....	1	—	—	—	—	—
Departmental services.....	—	—	396	—	—	—
Contributions.....	—	—	—	—	—	6,713
Fines and penalties.....	—	—	428	—	—	—
Tobacco legal settlement.....	—	—	—	—	—	—
Other.....	478	—	2,010	—	—	—
Total revenues.....	554,007	1,834	38,457	598,507	506,047	272,743
Expenditures:						
Current:						
General government.....	8,368	—	63	—	—	—
Education.....	72,893	7,466	—	—	—	—
Health and environment.....	585	—	29,145	—	—	311,639
Social services.....	133	—	—	—	—	—
Administration of justice.....	775	—	—	—	—	—
Resources and economic development.....	—	—	—	—	—	—
Capital outlay.....	—	—	—	—	—	—
Debt service:						
Principal retirement.....	—	—	—	—	—	—
Interest and fiscal charges.....	—	—	—	—	—	—
Intergovernmental.....	444,802	6,956	5,512	591,584	854,555	—
Total expenditures.....	527,556	14,422	34,720	591,584	854,555	311,639
Excess of revenues over (under) expenditures.....	26,451	(12,588)	3,737	6,923	(348,508)	(38,896)
Other financing sources (uses):						
Bonds and notes issued.....	—	—	—	—	—	—
Premiums on bonds issued.....	—	—	—	—	—	—
Transfers in.....	988	5,038	—	3	350,343	—
Transfers out.....	(1,424)	(7)	(11,411)	(6,550)	—	—
Total other financing sources (uses).....	(436)	5,031	(11,411)	(6,547)	350,343	—
Net change in fund balances.....	26,015	(7,557)	(7,674)	376	1,835	(38,896)
Fund balances (deficit) at beginning of year (restated).....	117,539	22,980	231,927	(42,351)	46,086	15,644
Fund balances (deficits) at end of year.....	\$ 143,554	\$ 15,423	\$ 224,253	\$ (41,975)	\$ 47,921	\$ (23,252)

REVENUE					PERMANENT				
Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
\$ —	\$ —	\$ —	\$ —	\$ 1,654,304	\$ —	\$ —	\$ —	\$ —	\$ 1,654,304
—	—	—	26,217	292,633	59	—	—	—	292,692
—	—	65,355	19,751	112,051	—	—	230	230	112,281
7	5,844	1,278	1,083	22,116	11,924	71	187	258	34,298
—	—	—	99	100	10,975	—	—	—	11,075
—	—	8,758	1,063	10,217	207	—	—	—	10,424
—	275,901	—	151	282,765	—	—	—	—	282,765
—	—	—	21,735	22,163	35	—	—	—	22,198
68,709	—	—	—	68,709	—	—	—	—	68,709
—	529	20,098	445	23,560	87	—	—	—	23,647
68,716	282,274	95,489	70,544	2,488,618	23,287	71	417	488	2,512,393
781	2,500	85,999	30,219	127,930	21	—	—	—	127,951
—	238,259	—	—	318,618	—	3	—	3	318,621
—	186	—	30	341,585	—	11	—	11	341,596
—	—	—	9,308	9,441	—	—	—	—	9,441
—	1	—	13,392	14,168	—	—	—	—	14,168
—	—	—	5,150	5,150	—	—	273	273	5,423
—	—	—	—	—	151,555	—	—	—	151,555
63,035	—	—	47	63,082	1,100	—	—	—	64,182
10,000	—	—	6	10,006	1,520	—	—	—	11,526
—	54,460	9,122	18,905	1,985,896	—	—	—	—	1,985,896
73,816	295,406	95,121	77,057	2,875,876	154,196	14	273	287	3,030,359
(5,100)	(13,132)	368	(6,513)	(387,258)	(130,909)	57	144	201	(517,966)
—	—	—	—	—	301,672	—	—	—	301,672
—	—	—	—	—	3,385	—	—	—	3,385
532	1,088	—	10,575	368,567	35,128	—	—	—	403,695
(2,310)	(6,656)	(481)	(4,180)	(33,019)	(95,281)	—	—	—	(128,300)
(1,778)	(5,568)	(481)	6,395	335,548	244,904	—	—	—	580,452
(6,878)	(18,700)	(113)	(118)	(51,710)	113,995	57	144	201	62,486
68,865	145,148	32,092	92,705	730,635	257,330	1,381	3,161	4,542	992,507
\$ 61,987	\$ 126,448	\$ 31,979	\$ 92,587	\$ 678,925	\$ 371,325	\$ 1,438	\$ 3,305	\$ 4,743	\$ 1,054,993

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.

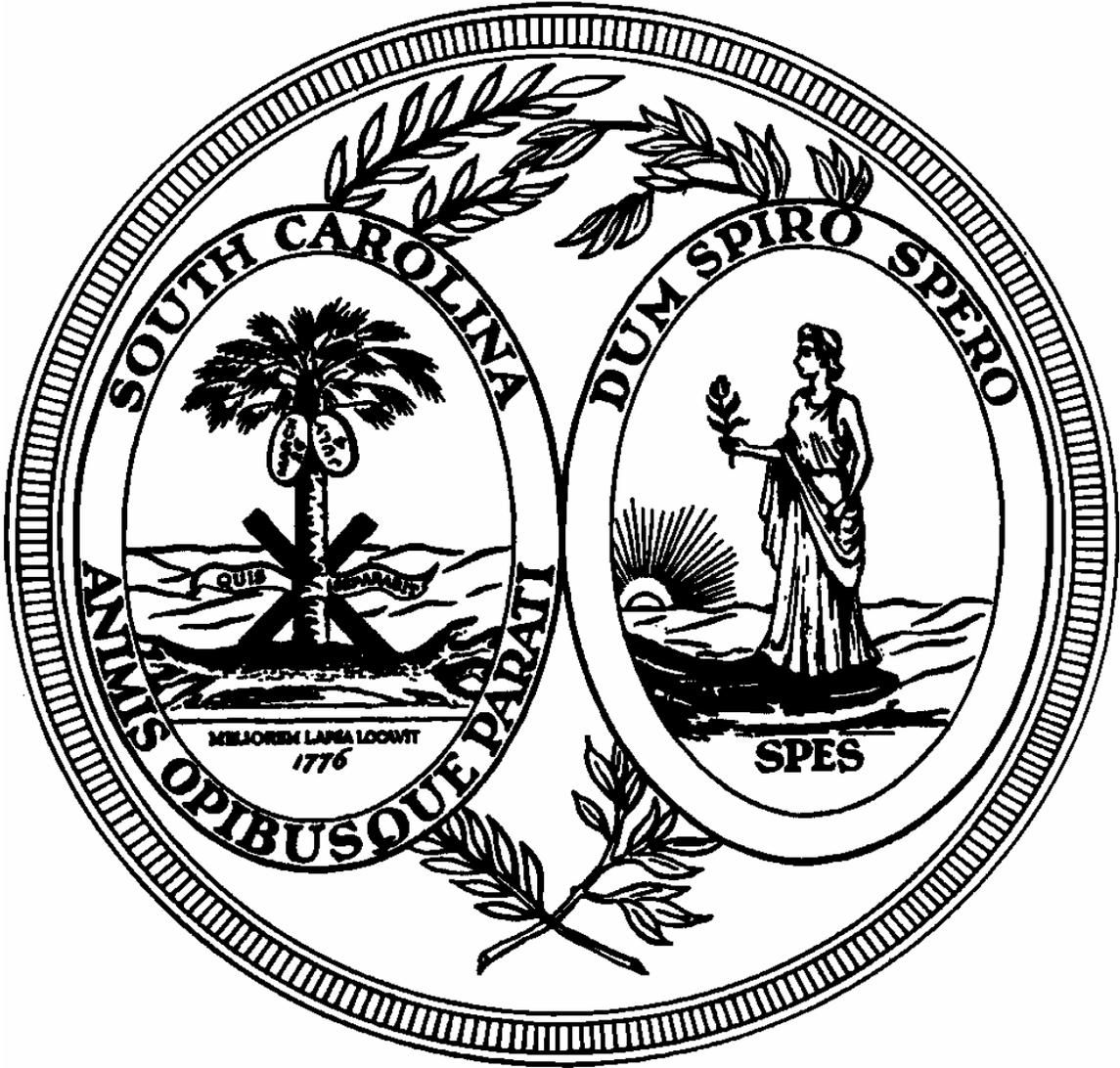
If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

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>
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%
2010	—	110,883	—	110,883	191,772	58%

^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, 2009.

