



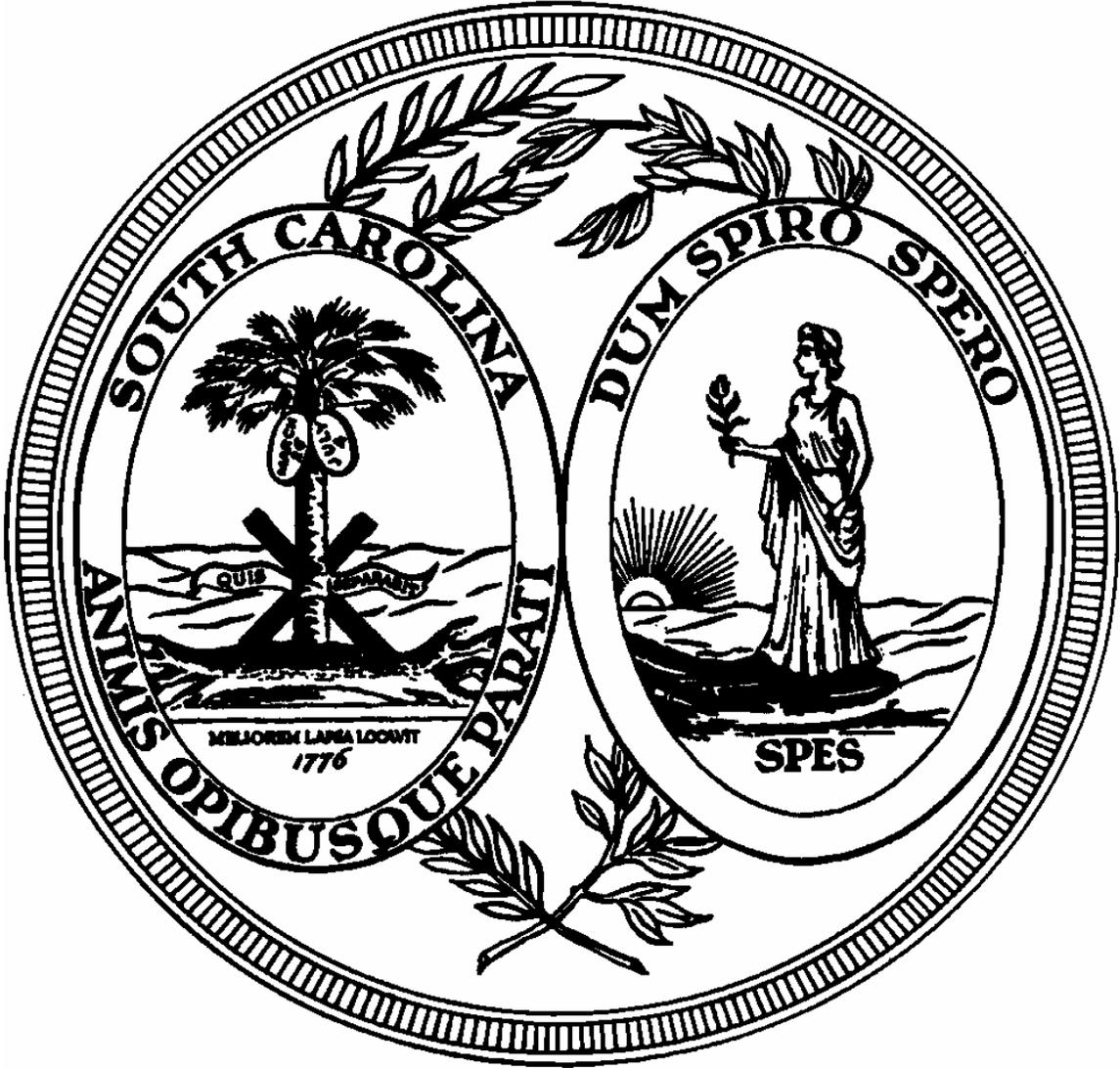
**STATE OF
SOUTH CAROLINA**

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

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

2008

Prepared by the Comptroller General's Office



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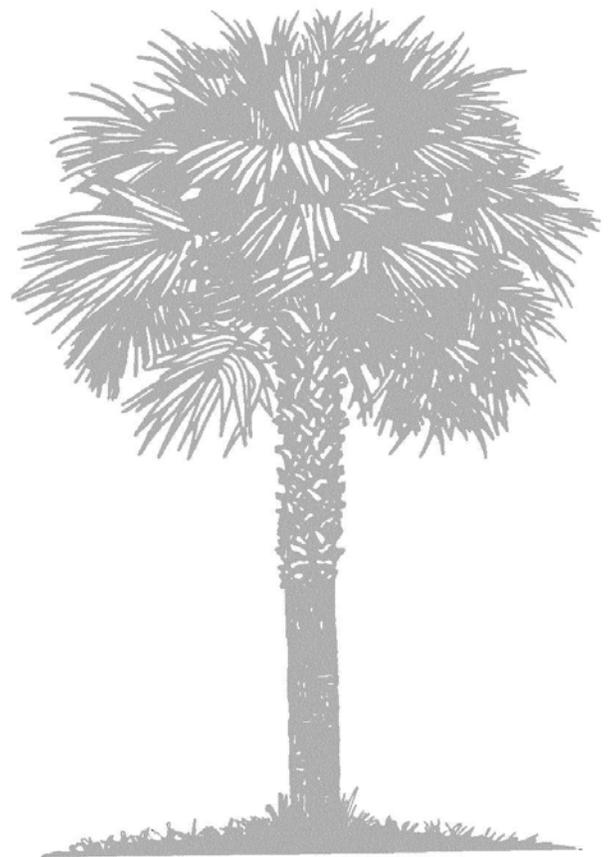
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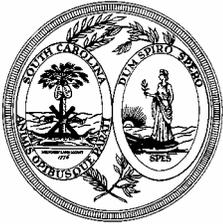
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Introductory Section



Letter of Transmittal
Certificate of Achievement
Principal State Officials
Organization Chart



State of South Carolina
Office of Comptroller General

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RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

NATHAN KAMINSKI, JR., Esq.
CHIEF OF STAFF

November 12, 2008

**To the Citizens, Governor and
Members of the South
Carolina General Assembly**

I am pleased to present to the citizens of South Carolina this Comprehensive Annual Financial Report for the State of South Carolina for the fiscal year ended June 30, 2008. The report provides financial information about the State's operations during the year and describes its financial position at the end of the year. For the convenience of users, we have divided the report into three sections as follows:

- The Introductory Section, containing this letter of transmittal; the Certificate of Achievement for Excellence in Financial Reporting that we recently received for our report as of June 30, 2007; a list of State officials; and an organizational chart of State government.
- The Financial Section, including the report of the independent auditors, management's discussion and analysis, government-wide financial statements, fund financial statements, required supplementary information, other combining financial statements, and schedules.
- The Statistical Section, presenting comparative financial data and other non-financial data.

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

The State Auditor and Clifton Gunderson LLP, an independent certified public accounting firm, jointly performed an independent audit of the State's basic financial statements for the fiscal year ended June 30, 2008. The auditors have issued an unqualified opinion, the most favorable outcome of the audit process.

This letter of transmittal is designed to complement management's discussion and analysis that immediately follows the report of the independent auditors.

PROFILE OF THE GOVERNMENT

South Carolina extends from the Atlantic Ocean westward to the Blue Ridge Mountains, containing over 30,000 square miles. Fortieth in geographic area among the fifty states, South Carolina ranks twenty-fourth in population with approximately 4.4 million citizens.

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

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

Certain legally separate entities are included in these financial statements because they function, in essence, as part of State government. The Governor appoints the governing boards for the Public Service Authority, a public utility company, and the State Ports Authority. The Connector 2000 Association, Inc. assists the State's Department of Transportation on a toll road project. The Lottery Commission transfers its net proceeds to the State for educational programs. Other entities benefit and support institutions of higher education, provide medical malpractice insurance, and address medical and educational needs of South Carolina's children. Additional information on these legally separate entities can be found in the notes to the financial statements.

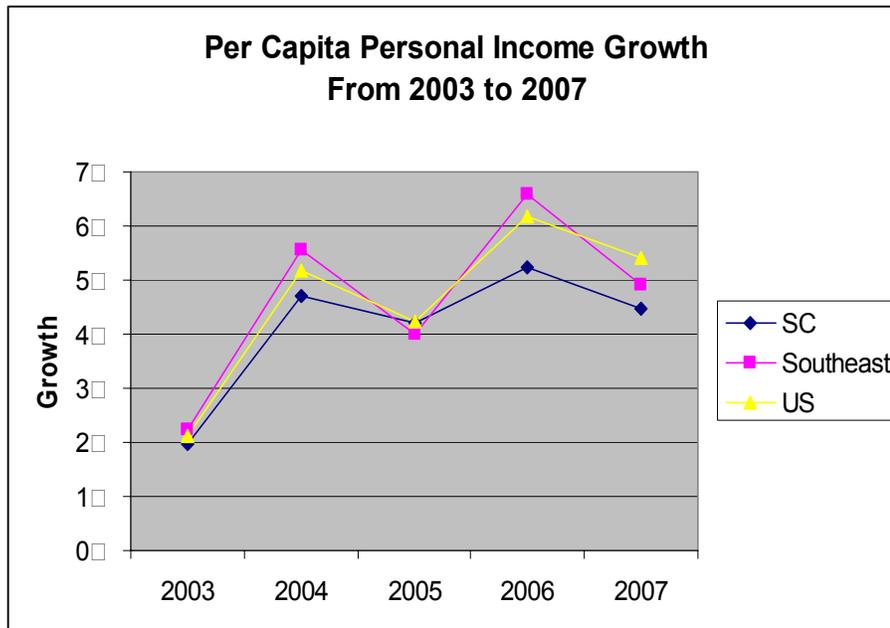
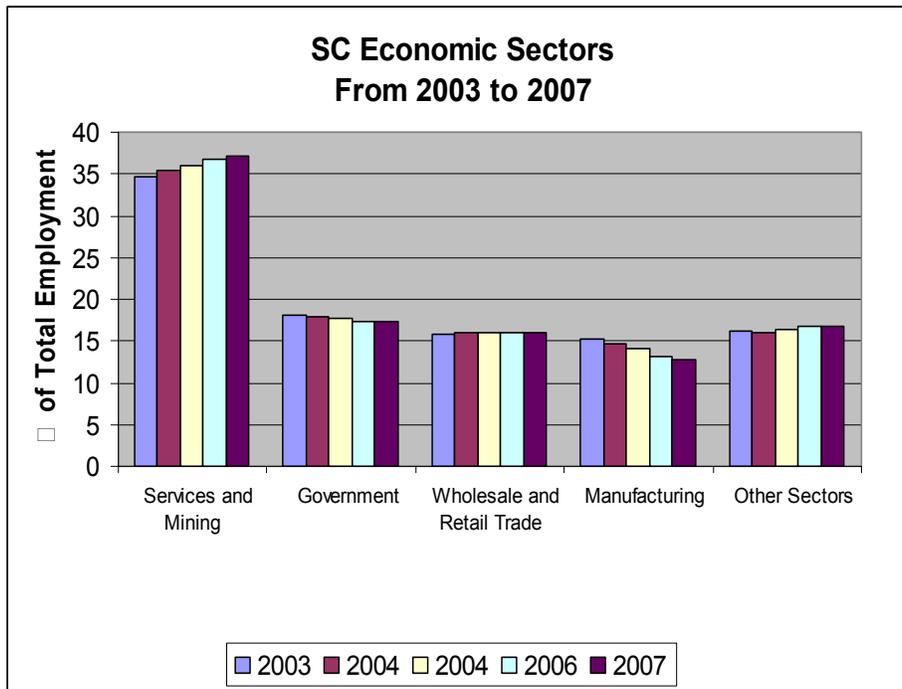
South Carolina's annual Appropriations Act includes legally adopted budgets for the Budgetary General Fund and for Total Funds. The initial budget appears in the annual Appropriations Act. After the budget year begins, the State Budget and Control Board, comprised of five key executive and legislative officials, may order spending cuts if revenue collections fail to reach predicted levels. Departments and agencies may request transfers of appropriations among programs if the transfer request does not exceed 20% of the program budget. The Budget and Control Board has the authority to approve additional transfers of appropriations between personal service and other operating expense accounts. For additional information, see the notes to the required supplementary information - budgetary.

STATE ECONOMY

South Carolina has a diverse economic base, including manufacturing, trade, health care, services, and leisure and hospitality. Businesses have migrated here from all over the world to take advantage of the State's skilled labor force, competitive wages, lower-priced land, excellent port facilities, and accessibility to markets, and in recent years, substantial tax incentives.

Overall, South Carolina has suffered by the national soaring gas prices and stagnant economy but has seen a slight increase in job growth with total employment up 4,500 jobs, a gain of less than 1% over the last twelve months. The State experienced losses of 13,900 in construction and 5,000 in manufacturing from June 2007. The strongest employment gains have been in the State's service sector which has risen from 34% of total employment to 37% during the past five years. This sector, fueled by tourism, educational, and healthcare industries has contributed to a more diversified overall employment base and improved income levels. During fiscal year 2007-2008, average hourly earnings have increased by 3.4% and average weekly earnings have risen by 2.8%.

Although the State's unemployment rate of 5.9% continues to be higher than the national average rate of 4.6%, the State's economy has continued to generate jobs. During calendar year 2007, the jobless rate has fallen a half a percent from calendar year 2006. The State's unemployment rate as of September 2008 has increased to 7.3% based on the recent crisis in the financial markets.



South Carolina’s per capita income for 2007 increased to \$31,013, or 4.5% over 2006. Although the 2007 increase was below the national (5.4%) and southeastern states (4.9%) growth rates, it ranked as the highest per capita personal income growth rate for the State in the last five years.

South Carolina’s population at July 1, 2007, was 4.4 million. The State’s rate of population growth is presently the eleventh fastest in the nation.

The South Carolina Department of Commerce was involved in recruiting 15,666 jobs and \$4.05 billion in new capital investment to the state in 2007. This showed large job creation levels in

non-urban areas, new companies choosing to invest heavily in South Carolina and diversity in investments.

LONG-TERM FINANCIAL PLANNING

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

Principal financial challenges facing state government include anticipated future spending increases for Medicaid, State retirement and health benefits (including post employment benefits), and elementary and secondary education.

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

RELEVANT FINANCIAL POLICIES

The State's legislature is required to adopt a balanced budget annually based on revenue projections provided by the BEA. State law requires the BEA to meet at least quarterly to review how actual revenue collections compare with its earlier projections, and to adjust its projections if necessary. If the BEA reduces revenue projections significantly once the budget year begins, the State's Budget and Control Board is responsible for taking appropriate action to keep the State's budget in balance. If the Board anticipates a year-end operating deficit as a result of the BEA reducing its revenue projections, it must first reduce amounts set-aside in the Annual Appropriations Act for the 2% Capital Reserve. If the anticipated deficit is greater than the 2% Capital Reserve, then the Board must reduce most agency appropriations evenly across-the-board. The State also is required to maintain a 3% General Reserve that can be used only for eliminating a year-end operating deficit. If the State's budgetary General Fund subsequently experiences a year-end operating deficit even after applying all the actions described above, the Board is required to meet within sixty days of August 31 to adopt a plan to liquidate the deficit.

Legislation also exists directing that in closing the books each year the Comptroller General shall suspend, to the extent necessary, any budgetary surplus appropriations in a general or supplemental act or Capital Reserve appropriations, if the State's GAAP-basis General Fund reports a negative unreserved fund balance.

The State's General Fund experienced a budgetary operating deficit and a negative GAAP unreserved fund balance for the fiscal year ended June 30, 2008. The State applied the entire Capital Reserve Fund of \$125 million, \$73 million of the General Reserve Fund, and \$34 million of fiscal year 2007 surpluses that had been carried over for spending in fiscal year 2008 to cover the budgetary operating deficit.

MAJOR INITIATIVES

Finance and Budgeting

The General Assembly approved provisions for guaranteed two percent annual cost of living adjustment (COLA) for beneficiaries within the South Carolina Retirement System and the South Carolina Police Officers Retirement System. The legislation provides that in years when the

Consumer Price Index, which is used to measure inflation, increases by no more than two percent, retirees within these systems are awarded a two percent cost of living adjustment. In years when the Consumer Price Index increase by more than two percent, the legislation establishes conditions that must be met before these retirees may be awarded a cost of living adjustment beyond two percent up to the total percentage increase in the Consumer Price Index or four percent, whichever is less.

The 2008-2009 Appropriations Act includes a 1% pay raise for state employees and funded teacher's salaries at \$300 over the Southeastern average.

Reforms

The General Assembly approved the "South Carolina Illegal Immigration Reform Act." This comprehensive legislation provides criminal penalties for harboring and transporting illegal aliens as well as for the possession for certain fraudulent documents. The legislation employment eligibility verification; prohibits the employment of unauthorized aliens; and authorizes a civil right of action for wrongful termination. Among other things, the legislation places new restrictions on receiving public benefits; establishes a mechanism for the recording and reporting of immigration law violations; requires the enforcement of standards of ethics in the profession of immigration assistance by private individuals who are not lawyers; and prohibits the development of "sanctuary cities" in South Carolina by requiring local officials to adhere to State law.

Responding to the large numbers of alcohol and drug related traffic collisions, the General Assembly revised driving under the influence (DUI) laws this session. The legislation approved by the General Assembly enhances penalties for the offenses of driving under the influence and driving with an unlawful alcohol concentration and structures these penalties so that they are increased according to the offender's level of intoxication. Individuals convicted of drunk driving offenses are required to complete drug and alcohol treatment plans.

Business and Economic Development

The South Carolina Educational Broadband Service Commission was established to evaluate business proposals for leasing the excess spectrum capacity licensed to the South Carolina Educational Television Network that will become available following the federally required conversion to digital broadcasting.

The General Assembly approved the "South Carolina Residential Improvement District Act" to provide a new option for financing infrastructure and other improvements needed to facilitate development. Under the legislation, the owners of real property may request the governing body of a county or municipality to create a district consisting of their property and impose assessments within that district. A local government is authorized to issue bonds secured against the revenue from these assessments in order to fund proposed improvements such as roads, sidewalks, parks, playgrounds, recreational facilities, parking, facade redevelopment, storm water drainage projects, utilities, and school construction or renovation.

Education

The 2008-2009 Appropriations Act provides an additional \$94.5 million to fully fund the Education Finance Act. Other important legislation in support of education includes comprehensive legislation revising the Education Accountability Act of 1998 which replaces the Palmetto Achievement Challenge Test (PACT) with a new accountability test. Also, the South Carolina LightRail Consortium was created to manage access to a high speed, high bandwidth fiber optic communications network for research and clinical work conducted by the State's institutions of higher learning and their research partners.

Energy Conservation

The General Assembly approved a bill establishing incentives for energy efficient manufactured homes. The legislation establishes the Energy Efficient Manufactured Homes Incentive Program to allow an individual who purchases a manufactured home that meets energy saving efficiency standards to receive an income tax credit equal to seven hundred fifty dollars.

Also, legislation was passed for a Fleet Management Program that seeks to improve environmental quality in this state by decreasing the discharge of pollutants. In addition the legislation outlines that a preference in purchasing state motor vehicles must be given to hybrid, plug-in hybrid, bio-diesel, hydrogen, fuel cell, or flex-fuel vehicles when the performance, quality and anticipated life-cycle costs are comparable to other available motor vehicles.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of South Carolina for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2007. This was the twentieth consecutive year that the State of South Carolina has achieved this recognition. In order to be awarded a Certificate of Achievement, a government must publish a timely, easily readable, and efficiently organized CAFR. The CAFR must comply with both generally accepted accounting principles and applicable legal requirements.

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

Production of the CAFR was made possible only by the support of all State agencies and component units that supplied financial data to our office on a timely basis. We extend special appreciation to Mr. Larry Pearce, Director of Publications and Printing at the University of South Carolina, for providing the CAFR's attractive cover.

Sincerely,



Richard Eckstrom, CPA
Comptroller General

**CERTIFICATE
OF ACHIEVEMENT
FOR EXCELLENCE IN
FINANCIAL REPORTING**

Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of South Carolina

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

Principal State Officials

LEGISLATIVE—THE GENERAL ASSEMBLY

André Bauer, President of the Senate and Lieutenant Governor
Glenn F. McConnell, President Pro Tempore of the Senate
Robert W. Harrell, Jr., Speaker, House of Representatives

EXECUTIVE

STATE BUDGET AND CONTROL BOARD

Marshall (Mark) Clement Sanford, Jr., Chairman, Governor
Converse Chellis, State Treasurer
Richard Eckstrom, Comptroller General
Hugh K. Leatherman, Sr., Chairman, Senate Finance Committee
Daniel T. Cooper, Chairman, House Ways and Means Committee

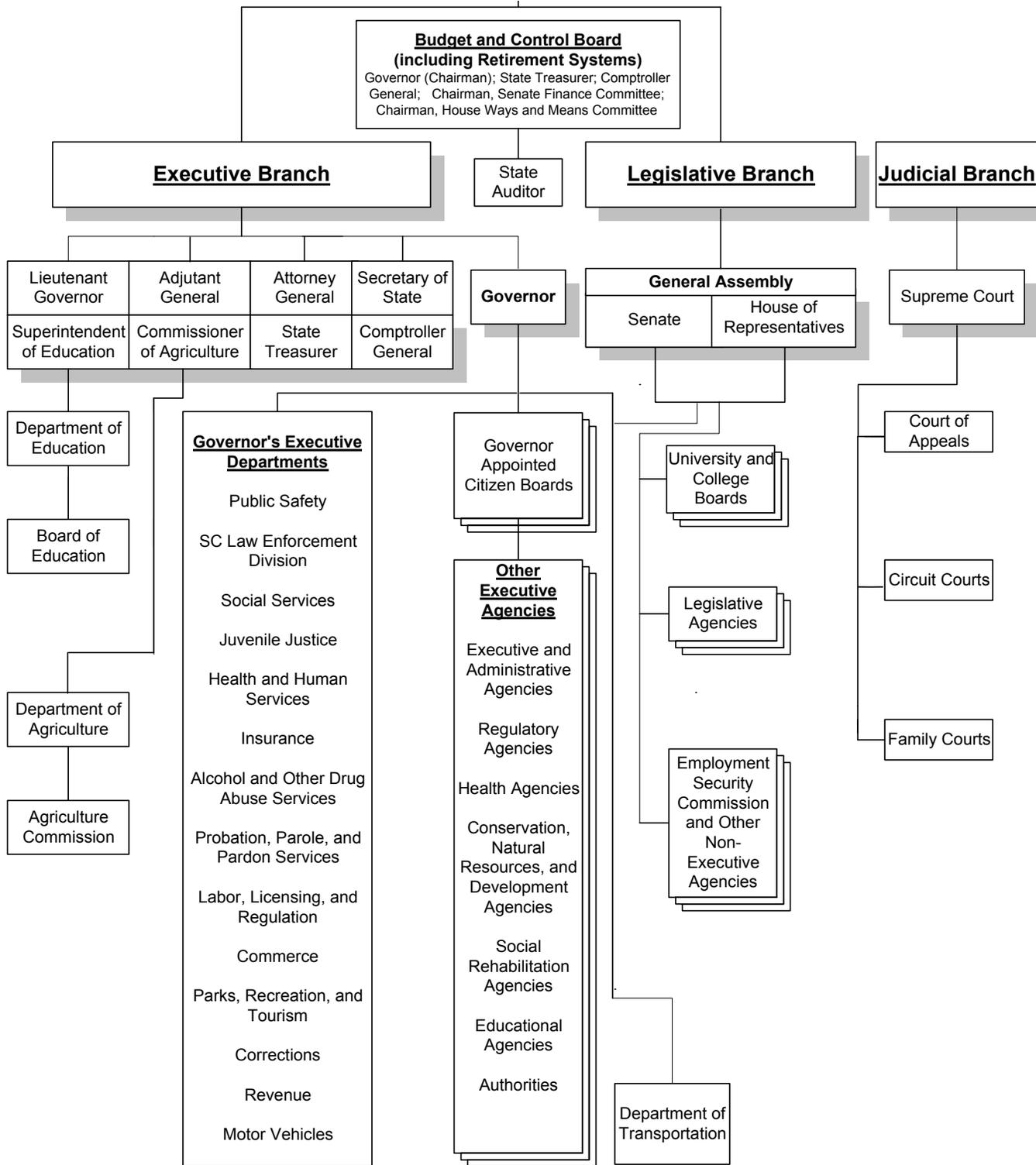
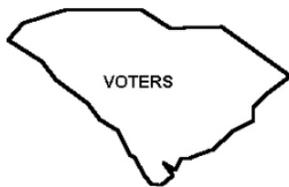
Mark Hammond, Secretary of State
Henry McMaster, Attorney General
James Rex, State Superintendent of Education
Major General Stanhope S. Spears, Adjutant General
Hugh E. Weathers, Commissioner of Agriculture

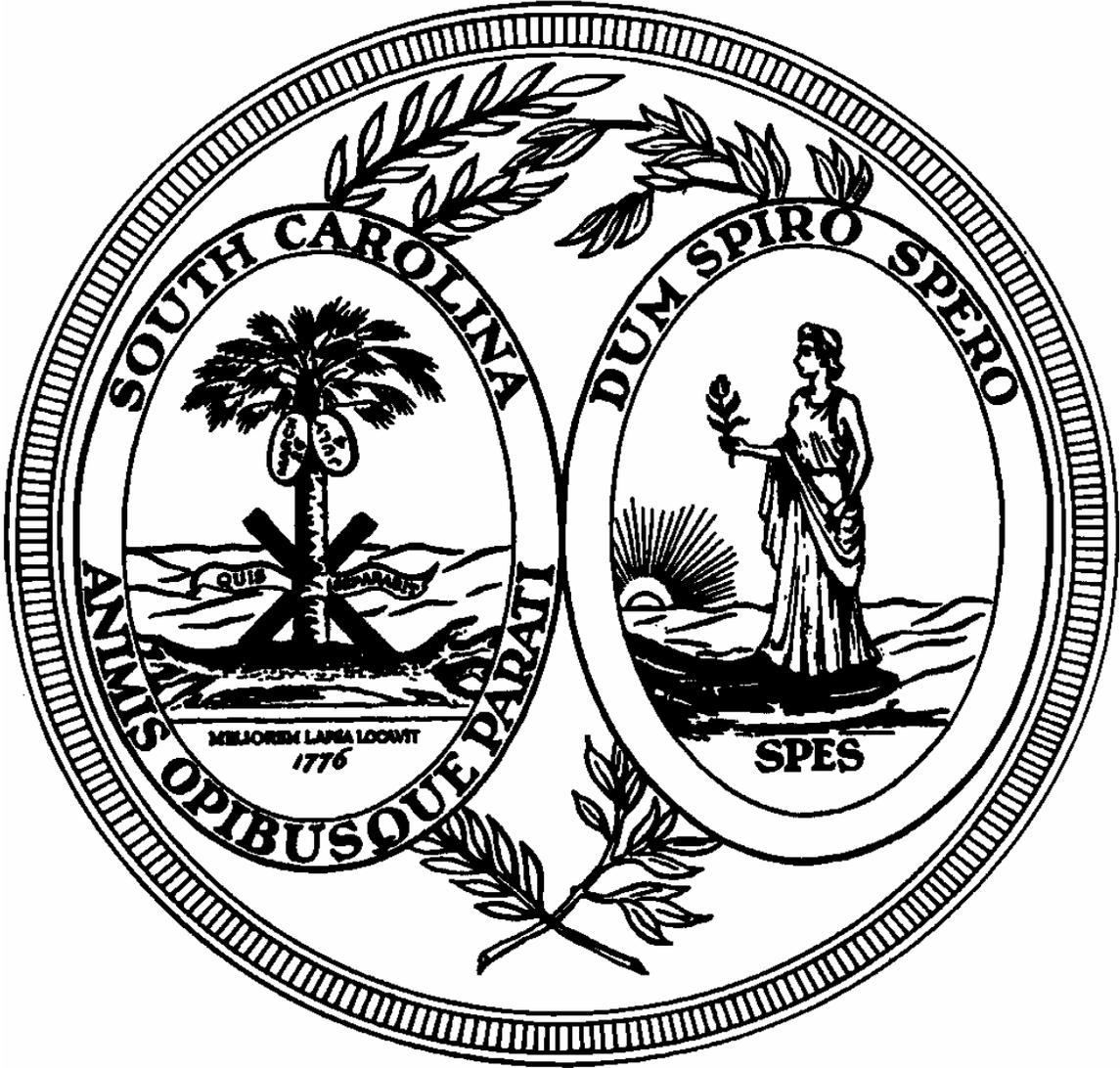
JUDICIAL

Jean H. Toal, Chief Justice, Supreme Court

The State's citizens elect the legislative and executive branch officials named above. The General Assembly elects certain members of the judicial branch, including the Supreme Court.

Organization Chart





Financial Section



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



Independent Auditors' Report

The Honorable Mark Sanford, Governor
and Members of the General Assembly
State of South Carolina
Columbia, South Carolina

We have jointly audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina (the State), as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the State's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not jointly audit the financial statements of certain agencies and component units of the State of South Carolina, which represent the indicated percent of total assets and total revenues as presented in the table below. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for those agencies and component units, is based solely on the reports of the other auditors.

	Percentage audited by other auditors	
	Total Assets	Total Revenue
<u>Government-wide</u>		
Governmental activities	61	18
Business-type activities	98	100
Component units	100	100
<u>Fund Statements</u>		
Governmental Funds	23	8
Enterprise Funds	98	100
Internal Service Funds	75	93
Fiduciary Funds	98	100

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component units identified in Note 1(a) were not audited in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements.

An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to in paragraph one present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2008 on our consideration of the State's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

The management's discussion and analysis and required supplementary information, listed in the accompanying table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The introductory section, supplementary information to the financial statements and the statistical section as listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information to the financial statements has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Columbia, South Carolina
November 12, 2008



Baltimore, Maryland
November 12, 2008

**MANAGEMENT'S DISCUSSION
AND ANALYSIS—
Required Supplementary Information
(Unaudited)**

Management’s Discussion and Analysis

In this section of the State of South Carolina’s annual report, we provide a narrative overview and analysis of the State’s financial performance for its accounting year (*fiscal year*) that ended June 30, 2008. Please read it together with the Comptroller’s *Letter of Transmittal* at the front of this report and also the financial statements, which follow this section.

Overview of the Financial Statements

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

Government-wide Financial Statements

The government-wide statements present a long-term view of the State’s finances *as a whole*, using *accrual-basis accounting*—the same accounting methods that most businesses use. The basic government-wide financial statements are presented on pages 34 through 39 of this report.

There are two government-wide financial statements:

Statement of net assets: This statement presents information on *all* of the State’s assets and liabilities, both short-term (*current*) and long-term (*non-current*). In addition, the statement reports the difference between assets and liabilities as *net assets*. Over time, the comparison of net assets to liabilities may indicate whether the State’s financial health is strengthening or weakening. However, the statement of net assets does not tell the whole story. To assess the State’s overall financial health, you would also need to consider factors such as the State’s economy and the condition of its *capital assets* such as its buildings and *infrastructure* (roads and bridges).

Statement of activities: This statement presents information showing how the State’s overall net assets changed during the year. The State reports a change in its net assets as soon as an underlying event occurs that causes a change. The statement of activities accounts for all current-year revenues and expenses, regardless of when the State received or paid cash. Although governments compile the statement of activities using accounting methods similar to businesses, the format of this statement is quite different from the format of a business’s profit and loss statement. The statement of activities helps to show how much it costs the State to provide various services. It also helps to show the extent to which each government function covers its own costs through user fees, charges, or grants. The *net revenues (expenses)* column on the far right of this statement page 38 shows how much a particular function relies on taxes and other general revenues as opposed to program revenues to finance its programs.

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

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

Business-type activities: These activities usually recover all, or a significant portion, of the costs of their services or goods by charging fees to customers. Higher education (State-supported colleges and universities), unemployment compensation benefits, and financing of housing facilities are the most significant of South Carolina’s business-type activities.

Component units: Although component units are legally separate from the State, the State’s elected officials are financially accountable for them. The Public Service Authority (Santee-Cooper, an electric utility company), the State Ports Authority, the Connector 2000 Association, Inc. (which operates the Southern Connector, a toll road), and the Lottery Commission are the State’s major component units. Some financial information for these component units is included in this report. You also can obtain complete financial statements for these component units from their respective administrative offices (see Note 1a of the notes to the financial statements).

Fund Financial Statements

The fund financial statements on pages 40 through 63 of this report provide detailed information about the State’s most significant funds—not the State as a whole. Funds are accounting designations that the State uses to track specific funding sources and spending for particular purposes. South Carolina, like other governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The State reports three types of *funds*:

State of South Carolina

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

The basic governmental fund statements are on pages 40 through 47 of this report.

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

The basic proprietary fund statements are on pages 48 through 61 of this report.

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

The basic fiduciary fund statements are on pages 62 and 63 of this report.

Component Unit Financial Statements

The *Government-wide Financial Statements* section on the preceding page identifies the State's major component units under the *Component units* subheading. More detailed financial statements which include these component units are on pages 64 through 67 of this report.

Notes to the Financial Statements

Immediately following the financial statements are *notes* that help explain some of the information in the financial statements and provide more detailed data. The notes on pages 68 through 140 are necessary to fully understand the financial statements.

Required Supplementary Information

This section addresses budgetary matters and provides certain *required* reporting information that supplements the basic financial statements. Included in this section is a schedule that compares the State's legally adopted General Fund budget with actual revenues collected and expenditures paid for the year. Note 5 to the required supplementary information is a reconciliation that helps explain differences between the changes in fund balance of certain funds when presented on the budgetary-basis and the changes in fund balance of these funds when presented on the GAAP-basis as reported in the governmental fund statements. This required supplementary information is on pages 141 through 147 of this report.

Government-wide Financial Analysis

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

Exhibit 1
Government-wide Net Assets
As of June 30, 2008
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals □ Primary Government		Total Percentage Change 2007-2008
	2008	2007	2008	2007	2008	2007	
	Assets						
Current and other assets..... □	8,904,987	9,770,290	5,362,336	5,241,492	14,267,323	15,011,782	(5.0 □)
Capital assets.....	13,712,137	13,393,469	3,977,559	3,538,949	17,689,696	16,932,418	4.5 □
Total assets.....	22,617,124	23,163,759	9,339,895	8,780,441	31,957,019	31,944,200	0.0 □
Liabilities							
Long-term liabilities.....	4,492,716	5,233,071	3,980,021	3,758,680	8,472,737	8,991,751	(5.8 □)
Other liabilities.....	4,681,350	4,122,957	1,001,889	887,398	5,683,239	5,010,355	13.4 □
Total liabilities.....	9,174,066	9,356,028	4,981,910	4,646,078	14,155,976	14,002,106	1.1 □
Net Assets							
Invested in capital assets, net of debt....	10,007,523	9,706,055	2,315,357	2,133,862	12,322,880	11,839,917	4.1 □
Restricted.....	3,597,084	3,498,173	1,386,458	1,406,468	4,983,542	4,904,641	1.6 □
Unrestricted.....	(161,549)	603,503	656,170	594,033	494,621	1,197,536	(58.7 □)
Total net assets..... □	13,443,058	13,807,731	4,357,985	4,134,363	17,801,043	17,942,094	(0.8 □)

Net Assets

As we noted earlier, the comparison of net assets to liabilities may serve, over time, as a useful indicator of the State’s financial strength. At the end of the 2007-2008 accounting year, the State’s net assets totaled \$17.801 billion.

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

Restricted net assets generally are available for future spending but are subject to external restrictions, such as bond covenants, federal government grant restrictions, or restrictions imposed by enabling State legislation or through State constitutional provisions. The State’s largest restricted balances include capital improvement bond proceeds (restricted for various capital projects), and loan program funds (restricted primarily for local government water and sewer projects).

Unrestricted net assets—resources available for future spending without restrictions—reported a balance of \$494.621 million at June 30, 2008. This represents a decline of \$702.915 million over the prior year. Much of this decline resulted from a \$765.052 million decrease in the unrestricted net assets reported for the State’s *governmental activities*, which reported a \$161.549 million deficit in unrestricted net assets for the current fiscal year versus a \$603.503 million balance in the prior year. The decline was attributable to spending not keeping pace with revenue collections during the year; see section “Budgetary General Fund Highlights” for further detail.

The State’s *business-type activities* reported a \$656.170 million unrestricted net asset balance. This resulted from net positive balances of \$853.787 million associated with higher education and certain other business-type activities. However, that positive balance was partially offset by a \$182.880 million accumulated deficit in the State-run medical malpractice insurance program and a \$14.737 million accumulated deficit in the State-run college tuition prepayment program.

Exhibit 2
Government-wide Changes in Net Assets
For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals □ Primary Government		Total Percentage Change 2007-2008
	2008	2007	2008	2007	2008	2007	
Revenues							
Program revenues:							
Charges for services.....	□ 2,160,768	□ 2,071,357	□ 3,961,748	□ 3,614,333	□ 6,122,516	□ 5,685,690	7.7 □
Operating grants and contributions.....	6,313,817	5,848,554	452,961	577,625	6,766,778	6,426,179	5.3 □
Capital grants and contributions.....	333,255	503,633	47,226	86,807	380,481	590,440	(35.6 □)
General revenues:							
Individual income tax.....	3,341,265	3,349,358	□	□	3,341,265	3,349,358	(0.2 □)
Retail sales and use tax.....	4,236,156	3,803,732	□	□	4,236,156	3,803,732	11.4 □
Other taxes.....	1,838,101	1,787,974	□	□	1,838,101	1,787,974	2.8 □
Unrestricted grants and contributions.....	19,279	15,642	□	□	19,279	15,642	23.3 □
Unrestricted investment income.....	156,974	134,196	□	□	156,974	134,196	17.0 □
Tobacco legal settlement.....	83,494	79,912	□	□	83,494	79,912	4.5 □
Other.....	62,867	61,926	19,118	□	81,985	61,926	32.4 □
Total revenues.....	18,545,976	17,656,284	4,481,053	4,278,765	23,027,029	21,935,049	5.0 □
Expenses							
Governmental activities:							
General government.....	4,531,636	3,434,216	□	□	4,531,636	3,434,216	32.0 □
Education.....	4,401,108	4,078,954	□	□	4,401,108	4,078,954	7.9 □
Health and environment.....	5,416,883	4,897,060	□	□	5,416,883	4,897,060	10.6 □
Social services.....	1,300,347	1,152,324	□	□	1,300,347	1,152,324	12.8 □
Administration of justice.....	789,071	742,064	□	□	789,071	742,064	6.3 □
Resources and economic development.....	411,582	371,918	□	□	411,582	371,918	10.7 □
Transportation.....	941,924	1,018,800	□	□	941,924	1,018,800	(7.5 □)
Other.....	102,825	108,401	□	□	102,825	108,401	(5.1 □)
Business-type activities:							
Higher education.....	□	□	3,405,491	3,120,278	3,405,491	3,120,278	9.1 □
Higher education institution support ^a	□	□	1,121,483	965,686	1,121,483	965,686	16.1 □
Unemployment compensation benefits.....	□	□	449,775	390,087	449,775	390,087	15.3 □
Financing of housing facilities.....	□	□	174,152	158,031	174,152	158,031	10.2 □
Medical malpractice insurance.....	□	□	13,259	24,809	13,259	24,809	(46.6 □)
Financing of student loans.....	□	□	77,249	61,537	77,249	61,537	25.5 □
Tuition prepayment program.....	□	□	(5,844)	8,100	(5,844)	8,100	(172.1 □)
Other.....	□	□	37,139	36,072	37,139	36,072	3.0 □
Total expenses.....	17,895,376	15,803,737	5,272,704	4,764,600	23,168,080	20,568,337	12.6 □
Excess (deficiency) before transfers and extraordinary items.....	650,600	1,852,547	(791,651)	(485,835)	(141,051)	1,366,712	(110.3 □)
Net transfers.....	(1,015,273)	(951,021)	1,015,273	951,021	□	□	□
Increase (decrease) in net assets.....	(364,673)	901,526	223,622	465,186	(141,051)	1,366,712	(110.3 □)
Net assets, beginning of year	13,807,731	12,906,205	4,134,363	3,669,177	17,942,094	16,575,382	8.2 □
Net assets, end of year.....	□ 13,443,058	□ 13,807,731	□ 4,357,985	□ 4,134,363	□ 17,801,043	□ 17,942,094	(0.8 □)

Changes in Net Assets

The State’s total net assets decreased \$141.051 million (0.8%) over the prior year’s net assets as a result of its governmental activities and its business-type activities.

Governmental Activities

Net assets of the State’s governmental activities decreased by \$364.673 million (2.6%). Revenue did experience growth over last year of \$889.692 million (5.0%), primarily due to modest gains in both general tax revenue and program revenue. General tax revenue increased \$474.458 million (5.3%) and program revenue increased \$384.296 million (4.6%) over prior year activity. Revenues that support governmental activities are derived mostly from taxes; grants and contributions, including federal aid; and charges for goods and services. *Exhibit 3* illustrates the comparative sources of revenues that support governmental activities.

However, expenses associated with governmental activities significantly increased by \$2.092 billion (13.2%) for the fiscal year ended June 30, 2008. These expenses were mostly associated with services provided for health and environment, education, general government, social services, and transportation. *Exhibit 4* compares the cost of these services with their *program revenues*—revenues derived directly from the program itself or from parties outside the State’s taxpayers or citizenry. The difference between the two represents the *net cost* of these services that taxes and other general revenues financed. For the fiscal year ended June 30, 2008, the State used \$9.738 billion in tax and other general revenues to finance the net cost of all services that the State’s governmental activities provided. Governmental activities reported \$1.015 billion in net transfers to the State’s business-type activities, most of which represents support provided to the State’s public colleges and universities.

The following paragraphs highlight the most significant changes in revenues and expenses for governmental activities during the 2007-2008 fiscal year:

- Operating grants and contributions increased by \$465.263 million (8.0%). The increase was primarily due to the improved funding of public health and social services programs.
- General tax revenues increased \$474.458 million (5.3%) over last year. Individual income tax took an insignificant downturn (<1.0%), however, sales and use tax increased 11.4% primarily due to the new property tax exemption program and the accommodations and local option sales taxes. Corporate income and other taxes had moderate growth of 2.8%.
- General government expenses increased \$1.097 billion (32.0%) due in part to the increase of outflows to the new Homestead Exemption Act program, as well as increased distributions of accommodations and local option sales taxes, to participating counties.
- Expenses for education increased \$322.154 million (7.9%) because of spending for early childhood programs for at-risk students, school bus replacement, and increased funding over prior year levels for various other educational programs.

