



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing Document Requests

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THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

1) Key Official Attendees

Curtis M. Loftis, Jr. - S.C. State Treasurer - Treasurer@sto.sc.gov

Clarissa Adams - Chief of Staff - Clarissa.Adams@sto.sc.gov

Tonia Morris - Deputy State Treasurer - Tonia.Morris@sto.sc.gov

Cynthia Dannels - Deputy State Treasurer - Cynthia.Dannels@sto.sc.gov

Brad Livingston - Administration Division Director – Brad.Livingston@sto.sc.gov

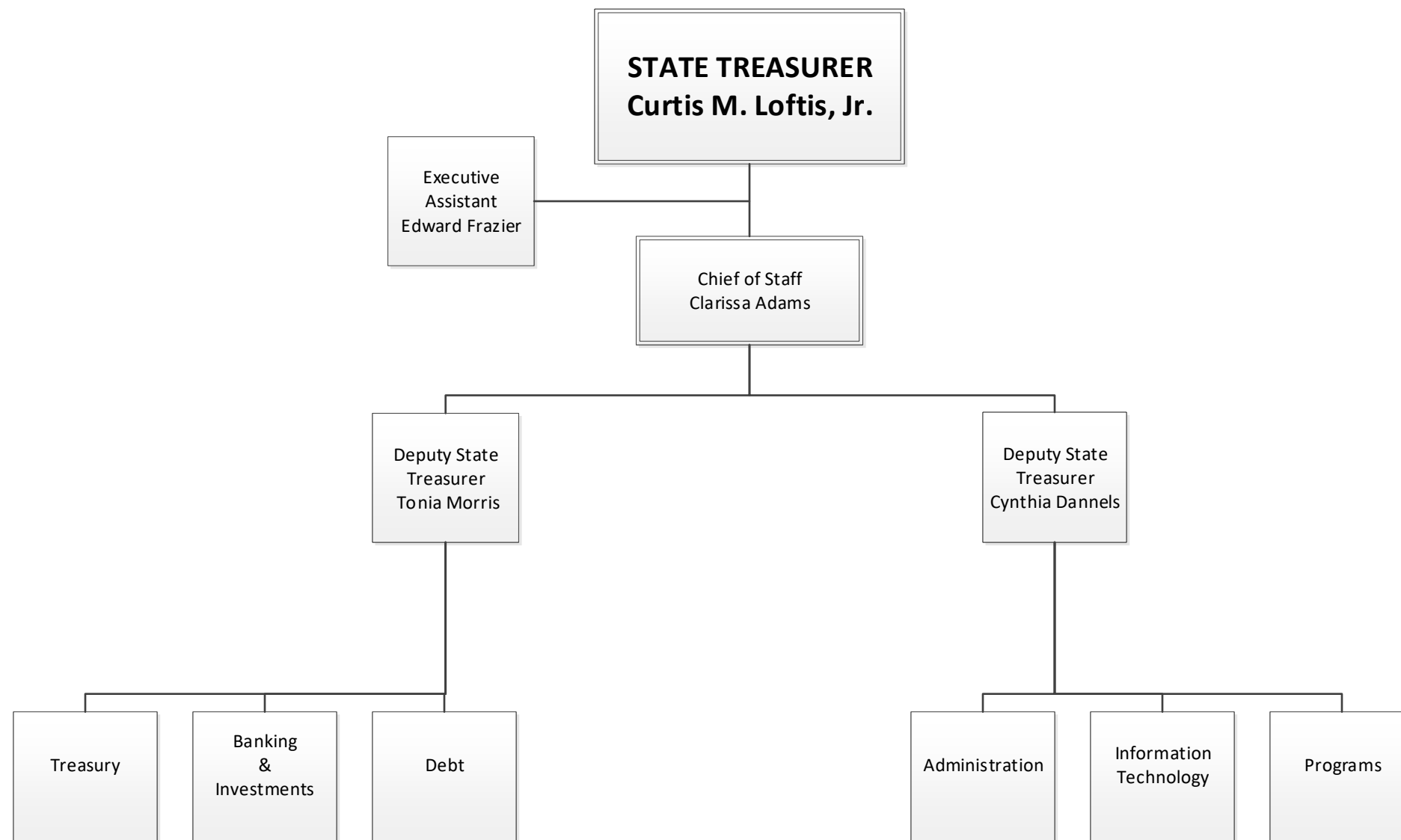
Edward Frazier - Executive Assistant - Edward.Frazier@sto.sc.gov



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

2) Organizational Chart



Rev. 5/2019



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State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

- 3) **Additional Copy of One-Pager**



Ways and Means Constitutional Subcommittee Budget Hearing

State Treasurer's Office Overview

The mission of the State Treasurer's Office is to serve the citizens of South Carolina by providing transparent, accountable and efficient banking, investment and financial management services for South Carolina State Government. Our commitment is to safeguard our State's financial resources and to maximize return on our State's investments.

The State Treasurer's Office manages approximately \$50 billion on behalf of the State and local governments. While focusing on modernizing business operations, South Carolina Treasurer Curtis Loftis works to ensure that the State Treasurer's Office (STO) provides the best in efficient banking, investment and financial management services. Inaugurated for his third term in office in January 2019, the Treasurer continues to maintain and promote an environment of openness, transparency and accountability in government.

The State Treasurer's Office has four major program areas: Treasury Management, Banking & Investments, Debt Management and Consumer Programs, which includes Unclaimed Property, College Savings and the Palmetto ABLE Savings Program.

Summary of the FY21 Budget Request

- **Employer Health, Dental and Retirement Contribution Increases:** \$180,000 (recurring other funds authorization) for the 2% salary increase, increase in employer insurance and 1% increase in employer retirement contributions enacted in the 2019-20 Appropriation Act.
- **Cost Recovery of Court Fines & Fees and Conviction Surcharges:** \$50,000 (recurring state funds appropriation). The STO is requesting a General Fund appropriation increase to allow the Treasurer's Office to recover the actual administrative costs associated with this activity. Current legislation authorizes the STO to capture a minimal reimbursement of expenditures from these court fines and fees. This request would have no effect on revenue collected for legislative purpose of these funds.
- **Insurance Reserve Fund Premium Increase:** \$15,748 (recurring other funds authorization) for the 55% increase, approved at the December 10, 2019 SFA meeting, in the FY 20-21 Insurance Reserve Fund premium

There are no proviso request changes this fiscal year.

Other Items

The Tuition Prepayment Program (TPP) has operated with an unfunded liability since 2001. As of 6/30/19, the TPP Fund had a deficit of \$36.9 million with a Projected Asset Depletion Date in the fall semester of 2022. Based on actuarial projections, we estimate \$40.7 million will be needed to prevent depletion of assets and loss of benefits to approximately 2,100 families currently relying on the Program for their children's future college tuition. Without funding, the legislature will be forced to cancel all existing contracts and fulfill the contractual refund obligations due to account owners.



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4) Accountability Report Summary



South Carolina Office of
the State Treasurer

FY19 Accountability Report Highlights

- The State Treasurer's Office manages approximately \$50 billion on behalf of the State and local governments.
- The Banking & Investments Division manages relationships with the qualified public depository banks that provide banking services to the State of South Carolina's state agencies and universities to support receipt and disbursement of funds, including specialized services for merchant payment cards and merchant card processing. The division currently manages approximately \$20.2 billion in assets for both the State of South Carolina and local governments (LGIP). Gross earnings on General Deposit Accounts' investments and LGIP totaled approximately \$441.7 million.
- The Treasury Management Division processed approximately 4.25 million disbursements consisting of approximately 1.02 million paper checks and approximately 3.23 million electronic payments and made 207,971 deposits on behalf of the State.
- The Debt Management Division issued \$694.8 million in general obligation and revenue debt, of which the State will achieve \$859,000 in refinancing savings from the refunded issues, and maintained the State's excellent credit ratings with Moody's, S&P, and Fitch as Aaa, AA+, and AAA respectively.
- The Unclaimed Property Program continued its commitment to returning unclaimed property to its rightful owners by returning over \$31.5 million for 43,592 properties.
- The Future Scholar College Savings Program is South Carolina's tax advantaged 529 college savings plan. Its assets under management totaled approximately \$3.97 billion with almost 172,954 accounts.
- The Palmetto ABLE Savings Program was launched in November 2017, allowing qualified individuals with disabilities to save money without jeopardizing other government benefits, such as Medicaid and Supplemental Security Income (SSI). As of June 30, 2019 more than 850 accounts have been opened.



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5) Budget Request Summary

State Treasurer's Office

Budget Priorities				Funding					FTEs			
Priority No.	Priority Type (recurring/ non-recurring /other funds adjustment/ federal funds adjustment)	Priority Title	Priority Description	Recurring	Non - Recurring	Other	Federal	Total	State	Other	Federal	Total
1	Other Funds	2% Base Pay Increase, Health Insurance Plan Increases in employer contributions and 1% Retirement rate increase				180,000		180,000				0
2	Recurring	Court Fines & Fees and Conviction Surcharge Support	Recovery of the administrative costs associated with distributing court fines & fees and conviction surcharges	50,000				50,000				0
3	Other Funds	Insurance Reserve Fund Premium Increase	Increase of 55% in Insurance Reserve Fund premiums for FY 20-21			15,748		15,748				0



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State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

6) Official Budget Request

AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98



**Fiscal Year 2020-21
Agency Budget Plan**

FORM A - BUDGET PLAN SUMMARY

OPERATING REQUESTS (FORM B1)

For FY 2020-21, my agency is (mark "X"):	
<input checked="" type="checkbox"/>	Requesting General Fund Appropriations.
<input checked="" type="checkbox"/>	Requesting Federal/Other Authorization.
<input type="checkbox"/>	Not requesting any changes.

NON-RECURRING REQUESTS (FORM B2)

For FY 2020-21, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting Non-Recurring Appropriations.
<input type="checkbox"/>	Requesting Non-Recurring Federal/Other Authorization.
<input checked="" type="checkbox"/>	Not requesting any changes.

CAPITAL REQUESTS (FORM C)

For FY 2020-21, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting funding for Capital Projects.
<input checked="" type="checkbox"/>	Not requesting any changes.

PROVISOS (FORM D)

For FY 2020-21, my agency is (mark "X"):	
<input type="checkbox"/>	Requesting a new proviso and/or substantive changes to existing provisos.
<input type="checkbox"/>	Only requesting technical proviso changes (such as date references).
<input checked="" type="checkbox"/>	Not requesting any proviso changes.

Please identify your agency's preferred contacts for this year's budget process.

	<i>Name</i>	<i>Phone</i>	<i>Email</i>
PRIMARY CONTACT:	Brad Livingston	(803) 734-2638	Brad.Livingston@sto.sc.gov
SECONDARY CONTACT:	Carla Lindler	(803) 734-9811	Carla.Lindler@sto.sc.gov

I have reviewed and approved the enclosed FY 2020-21 Agency Budget Plan, which is complete and accurate to the extent of my knowledge.

	<i>Agency Director</i>	<i>Board or Commission Chair</i>
SIGN/DATE:		
TYPE/PRINT NAME:	The Honorable Curtis M. Loftis Jr.	

This form must be signed by the agency head – not a delegate.

AGENCY NAME:	State Treasurer's Office		
AGENCY CODE:	E160	SECTION:	98

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	1
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	2% Base Pay Increase and Health Insurance 2020 Plan Increases in Employer Contributions and 1% Retirement rate increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other: \$180,000 Total: \$180,000
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98

ACCOUNTABILITY OF FUNDS

This increase in Other Funds authorization will allow the Agency to fulfill all goals, strategies and objectives as defined in its fiscal year 2019 Accountability Report.

2019-20 Accountability Report Goals 1 through 7.

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

State Treasurer's Office Other Funded employees who were eligible for the FY 2019-20 2% base pay increase, health insurance increase and Other Funded employees participating in the SCRS retirement plan and the related employer contributions.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The State Treasurer's Office is requesting an increase in Other Funds authorization for the employee 2% base pay increase authorized in the 2019-20 Appropriation Act and the associated employer fringe cost. Also included in this request for additional authorization is the associated costs for the SCRS and PORS 1% rate increase, as well as the employer health and dental insurance increase effective 1/1/20.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98

FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	2
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Court Fines & Fees and Conviction Surcharge Support
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Provide a brief, descriptive title for this request.

AMOUNT	General: \$50,000 Federal: Other: Total: \$50,000
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply: <input checked="" type="checkbox"/> Change in cost of providing current services to existing program audience <input type="checkbox"/> Change in case load/enrollment under existing program guidelines <input type="checkbox"/> Non-mandated change in eligibility/enrollment for existing program <input type="checkbox"/> Non-mandated program change in service levels or areas <input type="checkbox"/> Proposed establishment of a new program or initiative <input type="checkbox"/> Loss of federal or other external financial support for existing program <input type="checkbox"/> Exhaustion of fund balances previously used to support program <input type="checkbox"/> IT Technology/Security related <input type="checkbox"/> Consulted DTO during development <input type="checkbox"/> Related to a Non-Recurring request – If so, Priority #
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STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective: <input type="checkbox"/> Education, Training, and Human Development <input type="checkbox"/> Healthy and Safe Families <input type="checkbox"/> Maintaining Safety, Integrity, and Security <input type="checkbox"/> Public Infrastructure and Economic Development <input checked="" type="checkbox"/> Government and Citizens
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AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98

ACCOUNTABILITY OF FUNDS

This increase in General Fund appropriation will allow the Agency to fulfill its goals, strategies and objectives as defined in its Fiscal Year 2019 Accountability Report, Treasury Management specifically to effectively managing the collection and distribution of court fees and fines and conviction surcharges as specified in statutes: Section 14-1-206(C8), Section 14-1-207(C8), Section 14-1-208 (C12), Section 14-1-210 E, Section 13-1-212 (B1).

2019-20 Accountability Report Goal 3.

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

RECIPIENTS OF FUNDS

These funds are for actual administrative costs incurred by the Treasurer's Office and include personal services and related employer contributions as well as contractor and vendor payments.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

The State Treasurer's Office receives .16% of assessed court fines from general sessions, family court, magistrates court and municipal court to defray administrative expenses associated with collecting and distributing the revenue of these assessments.

The State Treasurer's Office may retain actual cost up to \$40,000 on conviction surcharges on fines, forfeitures, escheatments or other monetary penalties imposed in general sessions court or in magistrates or municipal court for midemeanor traffic offenses or for nontraffic violations.

During FY 2018-19 actual administrative expenditures associated with the collection and distribution of these revenues was approximately \$158,000 and revenue retained by the Treasurer's Office from court fees and fines and conviction surcharges totaled approximately \$97,000. This General Fund appropriation increase will allow the Treasurer's Office to recover the actual administrative costs associated with this activity.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	State Treasurer's Office	
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FORM B1 – RECURRING OPERATING REQUEST

AGENCY PRIORITY	3
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	Insurance Reserve Fund Premium Increase
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Provide a brief, descriptive title for this request.

AMOUNT	General: Federal: Other: \$15,748 Total: \$15,748
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

NEW POSITIONS	
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Please provide the total number of new positions needed for this request.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input checked="" type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
<input type="checkbox"/>	Consulted DTO during development	
<input type="checkbox"/>	Related to a Non-Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
	<input checked="" type="checkbox"/>	Government and Citizens

AGENCY NAME: **State Treasurer's Office**

AGENCY CODE: **E160**

SECTION: **98**

**ACCOUNTABILITY
OF FUNDS**

This increase in Other Funds authorization will allow the Agency to fulfill all goals, strategies and objectives as defined in its fiscal year 2019 Accountability Report.