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 Jobs-Economic Development Authority, 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, 2010

(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.....	\$ 5,878	\$ 2,838	\$ 355	\$ 161,794	\$ 181
Investments.....	17,720	—	—	—	1,418
Invested securities lending collateral.....	—	169	2,981	2,016	—
Receivables, net:					
Accounts.....	—	543	—	—	3
Contributions.....	—	—	—	—	15
Participants.....	—	—	—	2,168	—
Accrued interest.....	155	6	—	535	90
Patient accounts.....	—	—	—	—	—
Loans and notes.....	—	—	—	—	—
Due from other funds.....	9	—	—	—	—
Inventories.....	—	294	—	—	—
Restricted assets:					
Cash and cash equivalents.....	—	—	54,463	—	1,259
Investments.....	—	—	—	—	7,690
Loans receivable.....	—	—	—	—	80
Other.....	—	—	292	—	309
Prepaid items.....	327	9	—	—	36
Other current assets.....	—	—	306	—	—
Total current assets.....	<u>24,089</u>	<u>3,859</u>	<u>58,397</u>	<u>166,513</u>	<u>11,081</u>
Long-term assets:					
Investments.....	—	—	—	—	3,796
Receivables, net:					
Contributions.....	—	—	—	—	14
Participants.....	—	—	—	6,338	—
Interfund receivables.....	—	—	—	—	—
Restricted assets:					
Cash and cash equivalents.....	—	—	—	—	2,411
Investments.....	—	—	—	—	43,419
Loans receivable.....	—	—	—	—	141
Other.....	—	—	—	—	101
Prepaid items.....	—	—	—	—	—
Other long-term assets.....	—	—	—	—	12
Deferred charges.....	—	—	—	—	—
Non-depreciable capital assets.....	389	5,043	—	—	2,182
Depreciable capital assets, net.....	—	19,201	11	—	—
Total long-term assets.....	<u>389</u>	<u>24,244</u>	<u>11</u>	<u>6,338</u>	<u>52,076</u>
Total assets.....	<u>24,478</u>	<u>28,103</u>	<u>58,408</u>	<u>172,851</u>	<u>63,157</u>

University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ 5,299	\$ 99,940	\$ —	\$ —	\$ —	\$ 45,003	\$ 321,288
6,307	22,244	—	—	—	250	47,939
—	—	—	—	—	2,208	7,374
5,078	835	—	—	8	824	7,291
—	—	—	—	—	—	15
—	—	—	—	—	—	2,168
—	—	7	—	—	288	1,081
3,070	32,227	—	—	—	—	35,297
—	—	—	—	—	23	23
—	22,829	2,029	1,011	1,777	1,294	28,949
—	—	—	—	—	3,578	3,872
—	—	1,387	10	—	7	57,126
—	—	316	3,287	—	—	11,293
—	—	—	—	—	—	80
—	—	—	—	—	128	729
—	338	—	156	—	131	997
—	1,211	64	61	—	—	1,642
19,754	179,624	3,803	4,525	1,785	53,734	527,164
—	17,739	—	—	—	200	21,735
—	—	—	—	—	—	14
—	—	—	—	—	—	6,338
—	2,055	9,706	19,300	—	330	31,391
—	—	—	1,739	—	—	4,150
—	—	213	—	—	—	43,632
—	—	—	—	—	6,837	6,978
—	—	—	—	—	—	101
—	9,293	—	1,959	—	—	11,252
—	4,323	258	—	—	—	4,593
—	967	155	761	—	—	1,883
—	7,852	—	—	2,836	21,730	40,032
13,363	39,602	—	—	4,284	6,416	82,877
13,363	81,831	10,332	23,759	7,120	35,513	254,976
33,117	261,455	14,135	28,284	8,905	89,247	782,140

Continued on Next Page

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2010

(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.....	\$ 39	\$ 4	\$ —	\$ —	\$ 66
Accrued salaries and related expenses.....	35	274	97	—	1
Accrued interest payable.....	—	—	—	—	—
Tuition benefits payable.....	—	—	—	22,701	—
Policy claims.....	13,054	—	—	—	—
Due to other funds.....	—	85	—	—	—
Unearned revenues.....	6,903	202	—	—	—
Securities lending collateral.....	—	188	3,287	2,026	—
Liabilities payable from restricted assets:					
Accrued interest payable.....	—	—	—	—	—
Other.....	—	—	54,907	—	—
Notes payable.....	—	—	—	—	—
Revenue bonds payable.....	—	—	—	—	—
Capital leases payable.....	—	—	—	—	—
Compensated absences payable.....	13	16	87	—	3
Other current liabilities.....	370	—	—	—	9
Total current liabilities.....	<u>20,414</u>	<u>769</u>	<u>58,378</u>	<u>24,727</u>	<u>79</u>
Long-term liabilities:					
Tuition benefits payable.....	—	—	—	156,444	—
Policy claims.....	125,601	—	—	—	—
Interfund payables.....	—	9,227	—	—	—
Unearned revenues.....	—	413	—	—	—
Other liabilities payable from restricted assets.....	—	—	—	—	—
Notes payable.....	—	—	—	—	—
Revenue bonds payable.....	—	—	—	—	—
Capital leases payable.....	—	—	—	—	—
Compensated absences payable.....	—	268	19	—	—
Other long-term liabilities.....	—	—	—	—	14
Total long-term liabilities.....	<u>125,601</u>	<u>9,908</u>	<u>19</u>	<u>156,444</u>	<u>14</u>
Total liabilities.....	<u>146,015</u>	<u>10,677</u>	<u>58,397</u>	<u>181,171</u>	<u>93</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	389	15,045	11	—	2,182
Restricted:					
Expendable:					
Education.....	—	—	—	—	22,493
Capital projects.....	—	—	—	—	1,178
Debt service.....	—	—	—	—	—
Nonexpendable:					
Education.....	—	—	—	—	31,567
Unrestricted.....	(121,926)	2,381	—	(8,320)	5,644
Total net assets (deficits).....	<u>\$ (121,537)</u>	<u>\$ 17,426</u>	<u>\$ 11</u>	<u>\$ (8,320)</u>	<u>\$ 63,064</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>
\$ 8,765	\$ 3,098	\$ —	\$ —	\$ —	\$ 761	\$ 12,733
113	15,190	—	—	—	357	16,067
—	229	140	633	—	—	1,002
—	—	—	—	—	—	22,701
—	—	—	—	—	—	13,054
—	287	—	—	—	254	626
—	—	16	—	—	33	7,154
—	—	—	—	—	2,434	7,935
—	—	—	—	—	128	128
—	—	—	—	—	—	54,907
—	3,863	1,300	1,300	—	—	6,463
425	—	797	—	—	—	1,222
121	27	—	—	—	—	148
1,404	2,137	—	—	—	402	4,062
—	3,094	—	—	—	—	3,473
<u>10,828</u>	<u>27,925</u>	<u>2,253</u>	<u>1,933</u>	<u>—</u>	<u>4,369</u>	<u>151,675</u>
—	—	—	—	—	—	156,444
—	—	—	—	—	—	125,601
—	—	—	—	—	6,837	16,064
—	—	—	—	—	—	413
—	—	—	—	—	6	6
—	20,514	4,470	25,927	—	—	50,911
6,375	46,276	5,812	—	—	—	58,463
520	—	—	—	—	—	520
—	1,425	—	—	—	186	1,898
411	2,168	258	—	—	—	2,851
<u>7,306</u>	<u>70,383</u>	<u>10,540</u>	<u>25,927</u>	<u>—</u>	<u>7,029</u>	<u>413,171</u>
<u>18,134</u>	<u>98,308</u>	<u>12,793</u>	<u>27,860</u>	<u>—</u>	<u>11,398</u>	<u>564,846</u>
5,922	11,681	—	—	7,120	28,146	70,496
—	—	—	—	—	—	22,493
—	—	—	—	—	—	1,178
—	—	1,342	424	—	—	1,766
—	—	—	—	—	—	31,567
9,061	151,466	—	—	1,785	49,703	89,794
<u>\$ 14,983</u>	<u>\$ 163,147</u>	<u>\$ 1,342</u>	<u>\$ 424</u>	<u>\$ 8,905</u>	<u>\$ 77,849</u>	<u>\$ 217,294</u>