Exhibit 3
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ending June 30, 2008
Sources of Revenues Supporting Governmental Activities
For the Fiscal Year Ended June 30, 2008

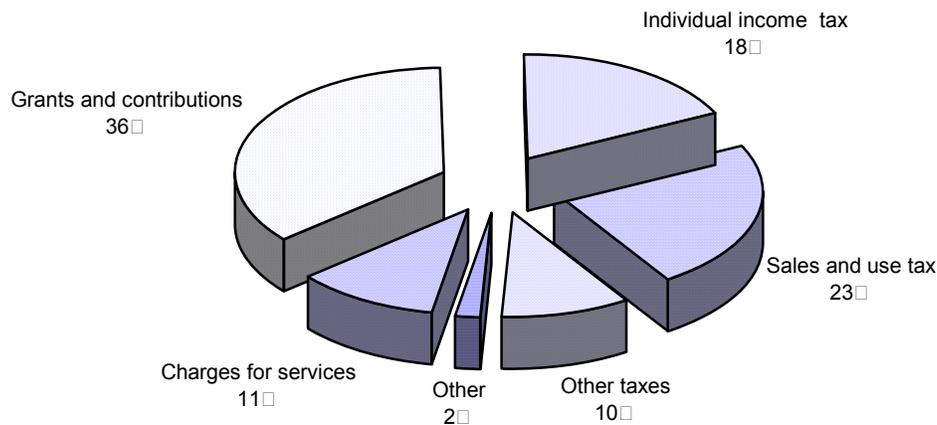
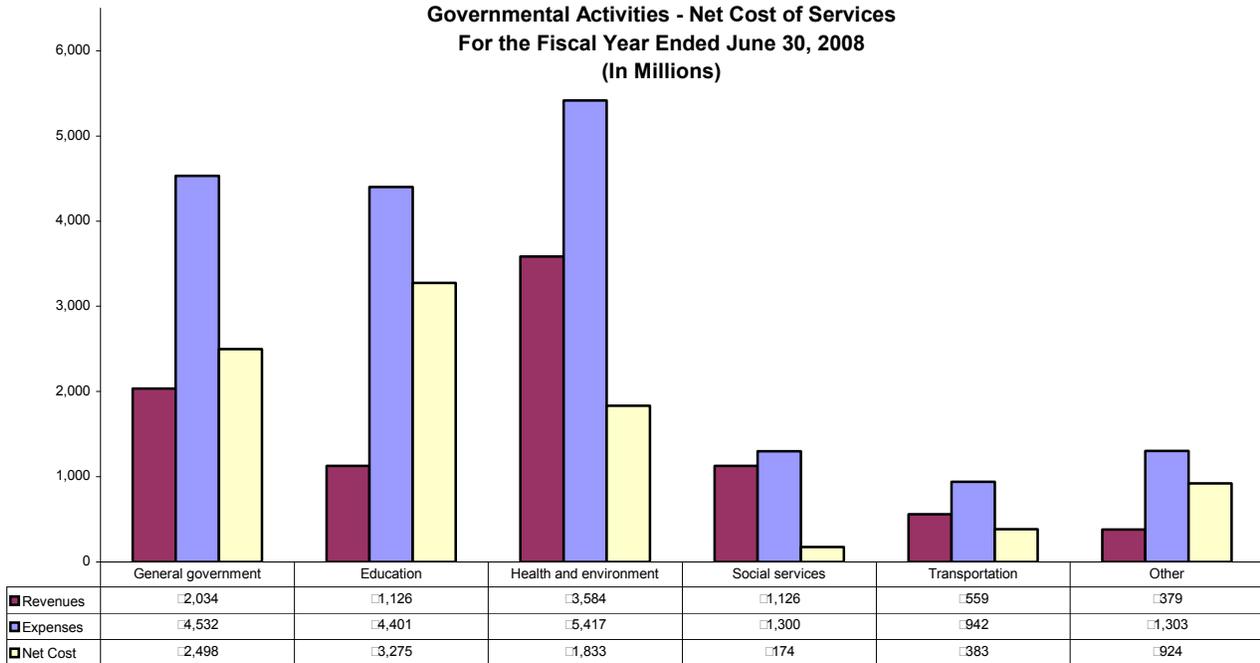


Exhibit 4

**Governmental Activities - Net Cost of Services
For the Fiscal Year Ended June 30, 2008
(In Millions)**



Business-type Activities

Net assets of the State’s business-type activities increased \$223.622 million (5.4%).

Revenues from business-type activities included charges for services (88.4%) and grants and contributions, including federal aid (11.6%). Expenses from business-type activities were mostly to provide higher education services and support (85.9%), unemployment compensation benefits (8.5%), and financing of housing facilities (3.3%).

Most business-type activities are self-supporting. Tuition and student fees, research and other grants (both private and governmental), and other charges primarily pay for the services that the Higher Education Fund provides. However, the Higher Education Fund receives substantial resources (primarily transfers of annual appropriations) from the State’s governmental activities. Essentially, net transfers to the Higher Education Fund, which totaled \$1.015 million for the year ended June 30, 2008, represent the cost of educational services that taxes and other general revenues of governmental activities support.

Higher education and related institution support expense increased \$441.010 million during the 2007-2008 fiscal year. This increase resulted primarily from a rise in general operations and administrative costs.

Financial Analysis of the State's Funds

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

Governmental Funds

Exhibit 5 shows the components of fund balance for the State's various governmental funds as of June 30, 2008.

Exhibit 5
Governmental Fund Balances
As of June 30, 2008
(Expressed in Thousands)

	General Fund	Departmental General Operating	Local Government Infrastructure	Department of Transportation Special Revenue	State Tobacco Settlement	Nonmajor Governmental Funds	Total Governmental Funds
Reserved.....	□ 341,773	□ 11,063	□ 1,941,384	□ 11,375	□ □	□ 114,003	□ 2,419,598
Unreserved, designated.....	□	□	□	□	□	□ 250,005	□ 250,005
Unreserved, undesignated.....	□ (77,715)	□ 605,340	□ (285,134)	□ (50,427)	□ 49,091	□ 785,399	□ 1,026,554
Totals.....	□ 264,058	□ 616,403	□ 1,656,250	□ (39,052)	□ 49,091	□ 1,149,407	□ 3,696,157
Change from prior year...	□ (828,879)	□ 71,840	□ (62,186)	□ 2,679	□ (461,809)	□ 32,802	□ (1,245,553)
Percentage change.....	□ (75.8%)	□ 13.2%	□ (3.6%)	□ 6.4%	□ (90.4%)	□ 2.9%	□ (25.2%)

At June 30, 2008, total ending fund balance for the State's governmental funds was \$3.696 billion, which represents a decrease of \$1.246 billion (25.2%) from the prior year. Approximately one-third of this total (34.5%) consists of *unreserved* fund balance—the amount available for spending in the coming year. The remaining fund balance is *reserved* and is *not* available for future appropriation because it is accessible only for specific purposes. The following paragraphs discuss the activities of the General Fund and other major governmental funds that had significant changes in fund balance:

The *General Fund* is one of two large State operating funds. This fund includes resources that pay for the services that the State traditionally has provided to its citizens. These resources, such as taxes, are accounted for in the General Fund unless State law requires them to be accounted for in another fund. During the 2007-2008 accounting year, the total fund balance of the General Fund decreased \$828.879 million (75.8%) from last year. Overall, revenues were \$152.085 million (2.0%) less than the previous year, the largest portion of the decline being sales and use taxes, which decreased \$174.776 million (6.6%). Total expenditures increased by \$327.866 million (5.0%) over the prior year. The most significant expenditure increase was attributable to health and environment, up \$278.661 million (16.0%). Operating transfers out of the General Fund increased \$309.475 million (25.8%). This increase was attributable in part to transfers of \$329.962 million of tax revenues from the General Fund to the Homestead Exemption Fund for subsequent distribution for property tax relief.

The *Department of Transportation (DOT) Special Revenue Fund* accounts for various gasoline taxes, fees, fines, and federal grant resources. The DOT uses these resources to pay for its general operations, which include maintenance, regulation, and construction of public highways and bridges. While this fund had a negative fund balance at the beginning of the fiscal year, the fund balance increased \$2.679 million during 2007-2008 leaving a negative fund balance of \$39.052 million at the end of the fiscal year. The negative fund balance occurred primarily because of long-term commitments by DOT to provide funding to local governments for highway construction projects administered by the State Infrastructure Bank (included within the Local Government Infrastructure Fund, a major governmental fund). These commitments are recorded as interfund payables by the DOT Special Revenue Fund and as interfund receivables by the Local Government Infrastructure Fund. The commitments are discharged (i.e., reduced) as DOT provides construction services to the Bank.

The *State Tobacco Settlement Fund* accounts for revenues received from the General Fund and from the Tobacco Settlement Revenue Management Authority, a blended component unit and nonmajor governmental fund designated to receive and manage the State's share of the multi-state legal settlement with the tobacco industry. Fund balance declined \$461.809 million (90.4%) during 2007-2008 because the fund transferred \$469.408 million to the Tobacco Settlement Revenue Management Authority for the purpose of bond defeasance.

Proprietary Funds

Exhibit 6 shows the components of net assets for the State’s various proprietary funds at June 30, 2008.

Exhibit 6
Proprietary Fund Net Assets
As of June 30, 2008
(Expressed in Thousands)

Fund Net Assets	Enterprise Funds							Internal Service Funds
	Higher Education	Unemployment Compensation	Housing Authority	Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Total Enterprise	
Invested in capital assets (net of related debt).....	□ 2,182,295	□ □	□ 684	□ 80,806	□ 223	□ 51,349	□ 2,315,357	□ 98,319
Restricted, expendable.....	466,638	262,499	252,237	78,306	143,388	55,464	1,258,532	336,764
Restricted, nonexpendable.....	95,871	□	□	□	□	32,055	127,926	□
Unrestricted.....	563,460	□	46,969	78,741	1,218	(36,439)	653,949	(22,204)
Totals.....	□ 3,308,264	□ 262,499	□ 299,890	□ 237,853	□ 144,829	□ 102,429	□ 4,355,764	□ 412,879
Change from prior year..	□ 259,880	□ (92,934)	□ 15,461	□ (19,651)	□ 6,903	□ 56,367	□ 226,026	□ (116,583)
Percentage change.....	8.5 □	(26.1 □)	5.4 □	(7.6 □)	5.0 □	122.4 □	5.5 □	(22.0 □)

The State has two kinds of proprietary funds: enterprise funds and internal service funds.

Enterprise funds are reported as business-type activities in the government-wide financial statements. Enterprise funds sell goods or services primarily to parties outside of State government.

The *Unemployment Compensation Benefits Fund*, a major enterprise fund, decreased by \$92.934 million (26.1%) primarily due to the increasing unemployment rate and the increased amount of unemployment benefits the Fund paid out, without a corresponding increase in assessment revenue. As discussed in Note 22h, as a result of this situation, there is substantial doubt about the Fund’s ability to continue as a going concern. Management plans to ask the General Assembly to increase the taxable wage base of employers in order to raise employer contributions.

The net assets of the State’s *nonmajor enterprise funds* increased by \$102.429 million (122.4%). This increase was due in part to reduced benefits and claims paid out of the *Patients’ Compensation Fund* and the reduction in the accrual for tuition benefits payable from the *Tuition Prepayment Program Fund*. Additional information concerning the *Tuition Prepayment Program Fund’s* change in accounting estimate can be found in Note 2b of the financial statements.

South Carolina’s *internal service funds* provide certain services (including maintenance, insurance, printing, information technology, and motor pool services) and some goods (such as office supplies) primarily to other State funds but sometimes to local governments as well. The objective of an internal service fund is to charge its customers for the costs of the services or goods that it provides. Because internal service funds primarily benefit State government, South Carolina reports them as governmental activities in the government-wide financial statements.

The net assets of the State’s *internal service funds* decreased by \$116.583 million (22.0%) due in part to *Employee Insurance Programs* contributing Plan reserves to the newly established *South Carolina Retiree Health Insurance Trust Fund* effective May 1, 2008. For more information on other post-employment benefit trust funds, see Note 9 of the financial statements.

Budgetary General Fund Highlights

Original estimated revenues for the 2007–2008 accounting year were \$6.622 billion. The BEA revised downward its original revenue estimate during the course of the year by a total of \$112.713 million. The revisions resulted from the BEA’s review of tax revenue collections and declining economic conditions as the year progressed. Actual revenues at June 30, 2008, were \$116.912 million (1.8%) under the BEA’s final revised revenue estimate and were \$229.625 million less than the BEA’s original estimate. Actual revenues also declined from prior year revenue collections by \$266.109 million (4.0%). Individual income and sales taxes, the fund’s primary revenue sources, were less than forecasted because of unfavorable economic conditions and continued legislative emphasis on tax relief.

Actual expenditures were \$644.906 million greater than actual revenues because State official revenue collection projections were increased over FY07 collections based on the expectation of a steadily improving economy. In addition, transfers out to the agencies during the year totaled \$111.821 million of 2007–2008 Capital Reserve Appropriations.

Based on the above results of operations, 2007-2008 ended with a budgetary deficit. After funding the deficit by drawing down the General Reserve, Capital Reserve, and FY07 spending surplus funds, the State was able to end the year with an accumulated budgetary general fund balance of \$324.254 million, comprised of \$95.123 million remaining in General Reserve Funds (Rainy Day Account) and \$229.131 million in carried-forward appropriations.

See the *Required Supplementary Information* section on pages 141 through 147 of this report for a detailed budgetary comparison schedule.

Capital Assets and Debt Administration

Capital Assets

At the end of the 2007-2008 accounting year, the State had \$17.690 billion invested in capital assets. This represented a net increase (including additions and deductions) of \$757.278 million, or 4.5%, over the previous accounting year (see *Exhibit 7*).

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

	Governmental Activities		Business-type Activities		Totals □ Primary Government	
	2008	2007	2008	2007	2008	2007
Land and improvements..... □	1,703,402	1,589,510	□ 364,032	□ 330,991	□ 2,067,434	□ 1,920,501
Infrastructure..... □	6,726,093	6,476,211	□	□	□ 6,726,093	□ 6,476,211
Buildings and improvements..... □	989,685	1,019,474	2,769,120	2,339,054	□ 3,758,805	□ 3,358,528
Vehicles..... □	235,764	197,595	16,287	13,634	□ 252,051	□ 211,229
Machinery and equipment..... □	140,006	138,454	358,576	270,885	□ 498,582	□ 409,339
Works of art and historical treasures..... □	3,968	3,957	25,484	25,975	□ 29,452	□ 29,932
Construction in progress..... □	3,911,874	3,961,700	440,784	555,545	□ 4,352,658	□ 4,517,245
Intangible assets..... □	1,345	6,568	3,276	2,865	□ 4,621	□ 9,433
Total..... □	13,712,137	13,393,469	□ 3,977,559	□ 3,538,949	□ 17,689,696	□ 16,932,418

The State’s investment in buildings and improvements increased significantly, primarily because of the public colleges and universities expanding their campus facilities. The Medical University of South Carolina completed a cancer center expansion while MUSC Hospital Authority completed the first phase of replacement of its current patient care facilities. The College of Charleston added a new campus building, residence hall and an athletic facility.

State vehicles increased significantly due to the Department of Education upgrading the bus fleet and the Budget and Control Board upgrading the state fleet of vehicles.

As in prior years, machinery and equipment increased significantly due, in large part, to acquisitions by public universities. Clemson University, The Medical University of South Carolina, and the University of South Carolina all made significant investments in computing, testing, medical, scientific, and laboratory equipment and equipping newly-established facilities.

Intangible assets decreased from last fiscal year primarily because state-wide depreciation expense exceeded investment in additional intangible assets.

See Note 7 in the notes to the financial statements within this report for additional information on the State’s capital assets.

Long-term Debt

At June 30, 2008, the State had \$8.105 billion in bonds and notes outstanding—a decrease of \$434.114 million, or 5.1%, over last year (see *Exhibit 8*).

Exhibit 8
Outstanding Bonds and Notes
As of June 30 for the Years Indicated
(Expressed in Thousands)

	Governmental Activities		Business-type Activities		Totals - Primary Government		Total Percentage Change 2007-2008
	2008	2007	2008	2007	2008	2007	
	Backed by the State:						
General obligation bonds.....	□ 2,016,952	□ 2,214,865	□ 351,481	□ 356,795	□ 2,368,433	□ 2,571,660	(7.9)□
Backed by specific revenues:							
Revenue bonds and notes.....	58,960	56,666	3,269,650	2,962,501	3,328,610	3,019,167	10.2□
Infrastructure Bank bonds.....	2,125,640	2,162,973	□	□	2,125,640	2,162,973	(1.7)□
Tobacco Authority bonds.....	242,891	769,755	□	□	242,891	769,755	(68.4)□
Limited obligation bonds.....	9,352	10,985	□	□	9,352	10,985	(14.9)□
Bond anticipation notes.....	□	□	30,000	4,500	30,000	4,500	566.7□
Total.....	□ 4,453,795	□ 5,215,244	□ 3,651,131	□ 3,323,796	□ 8,104,926	□ 8,539,040	(5.1)□

The reduction in debt reported in governmental activities resulted primarily from the defeasance of \$575.200 million of Tobacco Authority revenue bonds. The Tobacco Settlement Revenue Management Authority defeased the bonds with a portion of the proceeds of \$275.730 million in Tobacco Settlement Revenue Asset-Backed Refunding Bonds, along with funds transferred from the Tobacco Settlement Fund. New debt reported in business-type activities resulted mainly from the issuance of revenue bonds by the *enterprise funds*. The Housing Authority issued \$103.000 million in bonds for housing programs, the Education Assistance Authority issued \$131.700 million in bonds to provide financing for student loans, and the College of Charleston and the University of South Carolina issued \$95.930 million and \$94.185 million, respectively, in facilities revenue bonds. In addition, the Medical University of South Carolina drew down \$48.800 million on a note payable to finance the acquisition of equipment for a new hospital facility and issued \$30.000 million in short-term general obligation bond anticipation notes. The Housing Authority entered into a \$50.000 million mortgage revenue note payable.

Three bond rating services assign ratings to bonds that the State backs with its own taxing authority (*general obligation bonds*). Fitch Ratings rated these bonds as “AAA” and Moody’s Investors Service rated them as “Aaa” during the fiscal year ended June 30, 2008, the highest ratings that these services assign. Standard & Poor’s rated these bonds as “AA+” during the same period.

The State limits the amount of annual payments for principal and interest on general obligation bonds and notes rather than directly limiting the amount of those bonds and notes that the State may have outstanding. At June 30, 2008, the State legally could issue additional bonds as long as the new debt would not increase the State’s annual principal and interest payments by more than the following amounts: \$29.277 million for institution bonds (*Institution bonds* are general obligation bonds that benefit the State’s Higher Education Fund.), \$30.087 million for highway bonds, \$176.033 million for general obligation bonds, excluding institution and highway bonds, \$11.901 million for economic development bonds, and \$19.353 million for research university infrastructure bonds.

See Note 12 in the notes to the financial statements for additional information about the State’s long-term debt.

Economic Factors and Next Year’s Budget

The □Rainy Day Account□

At June 30, 2008, the General Reserve Fund, sometimes called the *rainy day account*, was funded at \$95.123 million, which is \$91.658 million below the full funding requirement. The State’s Constitution requires restoration of the reserve to full funding within three years after a withdrawal. State law defines full funding for the reserve as 3% of the Budgetary General Fund’s revenues for the latest completed accounting year. The 2007-2008 Appropriations Act passed by the General Assembly appropriated \$19.049 million to fully fund the rainy day account; however, \$91.658 million was drawn out to cover the 2007-2008 Budgetary General Fund deficit.

Budgetary General Fund for the 2008-2009 Accounting Year

For fiscal year 2008-2009, estimated revenues in the 2008-2009 Appropriations Act were \$6.736 billion or \$343.690 million more than 2007-2008 revenue collections. Subsequently, legislation has been enacted that reduces appropriations by \$488.000 million. Additional revisions could be subsequently enacted based on continued monitoring of revenue collections and economic conditions.

Economic Conditions

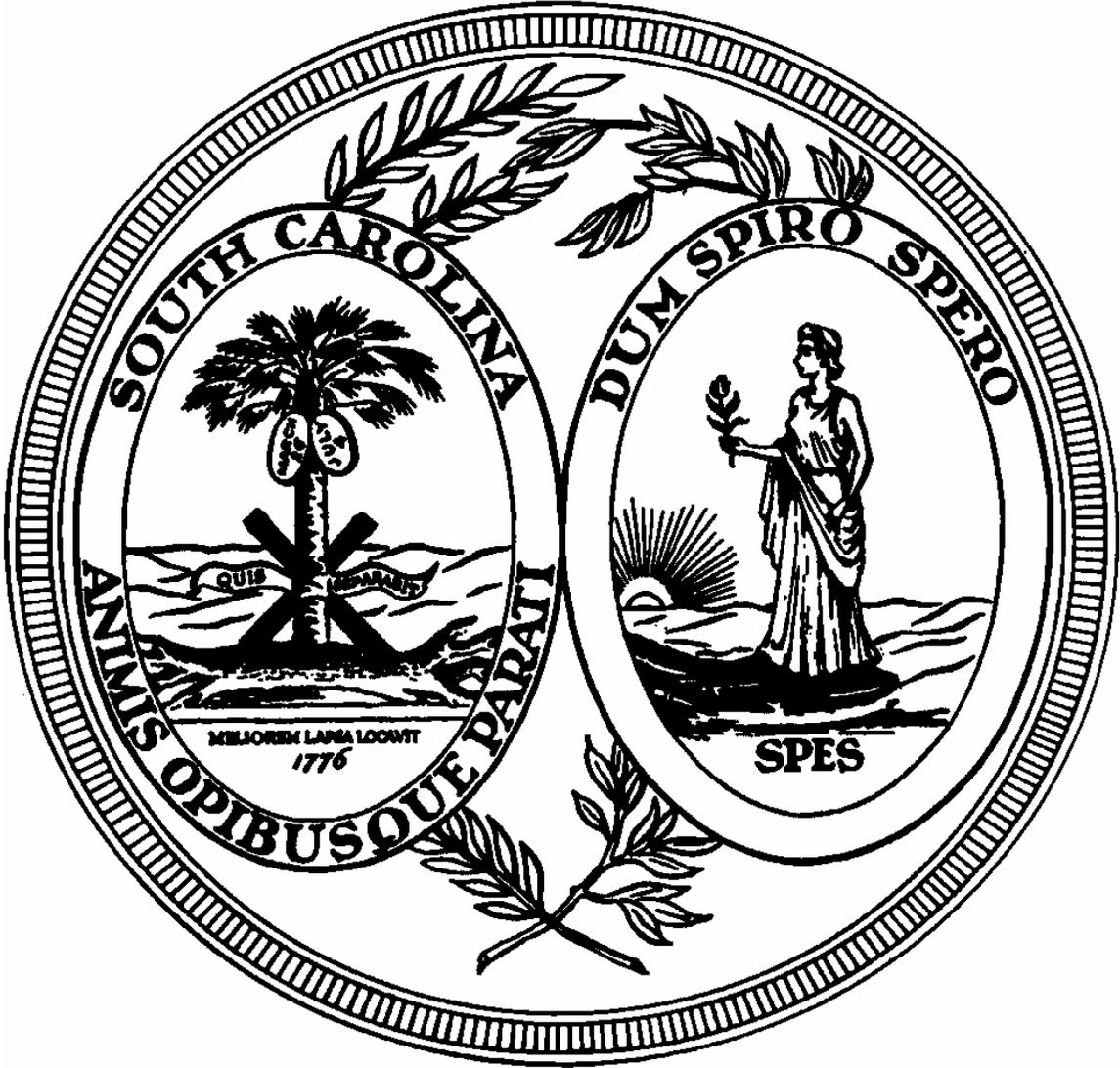
Budgetary General Fund revenues for the first three months of 2008-2009 fiscal year were \$1.556 billion, \$59.501 million (3.7%) lower than during the same period for 2007-2008. South Carolina's three major revenue sources are not as strong as the prior year for the same three months. Individual income taxes are up \$1.720 million (0.2%), compared to a stronger increase of \$33.930 million (3.7%) in 2007-2008. Corporate income taxes have declined by \$9.501 million (16.7%) over the same three month period 2007-2008; however in 2007-2008 the decline was \$17.485 million (23.5%) over the prior year. Sales taxes have also decreased \$57.122 million (12.4%) from 2007-2008 due to unfavorable economic conditions and consumer tax relief legislation. Sales taxes experienced a moderate increase of \$12.495 million (2.8%) for the same period in 2007-2008.

The BEA has adopted a preliminary Budgetary General Fund revenue estimate of \$7.246 billion for the 2008-2009 fiscal year. The BEA has since reduced their revenue estimate by \$554.000 million (7.6%).

Requests For Information

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

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



**BASIC
FINANCIAL STATEMENTS**

Statement of Net Assets

June 30, 2008

(Expressed in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
ASSETS				
Current assets:				
Cash and cash equivalents.....	□ 3,677,634	□ 1,353,234	□ 5,030,868	□ 338,786
Investments.....	□	90,126	90,126	100,748
Invested securities lending collateral.....	1,121,612	119,682	1,241,294	51,495
Receivables, net:				
Accounts.....	247,147	116,080	363,227	213,533
Contributions.....	□	12,914	12,914	3,278
Participants.....	□	13,381	13,381	□
Accrued interest.....	38,305	12,275	50,580	4,519
Income taxes.....	387,455	□	387,455	□
Sales and other taxes.....	534,033	□	534,033	□
Student accounts.....	1	46,717	46,718	□
Patient accounts.....	13,103	164,107	177,210	□
Loans and notes.....	33,940	75,274	109,214	□
Assessments.....	□	50,858	50,858	□
Due from Federal government and other grantors.....	808,029	106,258	914,287	16
Internal balances.....	(40,504)	40,504	□	□
Due from component units.....	26,978	136,716	163,694	□
Due from primary government.....	□	□	□	167,542
Inventories.....	36,836	39,051	75,887	315,835
Restricted assets:				
Cash and cash equivalents.....	82,390	476,274	558,664	138,460
Investments.....	6,829	9,437	16,266	91,516
Loans receivable.....	□	19,582	19,582	□
Other.....	72,207	3,903	76,110	30
Prepaid items.....	18,831	33,328	52,159	8,119
Other current assets.....	□	2,021	2,021	27,793
Deferred charges.....	□	□	□	1,804
Total current assets.....	<u>7,064,826</u>	<u>2,921,722</u>	<u>9,986,548</u>	<u>1,463,474</u>

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

Statement of Net Assets (Continued)

June 30, 2008

(Expressed in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
Long-term assets:				
Investments.....	□ 396,879	□ 47,050	□ 443,929	□ 770,243
Receivables, net:				
Accounts.....	19,314	1,515	20,829	1,679
Contributions.....	□	327	327	36,629
Participants.....	□	9,904	9,904	□
Income taxes.....	54,607	□	54,607	□
Sales and other taxes.....	40	□	40	□
Patient accounts.....	13,427	□	13,427	□
Loans and notes.....	506,044	952,118	1,458,162	□
Restricted assets:				
Cash and cash equivalents.....	400,594	343,901	744,495	92,330
Investments.....	□	99,359	99,359	269,088
Accounts receivable.....	417,319	□	417,319	□
Receivable from endowments.....	□	27,264	27,264	□
Loans receivable.....	□	899,505	899,505	□
Other.....	3,988	1,183	5,171	439
Prepaid items.....	□	12,988	12,988	□
Other long-term assets.....	771	33,308	34,079	16,433
Deferred charges.....	27,178	12,192	39,370	496,251
Investment in joint venture.....	□	□	□	7,651
Non-depreciable capital assets.....	5,601,474	693,291	6,294,765	1,263,728
Depreciable capital assets, net.....	8,110,663	3,284,268	11,394,931	3,704,426
Total long-term assets.....	<u>15,552,298</u>	<u>6,418,173</u>	<u>21,970,471</u>	<u>6,658,897</u>
Total assets.....	<u>22,617,124</u>	<u>9,339,895</u>	<u>31,957,019</u>	<u>8,122,371</u>

Continued on Next Page

Statement of Net Assets (Continued)

June 30, 2008

(Expressed in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
LIABILITIES				
Current liabilities:				
Accounts payable	□ 890,330	□ 177,270	□ 1,067,600	□ 203,447
Accrued salaries and related expenses.....	129,819	94,058	223,877	10,733
Accrued interest payable.....	32,553	13,059	45,612	91,814
Retainages payable.....	3,680	22,865	26,545	1,962
Tax refunds payable.....	589,713	7,815	597,528	□
Payables-aid to individuals/families.....	1,801	□	1,801	□
Prizes payable.....	□	□	□	29,477
Unemployment benefits payable.....	□	2,675	2,675	□
Intergovernmental payables.....	556,742	3,885	560,627	288
Tuition benefits payable.....	□	9,119	9,119	□
Policy claims.....	485,792	20,000	505,792	37,140
Due to component units.....	167,542	□	167,542	□
Due to primary government.....	□	□	□	160,922
Unearned revenues and deferred credits.....	239,907	140,650	380,557	27,509
Deposits.....	□	7,684	7,684	14
Amounts held in custody for others.....	□	10,704	10,704	1,292
Securities lending collateral.....	1,121,612	119,682	1,241,294	51,495
Liabilities payable from restricted assets:				
Accounts payable.....	□	□	□	1,893
Accrued interest payable.....	26,432	37,041	63,473	1,766
Notes payable.....	□	50,000	50,000	□
Bonds payable.....	40,750	26,170	66,920	□
Other.....	□	55,260	55,260	□
Notes payable.....	5,479	26,178	31,657	350
General obligation bonds anticipation notes payable.....	□	30,000	30,000	□
General obligation bonds payable.....	204,698	19,860	224,558	□
Tobacco Authority bonds payable.....	23,005	□	23,005	□
Revenue bonds payable.....	2,525	32,183	34,708	111,410
Limited obligation bonds payable.....	1,730	□	1,730	□
Capital leases payable.....	262	9,008	9,270	2,579
Commercial paper notes.....	□	□	□	283,252
Compensated absences payable.....	118,971	73,959	192,930	3,266
Other current liabilities	38,007	12,764	50,771	86,482
Total current liabilities.....	<u>4,681,350</u>	<u>1,001,889</u>	<u>5,683,239</u>	<u>1,107,091</u>

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

Statement of Net Assets (Continued)

June 30, 2008

(Expressed in Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	Governmental Activities	Business-type Activities	Totals	
Long-term liabilities:				
Retainages payable.....	□ 3	□ 2,582	□ 2,585	□ 55,652
Tuition benefits payable.....	□	180,298	180,298	□
Policy claims.....	131,661	162,368	294,029	161,995
Unearned revenues and deferred credits.....	□	552	552	290,604
Amounts held in custody for others.....	□	□	□	2,699
Other liabilities payable from restricted assets.....	□	2,005	2,005	□
Notes payable.....	14,883	264,831	279,714	1,660
General obligation bonds payable.....	1,812,254	331,621	2,143,875	□
Tobacco Authority bonds payable.....	219,886	□	219,886	□
Infrastructure Bank bonds payable.....	2,084,890	□	2,084,890	□
Revenue bonds payable.....	36,073	2,870,288	2,906,361	3,765,997
Limited obligation bonds payable.....	7,622	□	7,622	□
Capital leases payable.....	410	39,040	39,450	7,834
Compensated absences payable.....	101,153	64,044	165,197	16,776
Other long-term liabilities.....	83,881	62,392	146,273	43,856
Total long-term liabilities.....	<u>4,492,716</u>	<u>3,980,021</u>	<u>8,472,737</u>	<u>4,347,073</u>
Total liabilities.....	<u>9,174,066</u>	<u>4,981,910</u>	<u>14,155,976</u>	<u>5,454,164</u>
NET ASSETS				
Invested in capital assets, net of related debt.....	10,007,523	2,315,357	12,322,880	870,419
Restricted:				
Expendable:				
Unemployment compensation benefits.....	□	262,499	262,499	□
Education.....	307,715	223,911	531,626	206,942
Health.....	122,827	□	122,827	□
Transportation.....	271,079	□	271,079	□
Capital projects.....	239,815	236,216	476,031	27,877
Debt service.....	1,164,587	292,913	1,457,500	119,945
Loan programs.....	817,228	242,993	1,060,221	□
Waste management.....	228,999	□	228,999	□
Insurance programs.....	316,764	□	316,764	□
Other.....	125,251	□	125,251	172,662
Nonexpendable:				
Education.....	□	127,926	127,926	329,898
Other.....	2,819	□	2,819	□
Unrestricted.....	(161,549)	656,170	494,621	940,464
Total net assets.....	<u>□ 13,443,058</u>	<u>□ 4,357,985</u>	<u>□ 17,801,043</u>	<u>□ 2,668,207</u>

Statement of Activities

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	Expenses	Program Revenues			Net Revenues (Expenses)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Functions					
Primary government:					
Governmental activities:					
General government.....	□ 4,531,636	□ 1,694,147	□ 336,401	□ 3,237	□ (2,497,851)
Education.....	4,401,108	40,420	1,084,629	527	(3,275,532)
Health and environment.....	5,416,883	129,644	3,453,005	1,582	(1,832,652)
Social services.....	1,300,347	2,380	1,124,384	□	(173,583)
Administration of justice.....	789,071	130,443	35,249	938	(622,441)
Resources and economic development.....	411,582	59,336	134,198	18,165	(199,883)
Transportation.....	941,924	104,398	145,951	308,806	(382,769)
Unallocated interest expense.....	102,825	□	□	□	(102,825)
Total governmental activities.....	17,895,376	2,160,768	6,313,817	333,255	(9,087,536)
Business-type activities:					
Higher education.....	3,405,491	2,337,123	209,839	47,127	(811,402)
Higher education institution support.....	1,121,483	1,075,408	70,986	18	24,929
Unemployment compensation benefits.....	449,775	343,104	15,142	□	(91,529)
Financing of housing facilities.....	174,152	55,974	133,489	□	15,311
Medical malpractice insurance.....	13,259	38,198	346	□	25,285
Financing of student loans.....	77,249	71,054	13,098	□	6,903
Tuition prepayment program.....	(5,844)	□	7,962	□	13,806
State maritime museum.....	7,848	8,193	234	□	579
Insurance claims processing.....	1,677	1,673	□	□	(4)
Other.....	27,614	31,021	1,865	81	5,353
Total business-type activities.....	5,272,704	3,961,748	452,961	47,226	(810,769)
Total primary government.....	□ 23,168,080	□ 6,122,516	□ 6,766,778	□ 380,481	□ (9,898,305)
Component units:					
Public Service Authority.....	□ 1,408,315	□ 1,469,504	□ 24,963	□ □	□ 86,152
State Ports Authority.....	124,585	165,537	9,445	26,589	76,986
Connector 2000 Association, Inc.....	26,949	5,453	961	□	(20,535)
Lottery Commission.....	998,414	995,955	1,067	□	(1,392)
Other.....	111,900	47,807	54,882	□	(9,211)
Total component units.....	□ 2,670,163	□ 2,684,256	□ 91,318	□ 26,589	□ 132,000

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

Statement of Activities (Continued)

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Changes in net assets:				
Net revenues (expenses)	□ (9,087,536)	□ (810,769)	□ (9,898,305)	□ 132,000
General revenues:				
Taxes:				
Individual income.....	3,341,265	□	3,341,265	□
Retail sales and use.....	4,236,156	□	4,236,156	□
Other.....	1,838,101	□	1,838,101	□
Total taxes.....	9,415,522	□	9,415,522	□
Unrestricted grants and contributions.....	19,279	□	19,279	□
Unrestricted investment income.....	156,974	□	156,974	□
Tobacco legal settlement.....	83,494	□	83,494	□
Special items.....	5,611	□	5,611	□
Other revenues.....	57,256	□	57,256	□
Additions to endowments.....	□	19,118	19,118	□
Transfers □ internal activities.....	(1,015,273)	1,015,273	□	□
Total general revenues and transfers □ □ □	8,722,863	1,034,391	9,757,254	□
Change in net assets.....	(364,673)	223,622	(141,051)	132,000
Net assets at beginning of year.....	13,807,731	4,134,363	17,942,094	2,536,207
Net assets at end of year.....	□ 13,443,058	□ 4,357,985	□ 17,801,043	□ 2,668,207

Balance Sheet

GOVERNMENTAL FUNDS

June 30, 2008

(Expressed in Thousands)

	General Fund	Departmental General Operating	Local Government Infrastructure	Department of Transportation Special Revenue
ASSETS				
Cash and cash equivalents.....	876,995	457,275	310,612	310,335
Investments.....	26,108	332	□	□
Invested securities lending collateral.....	740,759	7,884	102,751	33,470
Receivables, net:				
Accounts.....	1,604	122,025	1,064	19,134
Accrued interest.....	10,209	477	8,733	1,872
Income taxes.....	442,062	□	□	□
Sales and other taxes.....	313,161	29,223	□	8,366
Student accounts.....	□	1	□	□
Patient accounts.....	16,183	10,347	□	□
Loans and notes.....	14	460	499,359	11,974
Due from Federal government and other grantors.....	6,666	751,782	□	47,724
Due from other funds.....	40,968	40,952	23,189	19,871
Due from component units.....	8,269	47	□	□
Interfund receivables.....	9,758	2,030	334,747	□
Inventories.....	14,909	10,603	□	4,678
Restricted assets:				
Cash and cash equivalents.....	□	□	458,437	10,000
Investments.....	□	□	□	□
Accounts receivable.....	□	□	417,319	□
Other.....	□	□	33,832	□
Prepaid items.....	□	□	□	4,458
Other assets.....	□	□	□	771
Total assets.....	2,507,665	1,433,438	2,190,043	472,653
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable.....	423,102	458,255	10,769	79,923
Accrued salaries and related expenditures.....	72,944	32,059	80	18,275
Retainages payable.....	□	480	□	1,926
Tax refunds payable.....	588,979	□	□	□
Payable to individuals/families.....	1,801	□	□	□
Intergovernmental payables.....	59,884	194,654	1,316	□
Due to other funds.....	218,641	64,090	41	26,721
Due to component units.....	1	□	□	□
Interfund payables.....	□	9,702	□	334,747
Deferred revenues.....	82,823	49,866	418,836	16,643
Securities lending collateral.....	740,759	7,884	102,751	33,470
Other liabilities.....	54,673	45	□	□
Total liabilities.....	2,243,607	817,035	533,793	511,705
Fund balances (deficits):				
Reserved.....	341,773	11,063	1,941,384	11,375
Unreserved, designated reported in:				
Special revenue funds.....	□	□	□	□
Capital Projects Fund.....	□	□	□	□
Unreserved, undesignated reported in:				
General Fund.....	(77,715)	□	□	□
Special revenue funds.....	□	605,340	(285,134)	(50,427)
Permanent funds.....	□	□	□	□
Total fund balances (deficits).....	264,058	616,403	1,656,250	(39,052)
Total liabilities and fund balances.....	2,507,665	1,433,438	2,190,043	472,653

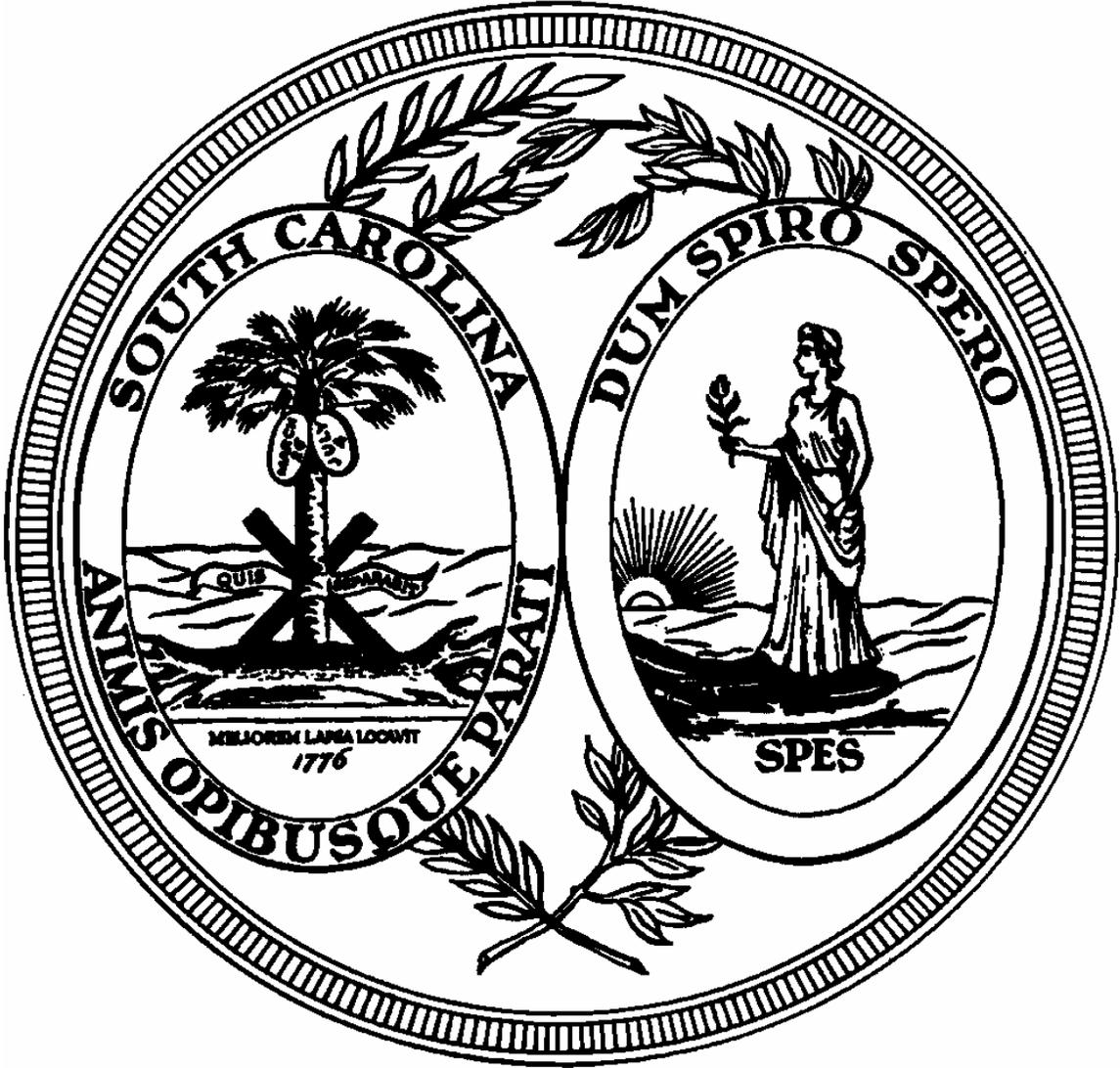
The Notes to the Financial Statements are an integral part of this statement.