2019-20 Accountability Report Goals 1 through 7.

What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

**RECIPIENTS OF
FUNDS**

These funds are for actual administrative costs incurred by the Treasurer's Office for property, automobile liability and tort insurance coverage through the Insurance Reserve Fund.

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

**JUSTIFICATION OF
REQUEST**

The State Treasurer's Office is requesting an increase in Other Funds authorization for the 55% increase in insurance premiums approved at the December 10, 2019 SFA meeting. This increase represents approximately \$16,000 in additional annual cost.

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. If new positions have been requested, explain why existing vacancies are not sufficient.

AGENCY NAME:	State Treasurer's Office	
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FORM B2 – NON-RECURRING OPERATING REQUEST

AGENCY PRIORITY	
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	N/A
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Provide a brief, descriptive title for this request.

AMOUNT	N/A
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What is the net change in requested appropriations for FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

FACTORS ASSOCIATED WITH THE REQUEST	Mark "X" for all that apply:	
	<input type="checkbox"/>	Change in cost of providing current services to existing program audience
	<input type="checkbox"/>	Change in case load/enrollment under existing program guidelines
	<input type="checkbox"/>	Non-mandated change in eligibility/enrollment for existing program
	<input type="checkbox"/>	Non-mandated program change in service levels or areas
	<input type="checkbox"/>	Proposed establishment of a new program or initiative
	<input type="checkbox"/>	Loss of federal or other external financial support for existing program
	<input type="checkbox"/>	Exhaustion of fund balances previously used to support program
	<input type="checkbox"/>	IT Technology/Security related
	<input type="checkbox"/>	Consulted DTO during development
	<input type="checkbox"/>	Request for Non-Recurring Appropriations
	<input type="checkbox"/>	Request for Federal/Other Authorization to spend existing funding
<input type="checkbox"/>	Related to a Recurring request – If so, Priority #	

STATEWIDE ENTERPRISE STRATEGIC OBJECTIVES	Mark "X" for primary applicable Statewide Enterprise Strategic Objective:	
	<input type="checkbox"/>	Education, Training, and Human Development
	<input type="checkbox"/>	Healthy and Safe Families
	<input type="checkbox"/>	Maintaining Safety, Integrity, and Security
	<input type="checkbox"/>	Public Infrastructure and Economic Development
<input type="checkbox"/>	Government and Citizens	

ACCOUNTABILITY OF FUNDS	
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What specific strategy, as outlined in the FY 2019-20 Strategic Planning and Performance Measurement template of agency's accountability report, does this funding request support? How would this request advance that strategy? How would the use of these funds be evaluated?

AGENCY NAME:	State Treasurer's Office	
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RECIPIENTS OF FUNDS

What individuals or entities would receive these funds (contractors, vendors, grantees, individual beneficiaries, etc.)? How would these funds be allocated – using an existing formula, through a competitive process, based upon predetermined eligibility criteria?

JUSTIFICATION OF REQUEST

Please thoroughly explain the request to include the justification for funds, potential offsets, matching funds, and method of calculation. Please include any explanation of impact if funds are not received. Does this non-recurring appropriation request create an annualization or need for recurring funds?

AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98

FORM C – CAPITAL REQUEST

AGENCY PRIORITY	
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Provide the Agency Priority Ranking from the Executive Summary.

TITLE	N/A
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Provide a brief, descriptive title for this request.

AMOUNT	N/A
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How much is requested for this project in FY 2020-21? This amount should correspond to the total for all funding sources on the Executive Summary.

CPIP PRIORITY	
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Identify the project's CPIP plan year and priority number, along with the first year in which the project was included in the agency's CPIP. If not included in the agency's CPIP, please provide an explanation. If the project involves a request for appropriated state funding, briefly describe the agency's contingency plan in the event that state funding is not made available in the amount requested.

OTHER APPROVALS	
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What approvals have already been obtained? Are there additional approvals that must be secured in order for the project to succeed? (Institutional board, JBRC, SFAA, etc.)

LONG-TERM PLANNING AND SUSTAINABILITY	
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What other funds have already been invested in this project (source/type, amount, timeframe)? Will other capital and/or operating funds for this project be requested in the future? If so, how much, and in which fiscal years? Has a source for those funds been identified/secured? What is the agency's expectation with regard to additional annual costs or savings associated with this capital improvement? What source of funds will be impacted by those costs or savings? What is the expected useful life of the capital improvement?

AGENCY NAME:

State Treasurer's Office

AGENCY CODE:

E160

SECTION: 98

SUMMARY

Provide a summary of the project and explain why it is necessary. Please refer to the budget guidelines for appropriate questions and thoroughly answer all related items.

AGENCY NAME:	State Treasurer's Office	
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FORM D – PROVISO REVISION REQUEST

NUMBER	
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Cite the proviso according to the renumbered list for FY 2020-21 (or mark "NEW").

TITLE	N/A
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Provide the title from the FY 2019-20 Appropriations Act or suggest a short title for any new request.

BUDGET PROGRAM	
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Identify the associated budget program(s) by name and budget section.

RELATED BUDGET REQUEST	
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Is this request associated with a budget request you have submitted for FY 2020-21? If so, cite it here.

REQUESTED ACTION	
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Choose from: Add, Delete, Amend, or Codify.

OTHER AGENCIES AFFECTED	
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Which other agencies would be affected by the recommended action? How?

SUMMARY & EXPLANATION	No proviso changes requested.
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Summarize the existing proviso. If requesting a new proviso, describe the current state of affairs without it. Explain the need for your requested action. For deletion requests due to recent codification, please identify SC Code section where language now appears.

AGENCY NAME: **State Treasurer's Office**

AGENCY CODE: **E160**

SECTION: **98**

FISCAL IMPACT

Provide estimates of any fiscal impacts associated with this proviso, whether for state, federal, or other funds. Explain the method of calculation.

**PROPOSED
PROVISO TEXT**

Paste FY 2019-20 text above, then bold and underline insertions and strikethrough deletions. For new proviso requests, enter requested text above.

AGENCY NAME:	State Treasurer's Office	
AGENCY CODE:	E160	SECTION: 98

**FORM E – AGENCY COST SAVINGS AND GENERAL FUND REDUCTION
CONTINGENCY PLAN**

TITLE	Agency Cost Savings and General Fund Reduction Contingency Plan
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AMOUNT	\$63,360 <i>What is the General Fund 3% reduction amount (minimum based on the FY 2019-20 recurring appropriations)? This amount should correspond to the reduction spreadsheet prepared by EBO.</i>
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ASSOCIATED FTE REDUCTIONS	
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How many FTEs would be reduced in association with this General Fund reduction?

PROGRAM/ACTIVITY IMPACT	<p>The State Treasurer's Office General Funds provide the Agency with the ability to support statewide Treasury Management, Banking and Investment services as well as administration of the Palmetto ABLE Savings Program. These funds also provide support services for Debt Management and the Agency consumer programs which include the Future Scholar 529 College Savings Plan, Tuition Prepayment and Unclaimed Property Programs. Therefore, all state government agencies, colleges and universities, local governments, and the citizens of South Carolina are served by the use of these funds.</p>
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What programs or activities are supported by the General Funds identified?

AGENCY NAME: **State Treasurer's Office**

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SECTION: **98**

SUMMARY

Any reduction in General Funds to the State Treasurer's Office would negatively impact the Agency's ability to provide essential Treasury Management, Banking and Investments and Palmetto ABLE Savings Program services to state government agencies, college and universities, local governments, and the citizens of South Carolina. A General Fund reduction would also negatively affect the ability to deliver essential support services that the Agency provides for its five major program areas: Treasury Management, Banking and Investments Management, Debt Management and Consumer Programs which include the Unclaimed Property Program, College Savings Plans (Future Scholar 529 and Tuition Prepayment) and Palmetto ABLE Savings Programs.

Please provide a detailed summary of service delivery impact caused by a reduction in General Fund Appropriations and provide the method of calculation for anticipated reductions. Agencies should prioritize reduction in expenditures that have the least significant impact on service delivery.

AGENCY COST SAVINGS PLANS

N/A

What measures does the agency plan to implement to reduce its costs and operating expenses by more than \$50,000? Provide a summary of the measures taken and the estimated amount of savings. How does the agency plan to repurpose the savings?

FORM F – REDUCING COST AND BURDEN TO BUSINESSES AND CITIZENS

TITLE	N/A
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Provide a brief, descriptive title for this request.

EXPECTED SAVINGS TO BUSINESSES AND CITIZENS	
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What is the expected savings to South Carolina's businesses and citizens that is generated by this proposal? The savings could be related to time or money.

FACTORS ASSOCIATED WITH THE REQUEST	<p>Mark "X" for all that apply:</p> <p><input type="checkbox"/> Repeal or revision of regulations.</p> <p><input type="checkbox"/> Reduction of agency fees or fines to businesses or citizens.</p> <p><input type="checkbox"/> Greater efficiency in agency services or reduction in compliance burden.</p> <p><input type="checkbox"/> Other</p>
--	---

METHOD OF CALCULATION	
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Describe the method of calculation for determining the expected cost or time savings to businesses or citizens.

REDUCTION OF FEES OR FINES	
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Which fees or fines does the agency intend to reduce? What was the fine or fee revenue for the previous fiscal year? What was the associated program expenditure for the previous fiscal year? What is the enabling authority for the issuance of the fee or fine?

REDUCTION OF REGULATION	
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Which regulations does the agency intend to amend or delete? What is the enabling authority for the regulation?

AGENCY NAME: **State Treasurer's Office**

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SECTION: **98**

SUMMARY

*Provide an explanation of the proposal and its positive results on businesses or citizens.
How will the request affect agency operations?*



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7) Proviso Request Summary

There are no proviso request changes this fiscal year.



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8) Agency Provisos

Office of the State Treasurer

Agency Provisos

98.1. (TREAS: Nat'l. Forest Fund - Local Govt. Compliance) In order to conform to federal requirements local governments receiving distributions of National Forest Fund revenues are required to report annually to the State Treasurer indicating compliance with authorized purposes.

98.2. (TREAS: STARS Approval) Decisions relating to the Statewide Accounting and Reporting System (STARS) and the South Carolina Enterprise Information System (SCEIS) which involve the State Treasurer's Banking Operations and other functions of the State Treasurer's Office shall require the approval of the State Treasurer.

98.3. (TREAS: Investments) The State Treasurer may pool funds from accounts for investment purposes and may invest all monies in the same types of investments as set forth in Section 11-9-660.

98.4. (TREAS: Management Fees) The State Treasurer is authorized to charge a fee for the operating and management costs associated with the Local Government Investment Pool, the Deferred Compensation Program, the Tuition Prepayment Program, and the College Investment Program and is further authorized to retain and expend the fees to provide these services. The fees assessed may not exceed the cost of the provision of such services.

98.5. (TREAS: Investment Management Fees) Unless otherwise prohibited by law, the State Treasurer may charge a fee for the operating and management costs associated with the investment management and support operations of various state funds and programs, and further, may retain and expend the fees to provide these services. The fees assessed may not exceed the actual cost of the provision of these services or the earnings on these investments.

98.6. (TREAS: Debt Management Cost Allocation) Unless otherwise prohibited by law, the State Treasurer may charge actual costs associated with the administration and management of the indebtedness of the State, its agencies and institutions, and further, may retain and expend any amounts so allocated to provide these services. Costs associated with the original issuance of bonds and other indebtedness must be assessed on an hourly basis, must be taken from the costs of issuance of any bond issue or other indebtedness, and must not exceed the actual cost of providing these services. Ongoing costs of administration and maintenance must be assessed against expenses of debt service, and must not exceed the actual costs of providing these services.

98.7. (TREAS: Withheld Accommodations Tax Revenues) Before noncompliant expenditures and penalties withheld pursuant to Sections 6-4-35(B)(1)(a) and (b) are reallocated, the Tourism Expenditure Review Committee must certify to the Office of State Treasurer that the time period for an appeal of the committee's action to the Administrative Law Court has expired or that the action of the committee has been upheld or overturned by the Administrative Law Court. Noncompliant expenditures and penalties withheld must be reallocated annually after August first. Allocations withheld must be reallocated proportionately based on the most recent

completed fiscal year's total statewide collections of the accommodations tax revenue according to the Office of State Treasurer records. Each annual reallocation of withheld funds to non-offending counties and municipalities must be calculated separately then combined if necessary. Each reallocation to a county or municipality calculated less than a dollar must be transferred to the General Fund of the State.

98.8. (TREAS: Tuition Prepayment Program) The South Carolina Tuition Prepayment Program shall not accept any new enrollment in the current fiscal year. The annual increase in tuition for the purposes of the Tuition Prepayment Program, for an institution cannot exceed seven percent per year from the 2006-07 level. To the extent that actual tuition for an institution exceeds an annual growth of seven percent per year since Fiscal Year 2006-07, colleges and universities must grant a waiver of the difference to the designated beneficiary and shall not pass along this difference to any student.

98.9. (TREAS: Penalties for Non-reporting) If a municipality fails to submit the audited financial statements required under Section 14-1-208 of the 1976 Code to the State Treasurer within thirteen months of the end of their fiscal year, the State Treasurer must withhold all state payments to that municipality until the required audited financial statement is received.

If the State Treasurer receives an audit report from either a county or municipality that contains a significant finding related to court fine reports or remittances to the Office of State Treasurer, the requirements of Proviso 117.51 shall be followed if an amount due is specified, otherwise the State Treasurer shall withhold twenty-five percent of all state payments to the county or municipality until the estimated deficiency has been satisfied.

If a county or municipality is more than ninety days delinquent in remitting a monthly court fines report, the State Treasurer shall withhold twenty-five percent of state funding for that county or municipality until all monthly reports are current.

After ninety days, any funds held by the Office of State Treasurer will be made available to the State Auditor to conduct an audit of the entity for the purpose of determining an amount due to the Office of State Treasurer, if any.

98.10. (TREAS: Signature Authorization) The State Treasurer is hereby authorized to designate certain employees to sign payments for the current fiscal year in accordance with Section 11-5-140 of the 1976 Code to meet the ordinary expenses of the State. This provision shall in no way relieve the State Treasurer of responsibility.

98.11. (TREAS: Unclaimed Property) The State Treasurer may not expend funds to retain a third party, private sector auditor, or auditing firms to fulfill his duties pursuant to the South Carolina Uniform Unclaimed Property Act on a contingency basis or any basis other than an hourly basis, with the exception that the State Treasurer may join other state(s) in multi-state contingent fee auditors' examinations, not to include companies whose parent company is headquartered or incorporated in South Carolina, when there is a reason to believe that those companies being audited are holding funds belonging to South Carolina citizens. The Office of State Treasurer shall retain \$200,000 from the Unclaimed Property Program for the sole purpose of employing internal compliance auditors to enforce the Unclaimed Property Act.