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	Tuition Prepayment Program	The Citadel Trust, Inc.
Operating revenues:					
Charges for services.....	\$ 22,708	\$ 8,490	\$ 1,645	\$ 593	\$ —
Contributions.....	—	—	—	(1,151)	—
Interest and other investment income.....	—	—	—	35,629	7,448
Operating revenues pledged for revenue bonds.....	—	—	—	—	—
Federal operating grants and contracts.....	—	—	—	—	—
Other operating revenues.....	—	—	—	—	—
Total operating revenues.....	22,708	8,490	1,645	35,071	7,448
Operating expenses:					
General operations and administration.....	2,008	7,855	1,686	—	165
Benefits and claims.....	316	—	—	—	—
Tuition plan disbursements.....	—	—	—	910	—
Depreciation and amortization.....	—	778	5	—	—
Other operating expenses.....	—	398	29	—	—
Total operating expenses.....	2,324	9,031	1,720	910	165
Operating income (loss).....	20,384	(541)	(75)	34,161	7,283
Nonoperating revenues (expenses):					
Interest income.....	718	135	70	45	—
Contributions.....	—	208	—	—	2,423
Federal grants and contracts.....	—	24	—	—	—
Local/private grants and contracts.....	—	—	—	—	320
Interest expense.....	—	—	—	—	—
Net other nonoperating revenues (expenses).....	—	(269)	—	—	292
Total nonoperating revenues (expenses).....	718	98	70	45	3,035
Income (loss) before other revenues, expenses, and transfers.....	21,102	(443)	(5)	34,206	10,318
Additions to endowments.....	—	—	—	—	2,265
Transfers in.....	—	—	—	—	—
Transfers out.....	—	(28)	—	(528)	(5,327)
Change in net assets.....	21,102	(471)	(5)	33,678	7,256
Net assets (deficits) at beginning of year (restated).....	(142,639)	17,897	16	(41,998)	55,808
Net assets (deficits) at end of year.....	\$ (121,537)	\$ 17,426	\$ 11	\$ (8,320)	\$ 63,064

University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
\$ 34,685	\$ 299,257	\$ —	\$ —	\$ —	\$ 27,781	\$ 395,159
—	—	—	—	—	—	(1,151)
—	—	33	—	—	16	43,126
—	—	830	1,066	—	—	1,896
—	—	—	—	—	70	70
26,104	12,490	—	—	99	333	39,026
60,789	311,747	863	1,066	99	28,200	478,126
62,077	233,036	—	—	25	23,954	330,806
—	—	—	—	—	—	316
—	—	—	—	—	—	910
1,095	3,135	64	217	113	593	6,000
—	—	737	1,294	—	151	2,609
63,172	236,171	801	1,511	138	24,698	340,641
(2,383)	75,576	62	(445)	(39)	3,502	137,485
1,079	5,229	—	—	—	2,912	10,188
—	—	—	—	—	—	2,631
—	—	—	—	—	—	24
—	—	—	—	—	—	320
(334)	(4,374)	—	—	—	(322)	(5,030)
—	(6,009)	—	—	—	287	(5,699)
745	(5,154)	—	—	—	2,877	2,434
(1,638)	70,422	62	(445)	(39)	6,379	139,919
—	—	—	—	—	—	2,265
—	—	—	690	1,540	739	2,969
—	(42,206)	(37)	—	—	(1,181)	(49,307)
(1,638)	28,216	25	245	1,501	5,937	95,846
16,621	134,931	1,317	179	7,404	71,912	121,448
\$ 14,983	\$ 163,147	\$ 1,342	\$ 424	\$ 8,905	\$ 77,849	\$ 217,294

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2010

(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.....	\$ 19,820	\$ 4,578	\$ —	\$ —
Assessments received.....	—	—	114,302	—
Tuition plan contributions received.....	—	—	—	1,111
Other operating cash receipts.....	—	3,596	345	36,393
Claims and benefits paid.....	(17,236)	—	(102,936)	—
Payments to suppliers for goods and services.....	(1,518)	(3,572)	(202)	—
Payments to employees.....	(362)	(3,702)	(1,031)	—
Other operating cash payments.....	—	(1,219)	(491)	(11,556)
Net cash provided by (used in) operating activities.....	704	(319)	9,987	25,948
Cash flows from noncapital financing activities:				
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.....	—	—	—	(528)
Net cash provided by (used in) noncapital financing activities.....	—	—	—	(528)
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(102)	(10,920)	—	—
Principal payments on capital debt.....	—	—	—	—
Interest payments on capital debt.....	—	—	—	—
Proceeds from issuance of interfund loan.....	—	9,200	—	—
Proceeds from sale or disposal of capital assets.....	—	—	—	—
Capital grants and gifts received.....	—	—	—	—
Net cash used in capital and related financing activities.....	(102)	(1,720)	—	—
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	18,822	—	—	—
Purchase of investments.....	(24,028)	—	—	—
Interest and dividends on investments.....	566	110	3,106	(544)
Collection of escrow payments from borrower.....	—	—	—	—
Net cash provided by (used in) investing activities.....	(4,640)	110	3,106	(544)
Net increase (decrease) in cash and cash equivalents.....	(4,038)	(1,929)	13,093	24,876
Cash and cash equivalents at beginning of year (restated).....	9,916	4,767	41,725	136,918
Cash and cash equivalents at end of year.....	\$ 5,878	\$ 2,838	\$ 54,818	\$ 161,794

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
\$ —	\$ 34,865	\$ 280,565	\$ —	\$ —	\$ —	\$ 26,150	\$ 365,978
—	—	—	—	—	—	—	114,302
—	—	—	—	—	—	—	1,111
—	26,809	23,083	—	—	25	983	91,234
—	—	—	—	—	—	—	(120,172)
(69)	(17,421)	(86,854)	—	—	(25)	(19,076)	(128,737)
(96)	(41,065)	(142,788)	—	—	—	(5,394)	(194,438)
—	—	—	—	—	—	(24)	(13,290)
(165)	3,188	74,006	—	—	—	2,639	115,988
—	—	—	—	—	—	(1,457)	(1,457)
—	—	(1,850)	—	—	—	(372)	(2,222)
—	—	(1,301)	—	—	—	—	(1,301)
4,968	—	(9,914)	—	—	—	70	(4,876)
199	—	—	—	—	—	—	199
—	—	—	—	—	—	(251)	(251)
—	—	—	—	690	—	739	1,429
(5,327)	—	(42,206)	(37)	—	—	(1,181)	(49,279)
(160)	—	(55,271)	(37)	690	—	(2,452)	(57,758)
—	(778)	(5,760)	—	—	—	(1,518)	(19,078)
—	(531)	(2,028)	(1,986)	(1,235)	—	—	(5,780)
—	(331)	(1,384)	(753)	(1,331)	—	—	(3,799)
—	—	—	—	—	—	—	9,200
—	—	—	—	—	—	5	5
—	—	—	—	—	—	77	77
—	(1,640)	(9,172)	(2,739)	(2,566)	—	(1,436)	(19,375)
55,997	2,163	7,264	3,218	6,372	—	—	93,836
(56,920)	(2,026)	(24,649)	(1,312)	(8,004)	—	(450)	(117,389)
809	151	991	859	1,007	—	2,498	9,553
—	—	—	—	—	—	1,827	1,827
(114)	288	(16,394)	2,765	(625)	—	3,875	(12,173)
(439)	1,836	(6,831)	(11)	(2,501)	—	2,626	26,682
4,290	3,463	106,771	1,398	4,250	—	42,384	355,882
\$ 3,851	\$ 5,299	\$ 99,940	\$ 1,387	\$ 1,749	\$ —	\$ 45,010	\$ 382,564

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2010

(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).....	\$ 20,384	\$ (541)	\$ (75)	\$ 34,161
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	—	778	5	—
Provision for bad debts.....	—	—	—	—
Net (increase) decrease in the fair value of investments.....	—	—	—	—
Amounts received for payment of claims.....	—	—	112,587	—
Payment of claims.....	—	—	(102,591)	—
Other nonoperating revenues.....	—	42	—	—
Other nonoperating expenses.....	—	—	—	—
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	(1)	(248)	—	168
Receivable from participants, net.....	—	—	—	2,262
Loans receivable.....	—	—	—	—
Due from other funds.....	(8)	—	—	3
Inventories.....	—	(11)	—	—
Other assets	181	—	70	—
Accounts payable.....	(129)	(281)	(3)	—
Accrued salaries and related expenses.....	9	(3)	(1)	—
Tuition benefits payable.....	—	—	—	(10,646)
Policy claims.....	(16,920)	—	—	—
Due to other funds.....	—	19	—	—
Unearned revenues	(2,888)	(77)	—	—
Compensated absences payable	4	3	(5)	—
Other liabilities.....	72	—	—	—
Net cash provided by (used in) operating activities.....	\$ 704	\$ (319)	\$ 9,987	\$ 25,948
Noncash capital, investing, and financing activities:				
Borrowing under capital leases.....	\$ —	\$ —	\$ —	\$ —
Increase in fair value of investments.....	66,749	—	70	—
	<u>\$ 66,749</u>	<u>\$ —</u>	<u>\$ 70</u>	<u>\$ —</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
\$ 7,283	\$ (2,383)	\$ 75,576	\$ 62	\$ (445)	\$ (39)	\$ 3,502	\$ 137,485
—	1,095	3,135	64	217	113	593	6,000
—	—	22,495	—	—	—	—	22,495
(7,448)	—	—	—	—	—	—	(7,448)
—	—	—	—	—	—	—	112,587
—	—	—	—	—	—	—	(102,591)
—	—	4,973	(863)	(1,066)	—	744	3,830
—	—	—	737	1,294	—	(23)	2,008
—	704	(22,859)	—	—	10	145	(22,081)
—	—	—	—	—	—	—	2,262
—	180	—	—	—	—	—	180
—	—	(13,564)	—	—	—	(1,603)	(15,172)
—	—	—	—	—	—	(274)	(285)
—	—	657	—	—	—	(11)	897
—	3,858	3,594	—	—	—	(24)	7,015
—	116	—	—	—	—	7	128
—	—	—	—	—	—	—	(10,646)
—	—	—	—	—	—	—	(16,920)
—	—	(89)	—	—	(84)	(366)	(520)
—	—	—	—	—	—	—	(2,965)
—	80	88	—	—	—	(51)	119
—	(462)	—	—	—	—	—	(390)
<u>\$ (165)</u>	<u>\$ 3,188</u>	<u>\$ 74,006</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,639</u>	<u>\$ 115,988</u>
\$ —	\$ 748	\$ 143	\$ —	\$ —	\$ —	\$ —	\$ 891
4,980	1,253	4,269	—	—	—	—	77,321
<u>\$ 4,980</u>	<u>\$ 2,001</u>	<u>\$ 4,412</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 78,212</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS

June 30, 2010

(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.....	\$ 62,233	\$ 182,772	\$ 170,898	\$ 29,880	\$ 535
Invested securities lending collateral.....	8,552	9,774	9,302	57	—
Receivables, net:					
Accounts	17,697	45,750	79,313	205	—
Accrued interest.....	4,403	17	1,133	8	—
Due from other funds.....	301	35,649	1,933	9,616	1,506
Due from component units.....	—	19	—	15	—
Inventories.....	—	—	—	703	1,551
Prepaid items.....	18,057	—	14	—	—
Total current assets.....	<u>111,243</u>	<u>273,981</u>	<u>262,593</u>	<u>40,484</u>	<u>3,592</u>
Long-term assets:					
Investments.....	374,579	—	—	—	—
Accounts receivable, net.....	—	—	84	146	—
Interfund receivables.....	6,837	—	—	15,400	—
Other long-term assets.....	—	—	482	—	—
Deferred charges.....	—	—	—	89	—
Non-depreciable capital assets.....	—	—	—	6,897	—
Depreciable capital assets, net.....	66	28	37	97,820	3
Total long-term assets.....	<u>381,482</u>	<u>28</u>	<u>603</u>	<u>120,352</u>	<u>3</u>
Total assets.....	<u>492,725</u>	<u>274,009</u>	<u>263,196</u>	<u>160,836</u>	<u>3,595</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 9,967	\$ 2,602	\$ 1,045	\$ 212	\$ 460,144
—	133	—	—	27,818
730	—	1,011	—	144,706
—	33	—	—	5,594
2,877	—	745	4	52,631
8	—	—	—	42
26	—	3,779	—	6,059
—	—	—	—	18,071
<u>13,608</u>	<u>2,768</u>	<u>6,580</u>	<u>216</u>	<u>715,065</u>
—	—	—	—	374,579
346	—	—	—	576
—	—	—	—	22,237
—	—	—	—	482
—	—	—	—	89
—	—	—	—	6,897
11,038	558	5,630	—	115,180
<u>11,384</u>	<u>558</u>	<u>5,630</u>	<u>—</u>	<u>520,040</u>
<u>24,992</u>	<u>3,326</u>	<u>12,210</u>	<u>216</u>	<u>1,235,105</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS (Continued)

June 30, 2010

(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>
LIABILITIES					
Current liabilities:					
Accounts payable.....	\$ 620	\$ 685	\$ 565	\$ 2,290	\$ 109
Accrued salaries and related expenses.....	291	449	279	1,255	—
Accrued interest payable.....	—	—	—	456	—
Retainages payable.....	—	—	—	248	—
Intergovernmental payables.....	—	—	—	167	—
Policy claims.....	230,011	156,969	76,772	—	—
Due to other funds.....	78	9	4	2,643	4
Unearned revenues.....	59,168	12,283	88,116	—	—
Securities lending collateral.....	9,430	10,777	10,257	62	—
Notes payable.....	—	—	—	14	—
Revenue bonds payable.....	—	—	—	1,620	—
Limited obligation bonds payable.....	—	—	—	1,280	—
Compensated absences payable.....	136	201	269	1,219	—
Other current liabilities.....	—	—	9,547	—	—
Total current liabilities.....	<u>299,734</u>	<u>181,373</u>	<u>185,809</u>	<u>11,254</u>	<u>113</u>
Long-term liabilities:					
Policy claims.....	—	—	151,373	—	—
Interfund payables.....	—	—	—	541	1,000
Notes payable.....	—	—	—	11	—
Revenue bonds payable.....	—	—	—	14,467	—
Limited obligation bonds payable.....	—	—	—	5,155	—
Compensated absences payable.....	162	302	80	1,110	—
Total long-term liabilities.....	<u>162</u>	<u>302</u>	<u>151,453</u>	<u>21,284</u>	<u>1,000</u>
Total liabilities.....	<u>299,896</u>	<u>181,675</u>	<u>337,262</u>	<u>32,538</u>	<u>1,113</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	66	28	37	82,259	3
Restricted:					
Expendable:					
Loan programs.....	20,000	—	—	—	—
Insurance programs.....	172,763	92,306	—	—	—
Unrestricted.....	—	—	(74,103)	46,039	2,479
Total net assets (deficits).....	<u>\$ 192,829</u>	<u>\$ 92,334</u>	<u>\$ (74,066)</u>	<u>\$ 128,298</u>	<u>\$ 2,482</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
\$ 1,056	\$ 567	\$ 589	\$ 2	\$ 6,483
90	771	901	15	4,051
217	—	—	—	673
—	—	—	—	248
—	—	—	—	167
—	—	—	—	463,752
100	504	1,441	8	4,791
—	—	—	—	159,567
—	146	—	—	30,672
3,582	—	—	—	3,596
—	—	—	—	1,620
—	—	—	—	1,280
88	724	270	19	2,926
—	—	—	—	9,547
<u>5,133</u>	<u>2,712</u>	<u>3,201</u>	<u>44</u>	<u>689,373</u>
—	—	—	—	151,373
—	—	—	—	1,541
3,985	—	—	—	3,996
—	—	—	—	14,467
—	—	—	—	5,155
80	659	246	17	2,656
<u>4,065</u>	<u>659</u>	<u>246</u>	<u>17</u>	<u>179,188</u>
<u>9,198</u>	<u>3,371</u>	<u>3,447</u>	<u>61</u>	<u>868,561</u>
3,652	558	5,630	—	92,233
—	—	—	—	20,000
—	—	—	—	265,069
12,142	(603)	3,133	155	(10,758)
<u>\$ 15,794</u>	<u>\$ (45)</u>	<u>\$ 8,763</u>	<u>\$ 155</u>	<u>\$ 366,544</u>

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Central Supplies and Equipment
Operating revenues:					
Charges for services.....	\$ 70,395	\$ 1,683,291	\$ 87,631	\$ 65,163	\$ 5,686
Interest and other investment income.....	—	—	—	765	—
Licenses, fees, and permits.....	—	—	—	66	—
Other operating revenues.....	—	105,470	—	—	—
Total operating revenues.....	70,395	1,788,761	87,631	65,994	5,686
Operating expenses:					
General operations and administration.....	60,745	155,192	4,712	60,453	4,954
Benefits and claims.....	51,466	1,645,980	70,659	—	—
Depreciation and amortization.....	51	53	120	5,880	1
Other operating expenses.....	—	—	4,631	514	7
Total operating expenses.....	112,262	1,801,225	80,122	66,847	4,962
Operating income (loss).....	(41,867)	(12,464)	7,509	(853)	724
Nonoperating revenues (expenses):					
Interest income.....	35,554	8,424	8,810	70	—
Interest expense.....	—	—	—	(1,061)	—
Net other nonoperating revenues.....	5	—	50	2,817	2
Total nonoperating revenues (expenses).....	35,559	8,424	8,860	1,826	2
Income (loss) before other revenues and transfers.....	(6,308)	(4,040)	16,369	973	726
Transfers in.....	—	60	—	3,433	815
Transfers out.....	(2,281)	(265)	—	(3,449)	—
Change in net assets.....	(8,589)	(4,245)	16,369	957	1,541
Net assets (deficits) at beginning of year.....	201,418	96,579	(90,435)	127,341	941
Net assets (deficits) at end of year.....	\$ 192,829	\$ 92,334	\$ (74,066)	\$ 128,298	\$ 2,482