<u>State Tobacco Settlement</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
□ 38,741	□ 1,146,440	□ 3,140,398
□	□	26,440
4,979	111,209	1,001,052
□	3,604	147,431
381	8,938	30,610
□	□	442,062
□	183,323	534,073
□	□	1
□	□	26,530
□	28,177	539,984
□	1,857	808,029
10,000	101,897	236,877
□	18,651	26,967
□	3,275	349,810
□	9	30,199
□	14,547	482,984
□	6,829	6,829
□	□	417,319
□	42,363	76,195
□	□	4,458
□	□	771
□ 54,101	□ 1,671,119	□ 8,329,019
□ 1	□ 17,263	□ 989,313
□	2,039	125,397
□	1,063	3,469
□	734	589,713
□	□	1,801
29	300,704	556,587
1	44,114	353,608
□	□	1
□	19,049	363,498
□	24,808	592,976
4,979	111,209	1,001,052
□	729	55,447
□ 5,010	□ 521,712	□ 4,632,862
□	114,003	2,419,598
□	15,882	15,882
□	234,123	234,123
□	□	(77,715)
49,091	784,190	1,103,060
□	1,209	1,209
□ 49,091	□ 1,149,407	□ 3,696,157
□ 54,101	□ 1,671,119	□ 8,329,019

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

June 30, 2008
(Expressed in Thousands)

Total fund balances	□	3,696,157
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Non-depreciable capital assets.....	□	5,593,398
Depreciable capital assets.....		11,578,752
Accumulated depreciation.....		<u>(3,604,621)</u>
Total capital assets.....		13,567,529
Bond issue costs are reported as current expenditures in the funds. However, issue costs are deferred and amortized over the life of the bonds and are included in governmental activities in the statement of net assets.....		27,065
Certain State revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures, and therefore are deferred in the funds.....		509,967
Interest receivable not due in the current period and therefore not reported in the funds.....		2,447
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.....		412,879
Eliminations relating to the consolidation of internal service funds resulted in an amount due from governmental activities to business-type activities in the statement of net assets.....		(2,221)
Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of:		
Bonds payable.....		(4,404,800)
Notes payable.....		(803)
Accrued interest on bonds.....		(58,016)
Capital leases.....		(635)
Compensated absences.....		(213,715)
Intergovernmental payable.....		(100)
Policy claims.....		(28,148)
Other.....		<u>(64,548)</u>
Total long-term liabilities.....		<u>(4,770,765)</u>
Net assets of governmental activities.....	□	<u>13,443,058</u>



Statement of Revenues, Expenditures, and Changes in Fund Balances

GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	<u>General Fund</u>	<u>Departmental General Operating</u>	<u>Local Government Infrastructure</u>
Revenues:			
Taxes:			
Individual income..... □	3,344,965	□ □	□ 15,089
Retail sales and use.....	2,458,786	2,644	□
Other.....	854,588	56,965	20,000
Licenses, fees, and permits.....	111,440	175,479	98,477
Interest and other investment income.....	147,366	4,161	75,353
Federal.....	98,516	5,482,362	16,759
Local and private grants.....	2,440	49,857	□
Departmental services.....	447,532	177,632	55,041
Contributions.....	15,833	34,131	9,855
Fines and penalties.....	22,596	71,706	□
Tobacco legal settlement..... □	□	□	□
Other.....	11,258	95,725	6,591
Total revenues.....	<u>7,515,320</u>	<u>6,150,662</u>	<u>297,165</u>
Expenditures:			
Current:			
General government.....	453,451	240,564	571
Education.....	421,945	190,322	□
Health and environment.....	2,022,785	3,534,280	□
Social services.....	143,232	1,107,993	□
Administration of justice.....	613,693	121,776	□
Resources and economic development.....	130,389	119,601	1,386
Transportation..... □	□	□	3,774
Capital outlay.....	2,400	□	□
Debt service:			
Principal retirement.....	157,286	478	46,095
Bonds repurchased..... □	□	□	□
Interest and fiscal charges.....	65,970	23	110,067
Other debt service charges..... □	□	□	□
Intergovernmental.....	2,832,693	892,104	200,255
Total expenditures.....	<u>6,843,844</u>	<u>6,207,141</u>	<u>362,148</u>
Excess of revenues over (under) expenditures.....	<u>671,476</u>	<u>(56,479)</u>	<u>(64,983)</u>
Other financing sources (uses):			
Refunding bonds issued..... □	□	□	□
Accrued interest on refunding bonds..... □	□	□	□
Discounts on bonds issued..... □	□	□	□
Capital leases..... 513	513	□	□
Receipts from swap counter-parties..... □	□	□	7,599
Payment of termination fee to swap counter-party..... □	□	□	(7,599)
Payment to refunded bond escrow agent..... □	□	□	□
Transfers in..... 10,177	10,177	145,147	3,828
Transfers out..... (1,511,045)	(1,511,045)	(16,828)	(1,031)
Total other financing sources (uses).....	<u>(1,500,355)</u>	<u>128,319</u>	<u>2,797</u>
Net change in fund balances.....	<u>(828,879)</u>	<u>71,840</u>	<u>(62,186)</u>
Fund balances (deficit) at beginning of year.....	<u>1,092,937</u>	<u>544,563</u>	<u>1,718,436</u>
Fund balances (deficit) at end of year..... □	<u>264,058</u>	<u>616,403</u>	<u>1,656,250</u>

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

<u>Department of Transportation Special Revenue</u>	<u>State Tobacco Settlement</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
□	□	□	□
□	□	1,792,888	□ 3,360,054
556,331	□	322,204	4,254,318
□	□	136,735	1,810,088
14,927	16,134	58,021	522,131
392,449	□	24,917	315,962
□	□	50	6,015,003
48,211	□	19,003	52,347
□	□	271,870	747,419
□	□	27,057	331,689
□	□	83,493	121,359
13,960	77	1,485	83,493
1,025,878	16,211	2,737,723	17,742,959
□	73	129,512	824,171
□	□	260,631	872,898
□	8,000	206,768	5,771,833
□	□	20,761	1,271,986
□	□	15,713	751,182
□	□	5,150	256,526
711,764	□	□	715,538
158,293	□	60,051	220,744
41,547	□	391,803	637,209
□	□	152,430	152,430
38,745	□	50,269	265,074
□	□	75,953	75,953
76,819	539	2,176,325	6,178,735
1,027,168	8,612	3,545,366	17,994,279
(1,290)	7,599	(807,643)	(251,320)
□	□	275,730	275,730
□	□	957	957
□	□	(8,249)	(8,249)
□	□	□	513
□	□	□	7,599
□	□	□	(7,599)
□	□	(251,180)	(251,180)
4,077	□	935,876	1,099,105
(108)	(469,408)	(112,689)	(2,111,109)
3,969	(469,408)	840,445	(994,233)
2,679	(461,809)	32,802	(1,245,553)
(41,731)	510,900	1,116,605	4,941,710
□ (39,052)	□ 49,091	□ 1,149,407	□ 3,696,157

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

Net change in fund balances total governmental funds..... □ (1,245,553)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their useful lives as depreciation expense.

In the current period, these amounts are:

Capital outlay.....	□ 382,346	
Depreciation expense.....	<u>(234,784)</u>	
Excess of capital outlay over depreciation expense.....		147,562

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources..... 177,499

Losses on disposals of capital assets are reported as an expense in the statement of activities..... (5,282)

Bond and note proceeds provide current financial resources to governmental funds; however, issuing debt increases long-term liabilities in the statement of net assets. In the current period, proceeds were received from:

Refunding bonds issued.....	(275,730)	
Bond premiums and discounts.....	<u>8,249</u>	
Net bond and note proceeds.....		(267,481)

Bond issuance costs are expenditures in governmental funds, but are deferred assets in the statement of net assets..... 3,167

Certain capital additions were financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability..... (513)

Repayment of long-term debt is reported as an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. In the current year, these amounts consist of:

Bond principal retirement.....	635,438	
Bonds repurchased.....	152,430	
Note principal retirement.....	1,514	
Capital lease payments.....	257	
Payment to bond refunding agent.....	<u>251,180</u>	
		1,040,819

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is included in governmental activities in the statement of activities..... (116,583)

Because certain receivables will not be collected soon enough after the State's fiscal year ends, the related revenues are not considered "available" and are deferred in the governmental funds.

Decrease in deferred revenues..... (69,082)

Interest receivable not due in the current period and therefore not reported in the funds..... (325)

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities (Continued)

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

Eliminations relating to the consolidation of internal service funds resulted in a net decrease in expenses for the business-type activities in the statement of activities.....	□	2,404	
Certain items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:			
Net decrease in accrued interest.....	□	1,047	
Interest accreted on capital appreciation debt.....		(993)	
Amortization of bond issuance costs.....		(1,351)	
Net amortization of bond premiums and discounts.....		2,409	
Amortization of deferred losses on refunding of debt.....		(2,738)	
Net increase in compensated absences payable.....		(4,553)	
Decrease in intergovernmental payable.....		100	
Increase in policy claims payable.....		(8,181)	
Net decrease in other payables.....		(17,045)	
Total additional expenses.....		<u>(31,305)</u>	
Change in net assets of governmental activities.....	□		<u>(364,673)</u>

Statement of Net Assets

PROPRIETARY FUNDS

June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	<u>Higher Education</u>	<u>Unemployment Compensation</u>	<u>Housing Authority</u>
ASSETS			
Current assets:			
Cash and cash equivalents.....	□ 685,328	□ 218,252	□ 31,658
Investments.....	66,647	□	□
Invested securities lending collateral.....	86,009	5,117	4,103
Receivables, net:			
Accounts.....	60,345	10,277	90
Contributions.....	12,834	□	□
Participants.....	□	□	□
Accrued interest.....	5,586	311	5,376
Student accounts.....	46,717	□	□
Patient accounts.....	□	□	□
Loans and notes.....	60	□	214
Assessments.....	□	50,858	□
Due from Federal government and other grantors.....	104,145	276	1,837
Due from other funds.....	72,889	27	□
Due from component units.....	136,716	□	□
Inventories.....	15,246	□	□
Restricted assets:			
Cash and cash equivalents.....	259,615	□	105,525
Investments.....	75	□	□
Loans receivable.....	892	□	18,606
Other.....	2,912	□	71
Prepaid items.....	20,492	□	□
Other current assets.....	139	□	164
Total current assets.....	<u>1,576,647</u>	<u>285,118</u>	<u>167,644</u>
Long-term assets:			
Investments.....	14,091	□	□
Receivables, net:			
Accounts.....	1,515	□	□
Contributions.....	319	□	□
Participants.....	□	□	□
Loans and notes.....	787	□	15,434
Interfund receivables.....	□	□	□
Restricted assets:			
Cash and cash equivalents.....	177,034	□	118,422
Investments.....	120	□	1,648
Receivable from endowments.....	27,264	□	□
Loans receivable.....	55,487	□	834,930
Other.....	623	□	□
Prepaid items.....	658	□	□
Other long-term assets.....	5,945	□	□
Deferred charges.....	1,567	□	6,313
Non-depreciable capital assets.....	627,641	□	□
Depreciable capital assets, net.....	2,661,010	□	684
Total long-term assets.....	<u>3,574,061</u>	<u>□</u>	<u>977,431</u>
Total assets.....	<u>5,150,708</u>	<u>285,118</u>	<u>1,145,075</u>

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

FUNDS

FUNDS					INTERNAL SERVICE FUNDS
Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Totals		
□ 14,558	□ 139,959	□ 263,479	□ 1,353,234	□	537,236
□	□	23,479	90,126	□	
□	□	24,453	119,682	□	120,560
34,943	5,311	5,114	116,080	□	118,935
□	□	80	12,914	□	
□	□	13,381	13,381	□	
□	58	944	12,275	□	5,248
□	□	□	46,717	□	
130,350	□	33,757	164,107	□	
□	75,000	□	75,274	□	
□	□	□	50,858	□	
□	□	□	106,258	□	
□	□	19,379	92,295	□	12,635
□	□	□	136,716	□	11
20,414	□	3,391	39,051	□	6,637
24,598	33,800	52,736	476,274	□	
□	□	9,362	9,437	□	
□	□	84	19,582	□	
□	□	920	3,903	□	
11,711	□	1,125	33,328	□	14,373
□	□	1,718	2,021	□	
236,574	254,128	453,402	2,973,513		815,635
□	□	32,959	47,050	□	370,439
□	□	□	1,515	□	97
□	□	8	327	□	
□	□	9,904	9,904	□	
□	935,897	□	952,118	□	
□	□	34,920	34,920	□	30,549
30,689	□	17,756	343,901	□	
35,737	□	61,854	99,359	□	
□	□	□	27,264	□	
□	□	9,088	899,505	□	
□	□	560	1,183	□	
□	□	12,330	12,988	□	
19,856	□	7,507	33,308	□	
□	4,312	□	12,192	□	113
38,775	□	26,875	693,291	□	8,076
547,542	223	74,809	3,284,268	□	136,532
672,599	940,432	288,570	6,453,093		545,806
909,173	1,194,560	741,972	9,426,606		1,361,441

Continued on Next Page

Statement of Net Assets

PROPRIETARY FUNDS (Continued)

June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	<u>Higher Education</u>	<u>Unemployment Compensation</u>	<u>Housing Authority</u>
LIABILITIES			
Current liabilities:			
Accounts payable.....	□ 91,230	□ 2,807	□ □
Accrued salaries and related expenses.....	53,222	□	483
Accrued interest payable.....	11,615	□	□
Retainages payable.....	7,952	□	□
Tax refunds payable.....	□	7,815	□
Unemployment benefits payable.....	□	2,675	□
Intergovernmental payables.....	□	3,698	187
Tuition benefits payable.....	□	□	□
Policy claims.....	□	□	□
Due to other funds.....	28,390	507	205
Unearned revenues.....	128,502	□	□
Deposits.....	7,684	□	□
Amounts held in custody for others.....	10,704	□	□
Securities lending collateral.....	86,009	5,117	4,103
Liabilities payable from restricted assets:			
Accrued interest payable.....	□	□	20,346
Bonds and notes payable.....	□	□	76,170
Other.....	□	□	5,185
Notes payable.....	8,446	□	□
General obligation bond anticipation notes payable.....	30,000	□	□
General obligation bonds payable.....	19,860	□	□
Revenue bonds payable.....	25,849	□	□
Limited obligation bonds payable.....	□	□	□
Capital leases payable.....	6,688	□	□
Compensated absences payable.....	49,792	□	489
Other current liabilities.....	3,605	□	1,748
Total current liabilities.....	<u>569,548</u>	<u>22,619</u>	<u>108,916</u>
Long-term liabilities:			
Retainages payable.....	2,582	□	□
Tuition benefits payable.....	□	□	□
Policy claims.....	□	□	□
Interfund payables.....	37,899	□	□
Unearned revenues.....	□	□	□
Other liabilities payable from restricted assets.....	□	□	□
Notes payable.....	96,963	□	□
General obligation bonds payable.....	331,621	□	□
Revenue bonds payable.....	643,928	□	735,971
Limited obligation bonds payable.....	□	□	□
Capital leases payable.....	37,560	□	□
Compensated absences payable.....	62,301	□	298
Other long-term liabilities.....	60,042	□	□
Total long-term liabilities.....	<u>1,272,896</u>	<u>□</u>	<u>736,269</u>
Total liabilities.....	<u>1,842,444</u>	<u>22,619</u>	<u>845,185</u>

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

FUNDS				Totals	INTERNAL SERVICE FUNDS
Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise			
□ 47,565	□ 18,866	□ 6,787	□ 167,255	□ 11,357	
26,786	□	13,567	94,058	4,422	
143	□	1,301	13,059	969	
14,913	□	□	22,865	214	
□	□	□	7,815	□	
□	□	□	2,675	□	
□	□	□	3,885	55	
□	□	9,119	9,119	□	
□	□	20,000	20,000	475,792	
20,133	□	2,680	51,915	3,501	
□	□	12,148	140,650	156,898	
□	□	□	7,684	□	
□	□	□	10,704	□	
□	□	24,453	119,682	120,560	
□	16,487	208	37,041	□	
□	□	□	76,170	□	
□	□	50,075	55,260	□	
12,287	□	5,445	26,178	5,106	
□	□	□	30,000	□	
□	□	□	19,860	□	
5,220	□	1,114	32,183	1,470	
□	□	□	□	1,730	
2,140	□	180	9,008	37	
19,813	252	3,613	73,959	3,443	
4,321	1,096	1,994	12,764	1,894	
153,321	36,701	152,684	1,043,789	787,448	
□	□	□	2,582	□	
□	□	180,298	180,298	□	
□	□	162,368	162,368	113,513	
□	□	9,133	47,032	4,749	
□	□	552	552	□	
□	1,999	6	2,005	□	
51,127	□	116,741	264,831	14,453	
□	□	□	331,621	□	
465,571	1,010,243	14,575	2,870,288	17,811	
□	□	□	□	7,622	
1,301	□	179	39,040	□	
□	□	1,445	64,044	2,966	
□	788	1,562	62,392	□	
517,999	1,013,030	486,859	4,027,053	161,114	
671,320	1,049,731	639,543	5,070,842	948,562	

Continued on Next Page

Statement of Net Assets

PROPRIETARY FUNDS (Continued)

June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	<u>Higher Education</u>	<u>Unemployment Compensation</u>	<u>Housing Authority</u>
NET ASSETS			
Invested in capital assets, net of related debt.....	□ 2,182,295	□ □	□ 684
Restricted:			
Expendable:			
Unemployment compensation benefits.....	□	262,499	□
Education.....	196,551	□	□
Capital projects.....	233,712	□	□
Debt service.....	36,375	□	55,360
Loan programs.....	□	□	196,877
Insurance programs.....	□	□	□
Nonexpendable:			
Education.....	95,871	□	□
Unrestricted.....	563,460	□	46,969
Total net assets.....	<u>□ 3,308,264</u>	<u>□ 262,499</u>	<u>□ 299,890</u>
Adjustment in Higher Education Fund related to consolidation of internal service funds			
Net assets of business-type activities.....			

FUNDS					INTERNAL SERVICE FUNDS
Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Totals		
□ 80,806	□ 223	□ 51,349	□ 2,315,357	□	98,319
□	□	□	262,499	□	
□	□	27,360	223,911	□	
□	□	2,504	236,216	□	
78,306	97,272	25,600	292,913	□	
□	46,116	□	242,993		20,000
□	□	□	□		316,764
□	□	32,055	127,926	□	
78,741	1,218	(36,439)	653,949		(22,204)
<u>□ 237,853</u>	<u>□ 144,829</u>	<u>□ 102,429</u>	<u>4,355,764</u>	<u>□</u>	<u>412,879</u>
			2,221		
			<u>□ 4,357,985</u>		

FUNDS

Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
□ □	□ □	□ □	□ 279,427	□ □
802,380	71,054	350,310	2,539,213	2,003,258
□	□	11,590	11,590	□
□	8,756	(3,628)	60,675	960
□	□	□	□	3
□	□	2,273	169,602	□
□	□	□	561,661	□
□	□	□	201,644	□
□	□	□	79,142	□
19,502	□	37,120	134,426	63,458
821,882	79,810	397,665	4,037,380	2,067,679
794,161	20,399	288,163	4,108,091	384,998
□	□	12,292	461,803	1,830,591
□	□	(5,844)	(5,844)	□
□	52,444	□	92,717	7
32,379	436	5,416	194,797	16,108
□	□	□	200,269	□
□	3,970	6,011	14,253	6,100
826,540	77,249	306,038	5,066,086	2,237,804
(4,658)	2,561	91,627	(1,028,706)	(170,125)
□	□	□	70,382	□
3,440	□	4,400	52,136	53,647
□	□	2,736	100,981	□
□	□	□	131,729	□
□	□	203	6,793	□
(17,881)	□	(6,622)	(72,296)	(2,215)
□	4,342	(3,396)	(116,028)	(232)
(14,441)	4,342	(2,679)	173,697	51,200
(19,099)	6,903	88,948	(855,009)	(118,925)
□	□	81	81	□
□	□	□	17,678	□
□	□	18	28,885	□
□	□	□	□	5,611
□	□	5,039	19,118	□
□	□	727	1,076,971	19,028
(552)	□	(38,446)	(61,698)	(22,297)
(19,651)	6,903	56,367	226,026	(116,583)
257,504	137,926	46,062		529,462
237,853	144,829	102,429		412,879
			(2,404)	
			223,622	

Statement of Cash Flows

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	Higher Education	Unemployment Compensation	Housing Authority
Cash flows from operating activities:			
Receipts from customers, patients, and third-party payers.....	□ 1,327,698	□ □	□ □
Assessments received.....	□	□ 281,050	□ □
Grants received.....	792,497	□ 37,920	□ □
Receipts from collection of loans and notes.....	379,681	□	□ 133,912
Receipts of funds held for others.....	203,623	□	□
Internal activity □ payments from other funds.....	73,683	□	□
Tuition plan contributions received.....	□	□	□
Other operating cash receipts.....	34,852	□ 23,581	□ 9,745
Claims and benefits paid.....	□	□ (453,324)	□ □
Payments to suppliers for goods and services.....	(1,056,462)	□	□ (5,740)
Payments to employees.....	(1,953,239)	□	□ (7,124)
Payments for scholarships and fellowships.....	(169,762)	□	□ □
Loans issued to students.....	(376,356)	□	□ □
Payments of funds held for others.....	(161,354)	□	□ □
Program loans issued.....	□	□	□ (194,955)
Internal activity □ payments to other funds.....	□	□	□ □
Other operating cash payments.....	(2,183)	□ (264)	□ □
Net cash provided by (used in) operating activities.....	(907,322)	(111,037)	(64,162)
Cash flows from noncapital financing activities:			
State, county, and local appropriations.....	59,182	□	□
Federal appropriations.....	13,325	□	□
Funds held for others.....	303	□	□
Principal payments received from other funds.....	□	□	□
Principal payments made to other funds.....	□	□	□
Receipt of interest from other funds.....	□	□	□
Interest payments made to other funds.....	□	□	□
Loans received from other funds.....	□	□	□
Proceeds from sale of noncapital revenue bonds.....	□	□	□ 180,173
Principal payments on noncapital revenue bonds.....	□	□	□ (66,885)
Principal paid on noncapital debt.....	□	□	□ □
Interest payments on noncapital debt.....	(223)	□	□ (38,182)
Payment of bond issuance costs.....	□	□	□ (1,232)
Gifts and grants for other than capital purposes.....	165,450	□	□ □
Federal revenue.....	□	□	□ 122,526
Payments from Federal grants.....	□	□	□ (118,830)
Special refund to participants in Insurance Reserve Fund.....	□	□	□ □
Other cash receipts.....	3,688	□	□ □
Other cash payments.....	(987)	□	□ □
Transfers in.....	1,076,107	□ 85	□ 12,815
Transfers out.....	(22,367)	□ (1,490)	□ (12,665)
Net cash provided by (used in) noncapital financing activities.....	1,294,478	(1,405)	77,720

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

FUNDS				
Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Totals	INTERNAL SERVICE FUNDS
□ 766,862	□ 122,051	□ 325,159	□ 2,541,770	□ 1,474,355
□	□	□ 111,090	□ 392,140	□
□	□	□	□ 830,417	□
□	□ 336,220	□	□ 849,813	□
□	□	□	□ 203,623	□
□	□	□	□ 73,683	□ 529,320
□	□	□ 24,247	□ 24,247	□
□ 20,882	□	□ 53,077	□ 142,137	□ 120,354
□	□	□ (143,264)	□ (596,588)	□ 1,029,434
□ (314,679)	□ (96,042)	□ (117,639)	□ (1,590,562)	□ (3,114,795)
□ (377,446)	□ (2,916)	□ (165,483)	□ (2,506,208)	□ (78,494)
□	□	□	□ (169,762)	□
□	□	□	□ (376,356)	□
□	□	□	□ (161,354)	□
□	□ (519,409)	□	□ (714,364)	□
□ (73,683)	□	□ 386	□ (73,297)	□ (12,112)
□	□	□ (13,964)	□ (16,411)	□ (3,011)
21,936	(160,096)	73,609	(1,147,072)	(54,949)
□	□	□	□ 59,182	□
□	□	□	□ 13,325	□
□	□	□	□ 303	□
□	□	□	□	□ 1,356
□	□	□ (4,256)	□ (4,256)	□ (1,709)
□	□	□	□	□ (1,095)
□	□	□ (610)	□ (610)	□
□	□	□	□	□ 8,358
□	□ 131,700	□	□ 311,873	□
□	□ (147,354)	□	□ (214,239)	□
□	□	□ (1,350)	□ (1,350)	□
□	□ (49,288)	□ (2,760)	□ (90,453)	□
□	□ (685)	□	□ (1,917)	□
□	□	□ 7,992	□ 173,442	□
□	□	□	□ 122,526	□
□	□	□	□ (118,830)	□
□	□	□	□	□ (20,000)
□	□	□	□ 3,688	□
□	□	□ (6,955)	□ (7,942)	□
□	□	□ 1,217	□ 1,090,224	□ 19,028
□ (552)	□	□ (39,231)	□ (76,305)	□ (22,297)
(552)	(65,627)	(45,953)	1,258,661	(16,359)

Continued on Next Page

Statement of Cash Flows

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	<u>Higher Education</u>	<u>Unemployment Compensation</u>	<u>Housing Authority</u>
Cash flows from capital and related financing activities:			
Capital appropriations.....	□ 4,001	□ □	□ □
Acquisition of capital assets	(456,207)	□	(53)
Principal payments on notes payable	(4,141)	□	□
Principal payments on limited obligation bonds.....	□	□	□
Proceeds from issuance of capital debt.....	250,726	□	□
Principal paid on capital debt and lease.....	(61,083)	□	□
Interest payments on capital debt.....	(43,644)	□	□
Payment of agent and broker fees.....	□	□	□
Proceeds from sale or disposal of capital assets.....	78	□	□
Capital grants and gifts received.....	25,956	□	□
Net cash used in capital and related financing activities.....	(284,314)	□	(53)
Cash flows from investing activities:			
Proceeds from sales and maturities of investments.....	97,445	□	□
Purchase of investments	(105,356)	□	749
Interest and dividends on investments.....	52,429	11,871	11,610
Transfer of endowment funds.....	(30,695)	□	□
Collection of escrow payments from borrower.....	□	□	□
Net cash provided by investing activities.....	13,823	11,871	12,359
Net increase (decrease) in cash and cash equivalents.....	116,665	(100,571)	25,864
Cash and cash equivalents at beginning of year.....	1,005,312	318,823	229,741
Cash and cash equivalents at end of year.....	□ 1,121,977	□ 218,252	□ 255,605
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	□ (1,026,408)	□ (103,443)	□ 11,615
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	155,839	□	727
Provision for bad debts.....	287	□	□
Realized gains and losses on sale of assets.....	□	□	98
Net (increase) decrease in the fair value of investments.....	□	□	□
Issuance of loans and notes.....	□	□	(194,955)
Collection of loans and notes.....	□	□	89,753
Interest payments reclassified as noncapital financing activities.....	□	□	40,104
Interest and dividends on investments and interfund loans.....	□	□	(10,963)
Amounts received for payment of claims.....	□	□	□
Payment of claims.....	□	□	□
Elimination of claims liability due to transfer of LTDI Plan.....	□	□	□
Other nonoperating revenues.....	1,038	□	□
Other nonoperating expenses.....	(1,072)	□	□
Other.....	□	□	□

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

FUNDS								INTERNAL SERVICE FUNDS	
Medical University Hospital Authority		Education Assistance Authority		Nonmajor Enterprise		Totals			
□	□	□	□	□	□	□	4,001	□	□
	(139,797)		(79)		(3,438)		(599,574)		(14,777)
	□		□		□		(4,141)		□
	□		□		□		□		(1,640)
	48,796		□		□		299,522		□
	(9,302)		□		(4,850)		(75,235)		(523)
	(28,210)		□		(5,367)		(77,221)		□
	(2,528)		□		(28)		(2,556)		□
	3		□		463		544		998
	□		□		99		26,055		□
	(131,038)		(79)		(13,121)		(428,605)		(15,942)
	6,094		□		107,604		211,143		709,570
	(2,491)		□		(72,612)		(179,710)		(759,746)
	6,131		9,751		12,254		104,046		55,754
	□		□		□		(30,695)		□
	□		□		1,422		1,422		□
	9,734		9,751		48,668		106,206		5,578
	(99,920)		(216,051)		63,203		(210,810)		(81,672)
	169,765		389,810		270,768		2,384,219		618,908
□	69,845	□	173,759	□	333,971	□	2,173,409	□	537,236
□	(4,658)	□	2,561	□	91,627	□	(1,028,706)	□	(170,125)
	32,379		436		5,416		194,797		16,108
	89,853		589		42,482		133,211		□
	□		□		(89)		9		□
	□		□		4,413		4,413		□
	□		(37,455)		□		(232,410)		□
	□		36,822		□		126,575		□
	□		52,444		□		92,548		□
	□		(8,831)		3,628		(16,166)		□
	□		□		109,418		109,418		□
	□		□		(114,719)		(114,719)		□
	□		□		□		□		25,611
	□		□		3,659		4,697		3,910
	□		□		398		(674)		(3,396)
	37		□		(155)		(118)		□

Continued on Next Page

Statement of Cash Flows

PROPRIETARY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	ENTERPRISE		
	<u>Higher Education</u>	<u>Unemployment Compensation</u>	<u>Housing Authority</u>
Effect of changes in operating assets and liabilities:			
Accounts receivable, net.....	□ (83,775)	□ (2,415)	□ (8)
Receivable from participants, net.....	□	□	□
Accrued interest.....	□	□	(5,272)
Loans receivable.....	(1,840)	□	
Due from Federal government and other grantors.....	1,040	215	(1,283)
Due from other funds.....	(10,743)	(26)	□
Inventories.....	(555)	□	□
Other assets.....	3,270	(23)	2,328
Accounts payable.....	34,413	1,584	
Accrued salaries and related expenses.....	3,957	□	21
Accrued interest payable.....	□	□	□
Retainages payable.....	(280)	□	□
Tax refunds payable.....	□	1,646	□
Unemployment benefits payable.....	□	(5,743)	□
Intergovernmental payables.....	□	346	(61)
Tuition benefits payable.....	□	□	□
Policy claims.....	□	□	□
Due to other funds.....	8,153	(3,178)	179
Unearned revenues.....	(10,028)	□	□
Deposits.....	1,790	□	□
Liabilities payable from restricted assets.....	□	□	2,150
Compensated absences payable.....	7,412	□	54
Other liabilities.....	10,180	□	1,351
Net cash provided by (used in) operating activities.....	□ (907,322)	□ (111,037)	□ (64,162)
Noncash capital, investing, and financing activities:			
Acquisition of capital assets through:			
Assumption of liabilities.....	□ 1,902	□ □	□ □
Donations.....	3,129	□	□
Disposal of capital assets.....	(1,047)	□	□
Increase (decrease) in fair value of investments.....	(12,152)	□	(36)
Decrease in investments for amortization and accretion.....	□	□	□
Accrual of arbitrage income.....	□	□	□
Long-term debt forgiven.....	227	□	□
Other noncash activity.....	□	□	□
Total noncash capital, investing, and financing activities.....	□ (7,941)	□ □	□ (36)

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

FUNDS					
Medical University Hospital Authority	Education Assistance Authority	Nonmajor Enterprise	Totals		INTERNAL SERVICE FUNDS
□ (122,123)	□ 9,781	□ (43,833)	□ (242,373)	□	□ (282)
□	□	□ 12,657	□ 12,657	□	□
□	□	□	□ (5,272)	□	□ (55)
□	□ (197,214)	□ (1,741)	□ (200,795)	□	□
□	□	□	□ (28)	□	□
□	□	□ (11,010)	□ (21,779)	□	□ 33,942
□ (6,096)	□	□ 341	□ (6,310)	□	□ 1,470
□ (1,811)	□	□ 312	□ 4,076	□	□ 2,553
□ 25,382	□ (18,649)	□ 866	□ 43,596	□	□ (6,566)
□	□	□ 126	□ 4,104	□	□ 89
□	□	□	□	□	□ (56)
□	□	□	□ (280)	□	□ 201
□	□	□	□ 1,646	□	□
□	□	□	□ (5,743)	□	□
□	□	□	□ 285	□	□
□	□	□ (14,134)	□ (14,134)	□	□
□	□	□ (16,253)	□ (16,253)	□	□ 30,153
□ 13,898	□	□ 280	□ 19,332	□	□ 1,553
□ (4,925)	□	□ (876)	□ (15,829)	□	□ 9,992
□	□	□	□ 1,790	□	□
□	□	□	□ 2,150	□	□
□	□ (20)	□ 473	□ 7,919	□	□ (51)
□	□ (560)	□ 323	□ 11,294	□	□
□ 21,936	□ (160,096)	□ 73,609	□ (1,147,072)	□	□ (54,949)
□ 3,412	□	□ 52	□ 5,366	□	□
□	□	□	□ 3,129	□	□
□	□	□	□ (1,047)	□	□
□ 499	□	□ (13,069)	□ (24,758)	□	□ (2,199)
□	□	□	□	□	□ (138)
□	□ 4,342	□	□ 4,342	□	□
□	□	□	□ 227	□	□
□	□	□	□ 22	□	□
□ 3,911	□ 4,342	□ (12,995)	□ (12,719)	□	□ (2,337)

Statement of Fiduciary Net Assets

FIDUCIARY FUNDS

June 30, 2008

(Expressed in Thousands)

	Pension and Other Post- Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust	Agency
ASSETS				
Cash and cash equivalents.....	□ 1,881,564	□ 2,007,837	□ 28,221	□ 228,718
Receivables, net:				
Accounts.....	□	□	□	11,129
Contributions.....	174,688	□	□	□
Employer long-term.....	596	□	□	□
Accrued interest.....	89,285	1,959	969	3,669
Unsettled investment sales.....	823,264	□	1,319	□
Other investment receivables.....	4,479	□	□	□
Taxes.....	□	□	□	2,622
Total receivables.....	<u>1,092,312</u>	<u>1,959</u>	<u>2,288</u>	<u>17,420</u>
Due from other funds.....	<u>48,273</u>	<u>□</u>	<u>□</u>	<u>57,289</u>
Investments, at fair value:				
Short term securities.....	101,615	□	□	□
Debt-domestic.....	6,304,638	371,624	□	□
Debt-international.....	3,531,498	□	□	□
Equity-domestic.....	6,171,292	□	□	□
Equity-international.....	485,689	□	□	□
Alternatives.....	8,245,834	□	□	□
Financial and other.....	4,309	153,502	1,064,117	32,682
Total investments.....	<u>24,844,875</u>	<u>525,126</u>	<u>1,064,117</u>	<u>32,682</u>
Securities held in lieu of surety bonds.....	□	□	□	292,471
Invested securities lending collateral.....	3,798,826	□	3,805	19,132
Capital assets, net	3,459	□	□	□
Prepaid items.....	290	□	□	□
Other assets.....	□	□	5,054	□
Total assets.....	<u>31,669,599</u>	<u>2,534,922</u>	<u>1,103,485</u>	<u>647,712</u>
LIABILITIES				
Accounts payable.....	17,545	□	1,148	16,293
Accounts payable □ unsettled investment purchases.....	106,027	□	865	□
Due to other funds.....	38,345	□	□	□
Tax refunds payable.....	□	□	□	2,696
Intergovernmental payables.....	□	□	□	2,196
Deposits.....	□	□	□	4,983
Amounts held in custody for others.....	□	□	□	602,412
Deferred retirement benefits.....	552,260	□	□	□
Securities lending collateral.....	3,798,826	□	3,805	19,132
Other liabilities.....	189,229	□	□	□
Total liabilities.....	<u>4,702,232</u>	<u>□</u>	<u>5,818</u>	<u>647,712</u>
NET ASSETS				
Held in trust for:				
Pension and other post-employment benefits.....	26,967,367	□	□	□
External investment pool participants.....	□	2,534,922	□	□
Other purposes.....	□	□	1,097,667	□
Total net assets.....	<u>□ 26,967,367</u>	<u>□ 2,534,922</u>	<u>□ 1,097,667</u>	<u>□ □</u>

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

Statement of Changes in Fiduciary Net Assets

FIDUCIARY FUNDS

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	Pension and Other Post- Employment Benefit Trust	Investment Trust Local Government Investment Pool	Private-Purpose Trust
Additions:			
Licenses, fees, and permits.....	□ □	□ □	□ 165
Contributions:			
Employer.....	1,281,262	□	□
Employee.....	618,576	□	□
Deposits from pool participants.....	□	5,924,244	□
Tuition plan deposits.....	□	□	168,256
Total contributions.....	<u>1,899,838</u>	<u>5,924,244</u>	<u>168,256</u>
Investment income:			
Interest income and net depreciation in investments.....	(696,256)	96,744	(70,604)
Securities lending income.....	209,364	3,281	□
Total investment income.....	<u>(486,892)</u>	<u>100,025</u>	<u>(70,604)</u>
Less investment expense:			
Investment expense.....	67,017	□	□
Securities lending expense.....	178,150	3,107	□
Net investment income.....	<u>(732,059)</u>	<u>96,918</u>	<u>(70,604)</u>
Assets moved between pension trust funds.....	2,119	□	□
Total additions.....	<u>1,169,898</u>	<u>6,021,162</u>	<u>97,817</u>
Deductions:			
Regular retirement benefits.....	1,849,862	□	□
Supplemental retirement benefits.....	1,373	□	□
Deferred retirement benefits.....	219,427	□	□
Refunds of retirement contributions to members.....	93,094	□	□
Group life insurance claims.....	19,969	□	□
Accidental death benefits.....	1,447	□	□
Other post-employment benefits.....	42,505	□	□
Withdrawals, pool participants.....	□	5,704,751	□
Distributions to pool participants.....	□	94,338	□
Depreciation.....	118	□	□
Administrative expense.....	21,397	135	7,911
Payments in accordance with trust agreements.....	□	□	103
Other expenses.....	□	□	206
Assets moved between pension trust funds.....	2,119	□	□
Total deductions.....	<u>2,251,311</u>	<u>5,799,224</u>	<u>8,220</u>
Change in net assets.....	<u>(1,081,413)</u>	<u>221,938</u>	<u>89,597</u>
Net assets at beginning of year.....	<u>28,048,780</u>	<u>2,312,984</u>	<u>1,008,070</u>
Net assets at end of year.....	<u>□ 26,967,367</u>	<u>□ 2,534,922</u>	<u>□ 1,097,667</u>

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

Statement of Net Assets

DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2008

(Expressed in Thousands)

	Public Service Authority	State Ports Authority	Connector 2000 Association, Inc.	Lottery Commission	Nonmajor Component Units	Totals
ASSETS						
Current assets:						
Cash and cash equivalents.....	□ 92,814	□ 191,867	□ 624	□ 10,671	□ 42,810	□ 338,786
Investments.....	19,765	□	308	□	80,675	100,748
Invested securities lending collateral.....	□	50,158	□	□	1,337	51,495
Receivables, net						
Accounts.....	152,049	25,750	□	33,214	2,520	213,533
Contributions.....	□	□	□	□	3,278	3,278
Accrued interest.....	3,049	□	□	553	917	4,519
Due from Federal government and other grantors..	□	□	□	□	16	16
Due from primary government.....	□	167,541	□	□	1	167,542
Inventories.....	308,398	5,415	88	1,934	□	315,835
Restricted assets:						
Cash and cash equivalents.....	119,431	□	2,342	463	16,224	138,460
Investments.....	85,814	□	5,702	□	□	91,516
Other.....	□	□	1	□	29	30
Prepaid items.....	4,387	3,705	27	□	□	8,119
Other current assets.....	24,579	91	□	3,004	119	27,793
Deferred charges.....	□	□	□	□	1,804	1,804
Total current assets.....	810,286	444,527	9,092	49,839	149,730	1,463,474
Long-term assets:						
Investments.....	86,387	8,167	□	□	675,689	770,243
Receivables, net:						
Accounts.....	□	□	□	□	1,679	1,679
Contributions.....	□	□	□	□	36,629	36,629
Restricted assets:						
Cash and cash equivalents.....	91,936	□	394	□	□	92,330
Investments.....	258,614	□	10,474	□	□	269,088
Other.....	□	□	439	□	□	439
Other long-term assets.....	1,126	9,782	□	4,960	565	16,433
Deferred charges.....	476,259	16,142	3,850	□	□	496,251
Investment in joint venture.....	7,651	□	□	□	□	7,651
Non-depreciable capital assets.....	1,007,370	247,387	□	□	8,971	1,263,728
Depreciable capital assets, net.....	3,253,421	291,734	157,500	1,201	570	3,704,426
Total long-term assets.....	5,182,764	573,212	172,657	6,161	724,103	6,658,897
Total assets.....	□ 5,993,050	□ 1,017,739	□ 181,749	□ 56,000	□ 873,833	□ 8,122,371

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

Statement of Net Assets

DISCRETELY PRESENTED COMPONENT UNITS (Continued)

June 30, 2008

(Expressed in Thousands)

	Public Service Authority	State Ports Authority	Connector 2000 Association, Inc.	Lottery Commission	Nonmajor Component Units	Totals
LIABILITIES						
Current liabilities:						
Accounts payable.....	□ 184,192	□ 13,533	□ 146	□ 3,445	□ 2,131	□ 203,447
Accrued salaries and related expenses.....	7,875	1,945	□	808	105	10,733
Accrued interest payable.....	85,068	6,746	□	□	□	91,814
Retainages payable.....	□	1,962	□	□	□	1,962
Prizes payable.....	□	□	□	29,477	□	29,477
Intergovernmental payables.....	□	18	□	□	270	288
Policy claims.....	2,140	□	□	□	35,000	37,140
Due to primary government.....	□	□	5,497	18,651	136,774	160,922
Deferred revenues and deferred credits.....	□	□	192	720	26,597	27,509
Deposits.....	□	□	14	□	□	14
Amounts held in custody for others.....	□	□	□	□	1,292	1,292
Securities lending collateral.....	□	50,158	□	□	1,337	51,495
Liabilities payable from restricted assets:						
Accounts payable.....	□	□	□	□	1,893	1,893
Accrued interest payable.....	□	□	1,766	□	□	1,766
Notes payable.....	□	345	□	□	5	350
Revenue bonds payable.....	101,695	3,515	6,200	□	□	111,410
Capital leases payable.....	2,564	15	□	□	□	2,579
Commercial paper notes.....	283,252	□	□	□	□	283,252
Compensated absences payable.....	□	2,722	□	492	52	3,266
Other current liabilities.....	69,415	16,454	□	104	509	86,482
Total current liabilities.....	736,201	97,413	13,815	53,697	205,965	1,107,091
Long-term liabilities:						
Retainages payable.....	55,652	□	□	□	□	55,652
Policy claims.....	□	□	□	□	161,995	161,995
Deferred revenues and deferred credits.....	290,604	□	□	□	□	290,604
Amounts held in custody for others.....	□	□	□	□	2,699	2,699
Notes payable.....	□	1,639	□	□	21	1,660
Revenue bonds payable.....	3,341,790	127,308	296,899	□	□	3,765,997
Capital leases payable.....	7,834	□	□	□	□	7,834
Compensated absences payable.....	16,090	□	□	639	47	16,776
Other long-term liabilities.....	34,341	□	□	□	9,515	43,856
Total long-term liabilities.....	3,746,311	128,947	296,899	639	174,277	4,347,073
Total liabilities.....	4,482,512	226,360	310,714	54,336	380,242	5,454,164
NET ASSETS (DEFICITS)						
Invested in capital assets, net of related debt.....	508,590	402,803	(51,716)	1,201	9,541	870,419
Restricted:						
Expendable:						
Education.....	□	□	□	□	206,942	206,942
Capital projects.....	26,087	1,790	□	□	□	27,877
Debt service.....	107,283	6,384	6,278	□	□	119,945
Other.....	169,833	□	□	463	2,366	172,662
Nonexpendable, education.....	□	□	□	□	329,898	329,898
Unrestricted.....	698,745	380,402	(83,527)	□	(55,156)	940,464
Total net assets (deficit).....	□ 1,510,538	□ 791,379	□ (128,965)	□ 1,664	□ 493,591	□ 2,668,207

Statement of Activities

DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Public Service Authority.....	□ 1,408,315	□ 1,469,504	□ 24,963	□ □
State Ports Authority.....	124,585	165,537	9,445	26,589
Connector 2000 Association, Inc.....	26,949	5,453	961	□
Lottery Commission.....	998,414	995,955	1,067	□
Nonmajor component units.....	111,900	47,807	54,882	□
Totals.....	□ 2,670,163	□ 2,684,256	□ 91,318	□ 26,589

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

Net (Expense) Revenue	Net Assets (Deficit) Beginning of Year	Net Assets (Deficit) End of Year
□ 86,152	□ 1,424,386	□ 1,510,538
76,986	714,393	791,379
(20,535)	(108,430)	(128,965)
(1,392)	3,056	1,664
(9,211)	502,802	493,591
□ 132,000	□ 2,536,207	□ 2,668,207

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Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Scope of Reporting Entity

The South Carolina General Assembly (an elected legislative body) and several elected executives govern the State of South Carolina. The accompanying financial statements present the activities of the State of South Carolina's primary government and its component units.

Component units are legally separate organizations for which the State is financially accountable. Blended component units, although legally separate from the State, are part of the State's operations in substance. Accordingly, the State presents them as funds in its fund financial statements and as activities in its government-wide financial statements. In contrast, the State excludes its discretely presented component units from the fund financial statements included within its basic financial statements and it reports the discretely presented component units separately in its government-wide financial statements.

As explained more fully below, the State's primary government and its component units include various State funds, agencies, departments, institutions, authorities, and other organizations.

Primary Government

The State's primary government includes all constitutional offices, departments, agencies, commissions, and authorities unless otherwise noted below. Most of these have executives or boards appointed by the Governor, the General Assembly, or a combination thereof. These entities are financially accountable to, and fiscally dependent on, the State.

Although they operate somewhat autonomously, the entities listed below are included in the State's primary government because they lack full corporate powers.

Fiscal year ended June 30, 2008:

- State Housing Finance and Development Authority
- South Carolina Education Assistance Authority
- Jobs-Economic Development Authority
- Patriots Point Development Authority

Fiscal year ended December 31, 2007:

- The Public Railways Division of the Department of Commerce

The State's five retirement systems and two post-employment benefit trust funds are part of the State's primary government. The State Budget and Control Board, which consists of five elected officials, serves as trustee of the systems and the trust funds. The State Treasurer is custodian of the funds.