98.12. (TREAS: Municipality Accommodations Tax Withholdings) If the State Treasurer is withholding accommodations tax revenue distributions to a municipality due to an expenditure the Tourism Expenditure Review Committee determined to be in noncompliance, then the municipality may refund an amount equivalent to the amount determined to be in noncompliance to the municipality's accommodations tax fund from the municipality's general fund. If the municipality certifies to the Tourism Expenditure Review Committee that the amount has been refunded, the State Treasurer shall refund the withheld funds to the municipality's general fund. The expenditure of funds refunded to the municipality's accommodations tax fund and any subsequent expenditures are subject to review by the Tourism Expenditure Review Committee. Prior to notification to the State Treasurer of noncompliance by a municipality, the Tourism Expenditure Review Committee must notify the municipality if an expenditure is found to be in noncompliance. If the committee informs the municipality of an expenditure determined to be in noncompliance and the municipality does not refund the noncompliant amount, the committee shall certify the noncompliance to the State Treasurer. If the committee determines an expenditure of any refunded amount to be in noncompliance, the municipality may not refund an equivalent amount in order to avoid future withholdings.

98.13. (TREAS: Investment Earnings and Interest) In accordance with the requirements of Section 11-13-125 of the 1976 Code, the State Treasurer shall remit earnings and interest from investments of general deposit funds into the General Fund of the State. Nothing in this provision shall be construed to limit the State Treasurer from incurring and paying fees, expenses, losses, statutory commitments, salaries, and other costs associated with the routine investment of funds pursuant to Section 11-9-660 of the 1976 Code.



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

9) Carry Forward Information

Carry Forward Information From SCEIS

Account Number	1000000000		CASH DUE TO/FROM	
to	11ZZZZZZZZ			
Company Code	SC01	State of South Carolina		
Fiscal Year	2020			
<input type="checkbox"/> Display More Chars				
All Documents in Currency	*	Display Currency	USD	Company c
Period	Debit	Credit	Balance	Cumulative balance
Bal. Carryfor...				374,803.51



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

10) FTE Breakdown



South Carolina Office of
the State Treasurer

FTEs

Authorized FTEs	FY19	FY20
State	41.00	41.00
Other	39.07	39.07
Federal	0.00	0.00
Total	80.07	80.07



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

House Ways & Means Subcommittee Budget Hearing – January 21, 2020

11) Additional Information



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

**Palmetto ABLÉ Savings Program
Annual Report
For the Year Ended June 30, 2019**

Enabling Federal Legislation

The Achieving a Better Life Experience (ABLE) Act of 2014 was signed into federal law on December 19, 2014.

The purpose of the ABLE Act is (1) to encourage and assist individuals and families in saving private funds for the purposes of supporting individuals with disabilities to maintain health, independence and quality of life; and (2) to provide secure funding for disability-related expenses of beneficiaries with disabilities that will supplement, but not supplant benefits provided through private insurance, the Medicaid program under title XIX of the Social Security Act, the Supplemental Security Income program under title XVI of such Act, the beneficiary's employment and other sources.

The ABLE Act amended the IRS Code (529A) to create tax-free accounts for individuals with disabilities and to provide for the creation of state-implemented ABLE programs.

As of June 30, 2019, forty-three states have established a qualified ABLE program and there are 45,928 ABLE accounts open nationwide with almost \$260 million in assets under management.

The Palmetto ABLÉ Savings Program

On April 29, 2016, legislation creating South Carolina's qualified ABLE program was signed into law and the State Treasurer was named as the administrator of the program. In November 2017, the program opened for enrollment through a partnership with Ohio's STABLE Account Plan.

Eligible individuals with a disability may contribute up to \$15,000 per year to a Palmetto ABLE account (up to \$27,140 if employed). All contributions made to an ABLE account are 100% deductible from the contributor's South Carolina state income tax return.

The Palmetto ABLÉ Savings Program is a proud member of the South Carolina disability community. Through partnerships with disability organizations and grassroots outreach efforts, the program continues to experience double-digit growth every month. As of June 30, 2019, the Palmetto ABLÉ Savings Program has 852 accounts opened in 38 counties with \$3.6 million in assets under management.



THE HONORABLE CURTIS M. LOFTIS, JR.
State Treasurer

The Palmetto ABLE Savings Program provides individuals with disabilities and their families who care for them access to the same kinds of savings tools that are available to the broader population. The State Treasurer's Office is honored to administer this program.

Below are just a few faces of the Palmetto ABLE Savings Program.





South Carolina Tuition Prepayment Program

2019 Actuarial Valuation Report

Prepared by:

Glenn Bowen, FSA, EA, MAAA
Principal & Consulting Actuary

Alan Perry, FSA, CFA, MAAA
Principal & Consulting Actuary

September 25, 2019

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Executive Summary

A. Summary of Key Valuation Results

	<u>Actuarial Valuation as of:</u>	
	<u>June 30, 2018*</u>	<u>June 30, 2019</u>
Program Assets		
Invested Assets at Fair Market Value	\$52,551,420	\$40,761,708
Present Value of Projected Future Premium Contributions	<u>915,457</u>	<u>612,032</u>
Total Assets	\$53,466,877	\$41,373,740
Program Obligations		
Present Value of Projected Future Benefits and Expenses	\$89,491,492	\$78,271,541
Accrued Program Management Fees	<u>39,914</u>	<u>10,182</u>
Total Liability for Obligations	\$89,531,406	\$78,281,723
Actuarial Reserve		
Actuarial Reserve/(Deficit)	(\$36,064,529)	(\$36,907,983)
Funded Ratio	59.7%	52.9%
Key Assumptions		
Single Effective Discount Rate for Determining the Present Value of Program Obligations**	2.90%	2.37%
Assumed Tuition Inflation Growth Rate	5.50%	5.50%

* Results from the June 30, 2018 Valuation are from the previous actuary's report with slight adjustments to match the final financial statements.

** In the June 30, 2018 Valuation, program expenses were accounted for as a 30 basis points reduction in the discount rate assumption (2.90% net rate). In the June 30, 2019 Valuation, program expenses are accounted for explicitly with no reduction to the discount rate (2.37% gross rate).

B. Actuarial Discussion and Analysis

An actuarial valuation of the South Carolina Tuition Prepayment Program (the “Program”) is conducted annually to analyze the ability of projected Program resources to fully meet projected Program contract obligations and Program expenses. The actuarial reserve is the amount, stated in present value terms, by which the expected value of Program assets (resources) exceeds the expected value of Program liabilities, including expenses (obligations). The calculation is done as of a single point in time, using a single set of actuarial assumptions and methods.

While the actuarial valuation uses a single set of actuarial assumptions, actual future Program experience will differ from the assumptions used in the valuation’s calculations. With exceptions as noted in this report, the valuation was conducted using the same actuarial assumptions and methods used in the valuation conducted as of June 30, 2018.

As of June 30, 2019 the Program has assets of \$41,373,740 and obligations of \$78,281,723. The difference in values creates an actuarial deficit of \$36,907,983. The ratio of assets to obligations, known as the funded ratio, is 52.9%. Based on the assumptions used for the valuation, the Program is expected to have insufficient assets to fund payments for fall semester 2022 (note that fall semester payments can begin as early as the month of June). Please see Exhibit 5 for a projection of the Program’s expected cash flows. Possible options for dealing with the deficit include both ongoing plan and shutdown scenarios:

Ongoing Plan Options

Lump Sum Appropriation

The current deficit increases at an annualized rate of 2.37%, thus appropriations to cover the deficit are expected to increase over time as follows:

<u>Date</u>	<u>Required Appropriation</u>
June 30, 2019	\$36.9 million
June 30, 2020	\$37.8 million
June 30, 2021	\$38.7 million
June 30, 2022	\$39.6 million
Fall Semester 2022*	\$39.7 million

*At the time the Program is expected to have depleted the assets.

Annual Appropriations

In lieu of a lump sum appropriation, the State may opt for annual appropriations equal to the “pay as you go” costs of Program benefits and expenses. These appropriations would start with the fall semester 2022 payments, when the Program is expected to deplete the assets. These costs are expected to be approximately: \$9.7 million in the year ending June 30, 2023; \$10.8 million in the year ending June 30, 2024; and then decreasing amounts until 2041 when all of the Program benefits and expense are expected to have been paid. The total amount of required appropriations on this basis is expected to be \$41.8 million. Please see Exhibit 5 for a projection of these annual amounts.

Shutdown Options

If the Program is shut down and refunds are paid (based on a return of premiums at 4% interest to all contracts with unused semesters still in force), the expected amount of the total refund payments and the appropriation required to cover the projected shortfall for different shutdown dates are:

<u>Shutdown Date</u>	<u>Amount of Refunds</u>	<u>Required Appropriation</u>
June 30, 2019	\$61.6 million	\$20.9 million
June 30, 2020	\$53.7 million	\$25.6 million
June 30, 2021	\$45.3 million	\$30.0 million
June 30, 2022	\$36.8 million	\$34.1 million
Fall of 2022*	\$35.0 million	\$35.0 million

*At the time the Program is expected to have depleted the assets.

C. Program Experience

“Experience” encompasses the performance of the Program during the year, including investment performance, along with the effects of changes in the discount rate yield curve, tuition, expenses, and the Program’s contract data.

The Program experience during the year is quantified through changes in the actuarial reserve / (deficit). The year-to-year changes in the reserve are detailed in Exhibit 4 of the report. The actuarial deficit increased by \$0.8 million during the year. As noted in Exhibit 4, four of the factors that had significant impacts to the reserve level over the past year were:

- \$3.4 million decrease to the deficit due to lower than assumed tuition increases for fall 2019
- \$2.5 million increase to the deficit due to a change to the assumption for future Program expenses
- \$2.0 million increase to the deficit due to a decrease in discount rates from a year ago
- \$1.1 million decrease to the deficit due to higher actual investment returns than assumed a year ago

D. Changes in Actuarial Assumptions and Methods

The actuarial assumptions and methods used in this valuation are the same as those used in the valuation conducted as of June 30, 2018 except as summarized below, with more details in Appendix A:

- Discount rate yield curve updated to reflect changes in capital market conditions between valuation dates.
- Assumption for Program management expenses changed.
- Assumption for pre-matriculation voluntary cancellations changed.

Please see Appendix C for a more detailed summary of this valuation’s actuarial assumptions and methods.

E. Changes in Program Provisions

There have been no changes in Program provisions that affect actuarial calculations since the prior valuation. Please see Appendix D for a summary of principal Program provisions.

Exhibits

Exhibit 1

Market Value of Assets

The fair market value of assets as of June 30, 2018 and June 30, 2019 is shown below, and was provided by Columbia Threadneedle Investments.

	June 30, 2018	June 30, 2019
1. Immunized fixed income including accrued income	\$52,291,053	\$40,397,525
2. Cash and cash equivalents	\$260,367	\$364,183
3. Total market value of investments	\$52,551,420	\$40,761,708

Exhibit 2

Change in Market Value of Assets

The change in the market value of assets from June 30, 2018 to June 30, 2019 is shown below, and was provided by Columbia Threadneedle Investments. The estimated net rate of return earned on the investments for the year ending June 30, 2019 was 5.81%.

1. Market value of assets as of June 30, 2018	\$52,551,420
2. Contract premium payments	354,017
3. Tuition and refund benefits paid	(14,486,527)
4. Program management expenses	(137,333)
5. Investment performance	
a. Interest income	1,203,688
b. Realized gains / (losses)	(291,418)
c. Unrealized gains / (losses)	<u>1,597,593</u>
d. Total net investment performance	2,509,863
6. Net increase / (decrease) in market value of assets [(2) + (3) + (4) + (5d)]	(11,759,980)
7. Change in accrued management expenses	(29,732)
8. Market value of assets as of June 30, 2019 [(1) + (6) + (7)]	\$40,761,708

Exhibit 3

Actuarial Reserve as of June 30, 2019

The actuarial reserve is the amount, stated in present value terms, by which the expected value of Program assets (resources) exceeds the expected value of Program liabilities, including expenses (obligations). The calculation is done as of a single point in time, using a single set of actuarial assumptions and methods.

1. Assets at fair market value as of June 30, 2019	\$40,761,708
2. Present value of expected future premium contributions	<u>612,032</u>
3. Total projected program assets [(1) + (2)]	\$41,373,740
4. Present value of projected future benefits and expenses	\$78,271,541
5. Accrued program management fees	<u>10,182</u>
6. Total projected program obligations [(4) + (5)]	\$78,281,723
7. Actuarial reserve/(deficit) as of June 30, 2019 [(3) - (6)]	(\$36,907,983)
8. Actuarial reserve/(deficit) as a percentage of total projected program obligations [(7) ÷ (6)]	(47.1%)
9. Funded ratio: Assets / Obligations [(3) / (6)]	52.9%

Exhibit 4

Change in Actuarial Reserve from June 30, 2018 to June 30, 2019

A number of factors contributed to the year-to-year change in the actuarial reserve, as quantified below.

	\$Millions
1. Actuarial reserve/(deficit) as of June 30, 2018	(\$36.1)
Increase/(decrease) in reserve from June 30, 2018 to June 30, 2019 due to:	
2. Interest on the deficit at 2.90%	(1.0)
3. Decrease in the discount rate	(2.0)
4. Higher return on investments than assumed	1.1
5. Lower actual 2019-2020 tuition than assumed	3.4
6. Change to assumption for program expenses	(2.5)
7. Change to assumption for voluntary cancellations	0.3
8. Other	<u>(0.1)</u>
9. Total increase/(decrease) in actuarial adequacy reserve during the year	(0.8)
10. Actuarial reserve/(deficit) as of June 30, 2019	(\$36.9)

Exhibit 5

Projected Cash Flows under the Valuation Assumptions (\$Millions)

The projection assumes that Program assets earn a return of 2.37% every year. The amounts shown in the annual shortfall column are the projected “pay as you go” costs for the Program once the investments are depleted.

Year Ending June 30:	Beginning Market Value of Investments (Cumulative Shortfall)	Expected Contract Premiums	Expected Tuition Payments	Expected Refund Payments	Expected Program Expenses	Expected Investment Earnings	Annual (Shortfall)	Ending Market Value of Investments (Cumulative Shortfall)
2020	\$40.76	\$0.24	(\$12.70)	(\$0.62)	(\$0.34)	\$0.76	\$0.00	\$28.10
2021	28.10	0.20	(12.25)	(0.81)	(0.34)	0.47	0.00	15.37
2022	15.37	0.11	(11.97)	(0.59)	(0.34)	0.18	0.00	2.77
2023	2.77	0.05	(11.36)	(0.83)	(0.34)	0.01	(9.69)	(9.69)
2024	(9.69)	0.01	(9.85)	(0.62)	(0.34)	0.00	(10.80)	(20.50)
2025	(20.50)	0.00	(6.19)	(0.76)	(0.34)	0.00	(7.29)	(27.78)
2026	(27.78)	0.00	(4.24)	(0.97)	(0.34)	0.00	(5.55)	(33.33)
2027	(33.33)	0.00	(2.29)	(1.03)	(0.34)	0.00	(3.66)	(36.98)
2028	(36.98)	0.00	(0.88)	(1.01)	(0.34)	0.00	(2.23)	(39.21)
2029	(39.21)	0.00	(0.13)	(1.29)	(0.34)	0.00	(1.77)	(40.98)
2030	(40.98)	0.00	(0.13)	(0.00)	(0.34)	0.00	(0.47)	(41.45)
2031	(41.45)	0.00	(0.10)	(0.00)	0.00	0.00	(0.10)	(41.55)
2032	(41.55)	0.00	(0.04)	(0.00)	0.00	0.00	(0.04)	(41.58)
2033	(41.58)	0.00	(0.03)	(0.00)	0.00	0.00	(0.03)	(41.62)
2034	(41.62)	0.00	(0.02)	(0.00)	0.00	0.00	(0.02)	(41.63)
2035	(41.63)	0.00	(0.02)	(0.00)	0.00	0.00	(0.02)	(41.65)
2036	(41.65)	0.00	(0.02)	(0.00)	0.00	0.00	(0.02)	(41.67)
2037	(41.67)	0.00	(0.04)	0.00	0.00	0.00	(0.04)	(41.71)
2038	(41.71)	0.00	(0.02)	0.00	0.00	0.00	(0.02)	(41.73)
2039	(41.73)	0.00	(0.02)	0.00	0.00	0.00	(0.02)	(41.75)
2040	(41.75)	0.00	(0.02)	0.00	0.00	0.00	(0.02)	(41.77)
2041	(41.77)	0.00	(0.02)	0.00	0.00	0.00	(0.02)	(41.79)

Certification



This work product was prepared solely for the South Carolina Tuition Prepayment Program for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Caveats and Limitations of Use

The actuarial valuation of the South Carolina Tuition Prepayment Program as of June 30, 2019 has been completed in accordance with our understanding of Program provisions using assumptions and methods as described in this report. It also has been completed in accordance with our understanding of any applicable guidance or interpretations provided by the State Treasurer's office, InTuition Solutions, Inc., and Columbia Threadneedle Investments. The valuation results contained in this report are based on the actuarial assumptions and methods (Appendix C), principal Program provisions (Appendix D), and contract data (Appendix B) summarized in the appendices.