Motor Pool	Pension Administration	Prison Industries	Other Internal Service	Totals
\$ 23,823	\$ 21,687	\$ 14,263	\$ 193	\$ 1,972,132
—	(41)	—	—	724
—	—	—	—	66
1	—	—	—	105,471
23,824	21,646	14,263	193	2,078,393
16,348	19,897	21,144	405	343,850
—	—	—	—	1,768,105
10,689	187	265	—	17,246
2	160	11	—	5,325
27,039	20,244	21,420	405	2,134,526
(3,215)	1,402	(7,157)	(212)	(56,133)
—	223	—	—	53,081
(371)	—	—	—	(1,432)
320	77	2,898	—	6,169
(51)	300	2,898	—	57,818
(3,266)	1,702	(4,259)	(212)	1,685
1,011	—	5	—	5,324
(3,992)	(523)	—	(19)	(10,529)
(6,247)	1,179	(4,254)	(231)	(3,520)
22,041	(1,224)	13,017	386	370,064
\$ 15,794	\$ (45)	\$ 8,763	\$ 155	\$ 366,544

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2010

(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.....	\$ 56,607	\$ 1,235,196	\$ 17,976	\$ —
Internal activity—payments from other funds.....	12,101	428,121	75,353	66,136
Other operating cash receipts.....	—	94,350	18,911	3,012
Claims paid.....	(50,873)	(1,635,661)	(69,037)	—
Payments to suppliers for goods and services.....	(52,985)	(180,836)	(4,725)	(40,440)
Payments to employees.....	(3,359)	(5,507)	(3,733)	(25,672)
Internal activity—payments to other funds.....	(13)	—	(7,558)	—
Net cash provided by (used in) operating activities.....	<u>(38,522)</u>	<u>(64,337)</u>	<u>27,187</u>	<u>3,036</u>
Cash flows from noncapital financing activities:				
Principal payments received from other funds.....	3,457	—	—	—
Principal payments made to other funds.....	—	—	—	(1,540)
Receipt of interest from other funds.....	372	—	—	—
Transfers in.....	—	60	—	3,433
Transfers out.....	(2,281)	(265)	—	(3,449)
Net cash provided by (used in) noncapital financing activities.....	<u>1,548</u>	<u>(205)</u>	<u>—</u>	<u>(1,556)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(7)	(17)	(7)	(2,711)
Principal payments on limited obligation bonds.....	—	—	—	(1,830)
Principal payments on capital debt.....	—	—	—	(1,280)
Interest payments on capital debt.....	—	—	—	(966)
Net cash used in capital financing activities.....	<u>(7)</u>	<u>(17)</u>	<u>(7)</u>	<u>(6,787)</u>
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	125,917	—	—	—
Purchase of investments.....	(62,378)	—	—	—
Interest on investments.....	14,560	7,466	8,636	—
Net cash provided by investing activities.....	<u>78,099</u>	<u>7,466</u>	<u>8,636</u>	<u>—</u>
Net increase (decrease) in cash and cash equivalents.....	<u>41,118</u>	<u>(57,093)</u>	<u>35,816</u>	<u>(5,307)</u>
Cash and cash equivalents at beginning of year.....	<u>21,115</u>	<u>239,865</u>	<u>135,082</u>	<u>35,187</u>
Cash and cash equivalents at end of year.....	<u>\$ 62,233</u>	<u>\$ 182,772</u>	<u>\$ 170,898</u>	<u>\$ 29,880</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>
\$ —	\$ —	\$ —	\$ 14,263	\$ 193	\$ 1,324,235
5,686	24,938	21,686	—	—	634,021
—	—	121	2,898	—	119,292
—	—	(4,669)	—	—	(1,760,240)
(6,122)	(14,093)	(13,977)	(3,362)	—	(316,540)
—	(1,598)	(1,654)	(15,366)	(285)	(57,174)
—	—	—	—	(85)	(7,656)
(436)	9,247	1,507	(1,567)	(177)	(64,062)
—	—	—	—	—	3,457
(500)	—	—	—	—	(2,040)
—	—	—	—	—	372
815	1,011	—	5	—	5,324
—	(3,992)	(523)	—	(19)	(10,529)
315	(2,981)	(523)	5	(19)	(3,416)
—	(1,539)	(228)	—	—	(4,509)
—	—	—	—	—	(1,830)
—	(3,487)	—	—	—	(4,767)
—	—	—	—	—	(966)
—	(5,026)	(228)	—	—	(12,072)
—	—	—	—	—	125,917
—	—	—	—	—	(62,378)
—	—	165	—	—	30,827
—	—	165	—	—	94,366
(121)	1,240	921	(1,562)	(196)	14,816
656	8,727	1,681	2,607	408	445,328
\$ 535	\$ 9,967	\$ 2,602	\$ 1,045	\$ 212	\$ 460,144

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2010

(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).....	\$ (41,867)	\$ (12,464)	\$ 7,509	\$ (853)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	51	53	120	5,880
Other nonoperating revenues.....	—	—	51	2,993
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	3,536	(8,879)	(2,078)	144
Accrued interest.....	—	—	—	17
Due from other funds	(301)	(22,275)	—	(3,595)
Inventories.....	—	—	—	2
Other assets.....	102	—	5	—
Accounts payable.....	1,839	—	19,546	(2,421)
Accrued salaries and related expenses.....	11	(105)	(2)	(149)
Accrued interest payable.....	—	—	—	(82)
Retainages payable.....	—	—	—	248
Policy claims.....	3,177	(28,868)	—	—
Due to other funds.....	(83)	—	—	1,134
Unearned revenues	(4,922)	8,310	2,028	—
Compensated absences payable.....	(65)	(109)	8	(282)
Net cash provided by (used in) operating activities.....	\$ (38,522)	\$ (64,337)	\$ 27,187	\$ 3,036
Noncash capital, investing, and financing activities:				
Increase in fair value of investments.....	\$ —	\$ —	\$ —	\$ —
Total noncash capital, investing, and financing activities.....	\$ —	\$ —	\$ —	\$ —

<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>
\$ 724	\$ (3,215)	\$ 1,402	\$ (7,157)	\$ (212)	\$ (56,133)
1	10,689	187	265	—	17,246
—	—	162	2,898	—	6,104
—	(118)	—	2,273	—	(5,122)
—	—	(1)	—	—	16
(836)	1,234	—	(380)	30	(26,123)
(32)	(2)	—	(64)	—	(96)
—	876	—	—	—	983
(293)	(235)	(394)	502	—	18,544
—	—	12	153	—	(80)
—	—	—	—	—	(82)
—	—	—	—	—	248
—	—	—	—	—	(25,691)
—	37	107	(7)	1	1,189
—	—	—	—	—	5,416
—	(19)	32	(50)	4	(481)
<u>\$ (436)</u>	<u>\$ 9,247</u>	<u>\$ 1,507</u>	<u>\$ (1,567)</u>	<u>\$ (177)</u>	<u>\$ (64,062)</u>
\$ —	\$ —	\$ 17	\$ —	\$ —	\$ 17
<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17</u>

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, 2010

(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.....	\$ 3,473,930	\$ 487,115	\$ 6,954	\$ 19,663	\$ 3,695
Receivables:					
Accounts.....	—	—	—	—	—
Contributions.....	153,539	18,264	41	757	3
Employer long-term.....	340	12	—	—	—
Accrued interest.....	55,179	7,701	93	309	39
Unsettled investment sales.....	920,106	131,595	1,448	5,129	637
Other investment receivables.....	2,441	338	4	13	2
Total receivables.....	<u>1,131,605</u>	<u>157,910</u>	<u>1,586</u>	<u>6,208</u>	<u>681</u>
Due from other funds.....	7,697	367	1	67	—
Investments, at fair value:					
Short term securities.....	495	71	1	3	—
Debt-domestic.....	3,384,091	483,997	5,327	18,864	2,343
Debt-international.....	2,467,288	352,874	3,883	13,754	1,709
Equity-domestic.....	1,407,616	201,319	2,216	7,846	975
Equity-international.....	255	36	—	1	1
Alternatives.....	9,101,529	1,301,710	14,326	50,736	6,302
Financial and other.....	—	—	—	—	—
Total investments.....	<u>16,361,274</u>	<u>2,340,007</u>	<u>25,753</u>	<u>91,204</u>	<u>11,330</u>
Invested securities lending collateral.....	282,044	40,338	444	1,572	195
Capital assets, net.....	2,902	297	8	14	—
Prepaid items.....	838	119	2	4	1
Total assets.....	<u>21,260,290</u>	<u>3,026,153</u>	<u>34,748</u>	<u>118,732</u>	<u>15,902</u>
LIABILITIES					
Accounts payable.....	14,861	2,126	24	82	10
Accounts payable—unsettled investment purchases.....	803,024	114,849	1,264	4,477	556
Due to other funds.....	37,795	837	70	—	1
Deferred retirement benefits.....	322,350	—	—	743	—
Securities lending collateral.....	372,821	53,321	587	2,078	258
Other liabilities.....	28,302	3,546	33	126	24
Total liabilities.....	<u>1,579,153</u>	<u>174,679</u>	<u>1,978</u>	<u>7,506</u>	<u>849</u>
NET ASSETS					
Held in trust for pension and other post-employment benefits.....	<u>\$ 19,681,137</u>	<u>\$ 2,851,474</u>	<u>\$ 32,770</u>	<u>\$ 111,226</u>	<u>\$ 15,053</u>