The State reports ten State-supported universities and sixteen area technical colleges within its Higher Education Fund as part of the primary government. Although the universities and colleges operate somewhat autonomously, they lack full corporate powers. In addition, the Governor and the General Assembly appoint most of their boards and budget a significant portion of their funds.

The accompanying financial statements exclude the related foundations listed in Note 20 because, based on the criteria provided by GASB Statement No. 39, the State does not significantly influence operations of the related foundations nor are the related foundations accountable to the State for fiscal matters.

Blended Component Units

Unless otherwise indicated below, the blended component units have fiscal years ended June 30, and the accompanying financial statements include component unit financial information for the fiscal year ended June 30, 2008.

Tobacco Settlement Revenue Management Authority

The Tobacco Settlement Revenue Management Authority, a blended component unit accounted for as a governmental fund, commenced operations in August 2000. Its creation was in accordance with an act of the General Assembly that resulted from South Carolina's participation in a settlement (the Master Settlement Agreement or MSA) that arose out of litigation that a group of state governments brought against the tobacco industry. The legally separate Authority's primary purposes are (a) to receive all receipts due to South Carolina under the MSA after June 30, 2001, and (b) to issue the Authority's revenue bonds payable solely from, and secured solely by, those receipts. The Authority's governing board is composed of the Governor or his designee, the State Treasurer, the Comptroller General, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee. The State receives the funding from the bond issuances, except in the event that the Authority issues bonds expressly to refund its outstanding bonds.

Blended Component Units Associated with the Higher Education Fund

The State's enterprise funds include the following blended component units, all of which are associated with the Higher Education Fund, a major enterprise fund:

The *Medical University Hospital Authority* (the Authority) was created to manage and operate the Medical University of South Carolina's hospitals and clinics. The legislation establishing the Authority requires that the members of the Medical University's Board of Trustees also constitute the Authority's Board of Trustees. The Authority also is a major enterprise fund.

The *Citadel Trust, Inc.*, was formed to provide scholarship and other financial assistance or support to The Citadel.

The *University of South Carolina Trust (the Trust)* operates exclusively for the benefit of the University's School of Medicine to augment and aid education, research, and service in the field of health sciences. The financial information presented in the accompanying financial statements is for the Trust's fiscal year ended December 31, 2007.

University Medical Associates (UMA) was established to promote and support educational, medical, scientific, and research purposes of the Medical University of South Carolina (MUSC). UMA promotes the recruitment and retention of superior faculty at MUSC. UMA is a blended component unit because it almost exclusively benefits MUSC even though UMA does not provide all of its services directly to MUSC.

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

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

The *Enterprise Campus Authority* was established to provide for the management, development, and operation of the Enterprise Campus of Midlands Technical College.

Obtaining More Information about Blended Component Units

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

South Carolina Tobacco Settlement
Revenue Management Authority
122 Wade Hampton Office Building
Capitol Complex
Columbia, South Carolina 29201

Medical University Hospital Authority
Fiscal Services Offices
Post Office Box 250603
Charleston, South Carolina 29425

The Citadel Trust
c/o The Citadel
171 Moultrie Street
Charleston, South Carolina 29409

University of South Carolina Trust
Post Office Box 413
Columbia, South Carolina 29202

University Medical Associates
1180 Sam Rittenberg Boulevard
Suite 355
Charleston, South Carolina 29407

Medical University Facilities Corporation
c/o Medical University of South Carolina
Controller's Office
19 Hagood Avenue
Post Office Box 250817
Charleston, South Carolina 29425

CHS Development Company
c/o Medical University of South Carolina
Controller's Office
19 Hagood Avenue
Post Office Box 250817
Charleston, South Carolina 29425

Enterprise Campus Authority
c/o Midlands Technical College
Vice President for Business Affairs
Post Office Box 2408
Columbia, South Carolina 29202

Discretely Presented Component Units

Unless otherwise indicated below, the discretely presented component units have fiscal years ended June 30, and the accompanying financial statements include component unit financial information for the fiscal year ended June 30, 2008.

Public Service Authority

The State General Assembly created the South Carolina Public Service Authority (Santee Cooper), a public utility company, in 1934. The Authority's primary purpose is to provide electric power and wholesale water to the people of South Carolina. The Governor appoints the Authority's Board of Directors. The Governor has the ability to remove the appointed members at will. By law, the Authority must annually transfer to the State's General Fund any net earnings not necessary for prudent business operations. The financial information presented in the accompanying financial statements is for the Authority's fiscal year ended December 31, 2007.

State Ports Authority

The State General Assembly created the South Carolina State Ports Authority in 1942 to develop and improve the State's harbors and seaports. The State Ports Authority owns and operates eight ocean terminals that handle import and export cargo. The Governor appoints the members of the Authority's governing board. The Governor has the ability to remove the appointed members at will. The State's primary government has provided financial support to the Authority in the past, and State law grants the primary government access to the Authority's surplus net revenues.

Connector 2000 Association, Inc.

Connector 2000 Association, Inc., was created in 1996 to assist the Department of Transportation in financing, acquiring, constructing, and operating turnpikes and other transportation projects, primarily the project known as the Southern Connector in Greenville County. The Department of Transportation initially set the toll rates for the Southern Connector and has the right, but not the obligation, to revise the rates. The rates must be in compliance with revenue covenants of the Association's financing agreements. The financial information presented in the accompanying financial statements is for the Association's fiscal year ended December 31, 2007.

Lottery Commission

The South Carolina Lottery Commission commenced operations in July 2001 in accordance with an act of the General Assembly. The Commission, established to serve the State's citizens, is governed by a nine-member board with three members appointed by the Governor, three appointed by the President Pro Tempore of the Senate, and three appointed by the Speaker of the House of Representatives. State law requires, as nearly practical, at least 45% of sales must be returned to the public in the form of prizes to provide continuing entertainment to the State's citizens and the Commission transfer its net proceeds to the State to support improvements and enhancements for educational purposes and programs.

Other Discretely Presented Component Units

The State considers the four discretely presented component units described above as its major component units. The State's government-wide financial statements also include the following non-major discretely presented component units:

The *Clemson Foundation (the Foundation)* is a non-profit, tax-exempt public charity that was established to raise and manage private gifts for the advancement and benefit of Clemson University. The Foundation is governed by an independent, forty-three member volunteer board of directors, with additional honorary and ex-officio directors as approved.

The *University of South Carolina Educational Foundation (the Foundation)* is an eleemosynary corporation operating for the benefit and support of the University of South Carolina. The Foundation establishes and implements long-range fund raising programs to assist in the expansion and improvement of the educational functions of the University. The Foundation is governed by a self-perpetuating board of directors consisting of at least twenty-four members, including four ex-officio directors.

The *South Carolina Medical Malpractice Liability Joint Underwriting Association (the Association)* was established to provide medical malpractice insurance on a self-supporting basis. The Association is governed by a board of thirteen directors, all of whom are appointed by the Governor. The Governor has the ability to remove the appointed members at will. The financial information presented in the accompanying financial statements is for the Association's fiscal year ended December 31, 2007.

The *South Carolina First Steps to School Readiness Board of Trustees* was established in 1999 as a non-profit, tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The corporation was created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the South Carolina First Steps to School Readiness initiative for improving early childhood development. The corporation's governing board is composed of two classes of members, voting and nonvoting. The Board's voting members include the Governor, State Superintendent of Education, ten Governor appointees, four members appointed by the President Pro Tempore of the Senate, four members appointed by the Speaker of the House of Representatives, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee.

State of South Carolina

The *Children's Trust Fund of South Carolina, Inc. (the Fund)*, is a non-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations. The Governor appoints the Board of Directors' seventeen members. The Governor has the ability to remove the appointed members at will. The financial information presented in the accompanying financial statements is for the Fund's fiscal year ended December 31, 2007.

Obtaining More Information about Discretely Presented Component Units

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

South Carolina Public Service Authority
(Santee Cooper)
One Riverwood Drive
Post Office Box 2946101
Moncks Corner, South Carolina 29461

South Carolina State Ports Authority
Post Office Box 22287
Charleston, South Carolina 29413

Connector 2000 Association, Inc.
Post Office Box 408
Piedmont, South Carolina 29673

The South Carolina Lottery Commission
Post Office Box 11949
Columbia, South Carolina 29211

Clemson University Foundation
110 Daniel Drive
Clemson, South Carolina 29634

University of South Carolina Educational
Foundation
208 Osborne Building
University of South Carolina
Columbia, South Carolina 29208

The South Carolina Medical Malpractice
Liability Joint Underwriting Association
c/o Patient's Compensation Fund
121 Executive Center Drive
Suite 110
Columbia, South Carolina 29210

The Children's Trust Fund
1205 Pendleton Street, Suite 506
Columbia, South Carolina 29201

Fund financial statements for the South Carolina First Steps to School Readiness Board of Trustees are included in the Supplementary Information section of the State's Comprehensive Annual Financial Report. This entity does not issue separate financial statements.

Related Organizations

A related organization is one for which the primary government is accountable but not *financially accountable*. The South Carolina Reinsurance Facility, the Associated Auto Insurers Plan, regional housing authorities, and the Rural Crossroads Institute are related organizations because the State is not financially accountable for them despite the fact that the Governor appoints a voting majority of their governing boards. County boards of mental retardation and redevelopment authorities are related organizations if the Governor appoints a voting majority of the members.

Jointly Governed Organizations

The Governor, in conjunction with officials of certain local governments, appoints the board members of two military facility redevelopment authorities. The State does not have an ongoing financial interest in these authorities. The Governor appoints one out of seven board members of the Charleston Naval Complex Redevelopment Authority and three out of nine board members of the Myrtle Beach Air Force Base Redevelopment Authority.

During the 2001-2002 fiscal year, the State joined the Atlantic Low-Level Radioactive Waste Compact, a voluntary association of states that, by federal law, is legally separate from each of the party states. South Carolina does not have an ongoing financial interest in the Compact.

b. Basis of Presentation

Government-wide Financial Statements

The statement of net assets and the statement of activities report information about all activities of the primary government and its component units, except for fiduciary activities. These statements distinguish between the State's *governmental* and *business-type activities*. Taxes, federal revenues, and other nonexchange transactions primarily finance the governmental activities whereas fees charged to external parties finance, in whole or in part, the business-type activities. All of the State's governmental and internal service funds are reported in the government-wide financial statements as

governmental activities and all of its enterprise funds are reported as business-type activities. (See the *Fund Financial Statements* subsection for more information about fund types.)

Statement of Activities and Eliminations

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

Eliminations have been made to minimize the double-counting of internal activities. For example, the State eliminates payments the Department of Health and Human Services makes to the Department of Mental Health for providing Medicaid services because it reports both departments in its health and environment function. An exception to this general rule is that interfund services provided or used between functions have not been eliminated in the statement of activities because to do so would distort the net cost data for functional activities as reported in the total column of that statement. The State treats these internal payments as program revenues and treats interfund reimbursements in the statement of activities in the same manner as described below for fund financial statements. For example, when the Department of Health and Human Services purchases computer services from one of the State's higher education institutions, the health and environment governmental function reports an expense, and the higher education business-type activity reports program revenue (charges for services).

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

Major Component Units

The State's management designates the Public Service Authority, the State Ports Authority, the Connector 2000 Association, Inc., and the Lottery Commission as major component units. The nonmajor component units include aggregate totals of all remaining discretely presented component units. In determining which discretely presented component units to designate as major, the State considered each component unit's significance relative to the other discretely presented component units and the nature and significance of its relationship to the primary government.

Fund Financial Statements

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

The State eliminates material intrafund activity. It also treats interfund reimbursements (repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them) as reductions of expenditure/expense in the initial fund. For example, during the fiscal year ended June 30, 2008, the Department of Motor Vehicles (reported within the general government function) used office supplies and postage provided by the Department of Public Safety (reported within the administration of justice function). The Department of Public Safety initially recorded expenditures for the office supplies and postage in the General Fund. The Department of Motor Vehicles later reimbursed the Department of Public Safety with special revenue monies. That is, the Department of Motor Vehicles recorded special revenue fund expenditures while the Department of Public Safety reduced its General Fund expenditures by the same amount.

Governmental Funds

Governmental funds focus primarily on the sources, uses, and balances of current financial resources. The governmental fund category includes the General Fund, special revenue funds, the Capital Projects Fund, and permanent funds. The State reports the following major governmental funds:

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

The *Departmental General Operating Fund* accounts for resources, other than General Fund resources, that State agencies may use for operating purposes. These resources include significant amounts of federal grant receipts.

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

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

The *State Tobacco Settlement Fund* accounts for revenues received from the General Fund and from the Tobacco Settlement Revenue Management Authority, a blended component unit and nonmajor governmental fund designated to receive and manage South Carolina's share of the multi-state legal settlement with the tobacco industry. Various healthcare and local government programs use these funds and the related interest.

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

Enterprise Funds

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

The *Higher Education Fund* accounts for the general operations of ten four-year higher education institutions and sixteen area technical colleges, all of which are part of the State's primary government.

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

The *Housing Authority Fund* facilitates medium-income and low-income housing opportunities by providing reasonable financing to the State's citizens. To provide such financing, the Fund issues bonds and notes and administers federal grants and contracts. Mortgage interest is a primary resource for the Fund.

The *Medical University Hospital Authority* manages and operates the Medical University of South Carolina's hospitals and clinics. Revenues consist of payments from patients and third-party payors including Medicare and Medicaid.

The *Education Assistance Authority Fund* issues bonds to make loans to individuals to enable students to attend higher education institutions. Resources include interest charges, subsidies from the United States Department of Education, loan repayments, and investment earnings.

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

Other Fund Types

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

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

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

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

Private-purpose trust funds include a tuition savings plan benefiting college students. Another private-purpose trust fund sets aside assets for site stabilization and closure of a nuclear waste site operated by a private company within the State's borders in the event that the company ceases operations or loses its license to operate. The private-purpose trust funds also include miscellaneous other trust agreements holding assets that benefit non-State parties.

Agency funds account for assets that the State holds as an agent. These assets include deposits of insurance companies in lieu of surety bonds; employee and employer payroll deductions and contributions for the short period of time between the issuance of payroll checks and payment to the recipients; and various other assets held for prisoners, patients of State institutions, and other external parties.

Operating and Nonoperating Revenues and Expenses in Proprietary Fund Financial Statements

Enterprise and internal service funds distinguish *operating* revenues and expenses from *nonoperating* revenues and expenses. Operating revenues and expenses generally are limited to items resulting from the provision of services and goods in connection with the fund's principal ongoing operations. The State generally classifies revenues and expenses as operating only if the related cash flows appear in the operating section on the statement of cash flows. Accordingly, grants and grant-like transactions are reportable as operating revenues only if they are essentially the same as contracts for services (i.e., exchange transactions) and they finance programs that the proprietary fund would not otherwise undertake (i.e., the activity of the grant is inherently part of the operations of the grantor). Conversely, the State classifies nonexchange transactions as nonoperating. This includes all grant revenues except those reportable as operating revenue as described

above and those restricted by the grantor for use exclusively for capital purposes. The State reports as operating most expenses it pays from operating revenues but usually reports interest expense as nonoperating.

In accordance with the general policy stated in the preceding paragraph, the *Higher Education Fund's* principal operating revenues include tuition; student fees; student loans; scholarships and grants (including Pell grants) where the provider has identified the student recipients; sales of miscellaneous goods and services; and certain research grants that, in substance, are contracts for services rather than nonexchange revenues. However, the Higher Education Fund generally does not report as revenue third-party loan amounts that it receives and disburses. (In a third-party loan, a student or a student's parents secure(s) a student loan from a governmental fund or from another lender such as the federal government; the Higher Education Fund then receives funds from the lender and disburses the funds to the student or applies amounts to the student's account.)

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

For the *Housing Authority Fund* and the *Education Assistance Authority Fund*, principal operating items include revenues and expenses associated with program loans that provide direct benefits to individuals.

For the *Medical University Hospital Authority*, principal operating items include revenues and expenses associated with managing and operating the Medical University of South Carolina's hospitals and clinics.

Component Unit Financial Statements

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

Use of Private-Sector Accounting and Financial Reporting Principles

The government-wide and proprietary fund financial statements reflect the State's compliance with private-sector standards of accounting and financial reporting issued prior to November 30, 1989, to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also may opt to follow private-sector guidance issued after November 30, 1989, for their business-type activities (enterprise funds) and for their discretely presented component units that follow enterprise fund accounting, subject to the same limitation. Only the Public Service Authority and the State Ports Authority, major discretely presented component units, have selected this option.

c. Measurement Focus and Basis of Accounting

A particular measurement focus determines *what* resources are measured. The State reports its government-wide, proprietary, and fiduciary fund (other than agency fund) financial statements using the *economic resources* measurement focus. Agency funds report only assets and liabilities; and therefore cannot be said to have a measurement focus. Business enterprises also use the economic resources measurement focus. The State reports its governmental funds using the *current financial resources* measurement focus.

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

Accrual Basis

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

Significant nonexchange transactions, in which the State gives (or receives) value without directly receiving (or giving) equal value in exchange, include taxes, grants, and donations. On the accrual basis, the State recognizes income, sales, and similar taxes in the period when the underlying income or sales transactions occur, net of estimated overpayments (refunds).

The State recognizes grants, donations, and similar items as revenue as soon as it meets all eligibility requirements. Pledges are recognized as receivables and revenues, net of estimated uncollectible amounts, if all eligibility requirements are met, the promise is verifiable, and the resources are measurable and probable of collection. Note 17b provides additional details regarding pledges that were not measurable at June 30, 2008.

Modified Accrual Basis

Governmental fund financial statements are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the State considers revenues to be available if they are collected within one month of the end of the current fiscal period with the following exceptions—tax and grant revenues are considered available if collected within one year; interest on investments is recorded as earned because it is deemed available when earned. Receivables not expected to be collected within the established availability periods are offset by deferred revenues.

Recognition of Specific Grant and Shared Revenue Transactions

The State reports the receipt of food commodities as revenue and the distribution of commodities as expenditures/expenses. The fair value of the donated commodities is recognized as revenues when all eligibility requirements are met.

The State recognizes the face value of food stamp benefits distributed as revenue and expenditures/expenses under both the accrual and modified accrual bases of accounting.

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

d. Cash and Cash Equivalents

The amounts shown in the accompanying financial statements as *cash and cash equivalents* represent petty cash, cash on deposit in banks, restricted cash and cash equivalents on deposit with external parties, and cash invested in various instruments as a part of the State's cash management pool, an internal investment pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States and certain agencies of the United States, obligations of domestic corporations, certificates of deposit, and collateralized repurchase agreements.

Most entities in the primary government and the discretely presented governmental component units participate in the cash management pool. Significant exceptions, however, are: retirement plans, the Local Government Investment Pool (an external investment pool), the Tobacco Settlement Revenue Management Authority (a blended component unit and a nonmajor governmental fund), the Housing Authority (a major enterprise fund), and certain activities of the Higher Education Fund (a major enterprise fund). Of the discretely presented component units, the State Ports Authority, the Lottery Commission, and the South Carolina First Steps to School Readiness Board of Trustees participate in the pool. For activities excluded from the pool, cash equivalents include investments in short-term, highly liquid securities having a maturity at the time of purchase of three months or less.

e. Cash Management Pool Allocation of Interest

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

f. Investments

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

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

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

State law has established a six-member Investment Commission with fiduciary responsibility for all of the State Retirement Systems' investments. The chief investment officer may invest no more than 70.0% of the Systems' investment portfolio in equity securities.

Substantially all of the State's investments are presented at fair value; securities are valued at the last reported sales price as provided by an independent pricing service. In contrast the State has presented at historical cost the investment securities and other instruments that the Chief Insurance Commissioner holds for insurance companies in lieu of surety bonds. These securities are separately classified in the accompanying financial statements as *securities held in lieu of surety bonds*. These instruments are recorded in the State's agency funds and are not held for investment purposes.

Pursuant to State law, the primary government and its discretely presented component units do not maintain deposits or make investments in foreign currencies.

The State sponsors the Local Government Investment Pool (LGIP), an external investment pool reported as an investment trust fund. The LGIP's complete financial statements may be obtained by writing to the following address:

The State Treasurer's Office
Local Government Investment Pool
Post Office Box 11778
Columbia, South Carolina 29211

g. Receivables and Payables

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

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

h. Inventories

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

i. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods. The State records these payments as prepaid items in both the government-wide and fund financial statements.

j. Capital Assets

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

Capital assets are valued at historical cost or at estimated historical cost if actual historical cost data are not available. Donated capital assets are recorded at estimated fair market value on the donation date. Infrastructure assets acquired prior to fiscal years ended after June 30, 1980, are reported at cost beginning in the year 1917. The costs of normal maintenance and repairs that do not significantly add to the value of an asset or materially extend an asset's useful life are not capitalized. Cumulative costs incurred on major capital assets under construction but not yet placed in service are capitalized and reported in the construction in progress account. Net interest incurred by a proprietary fund during the construction phase of a major capital asset is included as part of the capitalized value of such asset.

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

the preceding dollar thresholds, and the Lottery Commission, a major discretely presented component unit, capitalizes all property and equipment purchases of \$1 thousand or more.

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

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

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

The State reports losses on disposals of capital assets as expenses of its General Government function and gains on such disposals as general revenues in the government-wide statement of activities.

The State reports the Southern Connector toll road as a capital asset of the Connector 2000 Association, Inc., the major discretely presented component unit that financed, constructed, and is responsible for maintaining and operating the toll road. Under an agreement between the Association and the State Department of Transportation (DOT), the DOT retains fee simple title to the road.

k. Deferred Charges

Deferred costs to be recovered from future revenues of the South Carolina Public Service Authority (a regulated utility reported as a major discretely presented component unit) are recorded as deferred charges. The Authority’s rates are based upon debt service and operating fund requirements. The Authority recognizes differences between debt principal maturities and straight-line depreciation as costs to be recovered from future revenue. The recovery of outstanding amounts recorded as costs to be recovered from future revenue will coincide with the repayment of the outstanding long-term debt of the Authority.

The South Carolina Medical Malpractice Liability Joint Underwriting Association, a non-major discretely presented component unit, defers certain policy acquisition costs for new and renewal business. The Association amortizes these costs based on the related written and unearned premiums.

Unamortized bond issuance costs are reported as deferred charges and are amortized as described in Note 1m.

l. Tax Refunds Payable

Most of the tax refunds payable balance in the General Fund relates to individual income tax. During the calendar year, the State collects employee withholdings and taxpayers’ payments. Taxpayers file returns by April 15 for the preceding calendar year. At June 30, the State estimates the amount it owes taxpayers for overpayments during the preceding six months. The State records this estimated payable as tax refunds payable and a reduction of tax revenues.

m. Long-Term Obligations

The State records general long-term debt and other long-term obligations of the primary government’s governmental funds in the governmental activities reported in its government-wide financial statements. Long-term debt and other obligations financed by proprietary funds are recorded as liabilities in the appropriate funds.

The State defers and amortizes bond premiums and discounts, as well as issuance costs, over the life of the bonds predominantly using the effective interest method. For current refundings and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is also deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt. The State reports bonds payable net of the applicable bond premium or discount and deferred amount on refunding. Unamortized issuance costs are reported as deferred charges.

n. Compensated Absences

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

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

o. Perkins Loan Liability

The Higher Education Fund, a major enterprise fund, records a liability related to the Perkins student loan program and certain other federal student loan programs to reflect the amount of capital contributions received to date from the federal government plus any other amounts that ultimately are refundable to the federal government under the programs. The State has recorded this liability as part of its other non-current liabilities account.

p. Restricted Net Assets

The State reports a portion of its net assets in its government-wide statements as restricted. Net assets are reported as restricted when constraints placed on net assets use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulation of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the State to assess, levy, charge, or otherwise mandate payments of resources (from resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. A legally enforceable requirement is one that an outside party (such as citizens, public interest groups, or the judiciary) can compel the government to honor. At June 30, 2008, \$1.462 billion was reported as restricted net assets because of restrictions imposed by enabling legislation.

q. Flow Assumption, Net Assets

The State's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

r. Escheat Property

The State accounts for its escheat property in the General Fund, the fund to which the property ultimately escheats. To the extent it is probable that such property will be reclaimed and paid to claimants, the State records a liability and reduces revenue in the General Fund.

NOTE 2: ACCOUNTING AND REPORTING CHANGES**a. Restatement of Fund Balances in Non-major Governmental Funds**

The State established the Homestead Exemption fund in fiscal year 2007-2008 to account for a special additional 1% sales tax used for property tax relief reimbursements. The additional tax was imposed effective June 1, 2007. At June 30, 2007, the State had accrued \$39.332 million in July collections related to the Homestead Exemption in the Other Special Revenue Fund. The beginning fund balance in the Other Special Revenue Fund has been decreased by \$39.332 million, and the beginning fund balance in the Homestead Exemption Fund has been reported as \$39.332 million.

In addition, the State previously reported the Jobs-Economic Development Authority (JEDA) as a separate non-major fund. For the fiscal year 2007-2008, JEDA has been combined into the Other Special Revenue Fund. The beginning fund balance for JEDA is \$1.365 million.

Total fund balance for non-major governmental funds was not restated from the reported June 30, 2007 amount.

b. Change in Accounting Estimate in Non-major Enterprise Fund

During fiscal year 2007-2008, the Tuition Prepayment Program changed the actuarial assumption for tuition inflation due to the statutory limitation on benefit increases to Program participants who attend South Carolina public colleges or universities imposed by Section 59-4-120 of the South Carolina Code of Laws of 1976, as amended. The revised assumption for those who attend South Carolina public colleges or universities is based on a tuition inflation rate of 7%, compared to the previous assumption of 9%. The limitation imposed by Section 59-4-120 does not apply to those students who attend a private or out-of-state college, but the assumption was revised for that category as well. The projection for those attending private or out-of-state colleges is an 8% average annual tuition increase. This change in assumption caused a negative tuition plan disbursements expense of \$5.844 million for the fiscal year 2007-2008.

NOTE 3: DEFICITS OF INDIVIDUAL FUNDS

The accompanying fund financial statements display deficit fund balances and deficit net asset balances for individual major funds, if applicable. Nonmajor funds had the following deficit net asset balances (expressed in thousands) at June 30, 2008:

Nonmajor Enterprise Funds:	
Patients' Compensation.....	\$ 182,880
Tuition Prepayment Program.....	14,737
CHS Development Company.....	68
Internal Service Funds:	
State Accident Fund.....	99,178
Pension Administration.....	1,132

Actions taken to eliminate deficits include increase of existing fees, assessment of additional fees, purchase of excess loss reinsurance, and implementation of cost containment programs.

NOTE 4: DEPOSITS AND INVESTMENTS

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

a. Deposits

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

Policy

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the State will not be able to recover collateral securities that are in the possession of an outside party. Deposits include cash and cash equivalents on deposit in banks and non-negotiable certificates of deposit. All deposits under the control of the State Treasurer are fully insured or collateralized. The reported amount of the State Treasurer's deposits as of June 30, 2008 was \$145.602 million and the bank balance was \$876.593 million. As of June 30, 2008, the reported amount of the primary government's deposits outside of the State Treasurer was \$216.735 million and the bank balance was \$236.828 million. Of the \$139.852 million bank balance exposed to custodial credit risk, \$38.985 million was uninsured and uncollateralized, and \$100.867 million was uninsured and collateralized with securities held by the counterparty's trust department or agent but not in the State's name.

As of June 30, 2008, the reported amount of the major discretely presented component units' deposits was \$17.934 million and the bank balance was \$18.782 million. Of the \$10.340 million bank balance exposed to custodial credit risk, \$262 thousand was uninsured and uncollateralized; and \$10.078 million was uninsured and collateralized with securities held by the counterparty's trust department or agent, but not in the State's name.

b. Investments

The investment disclosures exclude the primary government's Pension Trust Funds of the South Carolina Retirement Systems which are described in subsection d and the primary government's Other Post-Employment Benefit Trust Funds which are described in subsection e.

Investment Policy

The State's investment policy by law authorizes investments that vary by fund, but generally include obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, certain corporate bonds, and commercial paper. Substantially all of the State's investments are presented at fair value. Securities are valued at the last reported sales price as provided by an independent pricing service. Investment income consists of realized and unrealized appreciation (depreciation) in the fair value of investments and interest income earned. Other investment policies for the State and its component units are explained in Note 1, subsection f.

Custodial Credit Risk

Custodial credit risk for investments is the risk that in the event of a failure of the counterparty to a transaction, the State will not be able to recover the value of investments or collateral securities that are in possession of an outside party. All of the State Treasurer's investments are fully insured or collateralized. Certain agencies with specific authority manage their own investments and may have custodial credit risk policies that differ from the State Treasurer. The primary government's investments and the major discretely presented component unit's investments that are exposed to custodial credit risk have been classified into two categories of custodial credit risk. Category A includes investment securities that are uninsured, not registered in the name of the State, and are held by a counterparty. Category B includes investment securities that are uninsured, not registered in the name of the State, and are held by a counterparty's trust department or agent but not in a State entity's name. The portion of the primary government's investments with custodial credit risk is classified by risk category (expressed in thousands) at June 30, 2008, as follows:

Primary Government Investment Type	Category		Reported Amount
	A	B	
U.S. Treasuries.....	\$ 1,648	\$ 6,635	\$ 8,283
U.S. Agencies.....	3,304	10,224	13,528
Corporate bonds.....	—	660	660
Equity securities.....	—	8,109	8,109
Repurchase agreements.....	64,421	45,332	109,753
Asset backed securities.....	4,700	—	4,700
Commercial paper.....	—	32,943	32,943
Totals.....	74,073	103,903	177,976

The State's major discretely presented component units hold investments in U.S. Treasuries that are exposed to custodial credit risk. At June 30 investments with a reported value of \$6.377 million were classified as Category B.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. The State Treasurer's credit risk policy mitigates potential for loss of principal by purchasing only high investment grade fixed-income securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Certain agencies with specific authority to manage their own investments outside of the State Treasurer have credit risk policies that differ from that of the State Treasurer. Debt investments for the primary government were rated as of June 30, 2008 using the Standard and Poor's rating scale. The following table provides information on investment ratings (expressed in thousands):

State of South Carolina

Investment Type and Fair Value	AAA	AA	A	BBB	BB	B	A-1	Not Rated
Corporate bonds.....	\$ 38,662	\$ 141,244	\$ 628,702	\$ 541,793	\$ 1,390	\$ 1,299	\$ 8,407	\$ 48,530
Municipal bonds.....	80,059	38,950	21,300	—	—	—	—	71,225
Repurchase agreements.....	936,350	—	—	—	—	—	1,460,036	244,129
Asset backed securities.....	226,687	16,674	—	—	—	—	128,686	33,099
Commercial paper.....	—	74,772	—	—	—	—	683,147	80,434
Mutual funds.....	53,476	1,681	—	—	—	—	—	1,150,756
Yankee bonds.....	—	—	310	—	—	—	—	—
Corporate private placements.....	49,684	5,322	76,001	127,555	—	—	17,131	6,006
Guaranteed investment contracts.....	108,062	—	—	—	—	—	—	—
Totals.....	□ 1,492,980	□ 278,643	□ 726,313	□ 669,348	□ 1,390	□ 1,299	□ 2,297,407	□ 1,634,179

At fiscal year end, the State Ports Authority (June 30, 2008), the Public Service Authority (December 31, 2007), and the Connector 2000 Association, Inc. (December 31, 2007), all major discretely presented component units, held investments in U.S. government securities which do not require disclosure of credit quality. In addition to U.S. government securities, the State Ports Authority, Public Service Authority and the Connector 2000 Association, Inc. held investments as listed below using the Standard and Poor's rating scale (expressed in thousands):

Investment Type and Fair Value	AAA	A-1	Not Rated
Repurchase agreements.....	\$ 193,749	\$ —	\$ 16,176
Mutual funds.....	2,660	12,516	—
Totals.....	□ 196,409	□ 12,516	□ 16,176

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer manages interest rate sensitivity by investing in securities with a range of maturities from one day to thirty years 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. At June 30, 2008, the effective duration and fair value of the State Treasurer's investments by investment type, are as follows (expressed in thousands):

Investment Type	Fair Value	Effective Duration
<u>U.S. Government</u>		
U.S. Treasuries.....	□ 224,443	0.68
U.S. Agencies.....	2,692,176	19.21
<u>State & Local Government</u>		
Municipal bonds.....	159,600	14.81
<u>Corporate</u>		
Corporate bonds.....	1,232,558	3.93
Corporate asset backed.....	208,018	3.41
Private placements.....	227,679	6.19
Yankee bonds.....	310	27.73
<u>Short Term Investments</u>		
Commercial paper.....	297,541	0.00
Mutual funds.....	13,785	0.00
Equity securities.....	60,044	0.00
Repurchase agreements.....	946,350	0.32
Total Invested Assets.....	□ 6,062,504	

Agencies that manage their own investments have interest rate risk policies that differ from the State Treasurer. Some of these agencies do not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. At June 30, 2008, agencies within the State's primary government that manage their own investments limited the maturities of their securities according to the following segmented time distribution (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in years)				No Maturity
		Less than 1	1 - 5	6 - 10	More than 10	
U.S. Treasuries.....	\$ 347,859	\$ 73,013	\$ 273,747	\$ 948	\$ 151	\$ —
U.S. Agencies.....	226,520	214,259	7,891	3,678	692	—
Collateralized mortgage obligations..	114	—	—	—	114	—
Corporate bonds.....	177,469	134,851	21,430	1,059	19,469	660
Municipal bonds.....	51,934	—	26,645	184	25,105	—
Equity securities.....	78,219	—	—	—	—	78,219
Repurchase agreements.....	1,694,165	1,694,165	—	—	—	—
Asset backed securities.....	197,128	—	192,428	—	4,700	—
Commercial paper.....	540,812	540,708	—	—	—	104
Mutual funds.....	1,192,128	54,703	25	83	—	1,137,317
Corporate private placements.....	54,020	54,020	—	—	—	—
Guaranteed investment contracts.....	108,062	98,851	—	—	—	9,211
Totals.....	\$ 4,668,430	\$ 2,864,570	\$ 522,166	\$ 5,952	\$ 50,231	\$ 1,225,511

The State's major discretely presented component units also had interest rate risk policies that varied from the State Treasurer. At June 30, 2008, these major discretely presented component units had the following investments with maturities disclosed by investment category and segmented time distribution stated with fair value (expressed in thousands):

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1 - 5	6 - 10	More than 10
U.S. Treasuries.....	□ 278,564	□ 235,565	□ 42,999	□ —	□ —
U.S. Agencies.....	286,536	—	—	286,536	—
Repurchase agreements.....	209,925	193,749	—	—	16,176
Mutual funds.....	15,176	15,176	—	—	—
Totals.....	\$ 790,201	\$ 444,490	\$ 42,999	\$ 286,536	\$ 16,176

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The State's policy for reducing the risk is to diversify and limit exposure to any single issuer to no more than 5%, except for United States Treasury and agency obligations. The State sponsors the Local Government Investment Pool (LGIP), an external investment pool reported as an investment trust fund. As of June 30, 2008, the State Treasurer had approximately 57% of the LGIP investment portfolio in an overnight repurchase agreement with a South Carolina bank that was fully collateralized by U.S. Treasuries and U.S. agency obligations.

c. Securities Lending Program

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

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

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The weighted average maturity of the State's collateral investments generally matched the maturity of the securities loans during the fiscal year and at June 30, 2008. At June 30, 2008, the State had no credit risk exposure to borrowers because the amounts the State owed the borrowers exceeded the amounts the borrowers owed the State. Either the State or the borrower can terminate all securities loans on demand. There are no restrictions on the amount of the loans that can be made. For the fiscal year ended June 30, 2008, the State experienced no losses on its securities lending transactions because of borrower defaults.

The State receives primarily cash as collateral for its loaned securities. The market value of the required collateral must meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral. During the fiscal year ended June 30, 2008, the State met the 102% requirement. The State cannot pledge or sell collateral securities unless the borrower defaults. The lending agent, on behalf of the State, invests cash collateral received. Accordingly, at June 30, 2008, the State recorded these investments of cash collateral as assets in the accompanying financial statements. Corresponding liability amounts also have been recorded because the State must return the cash collateral to the borrower upon expiration of the loan. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2008:

	<u>Amount</u>
Securities lent for cash collateral:	
U.S. Treasuries.....	\$ 1,290,735
Corporate bonds.....	11,389
Total for cash collateral.....	<u>□ 1,302,124</u>
Cash collateral invested:	
Repurchase agreements.....	\$ 47,255
Asset backed securities.....	1,058,037
Floating Rate Notes.....	210,434
Total collateral invested.....	<u>□ 1,315,726</u>

d. South Carolina Retirement Systems

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a depository financial institution's failure, the Systems' deposits may not be recovered. As prescribed by law, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution, or for any other cause. All deposits are required to be insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100 thousand or collateralized with securities held by the State or its agent in the State Treasurer's name as custodian. As of June 30, 2008, the carrying amount of the Systems' deposits was \$40.715 million and the bank balance was \$63.872 million.

Investments

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Systems will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. Investing for the Systems is governed by State law allowing investments to be made in a variety of instruments including obligations of the United States and its agencies, securities fully guaranteed by the United States, certain corporate obligations, collateralized repurchase agreements, and equity securities. The market value must not be less than the amount of either the certificate of deposit so secured, including interest, or the amount of the repurchase agreement so collateralized, including interest.

Funds held in trust for the Retirement Systems may be invested and reinvested in a variety of instruments including, but not limited to, fixed income instruments of the United States, foreign fixed income obligations, futures and options, collateralized mortgage obligations, domestic and international equity securities, private equity, real estate, and fund of funds.

The tables presented for disclosures of credit and interest rate risk in accordance with GASB Statement No. 40 are designed to inform financial statement users about investment risks which could affect the Systems' ability to meet its obligations. These tables classify investments by risk type, while the financial statements disclose investments by asset class. The table amounts were provided by the custodian bank and may vary from the Statement of Plan Net Assets primarily because the amounts reported include accrued income receivable.

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 (option adjusted 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 Systems invest in mortgage-backed securities which are reported at fair value in the Statement of Plan Net Assets and are based on cash flows from principal and interest payments of the underlying mortgages. These securities are sensitive to prepayments, which are likely in an environment of declining interest rates, and thereby reduce the value of the security. The systems invests in these securities to diversify the fixed income portfolio and minimize risk.

The effective duration and the fair value of the Systems' investments by investment type at June 30, 2008 (expressed in thousands), is as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
<u>Short Term Investments</u>		
Commingled Funds U.S. Debt.....	□ 140,140	0.00
Mutual Funds.....	251,014	0.08
Repurchase Agreements.....	432,791	0.08
Certificates of Deposit.....	45,153	0.18
Commercial Paper.....	242,637	0.01
U.S. Treasury Bills.....	236,657	0.23
U.S. Government Agencies.....	259,619	0.03
<u>Fixed Income Allocation</u>		
Domestic Fixed Income		
U.S. Government:		
U.S. Government Treasury Notes and Bonds....	177,441	4.81
U.S. Government Agencies.....	23,278	1.57
Mortgage Backed:		
Government National Mortgage Association.....	2,528,428	4.41
Federal National Mortgage Association.....	(597,402)	4.44
Collateralized Mortgage Obligations.....	184,240	4.02
Corporate:		
Corporate Bonds.....	3,026,955	7.24
Asset Backed Securities.....	62,832	4.19
Yankee Bonds	54,449	10.53
Private Placements	776,708	8.95
Global Fixed Income:		
International Commingled Funds.....	3,531,498	Not Required
<u>Convertible Securities</u>		
Convertible Preferred.....	1,042	Not Required
<u>Equity Allocation</u>		
Domestic Equity		
Common Stocks.....	3,305,213	Not Required
Real Estate Investment Trusts.....	67,380	Not Required
Commingled Equity Funds.....	2,800,917	Not Required
Global Equity		
International Commingled Funds.....	485,689	Not Required
<u>Alternatives</u>		
Commingled Funds Balanced.....	2,072,432	Not Required
Total Return Sw aps.....	(171,648)	Not Required
Hedge Funds.....	5,983,862	Not Required
Private Equity Limited Partnership.....	361,188	Not Required
Total Invested Assets	□ 26,282,513	

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Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Systems. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk and disclosure is not required. As of June 30, 2008, the Systems' fixed income assets that are not government guaranteed represented 77 percent of the fixed income portfolio. As a matter of practice, there are no overarching limitations for credit risk exposures within the overall fixed income portfolio. Each individual portfolio within fixed income is managed in accordance with operational guidelines that are specific as to permissible credit quality ranges, exposure levels within individual quality tiers, and average credit quality. The Systems' fixed income investments were rated by Moody's and are presented below:

Investment Type and Fair Value	AAA	AA	A	BAA	BA	B	Not Rated
Short Term Investments							
Commingled Funds U.S. Debt.....	□ —	□ —	□ —	□ —	□ —	□ —	□ 140,140
Mutual Funds.....	—	—	—	—	—	—	251,014
Repurchase Agreements.....	—	—	—	—	—	—	432,791
Certificates of Deposit.....	—	25,153	—	—	—	—	20,000
Commercial Paper.....	—	167,602	—	25,000	—	—	50,035
Fixed Income Allocation							
Corporate:							
Corporate Bonds.....	51,514	91,258	1,202,116	1,466,987	73,172	34,480	107,428
Asset Backed Securities.....	58,606	1,817	2,409	—	—	—	—
Yankee Bonds.....	—	—	39,366	15,083	—	—	—
Private Placements.....	—	133,185	386,084	168,968	—	—	88,471
Global Fixed Income							
International Commingled Funds.....	—	—	—	—	—	—	3,531,498
Alternatives							
Total Return Sw aps.....	—	—	—	—	—	—	(16,462)
Totals	□ 110,120	□ 419,015	□ 1,629,975	□ 1,676,038	□ 73,172	□ 34,480	□ 4,604,915

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Systems' policy for reducing this risk is to comply with State law requiring that the fixed income portfolio shall contain no more than 6% exposure to any single issuer, except for United States Treasury and agency obligations. As of June 30, 2008, there is no single issuer exposure within the portfolio that comprises 6 percent or more of the overall portfolio. Therefore, there is no concentration of credit risk.

Foreign Currency Risk

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

The table below presents the Systems' exposure to foreign currency risk in U.S. dollars as of June 30, 2008, (amounts expressed in thousands):

Currency	Cash □ Cash Equivalents	Forward Contracts	Private Equity
Australian Dollar.....	□ —	□ 141,457	□ —
British Pound Sterling.....	—	558,565	—
Canadian Dollar.....	—	257,263	—
Euro Currency.....	3	1,769,160	34,268
Japanese Yen.....	—	876,241	—
Totals	□ 3	□ 3,602,686	□ 34,268

Derivatives

Derivatives are financial instruments whose value is derived from underlying assets or data. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets or data. The main types of derivatives that are common in today's financial markets are futures, forwards, options, and swaps.

Futures are contractual obligations that require the buyer (seller) to buy (sell) assets at a predetermined date at a predetermined price. These contracts are standardized and traded on an organized exchange with gains and losses settled daily thereby minimizing credit and default risk. To comply with the requirements of multiple exchanges, \$237.63 million in performance bonds (U.S. Treasury Bills) were held in trust by the clearing broker on June 30, 2008. These assets represent the required margin amount to establish the Systems' futures exposure.