Purpose of the Valuation

The actuarial reserve portion of the actuarial valuation assesses, as of a single point in time, the estimated sufficiency of Program resources (assets currently held and estimated future premium contributions for contracts currently in force) to satisfy Program obligations (estimated future Program benefit payments and management expenses).

Assumptions and Methods

All liabilities shown in this report have been determined on the basis of actuarial assumptions and methods set forth in Appendix A. Except where noted, the assumptions are those developed and used by the prior actuary. The assumptions and methods used in this valuation are unchanged from those used in the prior valuation as of June 30, 2018, except as noted in this report.

Limited Use

We believe the assumptions and methods used in this report for purposes of calculating the actuarial reserve are reasonable for the purposes of the measurements. The results of this report are dependent upon future experience conforming to the assumptions disclosed in this report. Future actuarial measurements may differ significantly from the current measurements presented in this report due to many factors, including: Program experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in Program provisions and/or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements. Determinations for purposes other than meeting those requirements referenced above may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Reliance

In preparing our report we relied, without audit, on information (some oral and some written) supplied by InTuition Solutions, Inc., the Office of the State Treasurer, and Columbia Threadneedle Investments. This information includes, but is not limited to, statutory provisions, contract data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

This actuarial valuation was prepared and completed by us and those under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our professional opinion, the techniques and assumptions used are reasonable. To the best of our knowledge, there is no benefit provision or related expense to be provided by the Program and/or paid from the Program's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation, and there were no known events that were not taken into account in the valuation.

Milliman's work product was prepared exclusively for the internal business use of the Program, for a specific and limited purpose. It is a complex technical analysis that assumes a high level of knowledge concerning the Program's operations, and uses Program data which Milliman has not audited. To the extent that Milliman's work is not subject to disclosure under applicable public record laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- (a) The Program may provide a copy of Milliman's work, in its entirety, to the Program's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Program.
- (b) The Program may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

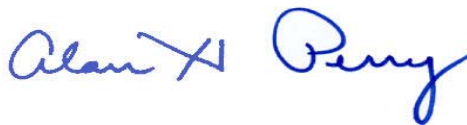
The signing actuaries are independent of the Program sponsor. We are not aware of any relationship that would impair the objectivity of our work.

Certification

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct and Qualification Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Glenn Bowen, FSA, EA, MAAA
Principal & Consulting Actuary



Alan Perry, FSA, CFA, MAAA
Principal & Consulting Actuary

Appendices

Appendix A – 2019-2020 Weighted Average Tuition

An enrollment weighted average of tuition and mandatory fees is used as the basis for projecting the actuarial cost of future tuition benefits under the Program and as the basis for certain Program payouts to independent and out-of-state institutions. The tuition and mandatory fee amounts were provided by InTuition Solutions, Inc. and reviewed by the Office of the State Treasurer. The enrollment counts were provided by the Office of the State Treasurer based on data from the South Carolina Commission on Higher Education.

Institutions	2019-20 Tuition and Fees	Enrollment			Three-year Average Enrollment	Percent of Total Enrollment	Weighted Average Tuition
		Fall 2016	Fall 2017	Fall 2018			
The Citadel	\$14,128	3,049	3,139	3,238	3,142	3.45%	\$487
Clemson University	15,120	18,053	19,503	19,743	19,100	20.97%	3,171
Coastal Carolina University	11,640	9,435	9,721	9,566	9,574	10.51%	1,223
College of Charleston	12,978	9,913	9,420	9,457	9,597	10.54%	1,368
Francis Marion University	11,160	3,257	3,085	2,642	2,995	3.29%	367
Francis Marion Nursing	17,012	213	236	203	217	0.24%	41
Lander University	11,700	2,865	2,727	2,847	2,813	3.09%	362
S.C. State University	11,060	2,901	2,369	2,314	2,528	2.77%	307
U.S.C. - Aiken	10,398	3,036	2,925	2,897	2,953	3.24%	337
U.S.C. - Beaufort	11,080	1,814	1,922	1,945	1,894	2.08%	230
U.S.C. - Columbia	12,848	25,110	26,146	26,577	25,944	28.48%	3,659
U.S.C. - Upstate	11,838	5,456	5,010	5,200	5,222	5.73%	678
Winthrop University	15,806	5,221	4,737	4,599	4,852	5.33%	842
Med. Univ. of S.C. - Nursing	25,233	<u>166</u>	<u>294</u>	<u>309</u>	<u>256</u>	<u>0.28%</u>	<u>71</u>
		90,489	91,234	91,537	91,087	100.00%	\$13,143

History of Weighted Average Tuition

Academic Year	Weighted Average Tuition (WAT)	Percentage Increase from Previous Year	Academic Year	Weighted Average Tuition (WAT)	Percentage Increase from Previous Year
2002-2003	\$5,057		2011-2012	10,412	2.0%
2003-2004	5,891	16.5%	2012-2013	10,716	2.9%
2004-2005	6,679	13.4%	2013-2014	11,082	3.4%
2005-2006	7,458	11.7%	2014-2015	11,470	3.5%
2006-2007	7,954	6.7%	2015-2016	11,845	3.3%
2007-2008	8,418	5.8%	2016-2017	12,269	3.6%
2008-2009	9,029	7.3%	2017-2018	12,731	3.8%
2009-2010	9,519	5.4%	2018-2019	13,077	2.7%
2010-2011	10,204	7.2%	2019-2020	13,143	0.5%

Annualized Increase in Weighted Average Tuition:

Over last 5 years	2.8%
Over last 10 years	3.3%
Over last 15 years	4.6%
Over last 17 years	5.8%

Appendix B - Contract Data

Contracts in Force as of June 30, 2019

The table below shows the number of contracts with at least one semester of tuition still in force as of June 30, 2019 by the year of enrollment in the Program and by the projected matriculation year. There are 2,053 contracts with at least one semester still in force. There are an additional 654 contracts with a fraction of one semester of tuition still in force. A total of 2,707 contracts have tuition benefits still in force and were included in the actuarial valuation.

Projected Matriculation Year	Year of Enrollment in Program								Total
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2006	
2006	-	-	-	-	1	-	-	-	1
2007	-	2	-	2	3	1	-	-	8
2008	9	10	6	2	9	3	-	-	39
2009	8	6	4	2	6	4	4	1	35
2010	13	18	14	6	6	5	3	2	67
2011	13	8	7	2	10	3	3	4	50
2012	7	8	9	7	5	8	4	2	50
2013	12	11	7	13	13	7	2	1	66
2014	18	20	16	9	9	3	6	1	82
2015	24	23	22	15	18	9	16	2	129
2016	50	53	26	41	57	34	26	12	299
2017	13	42	47	29	55	19	29	7	241
2018	2	37	64	48	63	28	27	11	280
2019	1	3	37	36	46	32	32	10	197
2020	2	-	2	25	53	30	35	11	158
2021	1	-	1	-	65	40	38	19	164
2022	-	3	2	-	1	53	33	13	105
2023	-	-	1	-	-	-	37	29	67
2024	2	-	2	-	-	-	-	-	4
2025	1	-	-	1	1	-	-	-	3
2026	1	-	-	1	-	-	1	-	3
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	1	-	-	-	-	1
2029	-	-	-	-	1	-	-	-	1
2030	-	-	1	-	-	-	-	-	1
2031	-	-	-	-	-	-	-	-	-
2032	-	1	-	-	-	-	-	-	1
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	<u>1</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>=</u>	<u>1</u>
Total	178	245	268	240	422	279	296	125	2,053

Semesters in Force as of June 30, 2019

The table below shows the number of semesters of tuition still in force by the year of enrollment in the Program and by the projected matriculation year for the 2,053 contracts with at least one semester of tuition still in force. The 654 contracts with a fraction of one semester of tuition still in force have a total of 70 semesters.

Projected Matriculation Year	Year of Enrollment in Program								Total
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2006	
2006	-	-	-	-	3	-	-	-	3
2007	-	14	-	6	13	1	-	-	34
2008	32	28	27	8	31	12	-	-	138
2009	34	16	17	4	14	9	15	2	111
2010	43	55	63	17	19	12	10	12	231
2011	55	26	43	2	24	4	10	13	177
2012	39	31	36	29	13	34	17	10	209
2013	53	57	32	71	42	31	9	7	302
2014	76	73	66	51	52	11	30	8	367
2015	104	96	81	56	61	35	55	9	497
2016	156	182	82	115	184	121	104	36	980
2017	59	204	248	152	274	85	123	29	1,174
2018	11	217	411	316	406	172	166	60	1,759
2019	8	24	292	276	356	244	244	76	1,520
2020	16	-	16	196	408	220	268	72	1,196
2021	8	-	8	-	492	308	292	132	1,240
2022	-	24	16	-	8	424	248	100	820
2023	-	-	8	-	-	-	280	184	472
2024	16	-	8	-	-	-	-	-	24
2025	8	-	-	8	8	-	-	-	24
2026	8	-	-	8	-	-	8	-	24
2027	-	-	-	-	-	-	-	-	-
2028	-	-	-	8	-	-	-	-	8
2029	-	-	-	-	4	-	-	-	4
2030	-	-	4	-	-	-	-	-	4
2031	-	-	-	-	-	-	-	-	-
2032	-	8	-	-	-	-	-	-	8
2033	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-
2036	8	-	-	-	-	-	-	-	8
Total	734	1,055	1,458	1,323	2,412	1,723	1,879	750	11,334

Appendix C – Actuarial Assumptions and Methods

Economic Assumptions: Discount Rate

The discount rate used to calculate the present values of benefits under the program is determined by discounting the projected benefit payments using the FTSE Pension Discount Curve for June 30, 2019. This curve consists of a set of yields on hypothetical AA-rated zero coupon bonds with maturities ranging from 6 months up to 30 years. The single equivalent discount rate that produces the same total present value of benefits as the curve is the discount rate for the actuarial valuation.

The rate for this year's valuation is 2.37%. This rate has not been reduced to reflect investment management fees. The rate used for last year's valuation was 2.90%. This rate reflected investment management fees of 30 basis points.

Economic Assumptions: Tuition Growth Rate

Tuition is assumed to increase at 5.50% per year. This is the same assumption as used for last year's actuarial valuation. This assumption was developed by the prior actuary. It is currently under review by the Program and will be reviewed by Milliman as part of an experience study before next year's valuation.

Economic Assumptions: Bias Load

It is assumed that the average payout per semester for tuition benefits will be 103% of weighted average tuition. This is the same assumption as used for last year's actuarial valuation. This assumption was developed by the prior actuary and will be reviewed by Milliman as part of an experience study before next year's valuation.

Economic Assumptions: Program Expenses

It is assumed that total Program expenses, including investment management fees, will be \$340,000 per year for each of the next 11 years. This assumption was set by the Office of the State Treasurer.

Demographic Assumptions: Pre-Matriculation Voluntary Termination of Contract

It is assumed that contract holders will voluntarily terminate their contracts at the following rates. Note that all current in force contracts are past the 8th year since purchase.

	Lump Sum	48-Month	Extended
Year of purchase	2.0%	5.0%	8.0%
1 st year after purchase	2.0%	4.0%	7.0%
2 nd year after purchase	2.0%	3.0%	6.0%
3 rd year after purchase	1.5%	2.0%	5.0%
4 th year after purchase	1.5%	1.0%	4.0%
5 th year after purchase	1.5%	1.0%	3.0%
6 th year after purchase	1.5%	1.0%	2.0%
7 th year after purchase	1.0%	1.0%	2.0%
8 th year after purchase	1.0%	1.0%	2.0%
Thereafter	2.5%	2.5%	2.5%

The termination assumptions for the period from the year of purchase through the 8th year after purchase were developed by the prior actuary. The termination assumption for the period thereafter was mandated by the Program's external auditor. These assumptions will be reviewed by Milliman as part of an experience study before next year's valuation.

Demographic Assumptions: Utilization of Benefits

Four year contracts are assumed to redeem their tuition benefits ratably over five years. Two year contracts are assumed to redeem their semesters ratably over two years. Contracts that are more than two years beyond their projected matriculation year and have not redeemed benefits for at least two years are assumed to forgo their tuition benefits and receive a refund of premiums with 2.0% interest on unused semesters in the year the beneficiary reaches age 30.

These utilization assumptions were developed by the prior actuary and will be reviewed by Milliman as part of an experience study before next year's valuation.

Appendix D – Principal Plan Provisions

The Program opened in 1998 and sold two and four-year prepaid tuition contracts. The contracts provide for the payment of tuition and mandatory fees at public higher education institutions in South Carolina. The Program halted sales in 2006 and closed it to new enrollment in 2008.

**SOUTH CAROLINA STATE
TREASURER'S OFFICE**

**SOUTH CAROLINA LOCAL GOVERNMENT
INVESTMENT POOL**

COLUMBIA, SOUTH CAROLINA

FINANCIAL STATEMENTS

JUNE 30, 2019



September 24, 2019

The Honorable Curtis M. Loftis, Jr., State Treasurer
State of South Carolina
Columbia, South Carolina

This report on the audit of the financial statements of the South Carolina Local Government Investment Pool for the fiscal year ended June 30, 2019, was issued by the Hobbs Group, P.A., under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

George L. Kennedy, III, CPA
State Auditor

GLK/sag

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL

JUNE 30, 2019

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INDEPENDENT AUDITORS' REPORT

Mr. George L. Kennedy, III, CPA
State Auditor
Office of the State Auditor
Columbia, South Carolina

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the South Carolina Local Government Investment Pool (the "Pool"), an investment trust fund of the State of South Carolina as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Pool's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Pool, as of June 30, 2019, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

EMPHASIS OF MATTER

As discussed in Note 1, the financial statements present only the South Carolina Local Government Investment Pool, an investment trust fund of the State of South Carolina and do not purport to, and do not, present fairly the financial position of the South Carolina State Treasurer's Office, or the State of South Carolina, as of June 30, 2019, and the changes in its financial position, or where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Pool's basic financial statements. The schedule of net position in pool participants' accounts (the "*Schedule*") is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019 on our consideration of the Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Pool's internal control over financial reporting and compliance.