OPEB TRUST		
South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 96,284	\$ 6,298	\$ 4,093,939
—	42	42
—	—	172,604
—	—	352
4,901	333	68,555
—	—	1,058,915
—	—	2,798
<u>4,901</u>	<u>375</u>	<u>1,303,266</u>
41,682	—	49,814
—	—	570
345,825	22,572	4,263,019
—	—	2,839,508
—	—	1,619,972
—	—	293
—	—	10,474,603
<u>17,218</u>	<u>3,476</u>	<u>20,694</u>
<u>363,043</u>	<u>26,048</u>	<u>19,218,659</u>
19,898	—	344,491
—	—	3,221
—	—	964
<u>525,808</u>	<u>32,721</u>	<u>25,014,354</u>
—	—	17,103
—	—	924,170
16,372	31	55,106
—	—	323,093
21,940	—	451,005
—	—	32,031
<u>38,312</u>	<u>31</u>	<u>1,802,508</u>
<u>\$ 487,496</u>	<u>\$ 32,690</u>	<u>\$ 23,211,846</u>

Combining Statement of Changes in Plan Net Assets

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2010

(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.....	\$ 819,480	\$ 123,205	\$ 2,598	\$ 8,414	\$ 4,052
Employee.....	561,261	77,051	544	2,343	—
Total contributions.....	1,380,741	200,256	3,142	10,757	4,052
Investment income:					
Interest income and net appreciation in investments.....	2,653,338	368,322	4,711	14,875	1,892
Securities lending income.....	4,817	675	8	26	4
Total investment income.....	2,658,155	368,997	4,719	14,901	1,896
Less investment expense:					
Investment expense.....	44,462	6,288	75	249	30
Securities lending expense.....	1,030	143	2	6	1
Net investment income.....	2,612,663	362,566	4,642	14,646	1,865
Assets moved between pension trust funds.....	—	1,266	36	114	—
Total additions.....	3,993,404	564,088	7,820	25,517	5,917
Deductions:					
Regular retirement benefits.....	1,856,661	223,473	6,512	13,869	3,624
Supplemental retirement benefits.....	957	42	—	—	—
Deferred retirement benefits.....	156,800	—	—	299	—
Refunds of retirement contributions to members.....	75,814	13,673	4	—	—
Death benefit claims.....	19,921	2,019	6	11	—
Accidental death benefits.....	—	1,462	—	—	—
Other post-employment benefits.....	—	—	—	—	—
Depreciation.....	107	11	1	—	—
Administrative expense.....	18,070	2,566	32	101	13
Assets moved between pension trust funds.....	1,416	—	—	—	—
Total deductions.....	2,129,746	243,246	6,555	14,280	3,637
Change in net assets	1,863,658	320,842	1,265	11,237	2,280
Net assets at beginning of year.....	17,817,479	2,530,632	31,505	99,989	12,773
Net assets at end of year.....	\$ 19,681,137	\$ 2,851,474	\$ 32,770	\$ 111,226	\$ 15,053

OPEB TRUST

South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
\$ 296,502	\$ 6,850	\$ 1,261,101
—	—	641,199
<u>296,502</u>	<u>6,850</u>	<u>1,902,300</u>
35,137	3,033	3,081,308
155	5	5,690
<u>35,292</u>	<u>3,038</u>	<u>3,086,998</u>
—	—	51,104
69	2	1,253
<u>35,223</u>	<u>3,036</u>	<u>3,034,641</u>
—	—	1,416
<u>331,725</u>	<u>9,886</u>	<u>4,938,357</u>
—	—	2,104,139
—	—	999
—	—	157,099
—	—	89,491
—	—	21,957
—	—	1,462
284,042	6,606	290,648
—	—	119
90	31	20,903
<u>—</u>	<u>—</u>	<u>1,416</u>
<u>284,132</u>	<u>6,637</u>	<u>2,688,233</u>
<u>47,593</u>	<u>3,249</u>	<u>2,250,124</u>
<u>439,903</u>	<u>29,441</u>	<u>20,961,722</u>
<u>\$ 487,496</u>	<u>\$ 32,690</u>	<u>\$ 23,211,846</u>

Combining Statement of Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2010

(Expressed in Thousands)

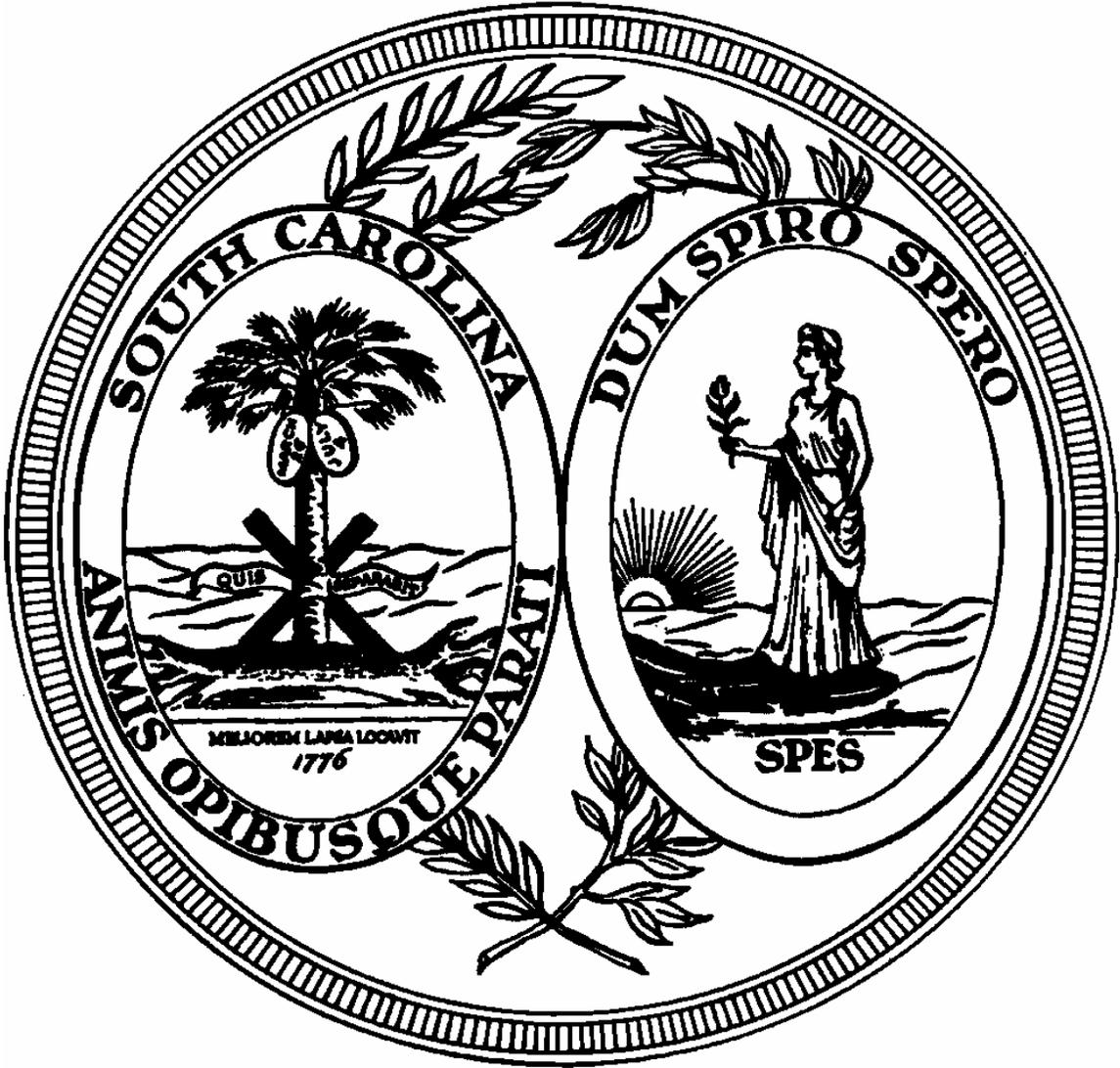
	College Savings Plan	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents.....	\$ —	\$ 17,164	\$ 17,164
Receivables, net:			
Accrued interest.....	748	170	918
Unsettled investment sales.....	1,045	—	1,045
Investments.....	1,114,175	—	1,114,175
Invested securities lending collateral	—	511	511
Other assets.....	—	4,975	4,975
Total assets.....	1,115,968	22,820	1,138,788
LIABILITIES			
Accounts payable.....	1,350	619	1,969
Accounts payable—unsettled investment purchases.....	330	—	330
Securities lending collateral.....	—	564	564
Total liabilities.....	1,680	1,183	2,863
NET ASSETS			
Held in trust for other purposes.....	\$ 1,114,288	\$ 21,637	\$ 1,135,925