As of June 30, 2008, the Systems had the following exposure to futures contracts (dollar amounts expressed in thousands):

<u>Futures Contracts</u>	<u>Expiration</u>	<u>Long/Short</u>	<u>Quantity</u>	<u>Notional Value</u> □
MTF CAC40 10EU	July	Long	2,595	\$ 181,690
EURX DAX INDEX	September	Long	612	156,201
EURX ER STX 50	September	Long	9,174	488,533
NEW FTSE 100	September	Long	3,882	436,822
HKFE - HIS	July	Long	395	56,033
IBEX 35 PLUS	July	Long	357	67,236
IDEM S&P/MIB	September	Long	285	66,625
TSE TOPIX	September	Long	3,531	438,341
ME S&P CAN 60	September	Long	1,164	197,407
SFE SPI 200	September	Long	1,088	135,388
Total International Equity				2,224,276
CAN GOVT BOND	September	Long	467	53,704
EURX EUR-BOBL	September	Long	1,341	223,486
EURX EUR-BUND	September	Long	1,874	326,457
EURX E-SHATZ	September	Long	1,428	230,212
TSE 10 YR JGB	September	Long	330	420,850
LIF LONG GILT	September	Long	511	106,276
Total International Fixed Income				1,360,985
S&P 500 INDEX	September	Long	23	7,366
EMINI S&P 500	September	Long	1,505	96,403
Total Large Cap Equity				103,769
IMM MINI RUSL	September	Long	1,337	92,480
IMM EMINI MDCP	September	Long	1,423	116,857
Total Small/Mid Cap Equity				209,337
US 2YR T-NOTE	September	Short	(1,332)	(281,323)
CBT 5YR T-NOTE	September	Short	(2,460)	(271,965)
10YR T-NOTE	September	Short	(1,866)	(212,578)
US T-BONDS	September	Short	(1,183)	(136,747)
Total Core Fixed Income				(902,613)
Totals				□ 2,995,754

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

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Forwards are contractual obligations that require the delivery of assets at a fixed price on a predetermined date. These contracts are “over-the-counter” instruments, meaning they are not traded on an organized exchange. As of June 30, 2008, the Systems had the following forward exposures, listed by counterparty (amounts expressed in thousands):

Broker	Notional Value	Base Gain/(Loss)	Base Exposure
Goldman Sachs.....	\$ 1,602,423	\$ 32,107	45.19%
Lehman Brothers.....	882,097	15,121	24.88%
Deutsche Bank.....	791,643	8,047	22.33%
Royal Bank of Scotland.....	254,794	1,383	7.19%
UBS.....	14,656	(18)	0.41%
Totals.....	□ 3,545,613	□ 56,640	100.00□

The Systems have entered into various swap agreements to manage risk exposure. Swaps are “over-the-counter” (OTC) agreements to exchange a series of cash flows according to specified terms. The underlying asset can be an interest rate, an exchange rate, a commodity price or any other index.

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

Counterparty risk, or default risk, is the risk that either party will not honor its contractual obligations. The Systems seeks to actively manage its counterparty risk by thorough analysis and evaluation of all potential counterparties by investment staff and the independent overlay manager. Risk is further minimized through diversification among counterparties with high credit ratings.

As of June 30, 2008, the Systems was exposed to counterparty risk through currency forwards and swap agreements. The Systems does not anticipate any default in our contractual positions.

Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. At June 30, 2008, the System held swaps as shown in the table below (amounts expressed in thousands):

Counterparty	Total Return Swaps	SCRS Pays	SCRS Receives	Maturity Date	Current Notional	Gain (Loss) Since Trade
Morgan Stanley	SP500	LIBOR minus 12.5 bps	SP500	9/19/2008	\$ 178,655	\$ (23,590)
Lehman Brothers	High Yield Sw ap	LIBOR plus 120 bps	High Yield	4/30/2009	97,555	(2,445)
Morgan Stanley	MSCI EM Sw ap	LIBOR minus 15 bps	MSCI EM	6/30/2009	251,605	1,605
J.P. Morgan	MSCI EM Sw ap	LIBOR minus 27 bps	MSCI EM	3/13/2009	99,638	(362)
Morgan Stanley	MSCI EM Sw ap	LIBOR minus 25 bps	MSCI EM	3/31/2009	247,845	(2,155)
J.P. Morgan	MSCI EM Sw ap	LIBOR minus 27 bps	MSCI EM	1/31/2009	151,350	1,350
J.P. Morgan	MSCI EM Sw ap	LIBOR minus 29 bps	MSCI EM	2/28/2009	91,972	(8,028)
Merrill Lynch	MSCI EM Sw ap	LIBOR minus 75 bps	MSCI EM	7/31/2008	49,694	(306)
J.P. Morgan	MSCI EM Sw ap	LIBOR minus 69 bps	MSCI EM	8/5/2008	101,118	1,118
Merrill Lynch	MSCI EM Sw ap	LIBOR minus 100 bps	MSCI EM	8/25/2008	159,971	9,971
Credit Suisse	MSCI EM Sw ap	LIBOR minus 55 bps	MSCI EM	12/4/2008	132,307	(17,693)
Credit Suisse	MSCI EAFE + Canada Sw ap	LIBOR minus 33 bps	MSCI EAFE + Canada	12/4/2008	178,928	(21,072)
Morgan Stanley	MSCI EAFE + Canada Sw ap	LIBOR minus 35 bps	MSCI EAFE + Canada	1/8/2009	185,197	(14,803)
Deutsche Bank	MSCI EAFE + Canada Sw ap	LIBOR minus 34 bps	MSCI EAFE + Canada	1/9/2009	279,987	(20,013)
J.P. Morgan	MSCI EAFE + Canada Sw ap	LIBOR minus 31 bps	MSCI EAFE + Canada	10/31/2008	221,495	(28,505)
Morgan Stanley	MSCI EAFE + Canada Sw ap	LIBOR minus 30 bps	MSCI EAFE + Canada	10/31/2008	224,419	(25,581)
Deutsche Bank	MSCI EAFE + Canada Sw ap	LIBOR minus 42 bps	MSCI EAFE + Canada	2/28/2009	240,133	(9,867)
J.P. Morgan	EM Debt Sw ap	LIBOR minus 20 bps	EM Debt	1/12/2009	246,882	(3,118)
J.P. Morgan	EM Debt Sw ap	LIBOR minus 30 bps	EM Debt	1/12/2009	196,537	(3,463)
J.P. Morgan	EM Debt Sw ap	LIBOR minus 10 bps	EM Debt	4/30/2009	243,671	(6,329)
Lehman Brothers	Lehman Agg Sw ap	Lehman Agg	LIBOR	4/30/2009	249,889	111
Total Swap Exposures					\$ 3,828,848	\$ (173,175)

Alternatives

The investment categories on the Statement of Plan Net Assets were modified in 2008 to accommodate the new asset types approved by the Commission to further diversify the assets of the Systems. The Alternatives category includes private equity, global tactical asset allocation, absolute return, and swaps. Private equity investments are legally structured as

limited partnerships. In this structure, the Systems is one of several limited partners, while the investment manager serves as the general partner. Investing in limited partnerships legally obligates the Systems to invest the committed amount until the investment is fully funded.

Commitments

During the year and subsequent to year-end, the Systems entered into commitment agreements with numerous investment managers for future funding of various asset classes including private equity, global tactical asset allocation, absolute return and global fixed income investments. There are varying degrees and understandings regarding the commitments across the individual managers. The total amount of investment commitments outstanding as of June 30, 2008 was \$1.554 billion (US dollars) and €117 million (Euros), with an additional amount of \$1.875 billion (US dollars) being committed subsequent to year-end. The commitment agreements represent the Investment Commission's continued reallocation and transition efforts for investments. In addition, the Systems was committed to purchase Federal National Mortgage Association TBA's (To be Announced) with a market value of \$601 million as of June 30, 2008.

Securities Lending

Through a custodial agent, the Systems participate in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Systems 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 percent 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 percent.

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, 2008, included U. S. Government securities, U. S. Government agencies, corporate bonds, convertible bonds, and equities. The contractual agreement with the Systems' custodial bank provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Systems income distribution by the securities' issuers while the securities are on loan. Cash and U.S. Government securities were received as collateral for these loans. The Systems cannot pledge or sell collateral securities without a borrower default. The Systems invests cash collateral received; accordingly, investments made with cash collateral appear as an asset. A corresponding liability is recorded as the Systems must return the cash collateral to the borrower upon the expiration of the loan.

With regard to custodial credit risk, the Systems' cash collateral invested is held by the counterparty and is uninsured. All securities loaned can be terminated on demand by either the Systems or the borrower. At year end the average number of days the loans were outstanding was 1 day. The average weighted maturity of investments made with cash collateral was 30 days. At June 30, 2008, there had been no losses resulting from borrower defaults and the Systems had no credit risk exposure to borrowers because the amounts the Systems owed the borrowers exceeded the amounts the borrowers owed the Systems.

The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2008:

	June 30, 2008					
	SCRS	PORS	GARS	JSRS	NGPS	TOTALS
Securities lent for cash collateral:						
U.S. Government securities	\$ 128,438	\$ 17,154	\$ 242	\$ 699	\$ 87	\$ 146,620
U.S. Government agencies	2,135,942	285,280	4,023	11,618	1,438	2,438,301
Corporate bonds	17,817	2,380	34	97	12	20,340
Common Stock	1,005,771	134,332	1,894	5,471	678	1,148,146
Total securities lent for cash collateral	<u>\$ 3,287,968</u>	<u>\$ 439,146</u>	<u>\$ 6,193</u>	<u>\$ 17,885</u>	<u>\$ 2,215</u>	<u>\$ 3,753,407</u>
Cash collateral invested as follows:						
Repurchase agreements	\$ 83,885	\$ 11,204	\$ 158	\$ 456	\$ 56	\$ 95,759
Corporate bonds	-	-	-	-	-	-
Asset Backed Securities	616,902	82,394	1,162	3,356	416	704,230
Bank Notes	-	-	-	-	-	-
Floating Rate Notes	2,624,652	350,553	4,944	14,277	1,768	2,996,194
Total for cash collateral invested	<u>\$ 3,325,439</u>	<u>\$ 444,151</u>	<u>\$ 6,264</u>	<u>\$ 18,089</u>	<u>\$ 2,240</u>	<u>\$ 3,796,183</u>

e. Other Post-Employment Benefit Trust Funds

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

Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a depository financial institution’s failure, the Trusts’ deposits may not be recovered. As prescribed by law, the State Treasurer is the custodian of all deposits and is responsible for securing all deposits held by banks or savings and loan associations. These deposits must be secured by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against loss in the event of insolvency or liquidation of the institution, or for any other cause. All deposits are required to be insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100 thousand or collateralized with securities held by the State or its agent in the State Treasurer’s name as custodian. As of June 30, 2008, the reported amount of the Trusts’ deposits was negative \$21 thousand.

Investments

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

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

Custodial Credit Risk

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

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the State. The State Treasurer’s credit risk policy mitigates potential for loss of principal by purchasing only high investment grade fixed-income securities. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. As of June 30, 2008, the Trusts’ applicable debt investments (expressed in thousands) were rated by Standard & Poor’s and are presented below:

Investment Type and Fair Value	AA	A	BBB	BB	Not Rated
Corporate bonds.....	\$ 498	\$ 28,209	\$ 52,324	\$ 463	\$ —
Repurchase agreements.....	—	—	—	—	149,950
Asset backed securities.....	—	—	—	173	—
Corporate private placements.....	556	454	6,576	—	—
Totals.....	1,054	28,663	58,900	636	149,950

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The State Treasurer manages interest rate sensitivity by investing in securities with a range of maturities from one day to thirty years 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. At June 30, 2008, the effective duration and fair value of the Trusts’ investments by investment type, are as follows (expressed in thousands):

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
<u>U.S. Government</u>		
U.S. Agencies.....	□ 57,927	19.38
<u>Corporate</u>		
Corporate bonds.....	81,494	5.85
Corporate asset backed.....	173	5.51
Private placements.....	7,586	10.39
<u>Short Term Investments</u>		
Repurchase agreements	149,950	0.00
Total Invested Assets.....	□ 297,130	

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investments in a single issuer. The State’s policy for reducing the risk is to diversify and limit exposure to any single issuer to no more than 5%, except for United States Treasury and agency obligations.

Securities Lending

The Trusts participate in the Securities Lending Program as described in subsection c. The following table presents the fair value (expressed in thousands) of the underlying securities and the total collateral received for securities on loan at June 30, 2008:

	<u>Amount</u>
Securities lent for cash collateral:	
U.S. Treasuries.....	\$ 2,605
Corporate bonds.....	22
Total for cash collateral.....	□ 2,627
Cash collateral invested:	
Repurchase agreements.....	\$ 79
Asset backed securities.....	2,137
Floating Rate Notes.....	427
Total collateral invested.....	□ 2,643

NOTE 5: RECEIVABLES

Receivable balances are disaggregated by type according to their liquidity characteristics and are presented separately in the financial statements, net of applicable allowances. Allowances for uncollectible receivables (expressed in thousands) at June 30, 2008, for the primary government were as follows:

Allowances for Uncollectibles	Governmental Activities					Total Governmental Activities
	Governmental Funds					
	General	Departmental General Operating	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Internal Service Funds	
Income taxes receivable.....	\$ 170,296	\$ —	\$ —	\$ —	\$ —	\$ 170,296
Sales and other taxes receivable.....	50,242	685	—	18,165	—	69,092
Patient accounts receivable.....	16,879	39,006	—	—	—	55,885
Loans and notes receivable.....	14	—	—	837	—	851
Other receivables.....	3	13,671	6,212	1	109	19,996
Total allowances for uncollectibles.....	□ 237,434	□ 53,362	□ 6,212	□ 19,003	□ 109	□ 316,120

Allowances for Uncollectibles	Business-type Activities (Enterprise Funds)					Total Business-type Activities
	Higher Education	Unemployment Compensation Benefits	Medical University Hospital Authority	Nonmajor Enterprise Funds		
	Contributions receivable.....	\$ 473	\$ —	\$ —	\$ 74	
Student accounts receivable.....	8,214	—	—	—	8,214	
Patient accounts receivable.....	—	—	70,400	82,346	152,746	
Loans and notes receivable—restricted.....	71	—	—	254	325	
Assessments receivable.....	—	6,932	—	—	6,932	
Other receivables.....	260	4,754	—	—	5,014	
Total allowances for uncollectibles.....	□ 9,018	□ 11,686	□ 70,400	□ 82,674	□ 173,778	

The enterprise fund financial statements separately present long-term receivables (net receivable balances not expected to be collected within one year). Net receivables not expected to be collected within one year in governmental and internal service funds (expressed in thousands) at June 30, 2008, were as follows:

Net Long-term Receivables	Governmental Activities						Total Governmental Activities
	Governmental Funds						
	General	Departmental General Operating	Local Government Infrastructure	Department of Transportation Special Revenue	Nonmajor Governmental Funds	Internal Service Funds	
Accounts receivable.....	\$ 163	\$ 18,091	\$ 963	\$ —	\$ —	\$ 97	\$ 19,314
Income taxes receivable.....	54,607	—	—	—	—	—	54,607
Sales and other taxes receivable.....	39	—	—	—	1	—	40
Patient accounts receivable.....	9,643	3,784	—	—	—	—	13,427
Loans and notes receivable.....	12	460	472,629	6,697	26,246	—	506,044
Accounts receivable—restricted.....	—	—	417,319	—	—	—	417,319
Total long-term receivables, net.....	□ 64,464	□ 22,335	□ 890,911	□ 6,697	□ 26,247	□ 97	□ 1,010,751

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The components of deferred revenue and unearned revenue in the governmental funds (expressed in thousands) at June 30, 2008, were as follows:

	Unavailable	Unearned	Total Governmental Funds
Taxes	\$ 54,647	\$ 23,750	\$ 78,397
Federal grants.....	—	29,415	29,415
Contributions.....	408,618	26,861	435,479
Departmental services.....	46,702	2,983	49,685
Total deferred revenues.....	□ 509,967	□ 83,009	□ 592,976

NOTE 6: DETAILS OF RESTRICTED ASSETS

The purposes and amounts of the State’s restricted assets (including the major discretely presented component units) at June 30, 2008 (expressed in thousands) were as follows:

Asset Restricted For	Govern- mental Activities	Business- type Activities	Major Component Units
Current:			
Cash and cash equivalents			
Debt service.....	\$ 82,390	\$ 154,674	\$ 121,773
Capital projects.....	—	208,046	—
Student loan programs.....	—	363	—
Donor/sponsor specified.....	—	52,460	—
Second Injury Fund claims.....	—	49,800	—
Other.....	—	10,931	463
Total cash and cash equivalents.....	□ 82,390	□ 476,274	□ 122,236
Investments			
Debt service.....	\$ 6,829	\$ 921	\$ 75,197
Donor/sponsor specified.....	—	8,441	—
Endowments.....	—	75	—
Other.....	—	—	16,319
Total investments.....	□ 6,829	□ 9,437	□ 91,516
Loans receivable			
Debt service.....	—	18,606	—
Student loan programs.....	—	976	—
Total loans receivable.....	□ —	□ 19,582	□ —
Other			
Debt service.....	\$ 72,207	\$ 205	\$ 1
Donor/sponsor specified.....	—	299	—
Endowments.....	—	2,761	—
Second Injury Fund claims.....	—	567	—
Other.....	—	71	—
Total other.....	□ 72,207	□ 3,903	□ 1

<u>Asset Restricted For</u>	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Major Component Units</u>
Noncurrent:			
Cash and cash equivalents			
Debt service.....	\$ 324,800	\$ 88,578	\$ 12,154
Capital projects.....	65,794	111,584	78,493
Student loan programs.....	—	6,591	—
Endowments.....	—	41,110	—
Other.....	10,000	96,038	1,683
Total cash and cash equivalents.....	□ 400,594	□ 343,901	□ 92,330
Investments			
Debt service.....	\$ —	\$ 53,853	\$ 60,178
Capital projects.....	—	—	115,118
Student loan programs.....	—	925	—
Endowments.....	—	44,461	—
Other.....	—	120	93,792
Total investments.....	□ —	□ 99,359	□ 269,088
Receivables			
Debt service.....	\$ 417,319	\$ —	\$ —
Endowments.....	—	27,264	—
	□ 417,319	□ 27,264	□ —
Loans receivable			
Debt service.....	\$ —	\$ 843,963	\$ —
Student loan programs.....	—	55,542	—
Total loans receivable.....	□ —	□ 899,505	□ —
Other			
Debt service.....	\$ 3,988	\$ 337	\$ 439
Donor/sponsor specified.....	—	460	—
Endowments.....	—	386	—
Total other.....	□ 3,988	□ 1,183	□ 439

NOTE 7: CAPITAL ASSETS

Capital asset activity (expressed in thousands) for the fiscal year ended June 30, 2008, for the primary government was as follows:

	Beginning Balances July 1, 2007	Increases	Decreases	Ending Balances June 30, 2008
Governmental activities:				
<i>Capital assets not being depreciated:</i>				
Land and improvements.....	\$ 1,570,524	\$ 115,368	\$ (254)	\$ 1,685,638
Construction in progress.....	3,961,700	359,537	(409,363)	3,911,874
Works of art and historical treasures.....	3,951	11	—	3,962
<i>Total capital assets not being depreciated....</i>	<u>5,536,175</u>	<u>474,916</u>	<u>(409,617)</u>	<u>5,601,474</u>
<i>Capital assets being depreciated:</i>				
Land improvements.....	58,717	627	(1)	59,343
Infrastructure (road and bridge network).....	8,663,564	378,307	(4,448)	9,037,423
Buildings and improvements.....	1,631,063	13,640	(13,103)	1,631,600
Vehicles.....	606,851	87,636	(50,145)	644,342
Machinery and equipment.....	455,077	34,357	(22,103)	467,331
Works of art and historical treasures.....	8	—	—	8
Intangibles.....	53,746	246	(2,931)	51,061
Total capital assets being depreciated, at historical cost.....	<u>11,469,026</u>	<u>514,813</u>	<u>(92,731)</u>	<u>11,891,108</u>
Less accumulated depreciation for:				
Land improvements.....	(39,731)	(1,849)	1	(41,579)
Infrastructure (road and bridge network).....	(2,187,353)	(127,970)	3,993	(2,311,330)
Buildings and improvements.....	(611,589)	(41,696)	11,370	(641,915)
Vehicles.....	(409,256)	(45,689)	46,367	(408,578)
Machinery and equipment.....	(316,623)	(30,475)	19,773	(327,325)
Works of art and historical treasures.....	(2)	—	—	(2)
Intangibles.....	(47,178)	(3,137)	599	(49,716)
Total accumulated depreciation.....	<u>(3,611,732)</u>	<u>(250,816)</u>	<u>82,103</u>	<u>(3,780,445)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>7,857,294</u>	<u>263,997</u>	<u>(10,628)</u>	<u>8,110,663</u>
Capital assets for governmental activities, net.....	<u>□ 13,393,469</u>	<u>□ 738,913</u>	<u>□ (420,245)</u>	<u>□ 13,712,137</u>

State of South Carolina

	Beginning Balances July 1, 2007	Increases	Decreases	Ending Balances June 30, 2008
Business-type activities:				
<i>Capital assets not being depreciated:</i>				
Land and improvements.....	\$ 215,058	\$ 20,493	\$ —	\$ 235,551
Construction in progress.....	555,545	448,398	(563,159)	440,784
Works of art and historical treasures.....	16,931	25	—	16,956
<i>Total capital assets not being depreciated.....</i>	<u>787,534</u>	<u>468,916</u>	<u>(563,159)</u>	<u>693,291</u>
<i>Capital assets being depreciated:</i>				
Land improvements.....	164,556	22,036	(2,144)	184,448
Buildings and improvements.....	3,698,994	553,868	(15,692)	4,237,170
Vehicles.....	44,380	5,604	(1,428)	48,556
Machinery and equipment.....	733,345	158,545	(37,103)	854,787
Works of art and historical treasures.....	14,710	7	—	14,717
Intangibles.....	16,904	1,467	(86)	18,285
Total capital assets being depreciated, at historical cost.....	<u>4,672,889</u>	<u>741,527</u>	<u>(56,453)</u>	<u>5,357,963</u>
Less accumulated depreciation for:				
Land improvements.....	(48,623)	(7,462)	118	(55,967)
Buildings and improvements.....	(1,359,940)	(114,885)	6,775	(1,468,050)
Vehicles.....	(30,746)	(2,842)	1,319	(32,269)
Machinery and equipment.....	(462,460)	(67,257)	33,506	(496,211)
Works of art and historical treasures.....	(5,666)	(523)	—	(6,189)
Intangibles.....	(14,039)	(1,037)	67	(15,009)
Total accumulated depreciation.....	<u>(1,921,474)</u>	<u>(194,006)</u>	<u>41,785</u>	<u>(2,073,695)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>2,751,415</u>	<u>547,521</u>	<u>(14,668)</u>	<u>3,284,268</u>
Capital assets for business-type activities, net.....	<u>□ 3,538,949</u>	<u>□ 1,016,437</u>	<u>□ (577,827)</u>	<u>□ 3,977,559</u>

* Beginning balances in accumulated depreciation were reclassified between Machinery and equipment and Intangibles.

Capital assets for the State's fiduciary funds were comprised of land and a building totaling \$5.331 million with accumulated depreciation of \$1.872 million. Depreciation expense for fiscal year 2007-2008 was \$118 thousand. There were no additions or dispositions of capital assets during the year.

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

	Beginning Balances January 1, 2007	Increases	Decreases	Ending Balances December 31, 2007
Public Service Authority:				
<i>Capital assets not being depreciated:</i>				
Land and improvements.....	\$ 100,770	\$ 4,546	\$ (224)	\$ 105,092
Construction in progress.....	1,286,639	575,446	(959,807)	902,278
<i>Total capital assets not being depreciated.....</i>	<u>1,387,409</u>	<u>579,992</u>	<u>(960,031)</u>	<u>1,007,370</u>
<i>Capital assets being depreciated:</i>				
Buildings and improvements (utility plant).....	4,484,376	953,955	(24,599)	5,413,732
Vehicles.....	38,105	54	(1,472)	36,687
Machinery and equipment.....	21,406	207	(1,520)	20,093
Intangibles.....	48,061	—	(8)	48,053
Total capital assets being depreciated, at historical cost.....	<u>4,591,948</u>	<u>954,216</u>	<u>(27,599)</u>	<u>5,518,565</u>
Less accumulated depreciation for:				
Buildings and improvements (utility plant).....	(2,033,801)	(180,201)	19,908	(2,194,094)
Vehicles.....	(20,265)	(1,730)	1,089	(20,906)
Machinery and equipment.....	(9,395)	(1,036)	810	(9,621)
Intangibles.....	(39,605)	(926)	8	(40,523)
Total accumulated depreciation.....	<u>(2,103,066)</u>	<u>(183,893)</u>	<u>21,815</u>	<u>(2,265,144)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>2,488,882</u>	<u>770,323</u>	<u>(5,784)</u>	<u>3,253,421</u>
Public Service Authority, net.....	<u>□ 3,876,291</u>	<u>□ 1,350,315</u>	<u>□ (965,815)</u>	<u>□ 4,260,791</u>
	Beginning Balances January 1, 2007	Increases	Decreases	Ending Balances December 31, 2007
Connector 2000 Association:				
<i>Capital assets being depreciated:</i>				
Infrastructure (toll road).....	\$ 192,481	\$ —	\$ —	\$ 192,481
Machinery and equipment.....	626	129	(46)	709
Total capital assets being depreciated, at historical cost.....	<u>193,107</u>	<u>129</u>	<u>(46)</u>	<u>193,190</u>
Less accumulated depreciation for:				
Infrastructure (toll road).....	(29,939)	(5,243)	—	(35,182)
Machinery and equipment.....	(517)	(37)	46	(508)
Total accumulated depreciation.....	<u>(30,456)</u>	<u>(5,280)</u>	<u>46</u>	<u>(35,690)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>162,651</u>	<u>(5,151)</u>	<u>—</u>	<u>157,500</u>
Connector 2000 Association, net.....	<u>□ 162,651</u>	<u>□ (5,151)</u>	<u>□ —</u>	<u>□ 157,500</u>

State of South Carolina

	Beginning Balances July 1, 2007	Increases	Decreases	Ending Balances June 30, 2008
State Ports Authority:				
<i>Capital assets not being depreciated:</i>				
Land and improvements.....	\$ 167,355	\$ 23,550	\$ —	\$ 190,905
Construction in progress.....	89,780	43,472	(78,960)	54,292
Intangibles.....	2,190	—	—	2,190
<i>Total capital assets not being depreciated.....</i>	<u>259,325</u>	<u>67,022</u>	<u>(78,960)</u>	<u>247,387</u>
<i>Capital assets being depreciated:</i>				
Land improvements.....	168,938	13,549	—	182,487
Buildings and improvements.....	270,631	56,920	(9,027)	318,524
Machinery and equipment.....	138,925	5,625	(913)	143,637
Intangibles.....	876	—	—	876
Total capital assets being depreciated, at historical cost.....	<u>579,370</u>	<u>76,094</u>	<u>(9,940)</u>	<u>645,524</u>
Less accumulated depreciation for:				
Land improvements.....	(111,631)	(6,663)	—	(118,294)
Buildings and improvements.....	(159,049)	(11,604)	9,038	(161,615)
Machinery and equipment.....	(63,947)	(10,300)	800	(73,447)
Intangibles.....	(395)	(39)	—	(434)
Total accumulated depreciation.....	<u>(335,022)</u>	<u>(28,606)</u>	<u>9,838</u>	<u>(353,790)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>244,348</u>	<u>47,488</u>	<u>(102)</u>	<u>291,734</u>
State Ports Authority, net.....	<u>□ 503,673</u>	<u>□ 114,510</u>	<u>□ (79,062)</u>	<u>□ 539,121</u>

	Beginning Balances July 1, 2007	Increases	Decreases	Ending Balances June 30, 2008
Lottery Commission:				
<i>Capital assets being depreciated:</i>				
Buildings and improvements.....	\$ 955	\$ 361	\$ —	\$ 1,316
Vehicles.....	69	—	—	69
Machinery and equipment.....	20,854	269	(67)	21,056
Total capital assets being depreciated, at historical cost.....	<u>21,878</u>	<u>630</u>	<u>(67)</u>	<u>22,441</u>
Less accumulated depreciation for:				
Buildings and improvements.....	(661)	(97)	—	(758)
Vehicles.....	(69)	—	—	(69)
Machinery and equipment.....	(18,503)	(1,968)	58	(20,413)
Total accumulated depreciation.....	<u>(19,233)</u>	<u>(2,065)</u>	<u>58</u>	<u>(21,240)</u>
<i>Total capital assets being depreciated, net.....</i>	<u>2,645</u>	<u>(1,435)</u>	<u>(9)</u>	<u>1,201</u>
Lottery Commission, net.....	<u>□ 2,645</u>	<u>□ (1,435)</u>	<u>□ (9)</u>	<u>□ 1,201</u>

During the fiscal year ended June 30, 2008, depreciation expense was charged to functions of the primary government and its major discretely presented component units as shown on the following page (expressed in thousands):

	Governmental Funds	Internal Service Funds	Total Governmental Activities
General government.....	\$ 16,850	\$ 9,023	\$ 25,873
Education.....	24,372	2,014	26,386
Health and environment.....	13,048	1,315	14,363
Social services.....	495	2,106	2,601
Administration of justice.....	25,220	1,266	26,486
Resources and economic development.....	11,037	308	11,345
Transportation.....	143,762	—	143,762
Total depreciation expense, governmental activities.....	<u>\$ 234,784</u>	<u>\$ 16,032</u>	<u>\$ 250,816</u>

	Business - type Activities
Higher Education.....	\$ 155,668
Housing Authority.....	42
Medical University Hospital Authority...	32,379
Education Assistance Authority.....	113
Other.....	5,804
Total depreciation expense, business-type activities.....	<u>□ 194,006</u>

Included in the \$5.804 million for other business-type activities is depreciation expense of \$886 thousand that is reported in nonoperating revenues (expenses) in the Statement of Revenues, Expenses, and Changes in Net Assets – Proprietary Funds.

	Major Component Units
Public Service Authority.....	\$ 183,893
Connector 2000 Association, Inc.....	5,280
State Ports Authority.....	28,606
Lottery Commission.....	2,065

At June 30, 2008, the primary government had outstanding construction commitments totaling \$681.484 million for capital projects in progress. In addition, outstanding construction commitments at that date totaled \$61.401 million for significant permanent improvement projects that will not increase State assets. Projects that will not be capitalized as State assets upon completion include projects for replacements, repairs, and/or renovations to existing facilities. In addition, the primary government had outstanding commitments totaling \$168 thousand at June 30, 2008, related to information technology projects.

Outstanding construction commitments for major discretely presented component units were as follows: \$354.675 million for the Public Service Authority at December 31, 2007, and \$32.156 million for the State Ports Authority at June 30, 2008.

The total interest expense incurred by the State’s enterprise and internal service funds during the current fiscal year was \$165.013 million and \$2.222 million, respectively. Of the amount incurred by the State’s enterprise funds, \$10.815 million was included as part of the cost of capital assets under construction, net of interest earnings.

The Public Service Authority, a major discretely presented component unit, incurred total interest costs of \$193.687 million during its fiscal year ended December 31, 2007, none of which was included in the cost of capital assets under construction. The State Ports Authority, a major discretely presented component unit, incurred total interest costs of \$16.554 million during its fiscal year ended June 30, 2008, of which \$1.018 million was included as part of the cost of capital assets under construction.

NOTE 8: RETIREMENT PLANS

a. Plan Descriptions

The South Carolina Retirement Systems (the Systems), a division of the State Budget and Control Board, administers five defined benefit retirement plans: the South Carolina Retirement System (SCRS), the South Carolina Police Officers' Retirement System (PORS), the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the National Guard Retirement System (NGPS). The Systems issues a publicly available Comprehensive Annual Financial Report that includes required supplementary information for all five plans. The report may be obtained by writing to:

South Carolina Retirement Systems
PO Box 11960
Columbia, South Carolina 29211-1960

SCRS, established by Section 9-1-20 of the South Carolina Code of Laws, is a cost-sharing multiple-employer defined benefit pension plan that benefits employees of public schools, the State, and its political subdivisions. Membership is required as a condition of employment, unless exempted by State law. Both employers and employees must contribute. Benefits vest after five years of service. Vested members who retire at age sixty-five or with twenty-eight years of service at any age receive an annual benefit, payable monthly, for life. The benefit is based on length of service and average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. The annual benefit amount is 1.82% of average final compensation times years of service. Reduced benefits are payable at age fifty-five with 25 years of service credit. A member is eligible to receive a reduced deferred annuity at age 60 with 5 years of earned service.

PORS, established by Section 9-11-20 of the South Carolina Code of Laws, is a cost-sharing multiple-employer defined benefit pension plan that benefits police officers and fire fighters employed by the State or its political subdivisions. Membership is required as a condition of employment, unless exempted by State law. Both employers and employees must contribute. Benefits vest after five years of service. A monthly pension is payable at age fifty-five for members who retire with five years earned service or with 25 years of service regardless of age. The benefit is based on length of service and average final compensation, an annualized average of the employee's highest twelve consecutive quarters' compensation. The annual benefit amount is 2.14% of average final compensation times years of service.

GARS, established by Section 9-9-20 of the South Carolina Code of Laws, is a single-employer defined benefit pension plan that benefits members of the South Carolina General Assembly. Membership is required as a condition of taking office as a member of the General Assembly, unless exempted by State law. Both the members of the General Assembly and the State must contribute. Benefits vest after eight years of service. Vested members who retire at age sixty or at any age with thirty years of service receive an annual benefit, payable monthly, for life. Effective January 1, 2003, a member at age seventy or with thirty years of service is eligible to retire and draw an annuity while continuing to serve in the General Assembly. The annual benefit amount is 4.82% of earnable compensation times years of service. Earnable compensation is defined as forty days' pay at the rate currently paid to members of the General Assembly plus \$12 thousand.

JSRS, established by Section 9-8-20 of the South Carolina Code of Laws, is a single-employer defined benefit pension plan that benefits the judges, solicitors, and circuit public defenders of the State. Membership is required as a condition of taking office, unless exempted by State law. Both judges and the State must contribute. Benefits vest after ten years of service in a position as a judge and eight years in a position as a solicitor or circuit public defender. Members may retire at age seventy with fifteen years of service, at age sixty-five with twenty years of service, at age sixty-five with four years in a JSRS position and twenty-five years other service with the State, twenty-five years service regardless of age for a judge or twenty-four years of service for a solicitor or circuit public defender regardless of age. Members receive a retirement benefit equal to 71.3% of the current active salary of the position occupied at retirement.

NGPS, established by Section 9-10-30 of the South Carolina Code of Laws, is a single employer defined benefit pension plan that provides benefits to National Guard members who served in South Carolina. The plan had been closed to new entrants since July 1, 1993; however, legislation reopened the plan effective January 1, 2007. National Guard members are considered to be federal government employees. The federal government pays Guard members' drill pay and summer camp pay. In accordance with State law, the State's General Fund pays Guard members' salaries only if the Governor activates the National Guard for service to the State. The pension benefit that the State provides is intended only to supplement the retirement benefit that Guard members receive from the federal government. Members who retire at age sixty with twenty years of military service, including at least fifteen years of South Carolina National Guard duty, ten of which immediately precede retirement, and who have received an honorable discharge, are entitled to monthly pension benefits. The pension amount is equal to \$50 per month for twenty years of creditable service with an additional \$5 per month for each additional year of service, provided that the total pension shall not exceed \$100 per month.

Information regarding the number of participating employers and active members as of June 30, 2008, is as follows (dollars expressed in thousands):

	<u>SCRS</u>	<u>PORS</u>	<u>GARS</u>	<u>JSRS</u>	<u>NGPS</u>
State and school					
Number of employers.....	107	46	1	1	1
Annual covered payroll.....	\$ 5,349,891	\$ 373,839	\$ 3,099	\$ 14,488	N/A ^a
Average number of contributing members....	144,639	10,870	170	144	N/A ^b
Other participating employers					
Number of employers.....	583	293	—	—	—
Annual covered payroll.....	\$ 1,773,063	\$ 620,307	\$ —	\$ —	\$ —
Average number of contributing members....	54,466	16,395	—	—	—

^a Annual covered payroll is not applicable for NGPS because it is a non-contributory plan.

^b Members do not contribute; average number of members is 12,559.

The plans provide retirement, death, and disability benefits to State employees; public school employees; and employees of counties, municipalities, and certain other State political subdivisions. The NGPS provides retirement benefits to members that served in the South Carolina National Guard. Each plan is independent. Assets of each plan may be used only to benefit participants of that plan.

b. Summary of Significant Accounting Policies □ Basis of Accounting and Valuation of Investments

The financial statements of the previously-described plans are prepared using the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Retirement benefits and refund expenses are recognized when due and payable in accordance with the terms of each plan.

Note 1f specifies the method used to value pension trust fund investments.

c. Funding Policies

Article X, Section 16 of the South Carolina Constitution requires that all State-operated retirement plans be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws prescribes requirements relating to membership, benefits, and employee/employer contributions for each plan. The following paragraphs summarize those requirements.

By law, employee contribution requirements for the fiscal year ended June 30, 2008, were as follows:

<u>Plan</u>	<u>Rate</u>
SCRS	6.5% of earnable compensation
PORS	6.5% of earnable compensation
GARS	10.0% of earnable compensation
JSRS	10.0% of earnable compensation
NGPS	Non-contributory

Actuarially determined employer contribution rates, expressed as percentages of compensation, for the fiscal year ended June 30, 2008, were as follows:

<u>Plan</u>	<u>Rate</u>
SCRS	9.21%
PORS	10.70%
GARS	78.74%
JSRS	45.09%

The State appropriated \$3.948 million to fund the NGPS actuarially determined employer contribution for the fiscal year ended June 30, 2008.

Under certain conditions, new employers entering the plans are allowed up to ten years to remit matching employer contributions resulting from their employees' purchase of prior service credits. Interest is assessed annually on the unpaid balance. The amounts outstanding at June 30, 2008, were \$577 thousand for SCRS and \$19 thousand for PORS.

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d. Annual Pension Cost

Annual pension cost (dollars expressed in thousands) and related actuarial data for the State's single-employer defined benefit pension plans were as follows:

	<u>GARS</u>	<u>JSRS</u>	<u>NGPS</u>
Annual pension cost.....	\$2,440	\$7,613	\$3,923
Employer contributions made.....	\$2,440	\$7,613	\$3,948
Actuarial valuation date.....	July 1, 2007	July 1, 2007	July 1, 2007
Actuarial cost method.....	Entry age	Entry age	Entry age
Amortization method.....	Level dollar, closed	Level percent, open	Level dollar, open
Remaining amortization period.....	18 years	28 years	26 years
Asset valuation method.....	5 year smoothed market	5 year smoothed market	5 year smoothed market
Actuarial assumptions:			
Investment rate of return.....	7.25%	7.25%	7.25%
Projected salary increases.....	None	3.25%	None
Assumed inflation rate.....	3.00%	3.00%	3.00%
Assumed cost-of-living adjustments...	None	3.25%	None

The following represents the components of the net pension obligation (NPO) for the NGPS, at June 30, 2008 (expressed in thousands):

	<u>NGPS</u>
Actuarially required contribution (ARC).....	\$ 3,948
Interest on the NPO.....	710
Adjustment to the ARC.....	(961)
Annual pension cost.....	3,697
Contributions made.....	(3,948)
Decrease in NPO.....	(251)
NPO beginning of year.....	6,871
Adjustments to beginning balance.....	2,926
NPO end of year.....	□ 9,546

e. Trend Information

Trend information indicates the progress made in accumulating sufficient assets to pay benefits when due.

For the cost-sharing multiple-employer defined benefit pension plans in which the State participates, the State's required contributions in dollars (expressed in thousands) and the percentages of those amounts contributed for the three latest available years were as follows. Also see Note 8f for funding status and progress.

	<u>Fiscal Year Ended</u>					
	<u>June 30, 2008</u>		<u>June 30, 2007</u>		<u>June 30, 2006</u>	
	<u>Required</u>	<u>% Contributed</u>	<u>Required</u>	<u>% Contributed</u>	<u>Required</u>	<u>% Contributed</u>
SCRS—State:						
Primary government.....	□ 246,172	100.0%	□ 202,865	100.0%	□ 184,109	100.0%
Component units.....	13,606	100.0%	11,614	100.0%	10,517	100.0%
PORS—State:						
Primary government.....	41,962	100.0%	39,589	100.0%	37,256	100.0%
Component units.....	71	100.0%	72	100.0%	54	100.0%

The following table presents (dollars expressed in thousands) the annual pension cost, percentage of annual pension cost contributed, and the net pension obligation for the three latest available years for the State's single-employer defined benefit plans. Also see Note 8f for funding status and progress:

Plan	Fiscal Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
GARS	2006	\$ 2,171	100.0%	\$ —
	2007	2,358	100.0%	—
	2008	2,440	100.0%	—
JSRS	2006	6,511	100.0%	—
	2007	6,706	100.0%	—
	2008	7,613	100.0%	—
NGPS	2006	2,969	132.8%	9,935
	2007	3,948	130.6%	9,797
	2008	3,923	100.6%	9,546

f. Funding Status and Progress (Unaudited)

The following schedule (dollars expressed in thousands) describes the funding progress for the SCRS and the PORS, cost-sharing multiple-employer defined benefit plans, for the three latest available years:

Plan	Actuarial Valuation Date July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
SCRS	2005	\$ 21,625,510	\$ 30,217,471	\$ 8,591,961	71.6%	\$ 6,356,489	135.2%
	2006	22,293,446	32,018,519	9,725,073	69.6%	6,733,379	144.4%
	2007	23,541,438	33,766,678	10,225,240	69.7%	7,093,181	144.2%
PORS	2005	2,774,606	3,173,930	399,324	87.4%	850,610	46.9%
	2006	2,935,841	3,466,281	530,440	84.7%	931,815	56.9%
	2007	3,160,240	3,730,544	570,304	84.7%	992,849	57.4%

The following schedule (dollars expressed in thousands) describes the funding progress for the State's single-employer defined benefit plans for the three latest available years:

Plan	Actuarial Valuation Date July 1	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
GARS	2005	\$ 46,316	\$ 69,161	\$ 22,845	67.0%	\$ 3,853	592.9%
	2006	46,075	69,734	23,659	66.1%	3,854	613.9%
	2007	46,925	71,014	24,089	66.1%	3,854	625.0%
JSRS	2005	118,888	204,847	85,959	58.0%	15,465	555.8%
	2006	124,837	211,384	86,547	59.1%	15,929	543.3%
	2007	132,990	229,388	96,398	58.0%	16,407	587.5%

Plan	Actuarial Valuation Date June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
NGPS	2005	\$ 12,151	\$ 46,985	\$ 34,834	25.9%	\$ N/A	N/A
	2006	14,046	48,755	34,709	28.8%	N/A	N/A
	2007	15,937	55,917	39,980	28.5%	N/A	N/A

Included among the measurements of long-term funding progress for defined benefit pension plans are whether a plan’s funding ratio is increasing and whether a plan’s unfunded liability (UAAL) as a percentage of covered payroll is decreasing. The tables above present the results of those measurements.

The State records the pension liability for cost of living adjustments (COLAs) in the SCRS and PORS only as COLAs are granted. Accordingly, because COLA benefits are not automatically guaranteed, the plans exclude from their actuarial accrued liability calculations and from their funding formulas the costs of providing future COLA benefits.

While the State Budget and Control Board is annually authorized under certain conditions to defer granting COLAs, the Board historically has granted COLAs, even in years when those conditions permitted a deferral. Plan actuaries have determined that the unfunded liabilities for SCRS and PORS would be significantly higher than amounts presented in the table above if the estimated costs of providing future COLA benefits were included in each plan’s actuarial accrued liability calculation.

g. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2008, for the plans administered by the South Carolina Retirement Systems were as follows:

	SCRS	PORS	GARS	JSRS	NGPS	Totals
Receivables:						
Contributions.....	\$ 156,756	\$ 17,158	\$ 37	\$ 737	\$ —	\$ 174,688
Employer long-term.....	577	19	—	—	—	596
Accrued interest.....	77,503	10,476	146	423	52	88,600
Unsettled investment sales.....	721,176	96,321	1,358	3,923	486	823,264
Other investment receivables.....	3,923	524	8	21	3	4,479
Total receivables.....	959,935	124,498	1,549	5,104	541	1,091,627
Due from other funds.....	11,094	366	8	0	175	11,643
Investments and invested securities lending collateral:						
Short-term securities.....	\$ 89,014	\$ 11,889	\$ 168	\$ 484	\$ 60	\$ 101,615
Debt-domestic.....	5,390,761	727,962	10,140	29,283	3,626	6,161,772
Debt-international.....	3,093,577	413,183	5,827	16,828	2,083	3,531,498
Equity-domestic.....	5,406,024	722,037	10,183	29,406	3,642	6,171,292
Equity-international.....	425,462	56,825	801	2,314	287	485,689
Alternatives.....	7,223,315	964,757	13,605	39,291	4,866	8,245,834
Invested securities lending collateral.....	3,325,439	444,151	6,264	18,089	2,240	3,796,183
Total investments.....	24,953,592	3,340,804	46,988	135,695	16,804	28,493,883

h. Teacher and Employee Retention Incentive Program

The Teacher and Employee Retention Incentive (TERI) program, established by State law, became effective January 1, 2001. The program is a deferred retirement option available to SCRS members eligible for service retirement. Upon entering the TERI program, a member’s status changes from active to retired. A TERI participant agrees to continue employment with an employer participating in the system for a specified period, not to exceed five years.