Columbia, South Carolina
September 24, 2019

The Hall Group, P.A.

Management’s Discussion and Analysis

The South Carolina Local Government Investment Pool (the “Pool”) is an investment option for local governments of the State of South Carolina provided by the State Treasurer's Office as required by statute. The Pool invests in fixed income securities as provided by statute and is managed in a manner to preserve capital and provide needed liquidity while earning a prudent daily variable rate of return. The attached financial statements present a financial "snapshot" of the Pool. The Statement of Fiduciary Net Position presents information on the Pool’s assets and liabilities at June 30, 2019 with the difference between the two reported as net position. The Statement of Changes in Fiduciary Net Position during the period from July 1, 2018 to June 30, 2019 (fiscal year or FY) presents information showing how the Pool’s net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The Federal Reserve raised interest rates during the fiscal year which in turn, also drove up the Pool’s rate of return. Our internal policy to control risk insulated the portfolio from many of the market pitfalls by maintaining a high degree of liquidity and well diversified profile of credit risk. The Federal Reserve is expected to decrease interest rates into fiscal year 2020. Commercial paper and LIBOR rates will decline as a result.

Financial Analysis

Table 1: Summary Statement of Fiduciary Net Position

	June 30, 2019	June 30, 2018	Change
Assets			
Cash and cash equivalents	\$ 4,115,787,577	\$ 4,206,875,172	\$ (91,087,595)
Invested securities lending collateral	76,500,000	19,570	76,480,430
Interest receivable	495,802	2,295,399	(1,799,597)
Investments, at fair value	3,274,212,226	2,284,276,834	989,935,392
Total Assets	7,466,995,605	6,493,466,975	973,528,630
Liabilities			
Collateral for loaned securities	76,500,000	19,570	76,480,430
Total liabilities	76,500,000	19,570	76,480,430
Total Net Position - Held in Trust	\$ 7,390,495,605	\$ 6,493,447,405	\$ 897,048,200

The Statement of Fiduciary Net Position shows that the assets of the Pool are the cash and investments made by the State Treasurer as Custodian of the Pool plus accrued income receivable on those investments at June 30, 2019. The market conditions that existed during the year created a demand for loaned securities, thus invested securities lending collateral and the associated liability increased.

The liabilities of the Pool usually consist of collateral held for loaned securities that are due back to the borrowers under securities lending transactions. There are \$76,500,000 of securities out on loan at June 30, 2019 and \$19,570 of securities were out on loan at June 30, 2018. Market conditions drive the securities lending activity of the Pool.

The Net Position of the Pool is held for the Pool participants and is internally divided into amounts distributed to participants' accounts and undistributed amounts. Net position of \$7,360,953,266 has been distributed to participant accounts while \$29,542,339 is undistributed. The undistributed portion of net position represents a reserve for contingencies.

Table 2: Summary Statement of Changes in Fiduciary Net Position

	June 30, 2019	June 30, 2018	Change
Investment income	\$ 165,990,969	\$ 99,825,911	\$ 66,165,058
Expenses	(5,282,418)	(4,421,420)	(860,998)
Deposits, withdrawals, and other participant activity	736,339,649	734,312,715	2,026,934
Change in net position	897,048,200	829,717,206	67,330,994
Net position - beginning of year	6,493,447,405	5,663,730,199	829,717,206
Net position - end of year	\$ 7,390,495,605	\$ 6,493,447,405	\$ 897,048,200

The significant increase in both investment income and net participant activity is due to increased participation in the Pool by various municipalities and local governments. The number of accounts in the Pool increased substantially and drove up both investment income and participant activity balances for the year ended June 30, 2019. At June 30, 2019 there were 796 participating accounts in the pool as compared to 724 at the previous year end. These increases have also driven up administrative expenses for the pool which increased from \$4,421,420 for the year ended June 30, 2018 to \$5,282,418 for the year ended June 30, 2019. The increase in expenses is due primarily to the Pool's addition of an investment advisor for the year ended June 30, 2018 which was in effect for two quarters while the advisor was in place for all of the year ended June 30, 2019.

During FY 2019, the Federal Reserve increased the Federal Funds Target Rate two times from 2.00% to 2.50%. The average investment rate earned by the Pool increased from 1.42% in FY 18 to 2.31% for FY 19. For this fiscal year, the Pool closely followed its referenced benchmark which earned a rate of return of 2.39%. The pool earned \$66,165,058 more in investment income than the prior fiscal year. During FY 19 there were more deposits to the Pool than withdrawals. Participants took advantage of higher rates paid by the Pool due to economies of scale. The table below provides the investment rates for the current and prior fiscal years by month.

Table 3: LGIP Participant distribution rate comparison for last two fiscal years

	<u>FY 18-19</u>	<u>FY 17-18</u>
July	2.07%	1.08%
August	2.10%	1.06%
September	2.09%	1.08%
October	2.26%	1.11%
November	2.31%	1.12%
December	2.39%	1.24%
January	2.43%	1.36%
February	2.43%	1.44%
March	2.47%	1.68%
April	2.45%	1.88%
May	2.41%	1.94%
June	2.30%	2.01%
Average	2.31%	1.42%

These funds remain available for withdrawal on a 24-hour notice.

The expenses of the Pool are limited to the actual expenses incurred by the State Treasurer's Office to operate the Pool. These costs are paid by interest earnings generated by the Pool rather than State appropriations.

Contacting the Pool

Persons needing additional information concerning this report or otherwise needing to contact the Pool should address requests to:

SC Office of the Treasurer
1200 Senate Street, Suite 214
Wade Hampton Office Building
Columbia, SC 29201

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019**

	<u>Investment Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 4,115,787,577
Invested securities lending collateral	76,500,000
Accrued interest receivable	495,802
Investments, at fair value	3,274,212,226
	7,466,995,605
LIABILITIES	
Collateral for loaned securities	76,500,000
Total liabilities	76,500,000
NET POSITION	
Held in trust for pool participants	7,390,495,605
Total net position	\$ 7,390,495,605

The notes to financial statements are an integral part of these financial statements

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Investment Trust Fund</u>
ADDITIONS:	
Investment income	\$ 165,974,448
Securities lending income	16,521
	165,990,969
Total revenue	165,990,969
DEDUCTIONS:	
Administrative expenses	5,282,418
	160,708,551
Net increase in net position resulting from operations	160,708,551
INCOME DISTRIBUTED TO PARTICIPANTS	(162,706,443)
PARTICIPANT TRANSACTIONS:	
Deposits and income reinvested	12,559,306,992
Less withdrawals	(11,660,260,900)
	736,339,649
Net increase in net position resulting from participant transactions	736,339,649
Total increase in net position	897,048,200
NET POSITION:	
Beginning of year	6,493,447,405
End of year	\$ 7,390,495,605

The notes to financial statements are an integral part of these financial statements

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting Entity

The South Carolina State Treasurer's Office (the "Treasurer's Office") is an agency of the State of South Carolina (the "State") established by Article III, Section 7 of the Constitution of South Carolina. Pursuant to Section 6-6-10 of the State of South Carolina Code of Laws, the Treasurer's Office established, in May 1983, the South Carolina Local Government Investment Pool (the "Pool"), an investment trust fund, in which public monies in excess of current needs, which are under the custody of any county treasurer or the governing body of any municipality, county, school district, regional council of government or any other political subdivision of the State, may be deposited.

The accompanying financial statements present the financial position and results of operations solely of the Pool and do not include any other agencies or component units of the State or any other funds of the Treasurer's Office. The Local Government Investment Pool is not registered with the SEC. It is similar to a money market fund in that it is offered at a stable price and is guided by risk control principles such as significant overnight Repurchase Agreements for liquidity; attention to credit quality, portfolio diversification and maintenance of a short average maturity of fixed and floating rate investments. The Pool is included as an investment trust fund in the State's Comprehensive Annual Financial Report. There is no regulatory oversight of the Pool. For purposes of separate fund financial statements, the Pool is treated as an external investment pool.

Basis of Accounting and Measurement Focus

The Pool is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The Pool applies all applicable Governmental Accounting Standards Board ("GASB") pronouncements.

Pool Accounting

The Pool accounts for assets held by a governmental unit in a trustee capacity as an agent for individuals, private organizations, other governmental units, or other funds (the "participants"). An external investment pool is used when an arrangement exists that commingles the monies of more than one legally separate entity and invests, on the participants' behalf, in an investment portfolio. An external investment pool can be sponsored by an individual government, jointly by more than one government, or by a nongovernmental entity. The Pool, which is an investment trust fund of the State, records participant unit issues and related interest income for which the resources are restricted for participant unit redemptions, distributions, and related interest expense. The Pool is open to local government entities.

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Cash and Cash Equivalents

For purposes of the financial statements, the Pool considers all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

Investments

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools and as amended by GASB Statement No. 72, Fair Value Measurement and Application, investments are carried at fair value. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than forced liquidation. Fair value for all investments of the Pool is determined on a recurring basis based upon quoted market prices. See Note 2 for further information on fair value measurements.

Section 11-9-660 of the State of South Carolina Code of Laws authorizes the Treasurer's Office to invest and reinvest the monies of the Pool in the following types of investments:

- (1) Obligations of the United States, its agencies and instrumentalities;
- (2) Obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, the African Development Bank, and the Asian Development Bank;
- (3) Obligations of a corporation, state, or political subdivision denominated in United States dollars, if the obligations bear an investment grade rating of at least two nationally recognized rating services;
- (4) Certificates of deposit, if the certificates are secured collaterally by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and are of a market value not less than the amount of the certificates of deposit so secured, including interest; except that this collateral is not required to the extent the certificates of deposit are insured by an agency of the federal government;
- (5) Repurchase agreements, if collateralized by securities of the types described in items (1) and (3) of this section and held by a third party as escrow agent or custodian and of a market value not less than the amount of the repurchase agreement so collateralized, including interest; and
- (6) Guaranteed investment contracts issued by a domestic or foreign insurance company or other financial institution, whose long-term unsecured debt rating bears the two highest ratings of at least two nationally recognized rating services.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Accrued Interest Receivable

Accrued interest receivable includes interest earned through June 30, 2019 and payable during fiscal year 2020 or when the underlying investment matures.

Net Position Held in Trust

As of June 30, 2019, the Pool reported net position held in trust for Pool participants in the amount of \$7,390,495,605. Of this amount, \$7,360,953,266 had been distributed to Pool participant accounts. The remainder represents amounts held by the Treasurer's Office as a contingency reserve as well as other amounts and market value adjustments that have not yet been distributed to participant's accounts.

Investment Income

Investment income consists of interest revenue, amortization of premium/discount, and realized/unrealized gains and losses.

Administrative Expenses

Proviso 98.4 of the State's 2018-2019 Appropriations Act authorized the Treasurer's Office to charge a fee for the operations and management costs associated with the Pool. The Act further authorized the Treasurer's Office to retain and expend the fees to provide the services. The fees assessed may not exceed the costs of the provision of services. There is no legal requirement for the Pool to adopt a budget.

Participant Unit Issues, Redemptions, and Distributions

The Treasurer's Office may sell participation units to all political subdivisions of the State. Funds may be deposited at any time and may be withdrawn upon 24 hours' notice. Participant shares in the pool are dollar denominated; therefore, the number of shares sold and redeemed is equal to the dollars withdrawn. Monthly investment income is distributed to participants in the form of additional units in the pool and is calculated on the accrual basis of accounting, including accrued interest and amortization of premium or discount. Unrealized gains and losses on investments are not distributed to participants until realized, however they are recognized in the financial statements in accordance with generally accepted accounting principle requirements for fair value accounting of investments. The Pool does not carry any legally binding guarantees to protect participants against potential loss of investment value.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Participant Unit Issues, Redemptions, and Distributions (Continued)

Interest earnings are accrued daily based on participation units valued at \$1.00 and distributed to the participants at the end of each month.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS

All deposits, investments, and securities lending transactions of the Pool are under the control of the Treasurer's Office who, by law, has sole authority for the investment of such funds.

The following schedule reconciles the amounts reported in the Statement of Fiduciary Net Position to the notes.

Statements		Notes	
Cash and cash equivalents	\$ 4,115,787,577	Cash Deposits	\$ 76,511,790
Invested securities lending collateral	76,500,000		
Investments	3,274,212,226	Investments	7,389,988,013
	\$ 7,466,499,803		\$ 7,466,499,803
Totals			

Deposits

Deposits include amounts held by banks. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Pool's deposits may not be recovered. As prescribed by statute, the State Treasurer is the Custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution or for any other cause. All deposits are required to be and were insured by the Federal Deposit Insurance Corporation up to \$250,000 or were fully collateralized with securities held by the State or its agent in the State Treasurer's name as Custodian.

The Pool does not maintain any deposits denominated in a foreign currency.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS (Continued):

Investments

Investments consist of the following as of June 30, 2019:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
<u>Federal Obligations</u>			
US Treasury Bills	\$ 74,960,250	7/11/2019	2.473%
Federal Home Loan Bank	499,544,500	7/10/19 - 7/19/19	2.343% - 2.390%
<u>Short Term Investments</u>			
Commercial Paper - Discount	6,238,649,763	7/1/19 - 11/4/19	2.250% - 2.900%
Commercial Paper - Interest Bearing	324,018,500	7/8/19 - 11/14/19	2.511% - 2.702%
Repurchase Agreements	252,815,000	7/1/2019	2.300%
 Total	 <u>\$ 7,389,988,013</u>		

Fair Value of Investments

The Pool measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1:* Quoted prices for identical investments in active markets;
- Level 2:* Observable inputs other than quoted market prices; and,
- Level 3:* Unobservable inputs.

At June 30, 2019, the Pool had the following recurring fair value measurements.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS (Continued):

Investments (Continued)

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1 Inputs</u>	<u>Level 2 Inputs</u>	<u>Level 3 Inputs</u>
<u>Federal Obligations</u>				
US Treasury Bills	\$ 74,960,250	\$ -	\$ 74,960,250	\$ -
Federal Home Loan Bank	499,544,500	-	499,544,500	-
<u>Short Term Investments</u>				
Commercial Paper - Discount	6,238,649,763	-	6,238,649,763	-
Commercial Paper - Interest Bearing	324,018,500	-	324,018,500	-
Repurchase Agreements	252,815,000	-	252,815,000	-
Total	<u><u>\$ 7,389,988,013</u></u>	<u><u>\$ -</u></u>	<u><u>\$7,389,988,013</u></u>	<u><u>\$ -</u></u>

Debt and equity securities classified in Level 2 are valued using observable inputs other than quoted market prices. Level 2 inputs are based primarily on prices from several third-party vendors. At the time of acquisition, each security is automatically assigned a primary pricing source, based on its characteristics. The price received from a primary source is used in portfolio valuation reports, unless a tolerance check, or price challenge results in the use of a price from a secondary vendor.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Pool will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. At June 30, 2019, all of the Pools' investments were insured and registered.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS (Continued):

Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. This risk is managed within the portfolio using effective duration. Effective duration is a measure of the price sensitivity of a bond or a portfolio of bonds to interest rate movements given a 50 basis point change in interest rates. It takes into account that expected cash flows will fluctuate as interest rates change and provides a measure of risk that changes proportionately with market rates. The Pool's investment policy requires that the weighted average maturity and weighted average duration of the actively managed fixed income portfolio should be consistent with the liquidity requirements of the pool. The following schedule presents the Pool's interest rate risk.