Combining Statement of Changes in Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
Additions:			
Licenses, fees, and permits.....	\$ —	\$ 150	\$ 150
Tuition plan deposits.....	83,048	—	83,048
Interest income.....	101,587	760	102,347
Total additions.....	184,635	910	185,545
Deductions:			
Administrative expense.....	7,872	4,326	12,198
Payments in accordance with trust agreements.....	—	128	128
Other expenses.....	—	123	123
Total deductions.....	7,872	4,577	12,449
Change in net assets.....	176,763	(3,667)	173,096
Net assets at beginning of year	937,525	25,304	962,829
Net assets at end of year.....	\$ 1,114,288	\$ 21,637	\$ 1,135,925



Combining Statement of Assets and Liabilities

AGENCY FUNDS

June 30, 2010

(Expressed in Thousands)

	Insurance Company Deposits	Payroll Clearing	Other Agency	Totals
ASSETS				
Cash and cash equivalents.....	\$ —	\$ 5,903	\$ 225,548	\$ 231,451
Receivables, net:				
Accounts.....	—	44	2,666	2,710
Accrued interest.....	—	—	1,222	1,222
Taxes.....	—	—	200	200
Due from other funds.....	—	50,709	5,920	56,629
Investments.....	—	—	29,023	29,023
Securities held in lieu of surety bonds.....	266,805	—	—	266,805
Invested securities lending collateral	—	—	9,812	9,812
Total assets.....	<u>\$ 266,805</u>	<u>\$ 56,656</u>	<u>\$ 274,391</u>	<u>\$ 597,852</u>
LIABILITIES				
Accounts payable.....	\$ —	\$ 13,449	\$ 14,779	\$ 28,228
Tax refunds payable.....	—	—	3,363	3,363
Intergovernmental payables.....	—	—	12,913	12,913
Deposits.....	—	—	3,372	3,372
Amounts held in custody for others.....	266,805	43,207	229,146	539,158
Securities lending collateral.....	—	—	10,818	10,818
Total liabilities.....	<u>\$ 266,805</u>	<u>\$ 56,656</u>	<u>\$ 274,391</u>	<u>\$ 597,852</u>

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

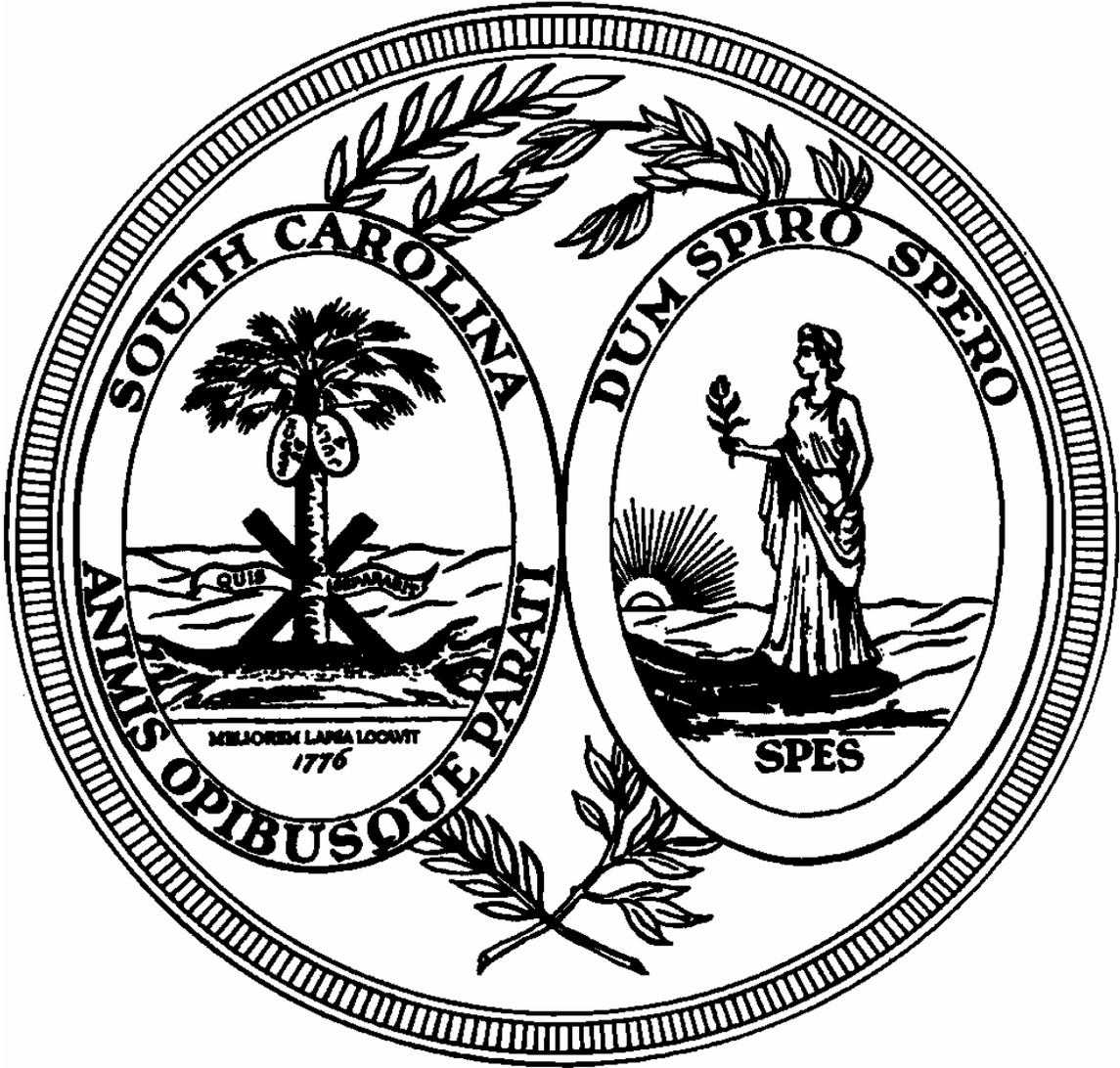
	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
INSURANCE COMPANY DEPOSITS				
Assets:				
Cash and cash equivalents.....	\$ —	\$ 3,799	\$ 3,799	\$ —
Securities held in lieu of surety bonds.....	270,604	—	3,799	266,805
Total assets.....	\$ 270,604	\$ 3,799	\$ 7,598	\$ 266,805
Liabilities:				
Amounts held in custody for others.....	\$ 270,604	\$ —	\$ 3,799	\$ 266,805
Total liabilities.....	\$ 270,604	\$ —	\$ 3,799	\$ 266,805
 PAYROLL CLEARING				
Assets:				
Cash and cash equivalents.....	\$ 13,306	\$ 1,073,263	\$ 1,080,666	\$ 5,903
Accounts receivable.....	37	44	37	44
Due from other funds.....	46,836	50,709	46,836	50,709
Total assets.....	\$ 60,179	\$ 1,124,016	\$ 1,127,539	\$ 56,656
Liabilities:				
Accounts payable.....	\$ 167	\$ 13,449	\$ 167	\$ 13,449
Amounts held in custody for others.....	60,012	920,641	937,446	43,207
Total liabilities.....	\$ 60,179	\$ 934,090	\$ 937,613	\$ 56,656