TERI participants retain the same status and employment rights they held upon entering the program but are not considered active employees for purposes of the group life insurance and disability retirement programs. A TERI retiree’s monthly benefits are accrued and remain in the SCRS trust account during the TERI participation period, but no interest is accrued or paid thereon. Upon termination of employment or at the end of the TERI participation period (whichever is earlier), a retiree may roll over some or all of the accumulated TERI balance into a qualified, tax-sheltered retirement plan and/or receive a lump-sum distribution.

A total of 7,899 members were participating in the TERI program at June 30, 2008. The financial activity of the program (expressed in thousands) during the fiscal year ended June 30, 2008, was as follows:

Beginning balance of TERI trust accounts..	\$	641,750
Additions		219,078
TERI distributions at termination.....		(308,917)
Ending balance of TERI trust accounts	□	<u>551,911</u>

i. Defined Contribution Plan

As an alternative to membership in SCRS, certain State and public school employees may elect to participate in the State Optional Retirement Program (State ORP). Participants in the State ORP direct the investment of their funds into a plan administered by one of four investment providers. The State assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers and are governed by the terms of the contracts that those providers issue. Accordingly, balances of the State ORP are not reported in the accompanying financial statements.

Under State law, contributions to the State ORP are at the same rates as for the SCRS (see Subsection c, Funding Policies). A direct remittance is required from the employers to the investment providers for the employee contribution (6.5%) and a portion of the employer contribution (5.0%). A direct remittance is also required to the SCRS for a portion of the employer contribution (3.05%) and a group life contribution (0.15%), which is retained by the SCRS. The activity for the State ORP is as follows (expressed in thousands):

Covered payroll.....	\$	854,301
Employee contributions.....		55,530
Employer contributions.....		42,715

NOTE 9: POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS

a. Plan Description

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits (OPEB plans) to retired State and school district employees and their covered dependents. The OPEB plans have been determined to be cost-sharing multiple-employer defined benefit plans and are administered by the Employee Insurance Program (EIP), a part of the State Budget and Control Board (SBCB). Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires May 2, 2008 and after, retirees are eligible for benefits if they have established twenty-five years of service for 100% employer funding and fifteen through twenty-four years of service for 50% employer funding. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability (BLTD) benefits are provided to active state, public school district and participating local government employees approved for disability.

b. Funding Policies

Sections 1-11-705 and 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these post-employment healthcare and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the EIP and participating retirees to the SBCB except the portion funded through the pension surcharge and provided from other applicable sources of the EIP for its active employees who are not funded by State General Fund appropriations. Employers participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 3.42% of annual covered payroll for fiscal year 2007-2008. The EIP sets the employer contribution rate based on a pay-as-you-go basis. The State paid \$36.630 million applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2008. The net estimated OPEB obligation at June 30, 2008 was \$113.604 million. This OPEB obligation is not recorded in the State's financial statements because the State's annual OPEB expense is based on the pay-as-you-go funding level. BLTD benefits are funded through a per person premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to EIP was \$3.23 for the fiscal year ended June 30, 2008.

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Effective May 1, 2008, the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The South Carolina Retiree Health Insurance Trust Fund (SCRHITF) is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars (\$63.479 million), accumulated EIP reserves (\$248.726 million), and income generated from investments. The Long Term Disability Insurance Trust Fund (LTDITF) is primarily funded through investment income and employer contributions.

c. Funding Progress

The schedule of funding progress for the OPEB plans based on the most recent actuarial valuation date is as follows (dollar amounts expressed in thousands):

OPEB Plan	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of covered Payroll ((b-a) / c)
SCRHITF	June 30, 2007	\$ —	\$ 8,581,073	\$ 8,581,073	0%	\$ 7,112,053	121%
LTDITF	June 30, 2007	\$ —	\$ 28,048	\$ 28,048	0%	\$ 7,781,719	< 1%

Complete financial statements for the OPEB plans and the trust funds may be obtained by writing to:

Employee Insurance Program
1201 Main Street, Suite 360
Columbia, SC 29201.

d. Receivables and Investments

The principal components of receivables and investments (expressed in thousands) at June 30, 2008, for the OPEB plans administered by the Employee Insurance Program were as follows:

	SCRHI	LTDI	Totals
Accrued interest receivable.....	□ 586	□ 99	□ 685
Due from other funds.....	□ 36,630	□ □	□ 36,630
Investments and invested securities lending collateral:			
Debt-domestic	\$ 122,950	\$ 19,916	\$ 142,866
Financial and Other	2,023	2,286	4,309
Invested securities lending collateral.....	2,041	602	2,643
Total investments.....	□ 127,014	□ 22,804	□ 149,818

NOTE 10: INSURANCE ACTIVITIES

a. Insurance Reserve Fund

The State generally does not purchase commercial insurance for the risks of losses for property damage, including theft of, damage to, and destruction of assets; automobile liability; tort liability; and medical professional liability. Instead, State management believes it is more economical to manage its risks internally and set aside assets for claim settlement in its Insurance Reserve Fund (IRF), within the internal service funds. The IRF services claims for risk of loss to which the State is exposed, including the following: property insurance on government owned buildings, the contents of such buildings, equipment, and automobiles; automobile liability insurance on government owned vehicles and school buses; tort liability insurance for government premises and operations; and medical professional liability for hospitals. Although the State is the predominant participant in the IRF, county and municipal governments, school districts and special purpose political subdivisions also participate. The IRF allocates the cost of providing claims servicing and claims payment by charging each participant an actuarially determined "premium."

The IRF reports liabilities when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Amounts for allocated and unallocated claims adjustment expenses have been included in the calculation of the

unpaid claims liability. The liability is reported net of receivables for salvage, subrogation, and reinsurance. The unpaid policy claims liability of \$215.902 million at June 30, 2008, includes a provision for claims in the process of review and for claims incurred but not reported. The liability for claims incurred but not reported is an actuarial estimate based on the most current historical claims experience of previous payments, changes in number of members and participants, inflation, and award trends. This process does not necessarily result in an exact amount. The IRF continually reviews estimates of liabilities for incurred claims and revises those estimates as changes occur. The current year's operating statement reflects the revisions.

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

Fiscal Year Ended June 30	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2007	\$ 214,651	\$ 20,518	\$ (33,986)	\$ 201,183
2008	201,183	45,737	(31,018)	215,902

The IRF purchases aircraft and ocean marine insurance, areas in which the IRF has limited expertise. The IRF also purchases reinsurance to limit losses in the areas of property, boiler and machinery, and automobile liability. The IRF purchases reinsurance for catastrophic losses in the area of property insurance for losses above \$2.000 million per location and \$10.000 million per occurrence. Reinsurance permits partial recovery of losses from reinsurers; but the IRF, as direct insurer of the risks, remains primarily liable.

b. Employee Insurance Programs Fund

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

Effective May 2008, Basic Long-Term Disability premiums were transferred to the Long-Term Disability Insurance Trust Fund in accordance with Act 195. Basic Long-Term Disability claims are transferred each month out of this trust. The outstanding liability (claims payable) for Basic Long-Term Disability has been eliminated from the Fund's financial reporting. Also effective May 2008, in accordance with Act 195, the Fund began transferring the employer portion of retiree premiums for health and dental insurance from the South Carolina Retiree Health Insurance Trust Fund for claims payment.

The Employee Insurance Programs Fund establishes claims liabilities when information before the issuance of the financial statements indicates that a liability is probable and estimable at the date of the financial statements. The calculation of the unpaid claims liability includes amounts for allocated and unallocated claims adjustment expenses. The unpaid policy claims liability of \$184.593 million at June 30, 2008, includes a provision for claims in the process of review and for claims incurred but not reported. The Fund actuarially estimates the liability for claims incurred but not reported based on the most current historical claims experience of previous payments, changes in number of members and participants, inflation, award trends, and estimates of health care trend changes (cost, utilization, and intensity of services). This process does not necessarily result in an exact amount. The Fund continually reviews estimates of liabilities for incurred claims and revises those estimates as changes occur. The current year's operating statement reflects the revisions.

Of the total claims liability reported for the Employee Insurance Programs Fund at June 30, 2008, \$8.646 million relates to the HMO self-insured managed care plan liability. The State does not discount its claims liabilities for health and dental insurance coverage to present value.

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

Fiscal Year Ended June 30	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2007	\$ 193,760	\$ 1,329,600	\$ (1,324,582)	\$ 198,778
2008	198,778	1,420,653	(1,434,838)	184,593

c. State Accident Fund

State law established the State Accident Fund (the Fund), an internal service fund, to provide workers' compensation insurance coverage to State entities. Although the State is the Fund's predominant participant, counties, municipalities, and other political subdivisions of the State may also elect to participate. The State assumes the full risk for workers' compensation claims.

The Fund investigates, adjusts, and pays workers' compensation claims as awarded by the Workers' Compensation Commission for job-related accidental injury, disease, or death to covered individuals. The Fund annually bills participating entities for estimated premiums based on the entity's estimated payroll. After the policy period ends, policyholders submit the details of the actual salaries paid. The Fund then adjusts the premium using the actual payroll data and a rating modifier based on claims experience.

The Fund establishes claims liabilities based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The claims liabilities include specific incremental claims adjustment expenses but not administrative expenses. The Fund deducts reasonably estimable amounts of salvage and subrogation and reinsurance recoverable, if any, on both settled and unsettled claims from the liability for unpaid claims. The Fund periodically recomputes claims liabilities using a variety of actuarial and statistical techniques to produce current estimates. The Fund charges or credits expense in the period when it adjusts claims liabilities. At June 30, 2008, the Fund's policy claims liability was \$188.810 million. Policy claims in the financial statements include the liabilities for claims reported but not yet paid and for claims incurred but not reported. Because actual claims costs depend on such complex factors as inflation, changes in legal doctrines, and damage awards, computation of the claims liability does not necessarily result in an exact amount.

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

Fiscal Year Ended June 30	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2007	\$ 127,509	\$ 81,970	\$ (50,287)	\$ 159,192
2008	159,192	80,460	(50,842)	188,810

The Fund has entered into a reinsurance agreement to reduce its exposure to catastrophic losses on insured events. Losses in excess of \$1.000 million are covered up to limits of statutory liability; the Fund retains the risk for the first \$1.000 million of loss. Reinsurance reduces the Fund's exposure to losses on insured events related to State-owned aircraft in excess of \$1.000 million per occurrence up to a limit of \$9.000 million. Reinsurance permits partial recovery of losses from reinsurers; but the Fund, as direct insurer of the risks, remains primarily liable.

d. Patients' Compensation Fund and Medical Malpractice Liability Insurance Joint Underwriting Association

The South Carolina Medical Malpractice Patients' Compensation Fund (PCF) and the South Carolina Medical Malpractice Liability Insurance Joint Underwriting Association (JUA) were created by State law. The PCF is accounted for as a nonmajor enterprise fund, and the JUA is a nonmajor discretely presented component unit of the State. The State accounts for the PCF and the JUA as insurance enterprises because they primarily cover non-governmental entities. Accordingly, the PCF and JUA follow the guidance of FASB Statement 60, *Accounting and Reporting by Insurance Enterprises*, and collectively are referred to below as "the insurance enterprises."

The JUA is responsible for payment of that portion of any covered entity's medical malpractice claim, settlement, or judgment up to \$200 thousand per incident or \$600 thousand in the aggregate for one year. The PCF is responsible for payments exceeding these thresholds. In the event that the PCF incurs a liability exceeding \$200 thousand to any person under a single occurrence, the PCF may ultimately pay the claim in full, but it generally may not pay more than \$200 thousand per year on such claim unless agreed to by the PCF's Board of Governors to avoid payment of interest.

Licensed health care providers include physicians and surgeons, directors, officers and trustees of hospitals, nurses, oral surgeons, dentists, pharmacists, chiropractors, hospitals, nursing homes, and any similar category of licensed health care providers. All providers licensed in South Carolina are eligible to participate upon remittance of the annual assessment fees.

The State actuarially establishes claims liabilities for the insurance enterprises based on estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. The policy claims liabilities were \$182.368 million for the PCF at June 30, 2008, and \$196.995 million for the JUA at December 31, 2007, and these amounts include a provision for claims reported but not settled and for claims incurred but not reported. Amounts for claims adjustment expenses, when applicable, have been included in the calculation of the unpaid claims liabilities of the insurance enterprises. The enterprises charge or credit expense, as appropriate, in the period when they adjust claims liabilities. The length of time for which claims costs must be estimated varies depending on the coverage involved. Because actual claims costs depend on such complex factors as medical technology, changes in doctrines of legal liability, and

damage awards, the process for computing claims liabilities does not necessarily result in an exact amount. The insurance enterprises and their actuaries recompute claims liabilities annually, using a variety of actuarial and statistical techniques, to produce current estimates that reflect recent settlements, claims frequency, and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit because the insurance enterprises and their actuaries rely both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience.

e. Second Injury Fund

The State accounts for the South Carolina Second Injury Fund, a nonmajor enterprise fund, as a public benefit program rather than an insurance program primarily because its participants—workers’ compensation insurance carriers and self-insured employers—do not transfer their risk to the Fund. The Fund services claims in cases where an individual with a preexisting permanent physical impairment incurs a subsequent disability from injury or accident arising out of and in the course of employment. Participants of the Fund, rather than the State, are ultimately responsible for these liabilities.

The Fund collects and invests assessments received from its participants and pays claims on behalf of its participants to the extent that Fund resources are available to pay such claims. The Fund reports these activities in its statement of cash flows. In accordance with accounting principles used by claims processors, the Fund reports as revenue only that portion of assessments and interest earnings intended to cover the Fund’s administrative costs, including capital costs. Likewise, the Fund records no claims expense, and it records claims liabilities only to the extent that Fund assets are available to pay such claims.

Per Section 42-7-200(a) of the South Carolina Code of Laws of 1976, as amended, the Second Injury Fund is responsible for administering the Workers’ Compensation Uninsured Employers’ Fund. The State reports the Workers’ Compensation Uninsured Employers’ Fund in its Other Special Revenue Fund. The Fund issues payment of awards of workers’ compensation benefits, which are unpaid because of employers who fail to acquire necessary coverage for employees. Funding for payment of awards is provided from collections of the tax on insurance carriers and self-insured persons in an amount sufficient to maintain the fund. The policy claims liability reported on the government-wide statement of net assets at June 30, 2008, was \$28.148 million.

f. Discretely Presented Component Unit □ Public Service Authority (Santee Cooper)

The Public Service Authority (Santee Cooper), a major discretely presented component unit with a fiscal year ended December 31, is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; and errors and omissions. The Authority purchases commercial insurance to cover these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. Policies are subject to deductibles ranging from \$250 to \$1.000 million with the exception of named storm losses, which carry deductibles from \$1.000 million up to \$5.000 million. In addition, a \$1.400 million self-insured layer exists between the Authority’s primary and excess liability policies.

The Authority self-insures its risks related to auto, dental, and environmental incidents that do not arise out of an insured event. Automotive exposure is up to \$2.000 million per incident. Risk exposure for the dental plan is limited by plan provisions. There have not been any third-party claims for environmental damages for calendar year 2007.

The State reports all of the Authority’s risk management activities within the Public Service Authority’s accounts. The State reports the Authority’s claims expenses and liabilities when it is probable that a loss has occurred and the amount of the loss is reasonably estimable.

At December 31, 2007, the policy claims liabilities were \$2.140 million. Changes in the reported liability in each of the past two years were as follows (expressed in thousands):

Fiscal Year Ended December 31	Beginning-of Fiscal-Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year-End
2006	\$ 2,597	\$ 1,375	\$ (1,570)	\$ 2,402
2007	2,402	2,360	(2,622)	2,140

NOTE 11: LEASES

a. Lease Commitments

The State leases land, office facilities, equipment, and other assets under both capital and operating leases. The present value of future minimum capital lease payments and total minimum annual lease payments for capital leases recorded in the government-wide statement of net assets at June 30, 2008 for the primary government and the State's discretely presented component units were as follows (expressed in thousands):

<u>Fiscal Year Ending June 30</u>	Governmental Activities	Business- type Activities	Totals
2009	\$ 361	\$ 10,893	\$ 11,254
2010	252	9,131	9,383
2011	174	5,448	5,622
2012	169	4,261	4,430
2013	21	3,604	3,625
2014-2018	—	17,329	17,329
2019-2023	—	7,207	7,207
2024-2028	—	2,197	2,197
Total minimum payments.....	977	60,070	61,047
Less: interest and executory costs.....	(305)	(12,022)	(12,327)
Present value of net minimum payments.....	672	48,048	48,720

<u>Fiscal Year Ending December 31</u>	Public Service Authority
2008	\$ 3,038
2009	2,737
2010	1,934
2011	1,610
2012	1,343
2013-2016	1,276
Total minimum payments.....	11,938
Less: interest and executory costs.....	(1,540)
Present value of net minimum payments.....	10,398

The present value of future minimum capital lease payments for the State Ports Authority is \$15 thousand at June 30, 2008. The payments are due next fiscal year.

Assets under capital leases recorded in the accompanying government-wide statement of net assets at June 30, 2008, were as follows (expressed in thousands):

Assets Acquired Under Capital Leases	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Totals	Public Service Authority	State Ports Authority
Land and non-depreciable improvements.....	\$ —	\$ 9,497	\$ 9,497	\$ —	\$ —
Buildings and improvements.....	1,309	80,675	81,984	89,400	—
Machinery and equipment.....	1,121	34,084	35,205	—	185
Works of art and historical treasures.....	—	330	330	—	—
Assets acquired under capital leases before accumulated amortization.....	2,430	124,586	127,016	89,400	185
Less: accumulated amortization.....	(782)	(43,069)	(43,851)	(84,400)	(178)
Assets acquired under capital leases, net.....	□ 1,648	□ 81,517	□ 83,165	□ 5,000	□ 7

For the primary government’s fiscal year ended June 30, 2008, minimum rental payments under operating leases were \$48.515 million and contingent rental payments were \$5.208 million. The State’s contingent rental payments are for copiers, with expense being determined on a cost-per-copy basis.

For the Public Service Authority, a major discretely presented component unit, minimum rental payments under operating leases for the fiscal year totaled \$7.600 million. For the State Ports Authority, a major discretely presented component unit, minimum rental payments under operating leases for the fiscal year totaled \$1.106 million. For the Lottery Commission, a major discretely presented component unit, minimum rental payments under operating leases for the fiscal year totaled \$873 thousand.

At June 30, 2008, future minimum payments under noncancelable operating leases with remaining terms in excess of one year were as follows (expressed in thousands):

Fiscal Year Ending June 30	Primary Government	Component Unit Lottery Commission
2009	\$ 53,427	\$ 747
2010	47,863	765
2011	38,712	768
2012	27,807	706
2013	19,897	635
2014-2018	32,888	1,842
2019-2023	10,160	—
2024-2028	2,678	—
2029-2033	514	—
2034-2038	500	—
Total minimum payments.....	□ 234,446	□ 5,463

Fiscal Year Ending December 31	Public Service Authority
2008	\$ 4,800
2009	297
Total minimum payments.....	□ 5,097

b. Facilities Leased to Others

At June 30, 2008, the State Ports Authority, a major discretely presented component unit, had leased to non-State parties certain land and facilities having a cost of approximately \$542.289 million and related accumulated depreciation of \$228.056 million. Future minimum rental payments to be received at June 30, 2008, under these operating leases were as follows (expressed in thousands):

<u>Fiscal Year Ending June 30</u>	<u>State Ports Authority</u>
2009	\$ 52,516
2010	41,957
2011	22,581
2012	7,114
2013	683
2014-2018	1,885
2019-2023	744
2024-2028	500
2029-2033	500
2034-2037	117
Total.....	□ 128,597

NOTE 12: BONDS AND NOTES PAYABLE

a. General Obligation Bonds

General obligation bonds are backed by the full faith, credit, and taxing power of the State. General obligation bonds (expressed in thousands) outstanding at June 30, 2008, were:

Governmental Activities	
Capital improvement bonds, 2.50% to 5.90%, maturing serially through 2019.....	\$ 514,410
State highway bonds, 2.25% to 5.00%, maturing serially through 2023.....	622,145
State school facilities bonds, 3.00% to 5.75%, maturing serially through 2018.....	476,498
Infrastructure Bank bonds, 3.00% to 5.00%, maturing through 2028.....	53,742
State economic development bonds, 1.00% to 6.75%, maturing serially through 2031.....	217,449
Research university infrastructure bonds, 3.00% to 6.25%, maturing serially through 2021.....	132,708
Subtotal □ governmental activities.....	2,016,952
Business-type Activities, Higher Education Fund	
State institution bonds, 2.50% to 6.00%, maturing serially through 2028.....	351,481
Total □ general obligation bonds payable.....	□ 2,368,433

At June 30, 2008, \$6.344 million of capital improvement bonds, \$42.185 million of State economic development bonds, and \$69.390 million of State research university infrastructure bonds were authorized but unissued.

At June 30, 2008, future debt service requirements (expressed in thousands) for general obligation bonds were:

Year Ending June 30	Governmental Activities		Business-type Activities (Higher Education Fund)	
	Principal	Interest	Principal	Interest
2009	\$ 204,698	\$ 88,593	\$ 19,860	\$ 14,929
2010	187,501	79,197	19,810	14,162
2011	184,485	70,409	20,410	13,309
2012	175,205	61,765	20,970	12,418
2013	181,120	53,487	21,855	11,525
2014-2018	763,635	152,197	115,845	42,443
2019-2023	267,100	31,339	88,840	18,902
2024-2028	35,575	5,836	44,180	3,711
2029-2031	10,630	538	—	—
Total debt service requirements.....	2,009,949	□ 543,361	351,770	□ 131,399
Unamortized premiums.....	14,507		655	
Deferred amount on refunding...	(7,504)		(944)	
Total principal outstanding.....	□ 2,016,952		□ 351,481	

The Department of Transportation Special Revenue Fund, a major governmental fund, pays the debt service for the State highway bonds. The Local Government Infrastructure Fund, a major governmental fund, pays the debt service for the Infrastructure Bank bonds. The General Fund pays the debt service for the other general obligation bonds recorded for governmental activities. The Higher Education Fund, a major enterprise fund, pays the debt service for general obligation bonds recorded in that fund.

Rather than directly limiting the amount of outstanding general obligation debt, State law imposes a limitation on annual debt service expenditures. The legal annual debt service margin at June 30, 2008, was \$29.277 million in total for all institution bonds, \$30.087 million for highway bonds, \$176.033 million for general obligation bonds excluding institution and highway bonds, \$11.901 million for economic development bonds, and \$19.353 million for research university infrastructure bonds. South Carolina State University exceeded its legal debt service limit on its State institution bonds by approximately \$530 thousand at June 30, 2008. The University will adjust tuition fees in subsequent years to cover the debt requirement.

b. Limited Obligation Bonds

Limited obligation bonds are not backed by the full faith, credit, and taxing power of the State. Limited obligation bonds outstanding at June 30, 2008, which are reported in the internal service funds, totaled \$9.352 million and mature serially through 2016. Interest rates on these bonds ranged from 4.10% to 6.10%.

At June 30, 2008, there were no limited obligation bonds authorized but unissued.

The State issued limited obligation lease revenue bonds to finance the cost of capital facilities for use by certain State agencies. Pledges of lease rental payments that the agencies will pay from their governmental funds secure the bonds.

At June 30, 2008, future debt service requirements (expressed in thousands) for limited obligation bonds were:

Year Ending June 30	Governmental Activities (Internal Service Funds)	
	Principal	Interest
2009	\$ 1,730	\$ 465
2010	1,200	384
2011	1,280	322
2012	1,345	256
2013	1,420	185
2014-2016	2,415	151
Total debt service requirements.....	9,390	□ 1,763
Unamortized discounts.....	(38)	
Total principal outstanding.....	□ 9,352	

The internal service funds pay all debt service for the lease revenue bonds.

c. Revenue, Tobacco Authority, Infrastructure Bank, and Other Bonds and Notes

Revenue debt is not backed by the full faith, credit, and taxing power of the State. Revenue, Tobacco Settlement Revenue Management Authority (Tobacco Authority), Infrastructure Bank, and other bonds and notes (expressed in thousands) outstanding at June 30, 2008, were:

	<u>Bonds</u>	<u>Notes</u>
Primary Government:		
Governmental Activities:		
Infrastructure Bank bonds, 3.00% to 6.00%, maturing serially through 2037.....	\$ 2,125,640	\$ —
Tobacco Authority bonds, 5.00%, maturing serially through 2018.....	242,891	—
Heritage Trust Revenue bonds, 4.00% to 4.25%, maturing in 2022.....	19,317	—
Education Department note, 4.01%, maturing in 2011.....	—	416
Corrections Department note, 3.34%, maturing in 2009.....	—	194
Probation Parole and Pardon Department note, 4.04%, maturing in 2012.....	—	193
Budget and Control Board bond and notes, 3.70% to 5.00%, maturing through 2018.....	19,281	19,559
Totals—governmental activities.....	<u>2,407,129</u>	<u>20,362</u>
Business-type Activities:		
Higher Education Fund bonds and notes, 2.00% to 7.75%, maturing serially through 2035.....	669,777	105,409
Housing Authority Fund bonds and note, 2.60% to 8.30%, maturing serially through 2043.....	762,141	50,000
Medical University Hospital Authority bonds and notes, 3.92% to 5.38%, maturing through 2033.....	470,791	63,414
Education Assistance Authority Fund bonds, 2.60% to 8.30%, maturing serially through 2026.....	1,010,243	—
Nonmajor enterprise funds:		
Nonmajor enterprise fund bonds and notes, 2.45% to 7.50%, maturing through 2025.....	15,689	37,883
Direct note obligations, 5.82% to 6.82%, maturing serially through 2027.....	—	84,303
Totals—business-type activities.....	<u>2,928,641</u>	<u>341,009</u>
Totals □ primary government.....	<u>□ 5,335,770</u>	<u>□ 361,371</u>
Major Discretely Presented Component Units:		
Public Service Authority bonds, 3.25% to 7.42%, maturing serially through 2039.....	<u>\$ 3,443,485</u>	<u>\$ —</u>
State Ports Authority bonds and notes, 2.47% to 7.42%, maturing serially through 2028.....	<u>\$ 130,823</u>	<u>\$ 1,984</u>
Connector 2000 Association, Inc. bonds, 5.25% to 6.30%, maturing serially through 2038.....	<u>\$ 303,099</u>	<u>\$ —</u>

During a prior fiscal year, the Transportation Infrastructure Bank, reported in the Local Government Infrastructure Fund, a major governmental fund, entered into interest rate exchange agreements with a termination date of October 1, 2031, to enhance savings and offset changes in tax-exempt variable interest rates on certain revenue bonds. On June 18, 2008, the Bank exercised the option to modify the interest rate exchange. Related to this, the Bank received a total of \$7.599 million from two different financial institutions and paid the same amount to another financial institution. The Bank incurred expense of \$650 thousand related to the exercise of this option, which has been capitalized as bond issuance costs. Under these variable-to-fixed interest rate exchanges, for the 2003B-1 and 2003B-3 agreements, the Bank pays a 3.86% fixed rate on a notional amount, having an amortization schedule equal to that of the revenue bonds. For the 2003B-2 agreement, the Bank pays a 3.93% fixed rate on a notional amount, having an amortization schedule equal to that of the revenue bond. In return, the counterparties of the agreement pay the Bank a variable rate equal to 67.0% of the one-month London Interbank Offered Rate on such notional amount. For the fiscal year ended June 30, 2008, the Bank made variable bond interest payments of \$15.091 million and fixed rate payments on the exchange agreement of \$15.991 million. The Bank received variable swap payments on the exchange agreement of \$12.084 million. The June 30, 2008, mark to market value of this swap was negative \$28.997 million.

University Medical Associates of the Medical University of South Carolina (UMA) is a blended component unit and nonmajor enterprise fund. UMA has issued several direct note obligations, select auction variable rate securities. In prior years, UMA entered into interest-rate swap agreements to modify interest rates on a portion of its Series 1994, and all of the 1999A and 1999B direct note obligations in an effort to convert its variable-rate debt to a fixed rate of 6.82% on the 1994 and 1999A obligations, and 5.82% on the 1999B obligations. These agreements were required by MBIA, the municipal bond insurance company, at a time when UMA was experiencing operating losses. The note obligations and related swap agreements mature on May 15, 2024, for the 1994 and 1999A portions and May 15, 2027, for the 1999B portion. The notional amounts as of June 30, 2008, are as follows: Series 1994 obligations—\$8.450 million; Series 1999A obligations—\$32.400 million; and Series 1999B obligations—\$38.300 million. These amounts agree to the principal outstanding under the various issues except Series 1994, which has outstanding principal of \$9.700 million. Under the swap agreements, originally UMA paid the counterparty a fixed interest payment of 6.82% on the 1994 and 1999A obligations, and 5.82% on the 1999B obligations, and received a variable payment based upon the auction rate every thirty-five days. On June 19, 2008, MBIA was downgraded by the various rating agencies which triggered a change in the swap agreements that now use the Securities Industry and Financial Markets Association (SIFMA) rate to determine the payments to UMA. The variable rates in effect at June 30, 2008, were 1.50% for the 1994 and the 1999A obligations, and 1.47% for the 1999B obligations. UMA is considering alternatives to the existing swap arrangements to reduce its future interest costs. On May 1, 2000, these swap agreements were amended to mitigate adverse income tax consequences to the counterparty should certain triggering events occur in the future, resulting in a payment to UMA of \$1.850 million for the remaining life of the agreements. UMA has recorded this amount in deferred revenue and is amortizing it as a reduction of interest expense over the terms of the related obligations on the straight-line method. For the fiscal year ended June 30, 2008, interest expense was reduced by amortization of approximately \$77 thousand. Interest rates have declined since execution of the swap agreements resulting in the swaps having negative fair values of approximately \$2.128 million on the 1994 obligations, \$7.838 million on the 1999A obligations, and \$6.914 million for the 1999B obligations as of June 30, 2008. The fair value was estimated using the zero-coupon method. UMA will be exposed to the risk of fluctuating interest rates of the variable-rate debt agreements if the swap agreements are terminated.

In a prior year, the Medical University Facilities Corporation, a blended component unit and nonmajor enterprise fund, entered into an interest-rate swap agreement to hedge its interest-rate exposure and establish a fixed-rate payment in connection with a \$13.500 million loan. The swap agreement provides that the Corporation will pay the swap provider interest on a notional amount equal to the aggregate principal amount of the loan at a fixed rate of 3.37%, and the swap provider will pay the Corporation a variable rate of interest on such notional amount in an amount sufficient to pay the variable rate of interest on the loan. The notional amount at June 30, 2008, was \$8.210 million, and the variable rate in effect at that date was 1.50%. The swap agreement provides that the notional amount will be reduced in the same amount and at the same time the principal of the note is scheduled to be paid upon redemption or maturity. The loan and the related swap agreement mature on January 1, 2013. As of June 30, 2008, the swap had a negative fair value of approximately \$74 thousand. Termination of the agreement would subject the Corporation to the risk of fluctuating interest rates.

In December 2005, the State Ports Authority, a major discretely presented component unit, entered into two interest swap contracts intended to manage interest expense of fixed-rate debt. The contracts provide that the Authority will pay the swap provider interest on a notional amount at a fixed rate of 3.67%, and the swap provider will pay the Authority at a rate based on 70% of the one-month London Interbank Offered Rate on such notional amount. The notional amounts at June 30, 2008 were \$61.443 million and \$26.333 million. The payments begin August 1, 2008 and continue until the contracts expire on July 1, 2026. In June 2008, the Authority entered into a third interest swap contract intended to manage interest expense and offset the effects of the interest rate swaps entered into in 2005. The contracts provide that the Authority will pay the swap provider interest on a notional amount at a variable rate equal to the SIFMA Municipal Swap Index rate beginning on August 1, 2008 and the first day of each succeeding month up to and including July 1, 2026, when the contract expires. The swap provider will pay the Authority at a fixed rate of 3.51%. The notional amount under the new swap agreement is \$87.775 million at June 30, 2008. As of June 30, 2008, the swaps have fair values of approximately negative \$3.915 million. The unrealized loss related to these agreements recorded at June 30, 2008 is \$6.036 million and is included in interest expense.

As of June 30, 2008, debt service requirements of the UMA and the Corporation variable rate debt and net swap payments (expressed in thousands), assuming current interest rates remain the same for their term, were as follows:

Year Ending June 30	Variable Rate Notes		Interest Rate	Totals
	Principal	Interest	Swaps, Net	
2009	\$ 4,045	\$ 3,768	\$ 3,968	\$ 11,781
2010	4,195	3,617	3,807	11,619
2011	4,450	3,463	3,634	11,547
2012	4,310	3,298	3,458	11,066
2013	6,760	3,128	3,269	13,157
2014-2018	18,500	12,879	13,374	44,753
2019-2023	28,900	7,882	8,078	44,860
2024-2027	16,200	1,586	1,451	19,237
Totals.....	□ 87,360	□ 39,621	□ 41,039	□ 168,020

Certain revenue bonds require the individual business-type activities to provide sufficient revenue to pay debt service and to fund all necessary expenses of the activities. The funds that receive the proceeds of revenue, Tobacco Authority, Infrastructure Bank, and other bonds and notes have pledged revenues for payment of debt service as follows:

Primary Government:

Governmental Activities:

Infrastructure Bank bonds: Infrastructure Bank revenues recorded in the Local Government Infrastructure Fund, a major governmental fund

Tobacco Authority bonds: tobacco settlement revenues recorded in the nonmajor governmental funds

Heritage Trust bonds: revenues derived from portion of State Deed Recording Fee dedicated to the Heritage Land Trust Fund

Corrections Department note: farm facility revenues

Budget and Control Board bonds: loan repayments

Business-type Activities:

Higher education bonds and notes: various specific higher education revenues

State Housing Authority bonds and note: revenues of the Housing Authority Fund, a major enterprise fund

Education Assistance Authority bonds: loan repayments and United States Commissioner of Education funds in the Education Assistance Authority Fund, a major enterprise fund

Major Discretely Presented Component Units:

Public Service Authority bonds: Public Service Authority revenues

State Ports Authority bonds: State Ports Authority revenues

Connector 2000 Association, Inc. bonds: toll revenues

For its business-type activities, the State separately identifies amounts of pledged revenues available at June 30, 2008, in the statement of revenues, expenses, and changes in fund net assets for proprietary funds.

At June 30, 2008, future debt service requirements (expressed in thousands) for revenue, Tobacco Authority, Infrastructure Bank, and other bonds and notes of the primary government were as follows:

Year Ending June 30	Primary Government			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2009	\$ 71,759	\$ 113,922	\$ 134,531	\$ 158,648
2010	78,154	110,243	78,557	158,478
2011	81,102	106,264	83,468	154,874
2012	85,390	102,026	99,176	150,665
2013	92,392	97,566	91,192	147,234
2014-2018	509,060	414,623	433,641	664,336
2019-2023	381,530	298,878	629,286	546,158
2024-2028	416,590	205,549	1,087,885	307,789
2029-2033	515,020	104,549	442,996	112,987
2034-2038	180,940	11,814	185,422	23,498
2039-2043	—	—	4,011	131
Total debt service requirements.....	2,411,937	□ 1,565,434	3,270,165	□ 2,424,798
Net unamortized premiums.....	71,584		22,339	
Deferred amount on refunding.....	(56,030)		(22,854)	
Total principal outstanding.....	□ 2,427,491		□ 3,269,650	

The fiscal year for the Public Service Authority ends December 31 while the fiscal year for the State Ports Authority ends June 30. Both entities are major discretely presented component units. At December 31, 2007, the carrying value of the Public Service Authority's debt was \$3.529 billion while the fair value was approximately \$4.000 billion. At June 30, 2008,

the carrying value of the State Ports Authority debt was \$132.174 million while the fair value was approximately \$125.637 million. The fair values were estimated using current rates available to the entities for similar borrowing arrangements and on the market rate of comparable traded debt.

At June 30, 2008, future debt service requirements (expressed in thousands) for bonds and notes of the State's major discretely presented component units were as follows:

Year Ending December 31	Public Service Authority		Connector 2000 Assoc.	
	Principal	Interest	Principal	Interest
2008	\$ 101,695	\$ 170,500	\$ 6,200	\$ 3,508
2009	104,225	168,368	6,700	3,461
2010	118,410	162,790	7,300	3,411
2011	121,010	156,353	8,100	3,358
2012	124,223	149,787	9,900	3,303
2013-2017	839,301	638,432	61,300	15,557
2018-2022	977,559	406,636	93,700	13,652
2023-2027	356,229	240,951	128,800	11,189
2028-2032	375,640	148,571	169,400	7,915
2033-2037	323,170	61,720	197,000	3,655
2038-2042	77,369	5,010	57,700	113
Total debt service requirements.....	3,518,831	2,309,118	746,100	69,122
Unamortized premiums (discounts)...	131,825		(443,001)	
Deferred amount on refunding.....	(207,171)		—	
Total principal outstanding.....	3,443,485		303,099	

Year Ending June 30	State Ports Authority	
	Principal	Interest
2009	\$ 3,860	\$ 6,062
2010	4,050	5,850
2011	4,255	5,626
2012	4,470	5,391
2013	4,695	5,143
2014-2018	25,779	21,779
2019-2023	32,810	14,085
2024-2028	52,240	3,841
Total debt service requirements.....	132,159	67,777
Unamortized premiums (discounts)...	648	
Total principal outstanding.....	132,807	

Borrowing is essential to the continuation of programs associated with certain entities reported within the primary government's governmental activities. The primary government reported interest expense during the fiscal year ended June 30, 2008, in governmental functions for these entities as follows (expressed in thousands):

	Amount
General government.....	\$ 42,646
Transportation.....	155,351
Total allocated interest expense..	197,997

The amount shown above in the general government function relates to bonds that a blended component unit issued.

d. Bond Anticipation Notes

At June 30, 2008, \$30.000 million in short-term general obligation bond anticipation notes were outstanding in the Higher Education Fund, a major enterprise fund. These notes are due on or before June 30, 2009.

e. Defeased Bonds

On June 26, 2008, the Tobacco Settlement Revenue Management Authority, a non-major governmental fund, defeased a portion of the outstanding principal amount of its Series 2001 bonds by depositing a portion of the proceeds of \$275.730 million Tobacco Settlement Revenue Asset-Backed Refunding Bonds, Series 2008, together with other available funds, with a trustee pursuant to the terms of an irrevocable escrow agreement. Other available funds consisted of a portion of a transfer of \$469.408 million from the Tobacco Settlement Fund, a major governmental fund. As a result of the escrow deposit, \$575.225 million of the Series 2001 bonds are considered to be defeased. The liability for those bonds has been removed from the government-wide statement of net assets. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the debt of \$62.500 million. In conjunction with the defeasance described above and the transfer of funds from the Tobacco Settlement Fund, on June 26, 2008, the Authority purchased and retired \$152.430 million principal amount of the Series 2001 bonds maturing on May 15, 2028, at a cost of \$169.500 million. The purpose of the defeasance was to achieve overall economic benefit by reducing the interest cost of the Authority’s debt; shorten the term of the bonds, thereby repatriating the MSA payments for use by the State by an estimated seven years; and restructure the bond covenants to promote flexibility in dealing with tobacco manufacturers over disputed payments. As a result, the Authority expects to reduce its total debt service payments over the next eleven years by approximately \$445.100 million and expects to realize an associated economic loss of approximately \$51.500 million. Principal payments made in 2008 (other than the defeasance noted above) were paid with Turbo Redemptions in prior years. These Turbo Redemptions amounted to \$42.100 million for the fiscal year ended June 30, 2008.

During its fiscal year ended December 31, 2007, the Public Service Authority, a major discretely presented component unit, issued \$98.000 million in refunding revenue bonds with an average interest rate of 4.92% to refund \$105.370 million in revenue bonds with an average interest rate of 5.00%. The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$8.832 million. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations through the year 2018 using the effective-interest method. The bonds were refunded to reduce total debt service payments over the next 15 years by approximately \$11.500 million and to obtain an economic gain of approximately \$5.600 million.

For all defeasances involving advance refundings in the current and prior years, the securities purchased were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the State has not recorded the defeased bonds in the accompanying financial statements. At June 30, 2008, the following outstanding bonds of the primary government (expressed in thousands) were considered defeased:

	Governmental Activities	Business- type Activities	Totals □ Primary Government
Capital improvement bonds.....	\$ 40,310	\$ —	\$ 40,310
State highway bonds.....	6,500	—	6,500
State school facilities bonds.....	59,515	—	59,515
Infrastructure Bank bonds.....	837,500	—	837,500
Tobacco Authority bonds.....	575,200	—	575,200
Higher Education Fund bonds..	—	220,944	220,944
Totals.....	□ 1,519,025	□ 220,944	□ 1,739,969

In addition, at December 31, 2007, \$220.375 million of bonds associated with the Public Service Authority, a major discretely presented component unit, were considered defeased.

f. Arbitrage Rebate Payable

The Internal Revenue Code and arbitrage regulations issued by the Internal Revenue Service require rebate to the federal government of excess investment earnings on bond proceeds if the yield on those earnings exceeds the effective yield on the related tax-exempt bonds issued. At June 30, 2008, reported as other liabilities for governmental activities is an arbitrage rebate liability of \$5.445 associated with the State’s General Obligation Debt and a \$1.150 million arbitrage rebate liability associated with revenue bonds of the Local Government Infrastructure Fund (a major governmental fund). The Higher Education Fund (a major enterprise fund) and the Education Assistance Authority Fund (a major enterprise fund) have also incurred arbitrage rebate liabilities in connection with student loan and revenue bonds sold in previous years. Arbitrage rebates payable at June 30, 2008, are reported as other liabilities of \$39 thousand in the Higher Education Fund, and as other liabilities payable from restricted assets of \$1.999 million in the Education Assistance Authority Fund.

g. Conduit Debt

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

The Educational Facilities Authority, reported in the General Fund, issues bonds to assist nonprofit educational institutions that do not receive State appropriations in the acquisition, construction, and financing of facilities for educational programs. The bonds are payable solely from, and secured by, a lease agreement on the facilities between the Authority and the institution. When the bonds have been fully paid, the Authority conveys the title for the facility to the institution. At June 30, 2008, the outstanding balance of bonds issued was \$305.699 million.

The Jobs-Economic Development Authority, a nonmajor governmental fund, issues industrial revenue bonds to develop and benefit business enterprises. The bonds are payable solely by revenues of the business enterprise and generally are secured by an irrevocable letter of credit. At June 30, 2008, the outstanding balance of bonds issued after June 30, 1995, was \$3.636 billion. The original amount of bonds issued prior to that date is not available.

The Housing Authority Fund, a major enterprise fund, issues certain mortgage loan notes and housing revenue bonds for developers to construct moderate to low income housing projects. The bonds are payable solely from housing rental payments received by the developer and generally are secured by an irrevocable letter of credit or bond insurance. At June 30, 2008, the outstanding balance of bonds issued was \$287.112 million.

h. Resources Authority Debt

In prior years, the Resources Authority, reported in the General Fund, issued bonds and used the proceeds to purchase obligations of local governmental entities. The local governmental entities used the proceeds received from the Authority to fund water and sewer projects. Periodic principal and interest payments received from the local governmental entities are used by the Authority to retire its own debt. The debt issued by the Authority is not a debt of the State and is not recorded in the accompanying financial statements. The Authority's outstanding debt at June 30, 2008, was \$5 thousand. Effective October 1994, the General Assembly enacted legislation that prohibits the Authority from issuing bonds except to refund bonds previously issued.