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Option Adjusted Duration</u>
<u>Federal Obligations</u>		
US Treasury Bills	\$ 74,960,250	0.04
Federal Home Loan Bank	499,544,500	0.04
<u>Short Term Investments</u>		
Commercial Paper - Discount	6,238,649,763	0.12
Commercial Paper - Interest Bearing	275,018,500	0.13
Commercial Paper - Interest Bearing	49,000,000	No Duration Available
Repurchase Agreements	252,815,000	0.00
 Total	 <u><u>\$ 7,389,988,013</u></u>	

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS (Continued):

Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Pool. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least one nationally recognized rating service. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer-term investment merits of the security. Credit risk ratings are not required for obligations of the U.S. government or those obligations explicitly guaranteed by the U.S. government. As of June 30, 2019, the Pool's rated debt investments were rated by Moody's and are as follows:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BAA</u>	<u>NR</u>
<u>Federal Obligations</u>						
US Treasury Bills	\$ 74,960,250	\$ 74,960,250			-	
Federal Home Loan Bank					-	
			-	-		-
<u>Short Term Investments</u>						
Commercial Paper - Discount	499,544,500	499,544,500				
Commercial Paper - Interest Bearing						
Repurchase Agreements	6,238,649,763	-	5,226,128,763		-	183,645,000
		-	324,018,500		828,876,000	
	324,018,500					-
	<u>252,815,000</u>	<u>\$ 574,504,750</u>	<u>\$ 5,550,147,263</u>	<u>\$ -</u>	<u>\$ 828,876,000</u>	<u>\$ 436,460,000</u>
Total						

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS (Continued):

Investments (Continued)

Credit Risk (Continued)

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pool's policy for reducing this risk states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more than 5% exposure to any single issuer." At June 30, 2019, the Pool had approximately 6.76% of its investments invested in Federal Home Loan Bank securities. In addition, the Pool had 5.16% of its investments with Landesbank Hessen-Thuringen Girozentrale (New York) at June 30, 2019. The Pool's 5% exposure guideline applies at the time of trade and does not factor in future fluctuations in asset value. At June 30, 2019, the Pool experienced a reduction in asset value that resulted in the investment exceeding the 5% threshold, however, this was not a violation of the Pool's policy.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2019, the Pool did not have any investments denominated in foreign currencies.

Securities Lending Transactions

Through a custodial agent, the Pool participates in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Pool lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100%. At June 30, 2019 there were \$76,500,000 of securities out on loan. There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2019, included U. S. Government securities, U. S. Government Agencies and corporate bonds. The contractual agreement with the Pool's Custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Pool income distribution by the securities' issuers while the securities are on loan. Cash was received as collateral for these loans. The Pool cannot pledge or sell collateral securities without a borrower default. The Pool invests cash collateral received; accordingly, securities purchased with cash collateral are recorded as an asset. A corresponding liability is recorded as the Pool must return the cash collateral to the borrower upon the expiration of the loan. All securities loaned can be terminated on demand by either the Pool or the borrower. Income in the amount of \$16,521 was generated through securities lending transactions in the year ended June 30, 2019.

**SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019**

NOTE 3: NET POSITION RESTRICTED FOR POOL PARTICIPANTS:

Monies are accumulated to meet administrative expenses related to the management of the Pool and to cover losses resulting from fluctuations in the investment market. The administrative fee is set and reviewed quarterly by the Treasurer's Office and may be increased or decreased, as needed, to maintain this account. These accounts are considered held on behalf of the participants but are not considered distributed to their accounts. Other undistributed amounts held on behalf of the participants include the differences between the fair value of the investment and the amortized cost of the investments.

NOTE 4: RELATED PARTY TRANSACTIONS:

The Pool reimbursed the Treasurer's Office \$1,665,000 for various expenses including banking and investment functions which are included with administrative expenses in the financial statements.

The Pool provided no services to other state agencies during the fiscal year.

NOTE 5: SUBSEQUENT EVENTS:

Management has evaluated all events subsequent to the statement of net position date of June 30, 2019 through the date of issuance of these financials, September 24, 2019.

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1000	Town Of Prosperity	4,244.06
1001	City Of Sumter	5,927,651.14
1002	Town Of Winnsboro	1,834,035.48
1003	City Of Myrtle Beach	11,046,919.14
1004	City Of Aiken	50,290,834.51
1005	City Of North Charleston	170,560,647.78
1007	Town Of Pelion	421,672.27
1009	City Of Myrtle Beach	438,674.02
1017	Town Of Edgefield	460,427.62
1019	Town Of Pelion	17,641.99
1021	City Of Georgetown	4,885,705.19
1022	City Of Lake City	291,003.56
1024	Town Of Pine Ridge	154,894.69
1025	City Of Simpsonville	1,072.83
1026	Town Of Jackson	372,441.19
1027	City Of Seneca	1,425.70
1028	City Of Seneca	9,655.61
1029	Town Of Winnsboro	29,704.60
1031	Town Of North	190,845.09
1032	Richland Co. S/D 2	66,856.38
1033	Grand Strand Water And Sewer	6,385,771.20
1034	Grand Strand Water And Sewer	4,808,755.60
1035	City Of Isle Of Palms	3,513,715.62
1036	City Of Hanahan	1,869,506.66
1038	City Of Hanahan	541,382.24
1039	Aiken County Treasurer	68,949.44
1040	Lower Savannah Cog	1,018,953.69
1041	Town Of Winnsboro	144,419.29
1042	City Of Greenville	83,597,699.15
1049	City Of Florence	58,739,494.37
1057	Upper Savannah Cog	199,290.67
1058	Town Of Trenton	286,062.11
1059	Town Of Johnston	355,346.29
1060	City Of Orangeburg	7,384,278.59
1061	Town Of McCormick	350,218.34
1062	City Of Bamberg	1,057.68
1063	City Of Bamberg	1,858,460.64
1066	Aiken Consolidated School District	50,146,759.93
1067	Aiken Consolidated School District	28,946,231.33
1069	Richland Co. S/D 2	95,306.49
1071	Anderson County S/D 2	5,434,046.50
1073	Spartanburg Co. S/D 7	15,391,034.27
1074	Spartanburg Co. S/D 6	31,397,406.53
1080	City Of Isle Of Palms	4,287,870.14
1081	City Of Newberry	245,136.96
1082	City Of Newberry	82,966.64
1084	Union County Schools	4,974,093.77
1086	City Of Abbeville	79,555.08
1087	City Of Abbeville	581,505.43
1088	Upper Savannah Cog	44,008.19
1089	Darlington County Treasurer	86,050,731.65
1090	Oconee County School District	23,300,816.02

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1091	Oconee County School District	1,806,624.80
1093	Charleston Co School District	140,772.08
1094	City Of Bishopville	939,107.66
1095	City Of Bishopville	1,141,494.37
1096	Greenville Water System	39,566,085.60
1098	Town Of Ridge Spring	85,641.68
1100	Charleston Co School District	123,132,382.34
1101	Town Of Ridge Spring	270,089.43
1105	City Of North Augusta	500,850.93
1106	City Of North Augusta	547,837.25
1109	City Of Walhalla	153,336.11
1110	Town Of Ridge Spring	1,595.21
1113	Catawba Reg. Council Of Gov'T.	692,824.67
1114	Fairfield County Treasurer	1,843,577.24
1115	City Of Sumter	2,155,173.27
1126	Newberry County Treasurer	2,967,636.35
1128	City Of Rock Hill	34,063,309.34
1131	Town Of Edgefield	366,809.46
1132	Spartanburg Co. S/D 4	7,945,192.07
1133	Spartanburg Co. S/D 4	14,475.66
1134	Dorchester County S/D 2	38,277,086.16
1135	Dorchester County S/D 2	8,952,322.80
1136	Mount Pleasant Waterworks	26,585,878.13
1137	Town Of Summerville	3,090,955.50
1139	City Of Chester	29,033.69
1140	City Of Chester	3,784.78
1141	City Of Chester	132,626.60
1142	City Of Lancaster	6,966,969.96
1143	Central Midlands Cog	13,519.25
1150	Lexington County S/D 5	37,040,233.95
1152	City Of Woodruff	122,790.50
1154	Mount Pleasant Waterworks	2,232,780.98
1155	Mount Pleasant Waterworks	19,385,911.61
1157	Spartanburg Co. S/D 4	2,973,406.12
1159	Town Of Pelion	111,903.90
1160	Town Of Richburg	257,692.92
1162	Town Of Winnsboro	1,963,957.99
1163	S.C. Appalachian Cog	687,415.76
1164	Town Of Winnsboro	245,731.39
1165	City Of Charleston Housing Authority	754,004.83
1166	City Of Charleston Housing Auth	489,156.33
1167	Aiken County Treasurer	2,674.79
1170	Lexington County S/D 5	7,244,220.06
1172	Town Of Lexington	7,585,499.41
1173	Chesterfield Co S/D	12,737,627.28
1174	City Of Sumter	5,336.89
1175	Town Of Winnsboro	2,860,945.27
1177	Spartanburg Water System	5,111,727.26
1178	City Of Clemson	15,331,484.46
1181	Town Of Jackson	1,495.60
1182	Richland Co S/D 1	75,972,396.02

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1183	Town Of Jackson	409,916.18
1186	Town Of Jackson	120,231.09
1187	City Of Forest Acres	3,629,499.79
1190	Upper Savannah Cog	269,562.60
1192	Town Of Irmo	825,112.17
1193	Town Of Irmo	3,539,818.99
1195	Catawba Reg. Council Of Gov'T.	2,510,689.73
1197	Town Of Blythewood	113,965.35
1199	Town Of Winnsboro	836,930.01
1200	City Of Orangeburg	191,527.82
1204	Greenville County Treasurer	47,746,371.10
1205	Parker Sewer & Fire Subdistrict	8,416,907.03
1206	Town Of Irmo	1,159.79
1207	Lowcountry Council Of Government	240,646.16
1210	City Of Chester	27,069.32
1212	Florence Co S/D 3	5,596,073.82
1214	City Of Chester	33,638.38
1218	York County Treasurer	361,895,688.79
1220	Oconee County School District	227,768.05
1222	City Of Abbeville	7,352.42
1223	Comm Of Pub Wks Of City Of Isle	7,944,985.57
1224	City Of Union	26,317.83
1227	Lexington County S/D #4	16,724,264.42
1228	City Of Greenwood	2,831,247.56
1230	Union County Treasurer	6,762,867.80
1235	Clarendon County S/D 3	1,290.69
1236	Spartanburg Co. S/D 3	1,357,252.45
1238	Metropolitan Sewer Subdistrict	981,703.60
1242	Town Of Edgefield	77,753.79
1243	Town Of Edgefield	215,013.22
1244	Town Of Edgefield	283,067.52
1245	Town Of Seabrook Island	4,603,657.02
1246	Spartanburg Sanitary Sewer Dist	11,185,013.94
1248	Orangeburg Co S/D #4	3,031,994.37
1249	City Of Abbeville	92,667.63
1251	City Of Spartanburg	22,456,662.78
1253	City Of Abbeville	705,307.80
1254	St. Andrews Public Srvc	5,886,243.81
1256	Town Of Winnsboro	481,324.91
1257	Town Of Winnsboro	205,693.86
1258	Chester Metropolitan District	3,105,686.20
1259	Chester Sewer District	2,958,585.41
1260	The Health Services District Of	9,358,029.56
1262	Mount Pleasant Waterworks	4,832.55
1263	Mount Pleasant Waterworks	1,308.78
1264	Mount Pleasant Waterworks	276,821.83
1270	Clarendon County Treasurer	716,457.48
1271	City Of Lancaster	1,431,251.44
1273	Lexington County S/D #2	23,755,866.85
1275	Lexington County Treasurer	96,528,027.39
1276	Lexington County S/D #1	101,157,807.58
1277	Comm Of Pub Wks Of City Of Isle	232,719.93

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1279	Greenville Co School District	219,577,588.92
1280	Lexington County S/D 3	13,741,497.64
1289	Bcd Council Of Governments	53,333.37
1290	Bcd Council Of Governments	124,163.71
1291	City Of Greenwood	325,762.32
1292	City Of Greenwood	70,370.75
1295	Mount Pleasant Waterworks	4,491.28
1296	Anderson County Fire	3,367,154.15
1297	Mccormick Comm Of Public Works	1,202,721.66
1298	Mccormick Comm Of Public Works	34,529.69
1305	York County Treasurer	19,314,039.38
1307	Beaufort County Treasurer	112,298,543.13
1308	Lexington County Treasurer	17,769,269.35
1309	Lexington County Treasurer	7,008,271.24
1312	Lexington County Treasurer	27,900,621.89
1314	City Of North Augusta	2,138,164.14
1315	City Of North Augusta	2,615,130.05
1318	Fairfield County Treasurer	2,698,613.66
1323	Town Of Clover	1,017,430.14
1331	Town Of Springdale	143,501.47
1332	Town Of Ridge Spring	17,670.40
1333	Newberry County Treasurer	11,974,837.92
1334	Newberry County Treasurer	22,124,387.65
1339	Sumter Co Council/Treasurer	1,120.36
1340	City Of Isle Of Palms	1,345,212.92
1341	Seabrook Island Water & Sewer	2,508,394.61
1347	Edgefield County School District	5,847,366.39
1352	City Of Camden	5,370,627.54
1353	Town Of Clover	160,117.20
1357	Lexington County S/D #4	6,606.96
1359	City Of Hanahan	2,465,067.86
1365	City Of Hanahan	4,487,967.64
1367	Town Of Cordova	131,718.25
1370	Town Of Trenton	5,649.57
1371	Town Of Trenton	22,948.33
1372	Lancaster County School District	27,506,213.45
1374	Clarendon County Treasurer	245,250.71
1377	City Of Union	8,486,774.98
1379	City Of Georgetown	5,004,247.74
1380	City Of Georgetown	1,404,457.48
1382	Town Of Johnston	17,966.51
1385	Town Of Edisto Beach	3,952,862.12
1386	Town Of Edisto Beach	1,292,786.54
1387	Town Of Edisto Beach	708,764.20
1388	Town Of Edisto Beach	392,069.29
1389	Town Of Edisto Beach	106,374.25
1392	City Of Clinton	18,225.65
1393	Edgefield County Treasurer	8,362,010.65
1395	Spartanburg Co. S/D 4	332,704.75
1396	City Of York	14,455.73
1397	City Of York	10,371.74
1398	City Of Lancaster	774,918.97