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2010
(Expressed in Thousands)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
OTHER AGENCY				
Assets:				
Cash and cash equivalents.....	\$ 190,822	\$ 2,517,323	\$ 2,482,597	\$ 225,548
Accounts receivable.....	7,023	2,838	7,195	2,666
Accrued interest receivable.....	1,060	1,222	1,060	1,222
Taxes receivable.....	1,877	200	1,877	200
Due from other funds.....	12,599	5,920	12,599	5,920
Investments.....	34,775	—	5,752	29,023
Invested securities lending collateral.....	21,559	9,812	21,559	9,812
Total assets.....	\$ 269,715	\$ 2,537,315	\$ 2,532,639	\$ 274,391
Liabilities:				
Accounts payable.....	\$ 11,256	\$ 29,040	\$ 25,517	\$ 14,779
Tax refunds payable.....	1,462	3,363	1,462	3,363
Intergovernmental payables.....	9,112	13,488	9,687	12,913
Deposits.....	3,228	3,372	3,228	3,372
Amounts held in custody for others.....	221,773	2,077,711	2,070,338	229,146
Securities lending collateral.....	22,884	10,818	22,884	10,818
Total liabilities.....	\$ 269,715	\$ 2,137,792	\$ 2,133,116	\$ 274,391
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents.....	\$ 204,128	\$ 3,594,385	\$ 3,567,062	\$ 231,451
Accounts receivable.....	7,060	2,882	7,232	2,710
Accrued interest receivable.....	1,060	1,222	1,060	1,222
Taxes receivable.....	1,877	200	1,877	200
Due from other funds.....	59,435	56,629	59,435	56,629
Investments.....	34,775	—	5,752	29,023
Securities held in lieu of surety bonds.....	270,604	—	3,799	266,805
Invested securities lending collateral.....	21,559	9,812	21,559	9,812
Total assets.....	\$ 600,498	\$ 3,665,130	\$ 3,667,776	\$ 597,852
Liabilities:				
Accounts payable.....	\$ 11,423	\$ 42,489	\$ 25,684	\$ 28,228
Tax refunds payable.....	1,462	3,363	1,462	3,363
Intergovernmental payables.....	9,112	13,488	9,687	12,913
Deposits.....	3,228	3,372	3,228	3,372
Amounts held in custody for others.....	552,389	2,998,352	3,011,583	539,158
Securities lending collateral.....	22,884	10,818	22,884	10,818
Total liabilities.....	\$ 600,498	\$ 3,071,882	\$ 3,074,528	\$ 597,852



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, 2009.

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 September 30, 2009.

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2010

(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.....	\$ 253	\$ 3,281	\$ 8,647	\$ 4,187	\$ 77	\$ 16,445
Investments.....	—	6,868	58,842	—	797	66,507
Invested securities lending collateral.....	—	—	—	188	—	188
Receivables, net						
Accounts	663	82	3,312	28	6	4,091
Contributions	2,982	483	—	—	1	3,466
Accrued interest	—	3	581	56	—	640
Loans and notes	—	25	—	—	—	25
Due from Federal government and other grantors..	—	—	—	—	309	309
Restricted assets:						
Cash and cash equivalents.....	21,511	—	—	—	—	21,511
Prepaid items.....	—	—	—	—	15	15
Other current assets.....	140	—	—	—	—	140
Deferred charges.....	—	—	1,257	—	—	1,257
Total current assets.....	<u>25,549</u>	<u>10,742</u>	<u>72,639</u>	<u>4,459</u>	<u>1,205</u>	<u>114,594</u>
Long-term assets:						
Investments.....	357,156	247,497	—	—	—	604,653
Receivables, net:						
Accounts.....	1,674	654	—	—	—	2,328
Contributions.....	22,371	17,195	—	—	—	39,566
Loans and notes.....	—	30	—	—	—	30
Other long-term assets.....	12	—	—	—	17	29
Non-depreciable capital assets.....	8,971	—	—	—	—	8,971
Depreciable capital assets, net.....	682	38	71	2	4	797
Total long-term assets.....	<u>390,866</u>	<u>265,414</u>	<u>71</u>	<u>2</u>	<u>21</u>	<u>656,374</u>
Total assets.....	<u>416,415</u>	<u>276,156</u>	<u>72,710</u>	<u>4,461</u>	<u>1,226</u>	<u>770,968</u>

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

June 30, 2010

(Expressed in Thousands)

	<u>Clemson University Foundation</u>	<u>University of South Carolina Educational Foundation</u>	<u>South Carolina Medical Liability Joint Underwriting Association</u>	<u>South Carolina First Steps to School Readiness Board of Trustees</u>	<u>Children's Trust Fund of S.C., Inc.</u>	<u>Totals</u>
LIABILITIES						
Current liabilities:						
Accounts payable.....	\$ 1,121	\$ 1,494	\$ 528	\$ 212	\$ 9	\$ 3,364
Accrued salaries and related expenses.....	—	—	—	80	—	80
Intergovernmental payables.....	—	—	—	80	69	149
Policy claims.....	—	—	29,000	—	—	29,000
Due to primary government.....	103,535	23,335	—	1,112	—	127,982
Unearned revenues and deferred credits.....	—	—	15,514	—	26	15,540
Securities lending collateral.....	—	—	—	208	—	208
Accounts payable from restricted assets.....	432	—	—	—	—	432
Notes payable.....	—	8	—	—	—	8
Compensated absences payable.....	—	—	—	53	—	53
Other current liabilities.....	—	397	—	—	—	397
Total current liabilities.....	105,088	25,234	45,042	1,745	104	177,213
Long-term liabilities:						
Policy claims.....	—	—	128,664	—	—	128,664
Amounts held in custody for others.....	2,058	—	73	—	—	2,131
Notes payable.....	—	22	—	—	—	22
Compensated absences payable.....	—	—	—	49	7	56
Other long-term liabilities.....	5,599	2,414	—	—	—	8,013
Total long-term liabilities.....	7,657	2,436	128,737	49	7	138,886
Total liabilities.....	112,745	27,670	173,779	1,794	111	316,099
NET ASSETS (DEFICIT)						
Invested in capital assets, net of related debt.....	9,653	38	71	2	4	9,768
Restricted:						
Expendable:						
Education.....	87,855	85,257	—	2,665	—	175,777
Other.....	—	—	2,159	—	—	2,159
Nonexpendable, education.....	198,543	156,225	—	—	—	354,768
Unrestricted.....	7,619	6,966	(103,299)	—	1,111	(87,603)
Total net assets (deficit).....	\$ 303,670	\$ 248,486	\$ (101,069)	\$ 2,667	\$ 1,115	\$ 454,869

Combining Statement of Activities

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2010

(Expressed in Thousands)

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Clemson University Foundation.....	\$ 23,698	\$ —	\$ 52,482	\$ —
University of South Carolina Educational Foundation.....	25,029	—	50,324	—
South Carolina Medical Malpractice Liability Joint Underwriting Association.....	17,157	35,741	6,127	—
South Carolina First Steps to School Readiness Board of Trustees.....	20,871	390	18,164	2
Children's Trust Fund of S.C., Inc.....	1,712	—	1,826	—
Totals.....	\$ 88,467	\$ 36,131	\$ 128,923	\$ 2

<u>Net Revenue (Expense)</u>	<u>Net Assets (Deficit) Beginning of Year</u>	<u>Net Assets (Deficit) End of Year</u>
\$ 28,784	\$ 274,886	\$ 303,670
25,295	223,191	248,486
24,711	(125,780)	(101,069)
(2,315)	4,982	2,667
114	1,001	1,115
<u>\$ 76,589</u>	<u>\$ 378,280</u>	<u>\$ 454,869</u>

Balance Sheet

SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES

June 30, 2010

(Expressed in Thousands)

ASSETS

Cash and cash equivalents.....	\$	4,187
Invested securities lending collateral.....		188
Accounts receivable.....		28
Accrued interest receivable.....		56
Total assets.....	\$	4,459

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable.....	\$	212
Accrued salaries and related expenditures.....		80
Intergovernmental payables.....		80
Due to primary government.....		1,112
Securities lending collateral.....		208
Total liabilities.....		1,692

Fund Balance:

Unreserved, undesignated.....		2,767
Total liabilities and fund balance.....	\$	4,459

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

Total fund balance **\$ 2,767**

Amounts reported for First Steps in the Combining Statement of
Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the Balance
Sheet. These assets consist of:

Capital assets.....	\$	56
Accumulated depreciation.....		(54)
Total capital assets.....		2

Compensated absences payable are not due and payable
in the current period and therefore are not reported in the
Balance Sheet..... (102)

Net assets **\$ 2,667**

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, 2010
(Expressed in Thousands)

Revenues:

Interest and other investment income.....	\$ 388
Federal.....	200
State operating grants and contracts.....	17,360
Departmental services.....	390
Contributions.....	<u>216</u>
Total revenues.....	<u>18,554</u>

Expenditures:

Current: Education.....	10,145
Intergovernmental	<u>10,711</u>
Total expenditures.....	<u>20,856</u>

Excess of expenditures over revenues.....	(2,302)
Fund balance at beginning of year.....	<u>5,069</u>
Fund balance at end of year.....	<u><u>\$ 2,767</u></u>

**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	\$ (2,302)
---	-------------------

Amounts reported for First Steps in the Combining Statement of
Activities are different because:

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.....	2
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.....	<u>(15)</u>
Change in net assets.....	<u><u>\$ (2,315)</u></u>