Beginning in fiscal year 1993-1994, one local governmental entity has been unable to meet its financial obligation under the terms of a \$5.025 million revenue bond that the Authority purchased. In June 1990, when the local governmental entity issued its debt, it estimated that the related sewer project would be completed and operational by calendar year 1992. Revenue generated by the sewer system is pledged for debt retirement. The State paid a total of approximately \$5.507 million in the 1993-1994 through 2006-2007 fiscal years, and \$2.695 million in the 2007-2008 fiscal year to the Authority to offset the loss of revenues from the delinquent local entity. There is no such provision in the 2008-2009 Appropriations Act. The Town of New Ellenton is required to make court ordered payments to the South Carolina Resources Authority.

i. Commercial Paper Notes and Letters of Credit

Note 13 Changes in Liabilities, displays the activity of commercial paper notes and lines of credit during the fiscal year ended June 30, 2008, including beginning and ending balances (if any) as well as all draws and repayments. The Public Service Authority presents its outstanding amounts as commercial paper notes, but all other amounts outstanding on lines of credit at June 30, 2008 are reported as notes payable. Other relevant information regarding these accounts is provided below.

The State Housing Finance and Development Authority, a major enterprise fund, executed a revolving Mortgage Prepayment Refunding Note with a commercial bank, the purpose of which is to function as a vehicle to preserve the federally limited tax-exempt private activity volume cap pursuant to the federal tax code. The amount outstanding at any given time is not to exceed \$21.000 million. There was no outstanding balance on the note as of June 30, 2008.

The University Medical Associates of the Medical University of South Carolina, a blended component unit and nonmajor enterprise fund, has a \$10.000 million line of credit from a commercial bank. There were no advances under this line of credit during the year ended June 30, 2008.

The Public Service Authority, a discretely presented component unit, has recorded a \$283.252 million liability for commercial paper notes at its fiscal year ended December 31, 2007. The paper is issued for valid corporate purposes with terms not to exceed 270 days. The Authority has a \$450.000 million revolving credit agreement to support the issuance of commercial paper. There were no borrowings under the agreement during 2007.

The Ports Authority, a discretely presented component unit, has a \$10.000 million revolving line of credit from a commercial bank. There are no borrowings under the line of credit as of June 30, 2008.

j. Subsequent Events

On August 28, 2008, the State Housing Finance and Development Authority, a major enterprise fund, issued \$67.215 million in revenue bonds. Additionally, on July 1, 2008, the Housing Authority drew down \$13.055 million from the Mortgage Prepayment Refunding Note entered into on June 28, 2007 and renewed on June 30, 2008.

On September 20, 2008, the Department of Corrections entered into a \$12.400 million note payable.

Since June 30, 2008, the Public Service Authority, a major discretely presented component unit, has issued \$666.985 million in revenue bonds and \$24.432 million in revenue mini-bonds.

NOTE 13: CHANGES IN LIABILITIES

a. Long-Term Liabilities

Changes in major classes of long-term liabilities (expressed in thousands) for the fiscal year ended June 30, 2008, were:

	Balances at July 1, 2007	Increases	Decreases	Balances at June 30, 2008	Amounts Due Within One Year
Primary Government:					
Governmental Activities					
Policy claims.....	\$ 579,120	\$ 1,564,176	\$ (1,525,843)	\$ 617,453	\$ 485,792
Notes payable.....	\$ 15,622	\$ 9,400	\$ (4,660)	\$ 20,362	\$ 5,479
General obligation bonds payable.....	\$ 2,209,174	\$ —	\$ (199,225)	\$ 2,009,949	\$ 204,698
Unamortized discounts and premiums.....	15,933	—	(1,426)	14,507	—
Deferred amount on refunding.....	(10,242)	—	2,738	(7,504)	—
Total general obligation bonds payable....	\$ 2,214,865	\$ —	\$ (197,913)	\$ 2,016,952	\$ 204,698
Tobacco Authority bonds payable.....	\$ 769,755	\$ 275,730	\$ (769,755)	\$ 275,730	\$ 23,005
Unamortized discount.....	—	(8,249)	—	(8,249)	—
Deferred amount on refunding.....	—	(24,590)	—	(24,590)	—
Total Tobacco Authority bonds payable...	\$ 769,755	\$ 242,891	\$ (769,755)	\$ 242,891	\$ 23,005
Revenue bonds payable.....	\$ 40,090	\$ —	\$ (2,355)	\$ 37,735	\$ 2,525
Unamortized discounts and premiums.....	954	—	(91)	863	—
Total revenue bonds payable.....	\$ 41,044	\$ —	\$ (2,446)	\$ 38,598	\$ 2,525
Infrastructure Bank bonds payable.....	\$ 2,122,465	\$ —	\$ (44,355)	\$ 2,078,110	\$ 40,750
Unamortized discounts and premiums.....	79,390	—	(420)	78,970	—
Deferred amount on refunding.....	(38,882)	—	7,442	(31,440)	—
Total Infrastructure Bank bonds payable.	\$ 2,162,973	\$ —	\$ (37,333)	\$ 2,125,640	\$ 40,750
Limited obligation bonds payable.....	\$ 11,030	\$ —	\$ (1,640)	\$ 9,390	\$ 1,730
Unamortized discounts and premiums.....	(45)	—	7	(38)	—
Total limited obligation bonds payable.....	\$ 10,985	\$ —	\$ (1,633)	\$ 9,352	\$ 1,730
Capital leases payable.....	\$ 939	\$ 513	\$ (780)	\$ 672	\$ 262
Compensated absences payable.....	\$ 215,621	\$ 124,855	\$ (120,352)	\$ 220,124	\$ 118,971
National Guard Retirement System net pension obligation payable.....	\$ 6,871	\$ 2,926	\$ (251)	\$ 9,546	\$ —
Judgments and contingencies payable.....	\$ 31,770	\$ 16,898	\$ (8,076)	\$ 40,592	\$ 11,270
Arbitrage payable.....	\$ 503	\$ 6,092	\$ —	\$ 6,595	\$ 3,694

The National Guard Retirement System net pension obligation payable, judgments and contingencies payable, and arbitrage payable are included in *other liabilities* in the accompanying financial statements.

The governmental fund that pays an employee's salary is responsible for liquidating the employee's related compensated absence liability. The General Fund is responsible for liquidating the National Guard Retirement System liability. Historically, the State has paid most judgments related to governmental funds from its General Fund unless an identifiable amount was directly attributable to another specific fund.

	Balances at July 1, 2007	Increases	Decreases	Balances at June 30, 2008	Amounts Due Within One Year
Primary Government:					
Business-type Activities					
Policy claims.....	\$ 198,622	\$ 11,842	\$ (28,096)	\$ 182,368	\$ 20,000
Notes payable.....	\$ 254,115	\$ 132,799	\$ (45,191)	\$ 341,723	\$ 76,178
Unamortized discounts and premiums.....	88	—	(5)	83	—
Deferred amount on refunding.....	(846)	—	49	(797)	—
Total notes payable.....	\$ 253,357	\$ 132,799	\$ (45,147)	\$ 341,009	\$ 76,178
General obligation bonds payable.....	\$ 357,550	\$ 14,000	\$ (19,780)	\$ 351,770	\$ 19,860
Unamortized discounts and premiums.....	269	419	(33)	655	—
Deferred amount on refunding.....	(1,024)	—	80	(944)	—
Total general obligation bonds payable....	\$ 356,795	\$ 14,419	\$ (19,733)	\$ 351,481	\$ 19,860
Revenue bonds payable.....	\$ 2,712,563	\$ 435,015	\$ (219,136)	\$ 2,928,442	\$ 58,353
Unamortized discounts and premiums.....	20,064	3,011	(819)	22,256	—
Deferred amount on refunding.....	(23,483)	—	1,426	(22,057)	—
Total revenue bonds payable.....	\$ 2,709,144	\$ 438,026	\$ (218,529)	\$ 2,928,641	\$ 58,353
Capital leases payable.....	\$ 46,069	\$ 9,563	\$ (7,584)	\$ 48,048	\$ 9,008
Compensated absences payable.....	\$ 127,246	\$ 90,622	\$ (79,865)	\$ 138,003	\$ 73,959
Arbitrage payable.....	\$ 6,341	\$ 39	\$ (4,342)	\$ 2,038	\$ —

	Balances at January 1, 2007	Increases	Decreases	Balances at December 31, 2007	Amounts Due Within One Year
Major Component Units:					
Public Service Authority					
Policy claims.....	\$ 2,402	\$ 2,360	\$ (2,622)	\$ 2,140	\$ 2,140
Revenue bonds payable.....	\$ 3,259,930	\$ 543,357	\$ (284,456)	\$ 3,518,831	\$ 101,695
Unamortized discounts and premiums.....	124,502	17,534	(10,211)	131,825	—
Deferred amount on refunding.....	(225,162)	(8,832)	26,823	(207,171)	—
Total revenue bonds payable.....	\$ 3,159,270	\$ 552,059	\$ (267,844)	\$ 3,443,485	\$ 101,695
Capital leases payable.....	\$ 9,896	\$ 2,321	\$ (1,819)	\$ 10,398	\$ 2,564
Compensated absences payable.....	\$ 15,393	\$ 2,160	\$ (1,463)	\$ 16,090	\$ —
Connector 2000 Association, Inc.					
Revenue bonds payable.....	\$ 746,100	\$ —	\$ —	\$ 746,100	\$ 6,200
Unamortized discounts and premiums.....	(456,643)	13,642	—	(443,001)	—
Total revenue bonds payable.....	\$ 289,457	\$ 13,642	\$ —	\$ 303,099	\$ 6,200

State of South Carolina

	Balances at July 1, 2007	Increases	Decreases	Balances at June 30, 2008	Amounts Due Within One Year
State Ports Authority					
Notes payable.....	\$ 2,429	\$ —	\$ (445)	\$ 1,984	\$ 345
Revenue bonds payable.....	\$ 133,505	\$ —	\$ (3,330)	\$ 130,175	\$ 3,515
Unamortized discounts and premiums.....	693	—	(45)	648	—
Total revenue bonds payable.....	\$ 134,198	\$ —	\$ (3,375)	\$ 130,823	\$ 3,515
Capital leases payable.....	\$ 58	\$ —	\$ (43)	\$ 15	\$ 15
Compensated absences payable.....	\$ 2,531	\$ 2,095	\$ (1,904)	\$ 2,722	\$ 2,722
Lottery Commission					
Compensated absences payable.....	\$ 934	\$ 759	\$ (562)	\$ 1,131	\$ 492

b. Short-Term Debt

The State’s Higher Education Fund may issue Bond Anticipation Notes (BANS) to provide interim financing for capital projects while in the process of issuing bonds. The Public Service Authority, a major discretely presented component unit, may issue commercial paper as short-term financing for valid corporate purposes as allowed by the Authority’s Board of Directors. Short-term debt for the fiscal year ended June 30, 2008, included: BANS in the Higher Education Fund, a major enterprise fund; commercial paper notes in the Public Service Authority; and letters of credit in the nonmajor enterprise funds. Short-term debt activity during the fiscal year (expressed in thousands) was as follows:

	Balances at July 1, 2007	Increases	Decreases	Balances at June 30, 2008
Primary Government:				
Business-type Activities				
General obligation bond anticipation notes payable.....	\$ —	\$ 30,000	\$ —	\$ 30,000
Revenue bond anticipation notes payable.....	\$ 4,500	\$ —	\$ (4,500)	\$ —
	Balances at January 1, 2007	Increases	Decreases	Balances at December 31, 2007
Major Component Unit:				
Public Service Authority				
Commercial paper notes.....	\$ 195,072	\$ 232,774	\$ (144,594)	\$ 283,252

NOTE 14: RESERVATIONS AND DESIGNATIONS OF FUND BALANCES IN GOVERNMENTAL FUNDS

Reserved components of fund balances represent amounts in governmental funds that are legally segregated or that the State cannot appropriate. Designated portions of unreserved fund balances reflect tentative plans for future use of available financial resources.

The unreserved component of fund balance equals the total fund balance less reserved amounts.

At June 30, 2008, the following amounts of fund balance in governmental funds (expressed in thousands) were reserved:

	<u>General</u>	<u>Departmental General Operating</u>	<u>Local Government Infrastructure</u>	<u>Department of Transportation Special Revenue</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Fund balances reserved for:						
General reserve fund.....	\$ 95,123	\$ —	\$ —	\$ —	\$ —	\$ 95,123
Inventories.....	14,909	10,603	—	4,678	9	30,199
Interfund receivables.....	223	—	304,168	—	2,663	307,054
Appropriations to be carried forward	229,131	—	—	—	—	229,131
Endowments	—	—	—	—	2,819	2,819
Long-term loans and notes receivable	12	460	472,629	6,697	25,409	505,207
Debt requirements.....	—	—	1,164,587	—	62,979	1,227,566
School building aid	2,375	—	—	—	20,124	22,499
Total reserved fund balances.....	□ 341,773	□ 11,063	□ 1,941,384	□ 11,375	□ 114,003	□ 2,419,598

The following subsections contain further descriptive information regarding the reserved and designated components of fund balance.

a. Reserved

General Reserve Fund

The South Carolina Constitution requires that the State maintain a reserve to prevent deficits in the Budgetary General Fund. The Reserve is fully funded whenever it equals three percent of the Budgetary General Fund’s revenue (budgetary basis) of the previous fiscal year.

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

At June 30, 2008, the Reserve’s balance was \$95.123 million, \$91.658 million below the full funding amount. The State withdrew \$91.658 million to avoid a year-end unreserved budgetary fund balance deficit.

Reserved for Inventories

Governmental funds reserve a portion of fund balance equal to year-end inventory balances to indicate that the funds are not available for appropriation.

Reserved for Interfund Receivables and Reserved for Long-Term Loans and Notes Receivable

Long-term loans and notes receivable and long-term interfund receivables are assets that do not represent expendable available resources. Governmental funds, therefore, reserve a corresponding portion of fund balance.

Reserved for Appropriations to be Carried Forward

The General Fund does not use encumbrance accounting. It uses the reserve for appropriations to be carried forward, however, if the General Assembly has authorized the carry-forward of General Fund appropriations to the next fiscal year.

Reserved for Endowments

This reserve recognizes restrictions on donated resources.

Reserved for Debt Requirements

When financing agreements or bond indentures require a reservation, the State records an amount as reserved for debt requirements.

Reserved for School Building Aid

If the State promises to pay a school district to build school buildings or to retire debt on such buildings, it records an amount as reserved for school building aid. The State has recorded such amounts, which are not available for appropriation, in its General Fund and its nonmajor governmental funds.

b. Designated, Reported in Special Revenue Funds

The total designated amount reported on the governmental funds balance sheet for nonmajor special revenue funds is designated for scholarships. The amount is for the Teacher Loan Program, reported within the nonmajor governmental funds. This program makes loans to students. The State cancels 20.0% to 33.0% of the loan for each year that the borrower teaches in a critical-need area. Borrowers who do not teach in such an area, however, must repay their loans.

c. Designated, Reported in the Capital Projects Fund

The total designated amount reported on the governmental funds balance sheet for the State’s Capital Projects Fund, a nonmajor governmental fund, is designated for capital expenditures.

NOTE 15: INTERFUND BALANCES AND TRANSFERS

The following tables summarize interfund balances at June 30, 2008 (expressed in thousands):

<u>Funds</u>	<u>Due From</u>	<u>Due To</u>
General		
Departmental General Operating.....	\$ 37,443	\$ 37,460
Local Government Infrastructure.....	—	5,193
Department of Transportation Special Revenue..	—	19,846
State Tobacco Settlement.....	—	10,000
Nonmajor governmental funds.....	316	97,421
Higher Education.....	—	9,336
Unemployment Compensation.....	507	18
Nonmajor enterprise funds.....	1,211	—
Internal service.....	1,491	5,299
Fiduciary.....	—	34,068
	<u>40,968</u>	<u>218,641</u>
Departmental General Operating		
General.....	37,460	37,443
Local Government Infrastructure.....	—	3
Department of Transportation Special Revenue..	523	—
Housing Authority.....	188	—
Nonmajor governmental funds.....	2,759	2,120
Higher Education.....	—	6,395
Unemployment Compensation.....	—	7
Nonmajor enterprise funds.....	13	—
Internal service.....	9	3,164
Fiduciary.....	—	14,958
	<u>40,952</u>	<u>64,090</u>
Local Government Infrastructure		
General.....	5,193	—
Departmental General Operating.....	3	—
Department of Transportation Special Revenue..	17,993	—
Unemployment Compensation.....	—	2
Internal service.....	—	1
Fiduciary.....	—	38
	<u>23,189</u>	<u>41</u>

Funds	Due From	Due To
Department of Transportation Special Revenue Fund		
General.....	19,846	—
Departmental General Operating.....	—	523
Local Government Infrastructure.....	—	17,993
Nonmajor governmental funds.....	—	5
Higher Education.....	—	102
Internal service.....	25	2,544
Fiduciary.....	—	5,554
	<u>19,871</u>	<u>26,721</u>
State Tobacco Settlement		
General.....	10,000	—
Internal service.....	—	1
	<u>10,000</u>	<u>1</u>
Nonmajor Governmental Funds		
General.....	97,421	316
Departmental General Operating.....	2,120	2,759
Department of Transportation Special Revenue..	5	—
Nonmajor governmental funds.....	2,255	2,255
Higher Education.....	80	37,455
Nonmajor enterprise funds.....	14	—
Internal service.....	2	384
Fiduciary.....	—	945
	<u>101,897</u>	<u>44,114</u>
Higher Education		
General.....	9,336	—
Departmental General Operating.....	6,395	—
Department of Transportation Special Revenue..	102	—
Nonmajor governmental funds.....	37,455	80
Medical University Hospital Authority.....	18,561	—
Nonmajor enterprise funds.....	1,040	17,807
Internal service.....	—	590
Fiduciary.....	—	9,913
	<u>72,889</u>	<u>28,390</u>
Unemployment Compensation Benefits		
General.....	18	507
Departmental General Operating.....	7	—
Local Government Infrastructure.....	2	—
	<u>27</u>	<u>507</u>
Housing Authority		
Departmental General Operating.....	—	188
Internal service.....	—	17
	<u>—</u>	<u>205</u>
Medical University Hospital Authority		
Higher Education.....	—	18,561
Nonmajor enterprise funds.....	—	1,572
	<u>—</u>	<u>20,133</u>
Nonmajor Enterprise Funds		
General.....	—	1,211
Departmental General Operating.....	—	13
Nonmajor governmental funds.....	—	14
Higher Education.....	17,807	1,040
Medical University Hospital Authority.....	1,572	—
Internal service.....	—	298
Fiduciary.....	—	104
	<u>19,379</u>	<u>2,680</u>

Funds	Due From	Due To
Internal Service		
General.....	5,299	1,491
Departmental General Operating.....	3,164	9
Local Government Infrastructure.....	1	—
Department of Transportation Special Revenue..	2,544	25
State Tobacco Settlement.....	1	—
Nonmajor governmental funds.....	384	2
Higher Education.....	590	—
Housing Authority.....	17	—
Nonmajor enterprise funds.....	298	—
Internal service.....	337	337
Fiduciary.....	—	1,637
	12,635	3,501
Fiduciary		
General.....	34,068	—
Departmental General Operating.....	14,958	—
Local Government Infrastructure.....	38	—
Department of Transportation Special Revenue..	5,554	—
Nonmajor governmental funds.....	945	—
Higher Education.....	9,913	—
Nonmajor enterprise funds.....	104	—
Internal service.....	1,637	—
Fiduciary.....	38,345	38,345
	105,562	38,345
Totals	□ 447,369	□ 447,369

Amounts due from/to funds resulted from interfund goods and services provided or reimbursable expenditures/expenses incurred on or before June 30 for which payment was received/made after June 30.

Funds	Interfund Receivables	Interfund Payables	Receivables Long-term Portion
General			
Departmental General Operating.....	\$ 6,375	\$ —	\$ —
Nonmajor governmental funds.....	550	—	—
Higher Education.....	359	—	223
Internal service.....	2,474	—	—
	9,758	—	223
Departmental General Operating			
General.....	—	6,375	—
Nonmajor governmental funds.....	30	327	—
Higher Education.....	400	—	—
Nonmajor enterprise funds.....	100	—	—
Internal service.....	1,500	3,000	—
	2,030	9,702	—
Local Government Infrastructure			
Department of Transportation Special Revenue.....	334,747	—	304,168
Department of Transportation Special Revenue Fund			
Local Government Infrastructure.....	—	334,747	—

Funds	Interfund Receivables	Interfund Payables	Receivables Long-term Portion
Nonmajor Governmental Funds			
General.....	—	550	—
Departmental General Operating.....	327	30	291
Nonmajor governmental funds.....	59	59	40
Higher Education.....	2,220	—	1,791
Internal service.....	669	18,410	542
	<u>3,275</u>	<u>19,049</u>	<u>2,664</u>
Higher Education			
General.....	—	359	—
Departmental General Operating.....	—	400	—
Nonmajor governmental funds.....	—	2,220	—
Nonmajor enterprise funds.....	—	34,920	—
	<u>—</u>	<u>37,899</u>	<u>—</u>
Nonmajor Enterprise Funds			
Departmental General Operating.....	—	100	—
Higher Education.....	34,920	—	—
Internal service.....	—	9,033	—
	<u>34,920</u>	<u>9,133</u>	<u>—</u>
Internal Service			
General.....	—	2,474	—
Departmental General Operating.....	3,000	1,500	3,000
Nonmajor governmental funds.....	18,410	669	16,940
Nonmajor enterprise funds.....	9,033	—	9,033
Internal service.....	106	106	—
	<u>30,549</u>	<u>4,749</u>	<u>28,973</u>
Totals.....	<u>□ 415,279</u>	<u>□ 415,279</u>	<u>□ 336,028</u>

The preceding interfund receivables and payables generally include loans for building improvements, economic development initiatives, and initial funding for new programs. Additional balances include the following:

- \$334.747 million owed by the Department of Transportation Special Revenue Fund, a major governmental fund, to the Local Government Infrastructure Fund, a major governmental fund. The Department of Transportation has entered into various agreements to provide assistance for highway and transportation facilities projects being constructed by the Local Government Infrastructure Fund.
- \$18.410 million owed by the nonmajor governmental funds to the internal service funds. The nonmajor governmental funds borrowed the money to purchase and renovate new headquarters facilities for the State Department of Public Safety.
- \$9.033 million owed by the nonmajor enterprise funds to the internal service funds. The nonmajor enterprise funds lent the money received to a county for infrastructure within a residential development.
- \$34.920 million owed by the Medical University of South Carolina reported within the Higher Education Fund, a major enterprise fund, to the nonmajor enterprise funds, in relation to internal leasing arrangements.

State of South Carolina

The following table summarizes interfund transfers during the fiscal year ended June 30, 2008 (expressed in thousands):

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund		
Departmental General Operating.....	\$ 6,425	\$ 105,329
Local Government Infrastructure.....	—	3,825
Department of Transportation Special Revenue.....	—	3,077
Nonmajor governmental funds.....	93	454,239
Higher Education.....	1,769	943,026
Unemployment Compensation Benefits.....	1,490	85
Internal service.....	400	1,464
	<u>10,177</u>	<u>1,511,045</u>
Departmental General Operating		
General.....	105,329	6,425
Local Government Infrastructure.....	31	3
Department of Transportation Special Revenue.....	108	—
State Tobacco Settlement.....	500	—
Nonmajor governmental funds.....	13,955	7,670
Higher Education.....	17,198	740
Housing Authority.....	250	—
Nonmajor enterprise funds.....	863	—
Internal service.....	6,913	1,990
	<u>145,147</u>	<u>16,828</u>
Local Government Infrastructure		
General.....	3,825	—
Departmental General Operating.....	3	31
Department of Transportation Special Revenue.....	—	1,000
	<u>3,828</u>	<u>1,031</u>
Department of Transportation Special Revenue Fund		
General.....	3,077	—
Departmental General Operating.....	—	108
Local Government Infrastructure.....	1,000	—
	<u>4,077</u>	<u>108</u>
State Tobacco Settlement		
Departmental General Operating.....	—	500
Nonmajor governmental funds.....	—	468,908
	<u>—</u>	<u>469,408</u>
Nonmajor Governmental Funds		
General.....	454,239	93
Departmental General Operating.....	7,670	13,955
State Tobacco Settlement.....	468,908	—
Nonmajor governmental funds.....	2,605	2,605
Higher Education.....	1,974	94,566
Housing Authority.....	—	400
Nonmajor enterprise funds.....	480	480
Internal service.....	—	590
	<u>935,876</u>	<u>112,689</u>
Higher Education		
General.....	943,026	1,769
Departmental General Operating.....	740	17,198
Nonmajor governmental funds.....	94,566	1,974
Medical University Hospital Authority.....	305	—
Nonmajor enterprise funds.....	37,103	—
Internal service.....	19	19
	<u>1,075,759</u>	<u>20,960</u>
Unemployment Compensation Benefits		
General.....	85	1,490

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Housing Authority		
Departmental General Operating.....	—	250
Nonmajor governmental funds.....	400	—
	<u>400</u>	<u>250</u>
Medical University Hospital Authority		
Higher Education.....	—	305
Nonmajor enterprise funds.....	—	247
	<u>—</u>	<u>552</u>
Nonmajor Enterprise Funds		
Departmental General Operating.....	—	863
Nonmajor governmental funds.....	480	480
Higher Education.....	—	37,103
Medical University Hospital Authority.....	247	—
	<u>727</u>	<u>38,446</u>
Internal Service		
General.....	1,464	400
Departmental General Operating.....	1,990	6,913
Nonmajor governmental funds.....	590	—
Higher Education.....	19	19
Internal service.....	14,965	14,965
	<u>19,028</u>	<u>22,297</u>
Totals.....	<u>□ 2,195,104</u>	<u>□ 2,195,104</u>

The State routinely uses transfers to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move State grant monies from grantor funds to grantee funds, and (3) transfer bond proceeds from the original fund to other funds authorized to receive portions of the proceeds. Significant transfers (i.e., \$5.000 million or more) that occurred during the fiscal year ended June 30, 2008, that had not occurred in prior years included transfers of \$329.962 million of tax revenues from the Tax Relief Trust Fund, reported as part of the State’s General Fund, to the Homestead Exemption Fund for subsequent distribution for property tax relief; a transfer of \$6.106 million from the General Fund to the Other Special Revenue Fund to fund the newly created Renewable Energy Infrastructure Development Fund, which makes loans and grants to individuals or organizations that plan to build a qualified renewable energy production facility; and a transfer of \$468.908 million from the State Tobacco Settlement Fund to the Tobacco Settlement Revenue Management Authority Fund for the purpose of bond defeasance.

NOTE 16: PROPRIETARY FUND REVENUES–ALLOWANCES AND DISCOUNTS

In the financial statements, the State presents its revenues net of allowances for uncollectible accounts receivable and contractual adjustments. Note 5 reports these allowances.

Scholarship allowances in the Higher Education Fund represent the sum of differences between stated charges for goods and services provided to students and amounts billed to students and/or third parties making payments on behalf of students. For the fiscal year ended June 30, 2008, scholarship allowances reduced the revenues of the Higher Education Fund by the following amounts (expressed in thousands):

	Scholarship Allowances
Charges for services.....	\$ 353,370
Operating revenues pledged for revenue bonds.....	21,230
Total	<u>□ 374,600</u>

For the fiscal year ended June 30, 2008, the State’s enterprise funds presented \$1.037 billion included in net charges for services after provisions for contractual and other adjustments in the amount of \$1.164 billion and uncollectible accounts in the amount of \$132.335 million.

NOTE 17: DONOR-RESTRICTED ENDOWMENTS AND PLEDGES

a. Donor-Restricted Endowments

The State's permanent funds (nonmajor governmental funds) and the Higher Education Fund, a major enterprise fund, maintain donor-restricted endowments. Net appreciation consists of realized and unrealized increases in the fair value of an endowment's assets over the historic dollar value of the assets.

At June 30, 2008, \$12.773 million of the amount reported as *restricted net assets, expendable for education*, represented net appreciation on investments of donor-restricted endowments available for authorization for expenditure by governing boards of the higher education institutions. In addition, \$93 thousand of the amount reported as *restricted net assets, expendable for other*, represented net appreciation on investments of donor-restricted endowments of permanent funds.

The South Carolina Uniform Management of Institutional Funds Act (Title 34, Chapter 6, of the South Carolina Code of Laws, which is referred to below as "the Act") permits an agency's/institution's governing board to authorize for expenditure all of an endowment's net appreciation, unless the applicable gift instrument indicates the donor's intention that net appreciation not be expended. The Act requires, however, that the authorized expenditure be limited to the uses and purposes for which the endowment was established and that the institution's governing board exercise ordinary business care and prudence in authorizing the expenditure of net appreciation.

Specific policies for authorizing and spending endowment investment income vary among the agencies and institutions that hold endowments. Generally, the governing boards establish these policies. Among those agencies/institutions that recorded investment income in donor-restricted endowments during the fiscal year ended June 30, 2008, the predominant policy was to authorize the spending of 4.00% to 5.00% of the fair value of total endowment assets annually.

b. Pledges

The State's Higher Education Fund, a major enterprise fund, and related blended component units reported as nonmajor enterprise funds, recognize receivables and revenues for pledges or promises of cash or other assets from nongovernmental entities when all eligibility requirements are met, provided that the promise is verifiable and the resources are measurable and probable of collection. The financial statements report these amounts as accounts receivable. However, various benefactors have established split interest agreements with The Citadel Trust, Inc., a nonmajor enterprise fund. Among these agreements are a charitable remainder uni-trust and a charitable remainder trust. The Citadel, a higher education institution reported in the Higher Education Fund, will receive a specified portion of the assets remaining under these agreements at the benefactors' deaths. The parties who manage the assets associated with these agreements are not included within the State of South Carolina's financial reporting entity. The State's financial statements do not report these trust assets because the ultimate amounts that the State will receive were not deemed to be measurable at June 30, 2008, and the eligibility requirements for the gifts have not been met.

NOTE 18: SEGMENT INFORMATION

The Housing Authority provides low-cost housing to the State's citizens by issuing bonds/notes and by administering federal contracts and grants. The State issues various separate revenue bonds to finance activities within the Single Family Finance program of its Housing Authority Fund, a major enterprise fund. Covenants of the following revenue bonds within the Single Family Finance program require separate accounting and financial reporting: (a) Single Family, and (b) Mortgage Revenue. Investors in these bonds rely solely on the revenue generated by the individual activities for repayment. Accordingly, condensed financial statements (expressed in thousands) for these segments for the fiscal year ended June 30, 2008, are presented on the following pages:

CONDENSED STATEMENT OF NET ASSETS

	<u>Single Family</u>	<u>Mortgage Revenue</u>
Assets		
Current restricted assets.....	\$ 8,910	\$ 110,076
Other current assets.....	39	1,847
Noncurrent restricted assets.....	203,239	693,655
Other assets.....	701	4,950
Total assets.....	<u>212,889</u>	<u>810,528</u>
Liabilities		
Current liabilities payable from restricted assets.....	2,658	93,982
Other current liabilities.....	38	196
Noncurrent liabilities.....	102,664	633,183
Total liabilities.....	<u>105,360</u>	<u>727,361</u>
Net assets		
Restricted and expendable for:		
Debt service.....	2,658	37,374
Bond reserves.....	3,209	12,119
Special programs.....	101,662	33,674
Total net assets.....	<u>□ 107,529</u>	<u>□ 83,167</u>

CONDENSED STATEMENT OF REVENUES,
EXPENSES, AND CHANGES IN NET ASSETS

	<u>Single Family</u>	<u>Mortgage Revenue</u>
Operating revenues:		
Pledged revenues:		
Interest on loans.....	\$ 6,596	\$ 36,303
Income on deposit.....	1,492	8,846
Other revenues:		
Administrative fees and other.....	38	331
Total operating revenues.....	<u>8,126</u>	<u>45,480</u>
Operating expenses:		
Bond issuance cost amortization....	39	646
Other operating expenses.....	5,524	37,945
Total operating expenses.....	<u>5,563</u>	<u>38,591</u>
Operating income.....	<u>2,563</u>	<u>6,889</u>
Transfers:		
Transfers in.....	5	1,244
Transfers out.....	(5,994)	—
Increase in net assets.....	<u>(3,426)</u>	<u>8,133</u>
Beginning net assets (restated).....	110,955	75,034
Ending net assets.....	<u>□ 107,529</u>	<u>□ 83,167</u>

CONDENSED STATEMENT OF CASH FLOWS

	Single Family	Mortgage Revenue
Net cash provided (used) by:		
Operating activities.....	\$ 4,294	\$ (63,039)
Noncapital financing activities.....	(11,304)	80,294
Investing activities.....	1,661	10,071
Net decrease.....	(5,349)	27,326
Beginning cash and cash equivalents (restated).....	44,855	148,229
Ending cash and cash equivalents.....	□ 39,506	□ 175,555

Because the above separately identifiable activities provide essentially similar services to the Authority’s customers, they are not considered to be different activities for financial reporting purposes. Accordingly, all of the Housing Authority’s activities are reported as a single fund and as a single business-type activity in the accompanying financial statements.

NOTE 19: JOINT VENTURE AND JOINT OPERATION

a. Joint Venture

In May 1997, the Public Service Authority (the Authority), a major discretely presented component unit, along with two unrelated publicly owned electric utilities formed a wholesale power marketing joint venture called The Energy Authority (TEA). Subsequently, three additional unrelated entities joined TEA. The Authority engages in gas hedging activities through TEA to reduce the cost of fuel inventories. The Authority now has a 21% ownership interest, which it records as an equity investment. TEA provides services to its member organizations, as well as to certain non-member organizations, and allocates transaction savings and operating expenses to its member organizations pursuant to a settlement agreement.

During its fiscal year ended December 31, 2007, the Authority received distributions of \$35.844 million from TEA and recognized \$35.836 million in reductions to power costs and increases in electric revenues.

The Authority has provided certain guarantees and has pledged certain collateral to support TEA’s transactions. The Authority’s Board of Directors has approved the use of up to \$89.800 million to support TEA’s activities.

At December 31, 2007, the Authority had a payable to TEA of \$5.400 million for power and gas purchases. In addition, the Authority had a receivable due from TEA of approximately \$10.700 million for power sales and sales of excess gas capacity.

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

The Energy Authority
301 West Bay Street, Suite 2600
Jacksonville, Florida 32202

b. Joint Operation

The Summer Nuclear Station is a joint operation owned by the Public Service Authority (the Authority), a major discretely presented component unit and regulated electric utility, and the South Carolina Electric and Gas Company (SCE&G), a non-governmental electric utility. The Authority owns an undivided one-third interest in the Station while SCE&G owns an undivided two-thirds interest. SCE&G is solely responsible for the Station’s design, construction, management, budgeting, operation, maintenance, and decommissioning; and the Authority is obligated to pay its ownership share of all costs relating thereto. The Authority receives one-third of the net electricity generated.

In accordance with regulatory accounting practices, the Authority reported capital assets of \$499.000 million, accumulated depreciation of \$286.500 million, and expenses of \$56.700 million, which represent its interest in this joint operation. The Summer Nuclear Station is not a separate legal entity and does not prepare separate financial statements.

The Nuclear Regulatory Commission (NRC) requires a licensee of a nuclear reactor to provide minimum financial assurance of its ability to decommission its nuclear facilities. A site-specific decommissioning study completed in 2006 estimated the Authority’s share of decommissioning costs for the Summer Nuclear Station as \$178.900 million in 2006 dollars. The Authority accrues its share of the estimated decommissioning costs over the remaining life of the facility. These costs are being recovered through the Authority’s rates.

To comply with the NRC regulations, the Authority established an external trust fund and has been making deposits into this fund since September 1990. In addition, the Authority established an internal decommissioning account. The Authority

makes deposits into this fund in the amount necessary to fund the difference between the 2006 site-specific study and the NRC's imposed minimum requirement. Based on current decommissioning cost estimates developed by SCE&G, these funds, which totaled \$141.200 million (adjusted to market) at December 31, 2007, along with future deposits into both the external and internal decommissioning accounts and investment earnings, are expected to provide sufficient funds for the Authority's share of the estimated decommissioning costs.

On May 23, 2008, subsequent to the Authority's December 31 year-end, the Authority and SCE&G entered into an engineering, procurement and construction agreement for the design and construction of two 1,117 megawatt nuclear electric generating units at the existing V.C Summer Nuclear Station site. Leading up to the execution of this agreement, on May 22, 2008, the Authority's Board of Directors had unanimously approved a resolution authorizing the contract signing and spending up to \$1.900 billion on this project through December 31, 2011.

NOTE 20: RELATED PARTY TRANSACTIONS

These financial statements exclude certain related foundations and other organizations, including those discussed below. (See also Note 1a, Scope of Reporting Entity.)

During the fiscal year ended June 30, 2008, the Educational Television Endowment of South Carolina, Inc., disbursed \$4.812 million on behalf of the Departmental General Operating Fund, a major governmental fund, for programs, development, advertising, and other costs.

The following organizations are related to the Higher Education Fund, a major enterprise fund: the University of South Carolina Development Foundation; the University of South Carolina Business Partnership Foundation; the University of South Carolina Research Foundation; the Greater University of South Carolina Alumni Association; the Carolina Piedmont Foundation, Inc.; the Lancaster County Educational Foundation, Inc.; the Clemson University Research Foundation; the Clemson University Continuing Education and Conference Complex Corporation; the Clemson Advancement Foundation for Design and Building; the MUSC Foundation of the Medical University of South Carolina; the Medical University of South Carolina Foundation for Research Development; the Coastal Educational Foundation, Inc.; the Coastal Carolina University Student Housing Foundation; the Horry County Higher Education Commission; the College of Charleston Foundation; the Winthrop University Foundation; the Winthrop University Real Estate Foundation; the Francis Marion University Foundation; the Francis Marion University Student Housing LLC; The Citadel Foundation; The Citadel Alumni Association; The Citadel's Brigadier Foundation; South Carolina State Educational Foundation; the Lander Foundation; Aiken Technical College Foundation, Inc.; Florence-Darlington Technical College Foundation; Horry-Georgetown Technical College Foundation; Greenville Tech Foundation, Inc.; Midlands Technical College Foundation; Orangeburg-Calhoun Technical College Foundation; Piedmont Technical College Foundation; Spartanburg Technical College Foundation; Tri-County Technical College Foundation; Trident Technical College Foundation; and York Technical College Foundation. During the fiscal year ended June 30, 2008, the State entered into various transactions with these organizations. Approximate amounts within the State's Higher Education Fund that represent transactions with these related parties include: receivable from foundations—\$56.547 million; donations of cash and other assets from foundations—\$137.733 million; expenditures paid to foundations—\$4.805 million; and reimbursements to the State for expenses/expenditures the State incurred on behalf of foundations—\$4.411 million.

The Education Assistance Authority Fund, a major enterprise fund, has designated the South Carolina Student Loan Corporation (SLC) as the entity to administer the enterprise fund's student loan program. During the fiscal year ended June 30, 2008, the enterprise fund entered into various transactions with SLC. Approximate amounts within the enterprise fund that represent these transactions include: accounts receivable from SLC—\$1.012 billion; notes receivable from SLC—\$1.579 million; program revenue from SLC—\$18.783 million; reimbursements to SLC for administrative costs—\$7.999 million; and payable to SLC—\$56.841 million.

NOTE 21: MAJOR DISCRETELY PRESENTED COMPONENT UNITS

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

The Public Service Authority makes payments to the General Fund in lieu of taxes each year based on requirements under bond indentures. These payments totaled \$14.993 million during the Authority's fiscal year ended December 31, 2007.

During the fiscal year ended June 30, 2002, the State Ports Authority resolved to contribute a total of \$45.000 million over twenty-six years to the Local Government Infrastructure Fund, a major governmental fund, for the Cooper River Bridge project in Charleston. The Authority made a payment of \$1.000 million during the fiscal year ended June 30, 2008.

The South Carolina Lottery for Education Act requires the Lottery Commission to transfer all proceeds from lottery ticket sales and other revenues net of expenses to the Education Lottery Fund, a nonmajor governmental fund. The Commission transferred \$268.486 million during the fiscal year ended June 30, 2008; the Commission owed an additional \$18.651 million to the Fund at June 30, 2008.

b. Concentrations of Credit Risk

The Public Service Authority and State Ports Authority have chosen to present their statements in accordance with applicable pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989. Accordingly, these component units present disclosures regarding concentrations of credit risk.

Public Service Authority

Concentrations of credit risk with respect to the Public Service Authority’s receivables are limited due to its large number of customers and their dispersion across different industries. The Authority maintains an allowance for uncollectible accounts based on the expected collectibility of all accounts receivable. The Authority’s sales to its two major customers for its fiscal year ended December 31, 2007, were as follows (expressed in thousands):

<u>Customer</u>	<u>Revenue</u>	<u>□ of Total Sales Revenue</u>
Central Electric Power Cooperative, Inc.....	\$ 737,000	51%
Alumax of South Carolina, Inc.....	142,000	10%

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

State Ports Authority

During the fiscal year ended June 30, 2008, one customer accounted for approximately 21% of the State Ports Authority’s revenues. The Authority performs ongoing credit evaluations of its customers and generally operates under international laws, which may provide for a maritime lien on vessels in the event of default on credit terms. The Authority maintains reserves for potential credit losses.

c. Inequality of Due from Component Units and Due to Primary Government

Due from Component Units was \$163.694 million and Due to Primary Government was \$160.922 million, a difference of \$2.772 million. This situation occurred because the Public Service Authority and the Connector 2000 Association, Inc. report using a fiscal year ending December 31. At June 30, 2008, the Public Service Authority owed the General Fund its semi-annual payment of \$8.269 in lieu of taxes, which is reported as Due from Component Units. At December 31, 2007, the Connector 2000 Association, Inc. owed the Department of Transportation Special Revenue Fund \$5.497 million for maintenance costs, which is reported as Due to Primary Government.

NOTE 22: CONTINGENCIES AND COMMITMENTS

a. Litigation

Primary Government

Among the unresolved legal actions in which the State was involved at June 30, 2008, are several that challenge the legality of certain taxes. The challenged revenues include the sales tax on diabetic supplies, allegedly exempt materials and equipment and the use of certain income tax credits. In the event of unfavorable outcomes for these cases, the State does not expect the ultimate liability to exceed \$46 million. Although State losses in these cases also could reduce future revenues, the preceding estimates do not include any impact on future revenues.

The South Carolina Retirement Systems has been involved in two lawsuits, which are putative class actions, involving legislation (Act No. 153, 2005 S.C. Acts and Joint Resolutions) requiring that employees who return to work after retirement (including employees participating in the Teacher and Employee Retention Incentive [TERI] Program) to resume making contributions into the retirement system. In the first suit, the plaintiffs alleged that requiring such contributions constituted a breach of contract, an impairment of contractual rights, an unlawful taking of property and was precluded by promissory estoppel. In 2006, the Supreme Court held that the TERI statute created a contract for retirees who entered the TERI program prior to July 1, 2005, and that contract was breached by requiring retirement contributions. The Court ordered the Systems to refund all contributions received from these retirees while they were participating in the TERI program, but remanded the question whether the Systems was liable for the plaintiffs’ attorney fees. The Circuit Court for Richland County issued an order awarding attorneys’ fees against the Systems and the State in the amount of approximately \$9 million. The Systems appealed the award to the Supreme Court. In March 2008, the Supreme Court approved the award of attorneys’ fees, but reduced the amount to approximately \$1 million. The General Assembly appropriated funds and this judgment has been satisfied. As part of its decision in this first case, the Supreme Court also remanded the claims of persons enrolled in the “working retiree program” for determination by the trial court, although the Supreme Court found that the statute creating the

working retiree program did not create a contract between the State and the participants in that program. It is premature to estimate any potential loss associated with this remand; however, as of June 30, 2008, the Systems had collected approximately \$19 million in the form of retirement contributions from members who retired prior to July 1, 2005 and returned to work. If the Plaintiffs were to prevail, these contributions would be refunded to the members and no future contributions could be collected from them. The Systems and the State believe their defense is meritorious and intend to vigorously contest these claims. The second putative class action case filed in August, 2005, alleges that the law requiring working retirees in the Police Officers Retirement System (“PORS”) to make employee contributions is unconstitutional and illegal. Discovery regarding these issues is underway, and it is premature to estimate any potential loss associated with them. If the plaintiffs were to prevail, however, the defendants estimate the potential loss from PORS based on a refund of contributions, as of June 30, 2008, to be approximately \$10 million. There would also be a loss of future contributions. The Systems and the State believe their defense is meritorious and are vigorously defending the case.