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1399	City Of Lancaster	2,008,740.90
1401	City Of Bamberg	3,277.24
1405	Town Of Prosperity	8,713.96
1407	Dsrf-Pioneer Rural Water Distric	115,070.18
1421	City Of Isle Of Palms	2,476,865.41
1422	Richland Co. S/D 2	72,331,721.71
1426	Richland Co. S/D 2	6,929,070.83
1428	City Of Clinton	88,335.01
1433	Wade Hampton	6,745,678.06
1437	R.D. Anderson Applied Tech	6,435.45
1438	Florence County Treasurer	155,416.14
1439	City Of Lancaster	417,757.23
1440	City Of Lancaster	408,689.57
1441	Florence Co S/D 2	2,680,311.92
1442	Florence Co S/D 4	1,772,224.65
1443	Florence Co S/D 5	2,577,382.64
1445	Florence Co S/D 1	47,782,431.21
1446	Clarendon County Treasurer	1,098,805.19
1447	Richland County Treasurer	141,924,224.69
1448	Town Of Arcadia Lakes	14,265.31
1451	Town Of Edisto Beach	210,405.19
1452	Laurens County Treasurer	36,893,750.90
1453	City Of Georgetown	32,924.31
1456	City Of Greenwood	145,449.91
1457	Town Of Edisto Beach	1,025,209.07
1463	Western Piedmont	88,316.36
1465	Clarendon County Treasurer	430,629.88
1466	Spartanburg Co. S/D 4	1,045.89
1471	York County Treasurer	366,811.81
1489	Dillon County Board Of Education	2,041.91
1493	City Of Westminster	167,649.91
1499	Fort Mill School District 4	57,792,044.20
1500	Chester County Treasurer	1,708,853.93
1501	Chester County Treasurer	359,839.35
1502	Chester County Treasurer	31,374.23
1510	York County S/D 1	13,958,787.42
1512	City Of Greenwood	61,172.64
1514	Greenville Co School District	10,558,599.63
1515	Chester County Treasurer	8,072,043.37
1519	Rock Hill S/D 3 Of York Co.	57,446,392.17
1520	City Of North Augusta	575,877.42
1521	City Of North Augusta	1,083,622.67
1526	Mount Pleasant Waterworks	3,207,650.10
1527	Charleston Co School District	265,653.64
1535	Pioneer Rural Water District	587,687.38
1536	Pioneer Rural Water District	139,676.74
1538	Pioneer Rural Water District	1,409.48
1539	York County Treasurer	7,600,842.10
1541	Town Of Port Royal	2,828,048.27
1543	Bamberg School District One	144,428.14
1545	Lancaster Co Natural Gas Auth	5,348,602.34
1552	City Of Mauldin	750,771.57

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1554	Town Of Sullivan'S Island	119,810.12
1562	Fairfield County Library	171,343.02
1580	Spartanburg Co. S/D 4	106,199.37
1581	Dsrf-City Of Traveler'S Rest	19,413.20
1595	Chester County School District	1,320,948.99
1596	City Of Isle Of Palms	1,324,827.44
1599	Greenville Co School District	5,075,935.77
1603	Orangeburg School District 5	25,904,672.35
1605	Clover School District Two	27,384,000.10
1609	Greenville Health Authority	49,835,825.15
1613	City Of Myrtle Beach	359,656.00
1616	Richland County Treasurer	230,117.33
1617	City Of North Augusta	4,565,027.71
1618	City Of North Augusta	105,967.93
1619	City Of North Augusta	4,060,934.93
1622	Riverbanks Park Commission	7,132,648.96
1630	Orangeburg Co. S/D Three	3,410,451.83
1635	Upper Savannah Cog	293,627.82
1642	St. Andrews Public Srvc	1,324,195.81
1651	York County S/D 1	66,087.47
1652	City Of Mauldin	715,909.89
1654	Chester County School District	17,965,475.25
1658	Joint Municipal Water & Sewer	12,594,611.65
1659	Joint Municipal Water & Sewer	1,565,651.22
1662	Town Of Mccormick	295,388.61
1663	Town Of Mccormick	295,388.61
1664	Town Of Mccormick	131,076.04
1665	Town Of Mccormick	197,988.61
1671	City Of Isle Of Palms	524,620.15
1672	City Of Georgetown	1,457,919.29
1673	Town Of Blythewood	5,382.70
1675	Town Of Blythewood	46,094.06
1680	City Of Hanahan	1,068.59
1689	Chester Co Natural Gas Authority	109,972.17
1699	City Of Fountain Inn	16,297.41
1702	Lancaster County Treasurer	50,721,674.35
1714	City Of Georgetown	3,364.64
1715	York County Treasurer	7,658,678.52
1716	St. John'S Fire District	11,383.16
1718	Lexington Med Center Operating	100,262,523.93
1726	City Of Forest Acres	2,658,168.34
1730	City Of Myrtle Beach	758,237.15
1731	City Of New Ellenton	1,064.24
1733	Town Of Lowrys	162,156.07
1740	City Of Rock Hill	3,876,019.20
1741	City Of Rock Hill	1,510,518.77
1744	Town Of Lyman	312,870.39
1745	Town Of Lyman	1,244,433.02
1754	City Of North Augusta	331,395.08
1755	City Of North Augusta	780,265.41
1760	City Of Sumter	2,866,962.77
1762	City Of Hanahan	463,787.78

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1775	Eleventh Circuit Solicitor	89,634.54
1779	Town Of Rockville Council	237,738.48
1792	Newberry County Treasurer	4,297,209.50
1793	Town Of Winnsboro	1,686,369.23
1794	City Of Clinton	23,730.55
1798	Town Of Winnsboro	104,900.25
1800	Laurens County Water & Sewer Com	1,426,582.64
1808	City Of Walterboro	12,692.03
1809	Pioneer Rural Water District	39,262.17
1810	Town Of Jackson	64,979.13
1817	Williamsburg County S/D	5,118,278.76
1827	Williamsburg County Treasurer	796,009.41
1828	Dorchester County Treasurer	844,899.33
1830	Dorchester County Treasurer	14,519,648.98
1831	Dorchester County Treasurer	2,806,519.79
1832	Dorchester County Treasurer	33,604,199.28
1833	Dorchester County Treasurer	6,102,994.02
1840	York County Treasurer	10,020,879.60
1842	City Of Mauldin	1,823,996.75
1843	City Of Abbeville	630,866.35
1847	Dillon County Board Of Education	2,006.62
1849	Dillon County Board Of Education	3,477.62
1850	Richland County Treasurer	258,954.17
1852	Dsrf-City Of Traveler'S Rest	31,962.87
1853	City Of Walterboro	307,851.74
1854	Dsrf-Moncks Corner Public Wks	433,420.76
1856	Spartanburg Sanitary Sewer Dist	3,530,565.96
1857	City Of North Augusta	838,173.04
1861	Richland County Treasurer	714,387.33
1864	Oconee County School District	23,080,930.27
1867	Bcd Council Of Governments	230,126.79
1868	Town Of Fort Lawn	20,451.94
1871	City Of Mauldin	66,433.63
1873	City Of Clinton	669,016.05
1874	City Of Walhalla	1,368,115.42
1875	York County Treasurer	2,738,278.53
1876	York County Treasurer	14,829,873.57
1880	Richland County Treasurer	83,946.31
1882	City Of North Augusta	792,804.06
1883	Newberry County Treasurer	508,976.11
1887	Newberry County Treasurer	1,318.18
1888	Lexington County S/D 3	115,457.33
1889	City Of Camden	1,158,225.49
1893	Florence County Treasurer	22,653,773.80
1895	Clarendon County S/D 3	1,279.12
1897	Newberry County Treasurer	330,073.43
1898	Greenwood County Treasurer	21,827,976.25
1905	City Of North Augusta	1,480.63
1907	Greenville Water System	20,950,599.34
1909	Oconee County Treasurer	25,724,354.23
1911	City Of North Augusta	810,308.15
1912	Dsrf-Mccormick County	2,694.97

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
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JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
1915	York County Treasurer	134,087,864.44
1916	City Of Newberry	1,131,130.92
1917	City Of Newberry	1,295,106.38
1924	Lancaster Water & Sewer District	9,644,895.45
1925	Lancaster Water & Sewer District	11,660,920.49
1939	Lowcountry Council Of Government	232,062.39
1941	Powdersville Water District	1,292,846.27
1943	Dsrf-City Of Anderson	32,094.39
1944	Dsrf-City Of Anderson	114,503.37
1948	Sumter Co Council/Treasurer	2,394,173.01
1954	Dorchester County S/D 2	22,624,187.50
1956	City Of Columbia	122,941,943.76
1966	Ds-Town Of Lexington	118,209.65
1973	Greer Comm Public Works	3,214,102.34
1977	Dsrf-Southside Rural Comm Water	181,154.86
1988	Dsrf-Town Of Pendleton	121,171.52
1989	Calhoun County Treasurer	1,855,319.49
1991	Dsrf-Pioneer Rural Water Distric	202,776.07
1992	Greenwood County Treasurer	1,916,243.39
1996	Pioneer Rural Water District	21,329.08
2003	Dsrf-City Of Abbeville	137,222.02
2004	City Of Columbia	7,510,397.41
2005	Central Carolina Tech. College	12,023,310.03
2006	Anderson County S/D 3	3,729,826.60
2009	Anderson County S/D 4	5,217,931.40
2010	Anderson County S/D 5	51,562,618.41
2011	Anderson County S/D 1	16,248,068.75
2012	Anderson 1 & 2 Career & Tech Ctr	702,014.10
2013	Anderson County Board Of Ed.	87,633.81
2016	North Charleston Sewer District	7,370,078.21
2017	North Charleston Sewer District	26,915,823.92
2018	Ds-City Of Barnwell	233,195.11
2023	City Of Columbia	1,302,306.36
2026	Town Of Ridge Spring	341,754.66
2029	Greenville Water System	2,206,553.84
2035	Newberry County Treasurer	122,308.74
2037	City Of Clinton	1,530,769.24
2045	Richland County Treasurer	21,942.35
2051	Newberry County Treasurer	374,415.60
2065	Dorchester County Treasurer	1,044,061.57
2066	City Of Charleston	113,437.78
2067	City Of Isle Of Palms	906,476.32
2071	Calhoun County Treasurer	2,455,479.70
2073	City Of Orangeburg	3,336,461.72
2074	City Of Orangeburg	1,752,200.15
2081	Charleston Co School District	18,160.62
2082	Dsrf-Darlington County W&S Auth.	360,969.50
2083	Charleston Co School District	11,842,588.38
2084	Dillon County Board Of Education	17,167.98
2085	Oconee County Treasurer	521,359.51
2091	Sumter County School District	8,890,083.10
2092	South Island Psd	12,121,439.34

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
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<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2093	City Of Fountain Inn	259,110.99
2094	City Of Fountain Inn	1,084.99
2095	Charleston County Treasurer	375,406,363.72
2096	Richland-Lexington Airport Dist	9,040,498.50
2106	Beaufort County Treasurer	4,222,105.32
2113	Lancaster County School District	1,064,546.31
2114	Newberry County Treasurer	2,302,336.25
2119	Beaufort County Treasurer	25,579,290.93
2120	Beaufort County Treasurer	7,437,114.66
2122	Beaufort County Treasurer	2,310,087.60
2127	Spartanburg County Treasurer	1,484,837.74
2128	Lugoff-Elgin Water Authority	3,111,327.48
2130	Santee Lynches Regional Cog	1,003,413.07
2133	Town Of Mount Pleasant	44,332,735.89
2134	Town Of Mount Pleasant	14,677,723.23
2137	Georgetown County Treasurer	49,556,750.93
2138	City Of Charleston Housing Auth	2,485,018.30
2139	Mount Pleasant Waterworks	469,680.02
2140	City Of Clinton	1,378,331.61
2141	City Of Clinton	212,353.53
2142	City Of Charleston	123,298,232.08
2144	City Of Charleston	7,443,613.59
2145	City Of Charleston	25,129,821.29
2147	Newberry County Water & Sewer	469,618.57
2148	Newberry County Water & Sewer	356,245.10
2149	Newberry County Water & Sewer	293,924.60
2150	Newberry County Water & Sewer	1,726,280.10
2151	Spartanburg Co. S/D 4	546,607.80
2152	Calhoun County Treasurer	251,429.20
2153	Dorchester County Treasurer	3,967.41
2154	Lancaster Water & Sewer District	1,293,945.43
2155	City Of Charleston	2,209,332.16
2161	Oconee County Treasurer	1,493.18
2162	City Of Charleston	3,566,472.86
2164	Greenville Water System	861,768.26
2166	Edgefield Co. Water & Sewer Auth	589,465.28
2167	Town Of Irmo	1,059.06
2169	Beaufort County Treasurer	712,459.52
2170	Richland County Treasurer	2,037,861.61
2181	Richland County Treasurer	495,234.82
2182	City Of Abbeville	53,046.90
2183	Horry County Treasurer	66,786,938.53
2184	Horry County Treasurer	37,020,977.70
2186	Town Of Mount Pleasant	57,343,475.32
2187	Horry County Treasurer	67,951,535.90
2188	Duncan Chapel Fire District	327,405.06
2191	Broad Creek Public Service Dist	1,537,316.90
2192	Calhoun County Treasurer	556,617.50
2194	Edgefield Co. Water & Sewer Auth	2,376,016.05
2195	Horry County Treasurer	10,472,279.32
2199	Newberry County Treasurer	53,324.31
2201	Greenville Co School District	46,468,576.66

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2203	City Of Greenwood	1,485,658.56
2210	Dsrf-City Of Abbeville	49,366.50
2211	Oconee County Treasurer	97,210.19
2212	Newberry County Treasurer	1,345.83
2213	City Of Clinton	139,890.03
2214	Newberry County Treasurer	133,158.82
2224	Mount Pleasant Waterworks	1,328,232.44
2225	Newberry County Treasurer	75,527.58
2226	Aiken County Treasurer	2,625,037.60
2227	Lexington County Treasurer	881,137.41
2228	Richland County Treasurer	315,140.48
2236	City Of Fountain Inn	52,100.39
2237	City Of Fountain Inn	24,223.49
2238	Ds-Joint Municipal Water & Sewer	1,371,564.24
2240	Town Of Central	52,925.39
2241	Town Of Central	105,851.94
2242	Town Of Central	285,797.93
2243	Town Of Central	317,554.00
2245	Town Of Pawleys Island	402,020.30
2246	City Of Charleston	3,879,792.35
2248	Greenwood County Treasurer	4,768,585.26
2251	City Of Clinton	198,092.87
2252	Dsrf-City Of North Augusta	836,485.71
2254	Town Of Varnville	361,371.82
2255	Kershaw Cty & Lee Cty Reg Water	1,434,352.05
2257	Town Of Mount Pleasant	2,477,818.45
2258	Richland County Treasurer	40,504,282.37
2259	Richland County Treasurer	694,674.42
2262	Dsrf-D.P.U. City Of Orangeburg	1,715,626.14
2264	Dsrf-City Of Myrtle Beach	768,176.75
2265	Dsrf-D.P.U. City Of Orangeburg	272,029.30
2266	Dsrf-D.P.U. City Of Orangeburg	62,415.76
2269	Lexington County Treasurer	303,696.80
2270	Marion County School District	7,754,909.73
2271	Spartanburg Sanitary Sewer Dist	861,701.00
2272	City Of Clinton	22,057.20
2273	North Charleston Sewer District	1,421,813.03
2274	Newberry County Water & Sewer	154,550.03
2275	Dsrf-Town Of Sullivans Island	95,727.18
2276	Richland County Treasurer	14,219,594.22
2277	Lexington County Treasurer	2,107,010.88
2281	North Charleston Sewer District	1,735,984.99
2282	Lexington County Treasurer	1,081,435.24
2283	Mount Pleasant Waterworks	10,408,135.73
2284	Richland County Treasurer	54,993.32
2288	Greenville Water System	2,035,137.60
2289	Greenville Water System	357,265.37
2290	Dsrf-Town Of Jackson	45,310.98
2291	Dsrf-City Of North Augusta	835,026.86
2296	Laurens Commission Of Public Wor	6,074,629.26
2299	Charleston Co School District	67,628,334.00
2303	Aiken County Treasurer	26,888,316.54

SOUTH CAROLINA STATE TREASURER'S OFFICE
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<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2305	Chester County Treasurer	3,704,818.57
2306	Richland County Treasurer	7,196,011.76
2307	Richland County Treasurer	5,785,498.04
2309	Georgetown County Dsn Board	472,429.96
2311	City Of Clinton	1,247,795.41
2312	Ds-City Of Charleston	16,358,111.77
2314	Lexington County Treasurer	3,358,348.24
2319	Mount Pleasant Waterworks	238,730.98
2320	Mount Pleasant Waterworks	2,424,529.81
2321	Richland County Treasurer	276,408.53
2324	City Of Dillon	48,024.23
2325	Anderson County S/D 2	21,008.36
2328	York County Treasurer	17,314,237.41
2331	Cherokee County Treasurer	7,888,665.52
2332	Aiken County Treasurer	104,929,741.41
2333	Charleston Co School District	124,137.28
2335	Cherokee County School District	2,005,553.10
2336	Aiken County Treasurer	48,260,396.68
2337	Aiken County Treasurer	8,206,397.67
2339	North Charleston Sewer District	509,368.55
2340	Dsrf - City Of Goose Creek	503,394.66
2341	Dsrf- City Of Darlington	15,432.34
2343	Newberry County Treasurer	2,118,167.06
2345	Richland County Treasurer	1,339,244.66
2347	Greenville Co School District	10,602,795.06
2349	Lexington County Treasurer	580,707.47
2350	Newberry County Water & Sewer	104,996.73
2351	Aiken County Treasurer	5,093,905.21
2352	Lancaster Water & Sewer District	543,846.03
2353	Greenville Co School District	142,647.92
2355	Broad Creek Public Service Dist	792,031.12
2357	Kershaw County Government	16,363,512.51
2358	Town Of Mount Pleasant	4,654,711.64
2360	Dsrf - Town Of Lyman	51,162.03
2361	Spartanburg Sanitary Sewer Dist	5,759,975.24
2362	Richland County Treasurer	4,652,982.47
2363	Richland County Treasurer	3,510,701.66
2368	Lexington County Treasurer	4,003,362.26
2369	Town Of Pawleys Island	5,725,179.40
2371	City Of Hardeeville	263,211.03
2372	City Of Rock Hill	36,281,589.55
2373	City Of Isle Of Palms	2,338,188.66
2374	Renewable Water Resources	3,885,242.35
2375	City Of Walterboro	1,872,187.82
2376	Sc Virtual Charter School	2,171,331.47
2378	Rock Hill S/D 3 Of York Co.	15,118,125.79
2379	Spartanburg Water System	14,231,082.29
2380	Mccormick Comm Of Public Works	50,057.36
2381	Dsrf - City Of Lancaster	145,828.03
2383	Dsrf - City Of Lancaster	89,100.37
2384	Dsrf - City Of Walterboro	190,161.54
2385	Dsrf - City Of Walterboro	92,222.25

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
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<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2386	Dsrf - City Of Dillon	23,174.06
2387	Dsrf - City Of Lancaster	65,072.08
2388	Dsrf - City Of Lancaster	360,733.33
2389	Charleston Co School District	4,213,147.78
2390	Anderson County Treasurer	736,995.23
2391	Aiken County Treasurer	15,073,844.51
2392	Georgetown County Water & Sewer	3,230,104.65
2394	City Of Hardeeville	1,021,269.39
2395	City Of Beaufort	7,439,580.02
2396	City Of Beaufort	384,145.32
2397	City Of Hardeeville	452,880.68
2398	City Of Hardeeville	4,529,076.54
2399	City Of Hardeeville	148,759.33
2401	Charleston Co School District	96,956,405.89
2402	Lancaster County Treasurer	16,463,758.10
2403	Dorchester County S/D 2	514,915.88
2404	Kershaw County School District	32,290,904.08
2407	Startex-Jackson-Wellford-Duncan	838,411.37
2409	Charleston Co School District	46,580.78
2411	Newberry County Treasurer	4,436,996.45
2413	Mount Pleasant Waterworks	62,289,293.01
2415	Lexington County Treasurer	4,018,141.87
2416	Lexington County Treasurer	304,236.03
2417	Town Of Mount Pleasant	32,779.85
2420	Richland County Treasurer	4,923,756.71
2421	Richland County Treasurer	1,418,589.97
2422	Edgefield Co. Water & Sewer Auth	1,240,305.00
2423	Town Of Fort Lawn	23,979.90
2424	City Of North Augusta	1,667,387.24
2425	City Of Hardeeville	2,708,209.24
2426	City Of Goose Creek	1,873,061.95
2427	Lexington County Treasurer	2,998,725.57
2428	Laurens County Water & Sewer Com	440,388.99
2429	Laurens County Water & Sewer Com	219,475.42
2430	Laurens County Water & Sewer Com	1,291,434.02
2431	Greenville Health Authority	427,515.76
2432	Berkeley County School District	13,772,091.37
2433	Spartanburg Water System	15,076,324.00
2434	Greenville Co School District	24,504,184.04
2435	Lexington County Treasurer	9,618,020.21
2436	Sumter County School District	15,180,521.12
2437	City Of Charleston	13,356,615.62
2438	City Of Charleston	280,606.96
2439	Lexington County Treasurer	32,589,173.58
2440	Kershaw County School District	6,472,784.65
2441	Anderson County Dsn Board	518,507.97
2442	Colleton County Board Of Dsn	92,544.15
2443	York County Board Of Dsn	3,617,007.48
2444	Cherokee Co Dsn Board	1,071,271.82
2445	Dorchester County Treasurer	1,814,711.98
2446	Spartanburg Water System	3,226,133.68
2447	City Of Woodruff	1,010,162.79

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2448	Greenwood County Treasurer	10,948,119.82
2449	City Of Goose Creek	8,136,969.71
2450	City Of Aiken	700,644.86
2451	Town Of Kiawah Island	19,797,288.29
2452	Lexington County Treasurer	8,004,161.32
2453	Powdersville Water District	800,205.27
2454	Berea Public Service District	148,019.02
2455	City Of Charleston	6,343,728.40
2456	City Of Hardeeville	148,054.22
2457	City Of Hardeeville	72,446.65
2458	City Of Bamberg	164,106.69
2460	City Of Goose Creek	3,761,219.79
2461	Town Of Chapin	642,307.69
2462	Town Of Hilton Head Island	54,064,115.62
2463	City Of Clinton	39,968.90
2464	City Of Clinton	2,219,908.52
2466	East Cooper Montessori Charter S	1,266,222.20
2467	Oconee County Treasurer	987,745.95
2468	Hampton County Treasurer	1,036,868.82
2469	Horry County Treasurer	93,102,784.74
2470	Dsrf - City Of Lancaster	130,769.35
2471	Calhoun County Dsn Board	721,426.99
2472	City Of Woodruff	50,960.54
2473	Richland County Treasurer	126,302,511.89
2474	City Of Hardeeville	6,600,234.35
2475	Town Of Ridgeway	77,295.58
2476	Town Of Ridgeway	231,886.95
2477	Town Of Ridgeway	157,677.00
2478	Town Of Ridgeway	77,470.27
2479	City Of Barnwell	618,543.23
2480	City Of Hardeeville	359,533.69
2481	Grand Strand Water And Sewer	6,176,992.77
2482	Greenville Technical College	14,557,151.82
2483	Newberry County Treasurer	1,008,364.36
2484	City Of Hardeeville	730,288.18
2485	City Of Charleston	22,028,939.43
2486	City Of Charleston	18,223,087.75
2487	Horry County Treasurer	826,877.38
2488	Greenville Co Dsn Board	622,401.99
2489	Oconee Co Dsn Board	316,147.12
2490	Anderson County S/D 5	10,424,389.69
2491	Darlington County Treasurer	51,847,177.84
2492	Newberry County Treasurer	28,099.29
2493	Anderson County Treasurer	3,374,139.81
2494	Anderson County Treasurer	2,471.08
2495	Greenville Technical College	3,338,216.32
2496	Charleston Co School District	5,720,535.74
2497	Charleston Co School District	9,299,915.17
2498	Richland County Treasurer	6,433,968.45
2499	Town Of Cheraw	2,629,087.05
2500	Town Of Cheraw	611,743.36
2501	Town Of Cheraw	709,880.00

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2502	Greer Middle College Charter Hs	1,025,012.03
2503	Lexington County Treasurer	4,847,030.76
2504	Lexington County Treasurer	637,570.61
2505	Spartanburg Water System	3,351,653.43
2506	Spartanburg Water System	4,412,084.91
2507	Spartanburg Water System	3,403,242.02
2508	Spartanburg Water System	4,968,026.39
2509	Spartanburg Sanitary Sewer Dist	4,063,477.82
2510	Spartanburg Sanitary Sewer Dist	2,403,439.44
2511	Spartanburg Sanitary Sewer Dist	4,377,685.30
2512	City Of Sumter	980,707.15
2513	City Of Isle Of Palms	26,498.23
2514	City Of North Augusta	1,026,543.13
2515	Town Of Mount Pleasant	555,066.67
2516	Joint Municipal Water & Sewer	8,158,506.83
2517	Kershaw County Bdsn	714,249.84
2518	Richland County Treasurer	0.05
2519	Startex-Jackson-Wellford-Duncan	1,498,732.78
2520	Startex-Jackson-Wellford-Duncan	199,182.41
2521	Town Of Hilton Head Island	32,830,961.09
2522	Chester Sewer District	203,086.13
2523	Town Of Johnston	10,249.99
2524	Powdersville Water District	573,998.03
2525	York County Treasurer	12,632,487.23
2526	Lexington County Treasurer	2,838,222.71
2527	St. Pauls Fire District	2,443,121.13
2528	Beaufort County Treasurer	617,084.29
2529	Richland County Treasurer	91,839.68
2530	Central Midlands Regional Trans.	6,913,205.09
2531	Newberry County Treasurer	1,944.36
2532	Town Of Surfside Beach	808,833.17
2533	Central Midlands Regional Trans.	6,913,205.09
2534	Richland County Treasurer	162,702.96
2535	Greenville Co School District	55,752,408.13
2536	Aiken County Treasurer	52,992,554.01
2537	City Of Barnwell	35,656.53
2538	City Of Spartanburg	9,583,387.91
2539	Lexington County Treasurer	7,831,231.60
2540	Anderson County S/D 3	174,070.87
2541	City Of Rock Hill	6,933,998.54
2542	City Of Rock Hill	2,197,797.87
2543	Mount Pleasant Waterworks	814,156.66
2544	Hilton Head No. 1 Public Service	2,988,688.86
2545	Anderson County Treasurer	2,266,495.96
2546	City Of Goose Creek	1,308,480.37
2547	Town Of Edisto Beach	433,404.54
2548	Town Of Edisto Beach	1,133,539.34
2549	Town Of Edisto Beach	561,063.68
2550	Town Of Edisto Beach	154,117.72
2551	City Of Charleston	1,630,461.39
2552	City Of Charleston	15,593,044.37
2553	City Of Charleston Housing Auth	901,450.14

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2554	Williamsburg Technical College	2,017,952.19
2555	Colleton County Treasurer	13,504,902.59
2556	Trident Technical College	15,128,002.83
2557	Renewable Water Resources	13,134,646.85
2558	Mccormick County Treasurer	758,477.17
2559	City Of North Augusta	36,841.42
2560	Colleton County School District	6,007,465.14
2561	City Of Sumter	1,669,334.16
2562	Kershaw County Government	2,019,196.12
2563	City Of Charleston Housing Auth	302,460.12
2564	East Cooper Montessori Charter S	302,567.71
2565	Dsrf - City Of Aiken	40,889.46
2566	Town Of Mount Pleasant	35,360,244.42
2567	Sc Virtual Education Foundation	2,512,845.66
2568	Powdersville Water District	249,292.19
2569	Horry County Treasurer	18,554,938.89
2570	Greenwood County School Dist 52	5,025,085.61
2571	Lancaster County Treasurer	6,604,265.49
2572	Allendale County School District	4,034,813.01
2573	Chesterfield County	2,011,874.38
2574	Jasper County Treasuer	2,016,115.00
2575	Jasper County Treasurer	3,545,046.63
2576	Anderson Regional Joint Water	510,597.51
2577	Horry County Clerk Of Court	10,136.40
2578	Horry County Clerk Of Court	10,134.78
2579	Horry County Clerk Of Court	10,136.23
2580	Town Of North	77,411.94
2581	James Island Public Service Dist	2,509,383.74
2582	City Of Lancaster	1,252,560.41
2583	Lancaster County Treasurer	75,407,225.21
2584	Pickens County School District	100,396.37
2585	City Of Goose Creek	83,375.40
2586	Pickens County School District	2,011.21
2587	City Of Isle Of Palms	120,663.30
2588	City Of Isle Of Palms	74,380.46
2589	City Of Sumter	2,005,772.29
2590	City Of Sumter	1,201,677.50
2591	City Of Hardeeville	251,213.96
2592	Westview Fairforest Fire Dept	2,124,400.92
2593	Richland County Treasurer	14,112,951.41
2594	Mccormick County Treasurer	2,511,610.72
2595	Horry County Treasurer	4,437,078.07
2596	Lexington County Treasurer	84,071,477.69
2597	Dorchester County Treasurer	14,039,855.13
2598	City Of Woodruff	702,856.60
2599	City Of Woodruff	75,306.05
2600	Richland County Treasurer	26,138,510.03
2601	Charleston Co School District	40,250,298.54
2602	Greenville Co School District	4,004,976.06
2603	Town Of Surfside Beach	300,846.54
2604	Town Of Surfside Beach	501,410.81
2605	Lexington County Treasurer	3,782,199.68

SOUTH CAROLINA STATE TREASURER'S OFFICE
SOUTH CAROLINA LOCAL GOVERNMENT INVESTMENT POOL
SCHEDULE OF NET POSITION IN POOL PARTICIPANT'S ACCOUNTS
JUNE 30, 2019

<u>Account Number</u>	<u>Account Name</u>	<u>Account Balance</u>
2606	Lexington County Treasurer	9,392,644.13
2607	Pickens County School District	50,154.98
2608	Walterboro Colleton Co Airport C	500,455.11
2609	Lancaster County Treasurer	5,590,840.74
2610	Lancaster County Treasurer	11,443,602.75
2611	Oconee County Treasurer	590,789.73
2612	City Of Rock Hill	66,337,482.62
2613	Horry County Treasurer	49,054.13
2614	Duncan Chapel Fire District	32,037.43
2615	Bamberg County Dsn Board	700,744.83
2616	City Of Myrtle Beach	7,005,319.92
2617	City Of Myrtle Beach	875,177.58
2618	Coastal Montessori Charter Sch	665,273.24
2619	Coastal Montessori Charter Sch	270,205.20
2626	City Of Hardeeville	2,001,401.05
2627	Cherokee County Treasurer	2,058,003.64
2628	Town Of Bluffton	1,487,699.53
		<u>\$ 7,360,953,265.55</u>



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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Mr. George L. Kennedy, III, CPA
State Auditor
Office of the State Auditor
Columbia, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of fiduciary net position and statement of changes in fiduciary net position of the South Carolina Local Government Investment Pool (the "Pool"), an investment trust fund of the State of South Carolina as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated September 24, 2019.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Pool's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we do not express an opinion on the effectiveness of the Pool's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Pool's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina
September 24, 2019

The Hall Group, P.A.