The State is involved in other legal proceedings pertaining to matters incidental to the performance of routine governmental operations. Such litigation includes cases involving claims asserted against the State arising from alleged torts, breach of contract, and possible violations of State laws. In the event of unfavorable outcomes in all of the above matters, the State’s estimated liability would be approximately \$21 million.

While the State is uncertain as to the ultimate outcome of any of the above-described lawsuits, it believes its positions are meritorious and it is vigorously defending its position in each case.

The State is involved in a number of cases in which the amounts of potential losses, if any, are not presently determinable. These cases include one contending that the funding of public education in South Carolina is inequitable and inadequate. The State moved to dismiss the case, and the Circuit Court granted that motion. The plaintiffs appealed, and the State Supreme Court affirmed part of the Circuit Court’s order but remanded the case to the Circuit Court for further proceedings as to the issue of alleged inadequate educational opportunity. The Court denied the plaintiffs’ request to add a damage claim. The Court issued an order during December 2005 in which the Court found in favor of the State on most issues, but ruled that the State is failing to fund early childhood intervention programs adequately. Motions to alter or amend the Circuit Judge’s Order were filed in July 2007, but the Court denied the motions. The plaintiffs, the House and the Senate appealed to the Supreme Court and the case was argued in June 2008. The Court has not yet issued an Opinion. In a second unrelated case, the plaintiffs allege that a State board’s actions interfered with their businesses. The State has filed a motion for summary judgment. In the event the State loses this case, the loss amount may not be limited by the State Tort Claims Act and it may exceed the allowable reimbursement from the State’s self-insurance fund. In a third unrelated case, the plaintiffs contend that a lack of funding has resulted in the unconstitutional treatment of prison inmates with mental illnesses. In the fourth unrelated case, the plaintiffs contend that beachfront homes and lots on Sullivan’s Island are threatened by erosion and need large sandbags to protect them temporarily until re-nourishment. The suits also challenge the constitutionality of the Beachfront Management Act and request damages. In a fifth unrelated case, the plaintiffs allege assaults on children placed in a foster home.

Due to the uncertainty involving the ultimate outcome of the several previously discussed unresolved lawsuits, no provision for potential liability has been made for them in the accompanying financial statements.

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

Major Discretely Presented Component Unit—Public Service Authority

The Public Service Authority, a major discretely presented component unit and electric utility company, is a party to or has an indirect interest in several lawsuits in which the amounts of potential losses, if any, are not presently determinable. The following paragraph discusses the most significant of these cases.

Landowners located along the Santee River contend that the Authority is liable for damage to their real estate because of flooding that has occurred since the U. S. Army Corps of Engineers completed its Cooper River Rediversion Project in 1985. A 1997 trial returned a jury verdict against the Authority on certain causes of action. The Authority appealed the decision and the case was remanded to District Court. The Authority has entered into a settlement agreement with the plaintiffs, which will involve mediation of the claims and a non-jury hearing regarding those claims which cannot be resolved through mediation. No estimate of potential loss to the Authority can be made at this time. The contract between the Corps and the Authority requires that the Corps indemnify the Authority for certain claims arising out of the construction and operation of the project.

b. Tobacco Settlement Revenue Management Authority

The Tobacco Settlement Revenue Management Authority (the Authority), a blended component unit and nonmajor governmental fund established in 2001, is a public body and an instrumentality of the State. State law transferred to the Authority all of the State’s rights and interests under the Master Settlement Agreement (the MSA) and the Consent Decree and Final Judgment between all participating states and the participating tobacco manufacturers. These rights include the

State of South Carolina's share of all tobacco settlement revenues (TSRs) actually received after June 30, 2001, or to be received in the future under the MSA.

The Authority issued asset-backed term bonds in 2001, which were defeased on June 26, 2008, in part by issuing asset-backed refunding bonds. The payment of such refunding bonds is dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors, including cigarette consumption and the continued financial capability of the original participating manufacturers. Such bonds are secured by, and payable solely from, TSRs and investment earnings pledged under the bond indenture and amounts established and held in accordance with the bond indenture. The term bonds are payable only from the Authority's assets. If the Authority has no assets, it will not pay any principal or interest on the bonds. The TSRs represent the Authority's only source of funds for payments on the bonds; the Authority has no taxing power.

Various parties have instituted litigation alleging, among other things, that the MSA violates certain provisions of federal and State laws. Certain of these actions, if ultimately successful, could result in a determination that the MSA is void or unenforceable. In the event of an adverse court ruling, the Authority may not have adequate financial resources to make payment on the bonds.

c. Federal Grants

The State receives significant federal grant and entitlement revenues. Compliance audits of federal programs may identify disallowed expenditures. Disallowances by federal program officials as a result of these audits may become liabilities of the State. The State records a liability for pending disallowances if settlement is probable and the settlement amount is reasonably estimable. Otherwise, the liability is recorded only when the State and the federal government agree on reimbursement terms. Based on an analysis of historical data, the State believes that any such disallowances relating to the fiscal year ended June 30, 2008, or earlier years will not have a material impact on the State's financial statements.

d. Other Loan Guarantees

The South Carolina Education Assistance Authority, a major enterprise fund, guarantees student loans. At June 30, 2008, these loans totaled \$2.865 billion. The United States Department of Education reinsures 100% of losses under these guarantees for loans made prior to October 1, 1993; 98% of losses for loans made on or after October 1, 1993, but before October 1, 1998; and 95% for loans made on or after October 1, 1998. If the loan default rate exceeds 5% of the loans in repayment status, the United States Department of Education decreases the reinsurance rate. The State's default rate during the fiscal year ended June 30, 2008, was less than 1%.

The nonmajor enterprise funds guarantee a portion of a mortgage debt up to a maximum of \$1.531 million.

e. Purchase Commitments

Major Discretely Presented Component Unit—Public Service Authority

At December 31, 2007, the Public Service Authority, a major discretely presented component unit and electric utility company, had outstanding minimum obligations under existing purchase contracts totaling \$1.340 billion for coal. In addition, minimum obligations under purchased power contracts were approximately \$70.300 million at December 31, 2007, with a remaining term of twenty-seven years. Also, the Authority has commitments for nuclear fuel enrichment and fabrication contracts that are contingent upon the operating life of its nuclear unit. As of December 31, 2007, these commitments totaled approximately \$49.000 million over the next seven years.

The Authority has entered into a service agreement in the approximate amount of \$90.000 million. The agreement provides a service director, initial spare parts, parts and services for specified maintenance outages, remote monitoring and diagnostics of the turbine generators, and combustion tuning for the gas turbines. In exchange for reduced pricing and added features, the contract term was extended through 2023, but can be terminated on one of the units in 2008, and on the other two units in 2009.

Major Discretely Presented Component Unit—Lottery Commission

At June 30, 2008, the Lottery Commission had remaining commitments of \$69.354 million under service contracts expiring in 2018. The contracts provide, among other things, services and equipment to operate the on-line lottery.

f. Commitments to Provide Grants and Other Financial Assistance

The South Carolina Transportation Infrastructure Bank, reported within the Local Government Infrastructure Fund (a major governmental fund), has agreements with various counties to provide financial assistance totaling \$2.379 billion for certain highway and transportation facilities projects. At June 30, 2008, the remaining commitments for these agreements totaled \$1.092 billion.

At June 30, 2008, the Department of Commerce had outstanding commitments of \$120.890 million to provide funds to local governmental entities. These commitments included grants for water and wastewater infrastructure projects, airport

construction projects, and rural infrastructure projects. Of the outstanding commitment, \$67.169 million will be funded by federal grants, and \$35.644 million will be funded by local grants.

At June 30, 2008, the Budget and Control Board had outstanding commitments of \$48.764 million to provide loans and grants for water and wastewater projects and energy efficiency improvement projects. \$19.370 million of this commitment will be funded by federal grants.

At June 30, 2008, the State Board for Technical and Comprehensive Education had outstanding commitments of \$11.781 million to provide training for new and expanding business and industry in the state.

At June 30, 2008, the Department of Public Safety had outstanding commitments of \$4.669 million for pass-through grants to various State agencies, local governments, and not-for-profit entities, of which \$3.955 million will be funded by federal grants.

The State Housing Finance and Development Authority had \$5.339 million in outstanding commitments for special initiatives under the Program Fund at June 30, 2008. The Housing Trust Fund, reported within the nonmajor governmental funds, had financial award commitments outstanding of \$20.402 million at June 30, 2008, for affordable housing projects and developments.

g. Connector 2000 Association, Inc. □ Going Concern

During its fiscal year ended December 31, 2001, the Connector 2000 Association, Inc., a major discretely presented component unit, opened the Southern Connector toll road to public traffic and began toll collections. Since commencing operations, the Southern Connector has experienced significantly lower traffic counts than those projected during the planning phase of the project. Because the Association pledged these toll collections for debt service payments on its toll road revenue bonds, the Association's debt service capability also is affected. The Association used a portion of its debt service reserve fund to help fund interest payments during its fiscal year ended December 31, 2007. Debt service on the bonds increased sharply beginning in January 2008 as principal began to mature. Unless revenues increase sharply, management of the Association estimates that within two years the reserve funds will be depleted and the Association will be unable to pay the principal and interest on the bonds in full. As a result, there is substantial doubt about the Association's ability to continue as a going concern.

The Association has been unable to comply with the bond revenue covenant since January 2005. As of January 1, 2008 (after 36 consecutive months), the Association is in technical default under the bond indenture. The Association received a notice of default from the Trustee in January 2008. The bond documents provide the Trustee, upon written request of 25% or more of the bondholders, with certain specific remedies in the event of such default. As of June 2008, the Association had not received any communications from the Trustee initiating any proceedings under the Specific Remedies provision of the bond indenture.

Also subsequent to its fiscal year ended December 31, 2007, the Association withdrew funds from the Senior Bonds Debt Service Reserve Account in order to pay a portion of the interest and principal payment due on January 2, 2008, and withdrew funds from the Subordinate Bonds Debt Service Reserve Account in order to pay the Maturity Value of the Subordinate Capital Appreciation Bonds. Management is investigating the possibility of restructuring its long term debt, but there can be no assurance that these plans will be successful.

h. Unemployment Compensation Benefits Fund □ Going Concern

The Unemployment Compensation Benefits Fund, a major enterprise fund, has been generating substantial operating losses and using a substantial amount of cash resources to fund its operations. Due to the increasing unemployment rate and the increased amount of unemployment benefits, without a corresponding increase in assessment revenue, the Fund anticipates that it will be unable to operate without acquiring additional capital. Management plans to ask the General Assembly to adjust the taxable wage base of employers in order to raise additional employer contributions to continue the operations of the Fund. If successful, management does not expect such an adjustment to take effect before cash resources are depleted. In such an event, the Fund plans to raise additional cash resources from the federal government through temporary short-term loans. As a result of this situation, there is substantial doubt about the Fund's ability to continue as a going concern.

NOTE 23: SPECIAL ITEMS

a. Insurance Reserve Fund □ Return of Premium

The Insurance Reserve Fund reported a special item of \$20.000 million due to a refund of premiums to its policyholders. The transfer of investment income to the General Fund and the "Rate Holiday" in fiscal year 2002-2003 created a substantial decline in the Fund's assets and equity. The Fund increased rates over several years in order to rebuild both assets and equity. In fiscal year 2006-2007, the Appropriations Act transferred approximately \$52.000 million from the General Fund to the Insurance Reserve Fund. The combination of the cumulative rate increases and the transfer of funds back to the Insurance Reserve Fund generated assets and equity in excess of the Fund's needs. Accordingly, the Fund returned \$20.000

million to its policyholders as a refund of premium. The amount is reported as a special item in the State's internal service funds and governmental activities.

b. Employee Insurance Programs □ Elimination of Claims Liability

The Employee Insurance Programs reported a special item of \$25.611 million due to the elimination of the claims liability for the Long-Term Disability Plan. As described in Note 9, Act 195 created the Long-Term Disability Insurance Trust Fund for the purpose of funding and accounting for other post-employment long-term disability benefits. In accordance with GASB 45, the State does not report a liability for these other post-employment benefits. Therefore, Employee Insurance Programs eliminated the previously reported claims liability. The amount is reported as a special item in the State's internal service funds and governmental activities.

NOTE 24: INVESTMENT MARKET UNCERTAINTY

During 2008, financial markets as a whole have incurred significant declines in value. As of June 30, 2008, the State's investment portfolio has not incurred a significant decline in the values reported in the accompanying financial statements. However, as the values of individual investments fluctuate with market conditions, the amount of investment losses that the State may recognize in its future financial statements, if any, cannot be determined. The State believes that any investments that experience declines in value will be temporary unrealized losses as they have the intent and ability to hold such investments until maturity.

**REQUIRED
SUPPLEMENTARY INFORMATION—
Other than Management’s Discussion and Analysis
(Unaudited)**

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

BUDGETARY GENERAL FUND

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Regular sources				
Retail sales tax.....	□ 2,599,400	□ 2,538,324	□ 2,463,275	□ (75,049)
Income tax, individual.....	2,927,383	2,924,815	2,863,839	(60,976)
Income tax, corporation.....	285,005	274,864	268,644	(6,220)
Total income and sales tax.....	<u>5,811,788</u>	<u>5,738,003</u>	<u>5,595,758</u>	<u>(142,245)</u>
Admissions tax.....	26,189	26,189	27,698	1,509
Aircraft tax.....	4,821	4,821	6,145	1,324
Alcoholic liquor tax.....	55,079	54,865	56,652	1,787
Bank tax.....	32,848	22,848	19,313	(3,535)
Beer and wine tax.....	102,569	102,569	100,611	(1,958)
Business license tax.....	33,338	33,338	31,073	(2,265)
Coin-operated device tax.....	1,121	1,107	1,598	491
Corporation license tax.....	79,192	72,329	74,406	2,077
Departmental revenue (primarily fees for services).....	45,675	45,639	43,850	(1,789)
Documentary tax.....	72,124	53,584	43,185	(10,399)
Earned on investments.....	100,500	107,000	123,633	16,633
Electric power tax.....	6,486	□	□	□
Estate tax.....	□	□	344	344
Insurance tax.....	156,195	154,294	159,613	5,319
Motor transport fees.....	11	11	4	(7)
Motor vehicle licenses.....	6,939	6,939	24,286	17,347
Private car lines tax.....	3,835	3,835	3,595	(240)
Public Service Authority.....	15,864	15,864	15,795	(69)
Retailers' license tax.....	866	866	847	(19)
Savings and loan association tax.....	3,886	3,886	3,357	(529)
Workers' compensation insurance tax.....	14,078	14,078	13,559	(519)
Total regular sources.....	<u>6,573,404</u>	<u>6,462,065</u>	<u>6,345,322</u>	<u>(116,743)</u>
Miscellaneous sources				
Circuit and family court fines.....	9,967	9,967	10,640	673
Debt service reimbursement.....	1,723	1,723	1,723	□
Indirect cost recoveries.....	18,053	16,679	15,837	(842)
Mental health fees.....	3,400	3,400	3,400	□
Parole and probation supervision fees.....	3,393	3,393	3,393	□
Unclaimed property fund transfer.....	12,000	12,000	12,000	□
Nonrecurring revenue.....	79	79	79	□
Total miscellaneous sources.....	<u>48,615</u>	<u>47,241</u>	<u>47,072</u>	<u>(169)</u>
Total revenues.....	<u>6,622,019</u>	<u>6,509,306</u>	<u>6,392,394</u>	<u>(116,912)</u>

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule (Non-GAAP Budgetary Basis)

BUDGETARY GENERAL FUND (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget □ Positive (Negative)
	Original	Final		
Expenditures:				
Legislative.....	□ 44,872	□ 45,607	□ 33,059	□ 12,548
Judicial.....	39,808	40,900	38,759	2,141
Executive and administrative.....	400,618	305,838	258,756	47,082
Educational.....	3,492,147	3,570,615	3,513,782	56,833
Health.....	1,670,811	1,652,014	1,601,715	50,299
Social rehabilitation services.....	171,315	181,124	171,236	9,888
Correctional and public safety.....	580,271	602,632	587,920	14,712
Conservation, natural resources, and development.....	268,848	272,404	224,870	47,534
Regulatory.....	64,142	65,611	63,315	2,296
Transportation.....	11,465	11,465	4,852	6,613
Debt service.....	237,772	237,772	224,766	13,006
Miscellaneous.....	297,480	314,359	314,270	89
Total expenditures.....	7,279,549	7,300,341	7,037,300	263,041
Excess of revenues over (under) expenditures □ budgetary basis.....	(657,530)	(791,035)	(644,906)	146,129
Other financing uses □ transfers out.....	(111,821)	(111,821)	(111,821)	□
Net increase (decrease) in fund balance □ budgetary basis.....	(769,351)	(902,856)	(756,727)	146,129
Fund balance at beginning of year □ budgetary basis.....	1,080,981	1,080,981	1,080,981	□
Fund balance at end of year □ budgetary basis.....	□ 311,630	□ 178,125	□ 324,254	□ 146,129

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

OTHER BUDGETED FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance from Final Budget □ Positive (Negative)
	Original	Final		
Revenues:				
Federal.....	□ 6,875,962	□ 6,967,381	□ 5,896,988	□ (1,070,393)
Earmarked.....	4,067,456	4,817,432	4,021,824	(795,608)
Restricted.....	2,641,623	2,706,788	2,710,429	3,641
Total revenues.....	13,585,041	14,491,601	12,629,241	(1,862,360)
Expenditures:				
Legislative.....	1,919	3,595	2,121	1,474
Judicial.....	23,528	27,229	21,121	6,108
Executive and administrative.....	386,407	535,748	442,087	93,661
Educational.....	4,549,373	5,006,474	4,145,261	861,213
Health.....	5,421,607	5,472,066	4,515,247	956,819
Social rehabilitation services.....	1,254,998	1,327,471	1,272,120	55,351
Correctional and public safety.....	211,681	274,662	199,931	74,731
Conservation, natural resources, and development.....	301,060	388,301	296,907	91,394
Regulatory.....	249,639	376,020	338,607	37,413
Transportation.....	1,156,299	1,308,761	1,186,275	122,486
Total expenditures.....	13,556,511	14,720,327	12,419,677	2,300,650
Net increase (decrease) in fund balance □ budgetary basis.....	28,530	(228,726)	209,564	438,290
Fund balance at beginning of year □ budgetary basis.....	2,074,318	2,074,318	2,074,318	□
Fund balance at end of year □ budgetary basis.....	□ 2,102,848	□ 1,845,592	□ 2,283,882	□ 438,290

Notes to the Required Supplementary Information--Budgetary

NOTE 1: BUDGETARY FUNDS AND PERSPECTIVE DIFFERENCES

a. Budgetary Funds

South Carolina's Annual Appropriation Act, the State's legally adopted budget, does not present budgets by GAAP fund. Instead, it presents program-level budgets for the following two funds:

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

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

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

b. Perspective Differences

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

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

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

a. Budgetary General Fund

Each year, the General Assembly enacts an Appropriation Act that includes initial estimated revenue and appropriation figures for the Budgetary General Fund. The *original appropriations* presented in the accompanying schedule for the Budgetary General Fund include the amounts displayed in the Appropriation Act as well as any appropriations authorized to carry forward from the preceding fiscal year. *Original estimated revenues* in the accompanying schedule for the Budgetary General Fund include amounts displayed in Section 71 (*Revenue*) of the Appropriation Act and nonrecurring transfers from other funds that were legislatively required by various provisos within the Appropriation Act.

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

After the beginning of the fiscal year, departments and agencies may request transfers of appropriations among programs. No such transfer request, however, may exceed 20.0% of the program budget. In addition, the Budget and Control Board, composed of five key executive and legislative officials, has the authority to approve transfers of appropriations between personal service and other operating accounts.

The Appropriation Act for the 2007-2008 fiscal year directs the Budget and Control Board to reduce the Budgetary General Fund's appropriations during the year if necessary to prevent a deficit. Likewise, the State Board of Economic Advisors may approve revisions of estimated revenues for the Budgetary General Fund during the year.

b. Other Budgeted Funds

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

The State's General Assembly does not approve estimated revenue or fund balance amounts for Other Budgeted Funds (or for Total Funds). However, Section 70 (*Recapitulation*) of the Appropriation Act includes net *source of funds* amounts (i.e., estimated cash brought forward from the previous fiscal year plus estimated revenue for the current fiscal year minus estimated cash to be carried forward to the following fiscal year) for three categories of Other Budgeted Funds: Federal, Earmarked, and Restricted. The *original estimated revenue* amounts in the accompanying schedule for Other Budgeted Funds were obtained from the State Budget Office's breakdown of the source of funds amounts.

As operating conditions change, departments and agencies may request revisions of budgeted amounts in Other Budgeted Funds. Such changes require the Budget and Control Board's approval. Departments and agencies also may request revisions of estimated revenues and appropriations for permanent improvement projects. The Budget and Control Board and the Joint Bond Review Committee must approve and review those changes.

NOTE 3: LEGAL LEVEL OF BUDGETARY CONTROL

The State maintains budgetary control at the level of summary object category of expenditure within each program of each department or agency. The State's Appropriation Act for the 2007-2008 fiscal year has approximately 2,900 appropriated line items. These line items constitute the level of legal control over expenditures. The level of legal control for all agencies is reported in a publication of the State Comptroller General's Office titled "A Detailed Report of Appropriations and Expenditures," not included herein.

NOTE 4: BASIS OF BUDGETING

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

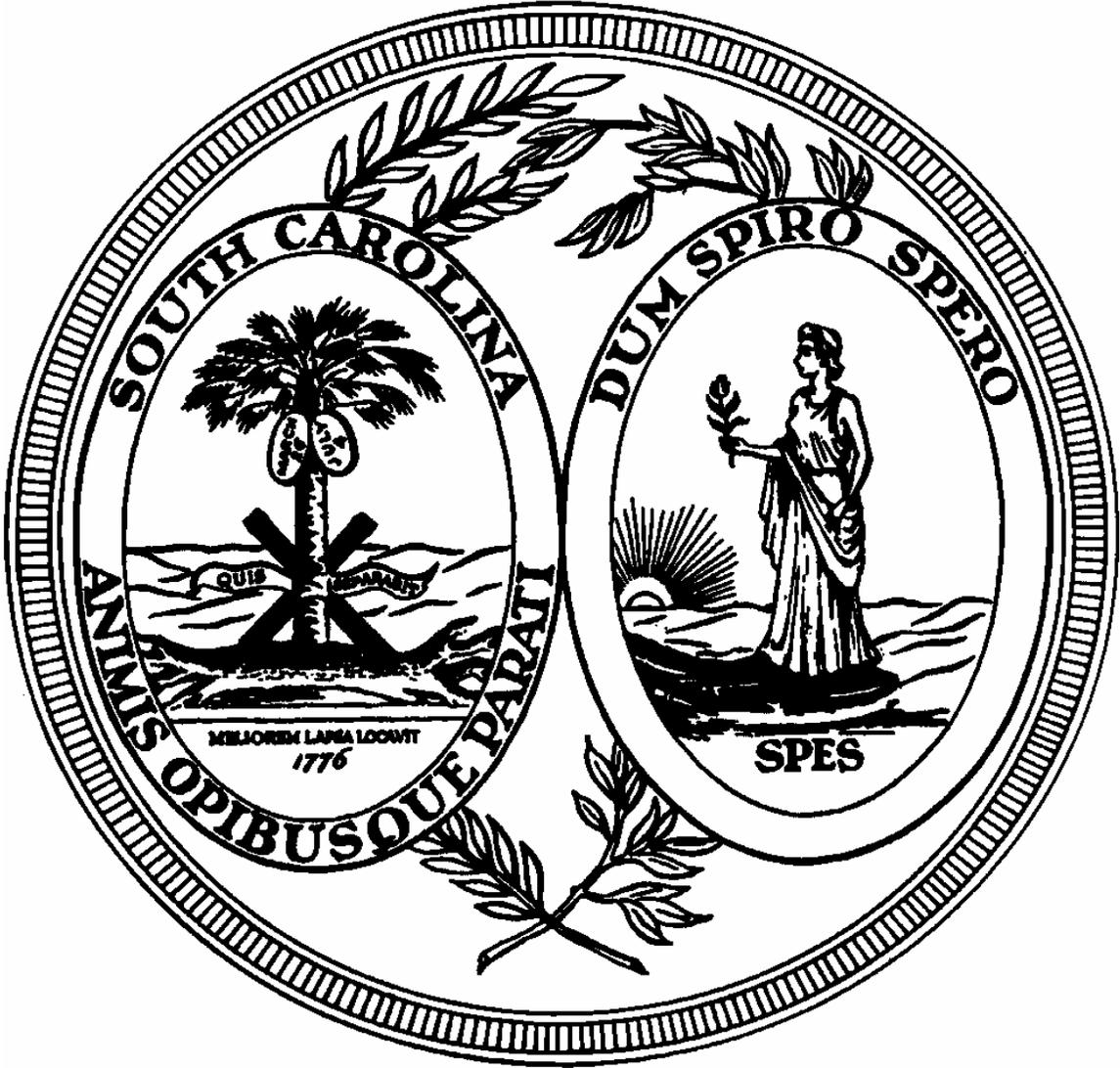
State law does not precisely define the State's basis of budgeting. In practice, however, it is the cash basis with the following exceptions:

- (i) Departments and agencies charge certain vendor and interfund payments against the preceding fiscal year's appropriations through July 16.
- (ii) Certain revenues collected in advance are recorded as liabilities (deferred revenues) rather than as revenues.
- (iii) The following taxes are recorded on the modified accrual basis in accordance with State law: admissions tax, alcoholic liquors tax, beer and wine tax, business license tax, documentary tax, electric power tax, gasoline and motor fuel taxes, and sales, use, and casual excise taxes.
- (iv) Certain non-cash activity, such as food stamp benefits, is recorded as revenue and expenditure in the fiscal year in which the resources are distributed to the beneficiaries.
- (v) All other revenues are recorded only when the State receives the related cash.

NOTE 5: RECONCILIATION OF BUDGET TO GAAP REPORTING DIFFERENCES

The accompanying budgetary comparison schedules compare the State’s legally adopted budget with actual data in accordance with the State’s basis of budgeting. Budgetary accounting principles, however, differ significantly from GAAP accounting principles. These different accounting principles result in basis, perspective, and entity differences in the net increase in fund balance—budgetary basis. *Basis differences* arise because the basis of budgeting differs from the GAAP basis used to prepare the statement of revenues, expenditures, and changes in fund balances—governmental funds. *Perspective differences* result because the Appropriation Act’s program-oriented structure differs from the fund structure required for GAAP. *Entity differences* arise because certain activity reported within the State’s financial reporting entity for GAAP purposes is excluded from the Appropriation Act. These differences (expressed in thousands) for the fiscal year ended June 30, 2008, were as follows:

<i>Budgetary funds</i>	<i>Budgetary</i>	<i>Other</i>	Major Special Revenue Funds			
	General Fund	Budgeted Funds				
GAAP funds	General Fund	Not Applicable	Departmental General Operating	Local Government Infrastructure	Department of Transportation Special Revenue	State Tobacco Settlement
Net increase in fund balance □ budgetary basis	□ (756,727)	□ 209,564	□ □	□ □	□ □	□ □
Perspective differences:						
Other Budgeted Funds attributable to nonmajor governmental and other GAAP funds	□	(331,761)	□	□	□	□
Other Budgeted Funds attributable to major governmental GAAP funds	□	(122,197)	□	□	□	□
Other Budgeted Funds net increase allocated among the State’s major governmental GAAP funds	(14,925)	122,197	7,995	20,788	71,305	2,204
Basis of accounting differences	(25,042)	□	69,971	(130,706)	(68,626)	249
Entity differences	(32,185)	□	(6,126)	47,732	□	(464,262)
Net increase (decrease) in fund balance □ GAAP basis	□ (828,879)	□ □	□ 71,840	□ (62,186)	□ 2,679	□ (461,809)



**SUPPLEMENTARY
INFORMATION**

Governmental Funds

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

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

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

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

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

a. Nonmajor Special Revenue Funds

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

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

Children's Education Endowment Fund. This fund accounts for low-level radioactive waste fees collected from the Barnwell waste facility that are not required to be deposited to the General Fund or remitted to Barnwell County. These funds are to be used for public school facilities assistance and higher education scholarship grants.

Waste Management Fund. This fund accounts for fees collected from consumers, generators of solid and hazardous wastes, and owners and operators of solid waste and hazardous waste storage facilities. These fees must be used for the purposes set forth in the State's Solid Waste Policy and Management Act of 1991 and to cover the State's costs in governmental actions involving uncontrolled hazardous waste sites.

Accommodations and Local Option Sales Tax Fund. This fund accounts for: (1) a special additional 2% sales tax on the gross proceeds on the rental of transient accommodations and (2) a special 1% sales tax applicable in some localities within the State. The State allocates these revenues to counties and municipalities in accordance with State law.

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

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

Tobacco Settlement Revenue Management Authority Fund. The Tobacco Settlement Revenue Management Authority was created to issue bonds that securitized future payments received under the multi-state legal settlement with the tobacco industry. The State transferred to the Authority, from its General Fund, all of its rights to the future tobacco settlement revenues. In return, the Authority transferred part of the bond proceeds to the State Tobacco Settlement Fund.

Education Lottery Fund. State law requires the Lottery Commission, a major discretely presented component unit, to transfer all proceeds from lottery ticket sales and other revenues net of expenses to the Education Lottery Fund. The Fund distributes these monies for education purposes and programs as stipulated in State law. These programs include tuition assistance, needs-based grants, and scholarships for the State's universities and technical colleges.

Public Telecommunications Fund. The Public Telecommunications Fund of the State's Office of Regulatory Staff accounts for revenues collected from telephone companies within the State and redistributed to certain telephone companies in an effort to align prices and cost recovery with costs. This program also is intended to ensure basic telephone service at affordable rates is available to all citizens. Other revenues of the Fund include telephone customer surcharges for the 911 emergency system mandated by the FCC. These monies are collected from the telephone companies and distributed to local governments for their 911 emergency telephone systems.

Other Special Revenue Funds. These funds, aggregated for reporting purposes, account for various other revenues that must be used for specific purposes. These funds include operations of various employment services, water recreation, agricultural boards, forest renewal programs, certain housing programs, medical and dental scholarships, energy-related programs, and certain programs administered by the Department of Probation, Parole, and Pardon Services. These funds also include operations of the Jobs-Economic Development Authority, which acts in conjunction with other organizations in the promotion and advancement of industrial, commercial, agricultural, and recreational development in the State. The Authority's emphasis is on those areas of the State with the greatest economic need and those projects providing the greatest economic benefit.

b. Capital Projects Fund

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments). Capital outlays financed from general obligation bond proceeds are accounted for through the Capital Projects Fund.

c. Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the State's programs—that is, for the benefit of the State or its citizenry.

Bequests Fund. Sometimes private citizens make bequests of specific assets within their wills to the State. Typically, these gifts provide that the State may expend the earnings, but not the principal, to support certain State agencies or certain programs within a specific State agency. The Bequests Fund accounts for these funds.

Wildlife Endowment Fund. The Wildlife Endowment Fund accounts for funds received from private citizens as gifts and contributions, as well as fees for certain lifetime hunting and fishing licenses. The State may expend the earnings, but not the principal, in furthering the conservation of wildlife resources and the efficient operation of the State's Department of Natural Resources.

Combining Balance Sheet

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

(Expressed in Thousands)

SPECIAL

	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Homestead Exemption	Medicaid Expansion
ASSETS						
Cash and cash equivalents.....	□ 59,688	□ 32,489	□ 216,595	□ 142,252	□ 53,942	□ 62,474
Invested securities lending collateral.....	1,659	4,472	29,782	3,873	□	5,901
Receivables, net:						
Accounts.....	410	□	960	5	□	100
Accrued interest.....	2,247	274	1,883	158	532	695
Sales and other taxes.....	60,266	□	12,122	58,748	50,454	109
Loans and notes.....	15,141	□	□	□	□	□
Due from Federal government and other grantors.....	□	□	□	□	□	□
Due from other funds.....	7,026	□	□	457	3,604	83,077
Due from component units.....	□	□	□	□	□	□
Interfund receivables.....	□	□	□	□	□	□
Inventories.....	□	□	9	□	□	□
Restricted assets:						
Cash and cash equivalents.....	□	□	□	□	□	□
Investments.....	□	□	□	□	□	□
Other.....	□	□	□	□	□	□
Total assets.....	□ 146,437	□ 37,235	□ 261,351	□ 205,493	□ 108,532	□ 152,356
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	□ 5,715	□	□ 1,481	□ 25	□	□
Accrued salaries and related expenditures.....	1,109	□	214	□	□	□
Retainages payable.....	□	□	□	□	□	□
Tax refunds payable.....	424	□	□	160	148	□
Intergovernmental payables.....	24,878	□	677	199,674	56,689	□
Due to other funds.....	2,080	□	198	296	□	23
Interfund payables.....	300	□	□	□	□	□
Deferred revenues.....	□	□	□	□	□	23,605
Securities lending collateral.....	1,659	4,472	29,782	3,873	□	5,901
Other liabilities.....	35	□	□	□	□	□
Total liabilities.....	36,200	4,472	32,352	204,028	56,837	29,529
Fund balances:						
Reserved for:						
Inventories.....	□	□	9	□	□	□
Interfund receivables.....	□	□	□	□	□	□
Endowments.....	□	□	□	□	□	□
Long-term loans and notes receivable.....	13,198	□	□	□	□	□
Debt requirements.....	□	□	□	□	□	□
School building aid.....	20,124	□	□	□	□	□
Unreserved:						
Designated for scholarships.....	15,882	□	□	□	□	□
Designated for capital expenditures.....	□	□	□	□	□	□
Undesignated.....	61,033	32,763	228,990	1,465	51,695	122,827
Total fund balances.....	110,237	32,763	228,999	1,465	51,695	122,827
Total liabilities and fund balances.....	□ 146,437	□ 37,235	□ 261,351	□ 205,493	□ 108,532	□ 152,356

REVENUE

Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals
□ 562	□ 153,759	□ 36,926	□ 100,149	□ 858,836
□	22,267	4,656	2,739	75,349
□	67	2,023	13	3,578
□	1,708	289	223	8,009
□	□	□	1,175	182,874
□	□	□	13,036	28,177
□	□	□	□	□
□	□	2,249	4,498	100,911
□	18,651	□	□	18,651
□	□	□	3,275	3,275
□	□	□	□	9
14,547	□	□	□	14,547
6,829	□	□	□	6,829
42,363	□	□	□	42,363
□ 64,301	□ 196,452	□ 46,143	□ 125,108	□ 1,343,408

PERMANENT

CAPITAL PROJECTS

Bequests	Wildlife Endowment	Totals	TOTALS
□ 1,292	□ 2,704	□ 3,996	□ 1,146,440
117	383	500	111,209
□	□	□	3,604
10	22	32	8,938
□	□	□	183,323
□	□	□	28,177
□	□	□	1,857
□	□	□	101,897
□	□	□	18,651
□	□	□	3,275
□	□	□	9
□	□	□	14,547
□	□	□	6,829
□	□	□	42,363
□ 1,419	□ 3,109	□ 4,528	□ 1,671,119

□ 761	□ 244	□ 2,798	□ 2,585	□ 13,609	□ 3,654	□	□	□	□	□ 17,263
□	4	□	642	1,969	70	□	□	□	□	2,039
□	□	□	□	□	1,063	□	□	□	□	1,063
□	□	□	2	734	□	□	□	□	□	734
□	506	10,046	8,234	300,704	□	□	□	□	□	300,704
□	8,715	456	3,105	14,873	29,241	□	□	□	□	44,114
□	□	□	280	580	18,469	□	□	□	□	19,049
□	□	□	□	23,605	1,203	□	□	□	□	24,808
□	22,267	4,656	2,739	75,349	35,360	117	383	500	□	111,209
□	□	□	694	729	□	□	□	□	□	729
761	31,736	17,956	18,281	432,152	89,060	117	383	500	□	521,712

□	□	□	□	9	□	□	□	□	□	9
□	□	□	2,663	2,663	□	□	□	□	□	2,663
□	□	□	□	□	□	714	2,105	2,819	□	2,819
□	□	□	12,211	25,409	□	□	□	□	□	25,409
62,979	□	□	□	62,979	□	□	□	□	□	62,979
□	□	□	□	20,124	□	□	□	□	□	20,124
□	□	□	□	15,882	□	□	□	□	□	15,882
□	□	□	□	□	234,123	□	□	□	□	234,123
561	164,716	28,187	91,953	784,190	□	588	621	1,209	□	785,399
63,540	164,716	28,187	106,827	911,256	234,123	1,302	2,726	4,028	□	1,149,407
□ 64,301	□ 196,452	□ 46,143	□ 125,108	□ 1,343,408	□ 323,183	□ 1,419	□ 3,109	□ 4,528	□	□ 1,671,119

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

NONMAJOR GOVERNMENTAL FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

SPECIAL

	Education Improvement Act	Children's Education Endowment	Waste Management	Accommodations and Local Option Sales Tax	Homestead Exemption	Medicaid Expansion
Revenues:						
Taxes:						
Retail sales and use.....	□ 633,137	□ □	□ 1,849	□ 598,458	□ 559,444	□ □
Other.....	□	2,393	12,123	□	□	267,954
Licenses, fees, and permits.....	182	□	28,452	□	□	□
Interest and other investment income.....	5,765	2,028	11,557	916	3,404	3,489
Federal.....	1	□	□	□	□	□
Local and private grants.....	□	□	□	□	□	□
Departmental services.....	□	□	24	□	□	□
Contributions.....	□	□	□	□	□	7,588
Fines and penalties.....	□	□	326	□	□	□
Tobacco legal settlement.....	□	□	□	□	□	□
Other.....	22	2	406	□	□	□
Total revenues.....	639,107	4,423	54,737	599,374	562,848	279,031
Expenditures:						
Current:						
General government.....	4,154	□	□	□	□	□
Education.....	61,875	5,903	□	□	□	□
Health and environment.....	669	□	28,950	□	□	177,018
Social services.....	340	□	□	□	□	□
Administration of justice.....	1,240	□	□	□	□	□
Resources and economic development.....	□	□	□	□	□	□
Capital outlay.....	□	□	□	□	□	□
Debt service:						
Principal retirement.....	□	□	□	□	□	□
Bonds repurchased.....	□	□	□	□	□	□
Interest and fiscal charges.....	□	□	□	□	□	□
Other debt service charges.....	□	□	□	□	□	□
Intergovernmental.....	595,968	9,377	5,611	594,739	880,447	□
Total expenditures.....	664,246	15,280	34,561	594,739	880,447	177,018
Excess of revenues over (under) expenditures.....	(25,139)	(10,857)	20,176	4,635	(317,599)	102,013
Other financing sources (uses):						
Refunding bonds issued.....	□	□	□	□	□	□
Accrued interest on refunding bonds.....	□	□	□	□	□	□
Discounts on bonds issued.....	□	□	□	□	□	□
Payment to refunded bond escrow agent.....	□	□	□	□	□	□
Transfers in.....	1,791	4,404	30	□	329,962	□
Transfers out.....	(1,434)	(1,115)	(1,158)	(3,272)	□	□
Total other financing sources (uses).....	357	3,289	(1,128)	(3,272)	329,962	□
Net change in fund balances.....	(24,782)	(7,568)	19,048	1,363	12,363	102,013
Fund balances at beginning of year (restated).....	135,019	40,331	209,951	102	39,332	20,814
Fund balances at end of year.....	110,237	32,763	228,999	1,465	51,695	122,827

REVENUE					PERMANENT				
Tobacco Settlement Revenue Management Authority	Education Lottery	Public Telecommunications	Other Special Revenue	Totals	CAPITAL PROJECTS	Bequests	Wildlife Endowment	Totals	TOTALS
□	□	□	□	□ 1,792,888	□	□	□	□	□ 1,792,888
□	□	□	□ 39,734	□ 322,204	□	□	□	□	□ 322,204
□	□	□ 91,522	□ 16,332	□ 136,488	□	□	□ 247	□ 247	□ 136,735
10,048	10,248	1,620	2,528	51,603	6,065	212	141	353	58,021
□	□	□	□ 115	□ 116	24,801	□	□	□	24,917
□	16	□	□ 34	□ 50	□	□	□	□	50
□	□	□ 14,928	□ 681	□ 15,633	3,370	□	□	□	19,003
□	263,931	□	□ 196	□ 271,715	155	□	□	□	271,870
□	□	□	□ 26,731	□ 27,057	□	□	□	□	27,057
83,493	□	□	□	□ 83,493	□	□	□	□	□ 83,493
□	385	□	□ 661	□ 1,476	9	□	□	□	1,485
93,541	274,580	108,070	87,012	2,702,723	34,400	212	388	600	2,737,723
2,609	□	91,388	31,361	129,512	□	□	□	□	129,512
□	192,852	□	□	260,630	□	1	□	1	260,631
□	69	□	55	206,761	□	7	□	7	206,768
□	3	□	20,398	20,741	□	20	□	20	20,761
□	13	□	14,460	15,713	□	□	□	□	15,713
□	□	□	5,150	5,150	□	□	□	□	5,150
□	□	□	□	□	60,051	□	□	□	60,051
390,735	□	□	98	390,833	970	□	□	□	391,803
152,430	□	□	□	152,430	□	□	□	□	152,430
48,540	□	□	4	48,544	1,725	□	□	□	50,269
75,953	□	□	□	75,953	□	□	□	□	75,953
□	54,594	8,632	26,957	2,176,325	□	□	□	□	2,176,325
670,267	247,531	100,020	98,483	3,482,592	62,746	28	□	28	3,545,366
(576,726)	27,049	8,050	(11,471)	(779,869)	(28,346)	184	388	572	(807,643)
275,730	□	□	□	275,730	□	□	□	□	275,730
957	□	□	□	957	□	□	□	□	957
(8,249)	□	□	□	(8,249)	□	□	□	□	(8,249)
(251,180)	□	□	□	(251,180)	□	□	□	□	(251,180)
468,908	5	450	15,402	820,952	114,924	□	□	□	935,876
(500)	(10,549)	(760)	(1,312)	(20,100)	(92,589)	□	□	□	(112,689)
485,666	(10,544)	(310)	14,090	818,110	22,335	□	□	□	840,445
(91,060)	16,505	7,740	2,619	38,241	(6,011)	184	388	572	32,802
154,600	148,211	20,447	104,208	873,015	240,134	1,118	2,338	3,456	1,116,605
□ 63,540	□ 164,716	□ 28,187	□ 106,827	□ 911,256	□ 234,123	□ 1,302	□ 2,726	□ 4,028	□ 1,149,407

General Reserve Fund Activity

BUDGETARY GENERAL FUND Last Ten Fiscal Years

Article III, Section 36, of the South Carolina Constitution establishes requirements relating to the General Reserve Fund. The reserve primarily is designed to prevent Budgetary General Fund deficits. On November 4, 1988, a Constitutional amendment was passed, which permanently changed the funding requirement for the Reserve to three percent of the Budgetary General Fund revenue of the previous fiscal year.

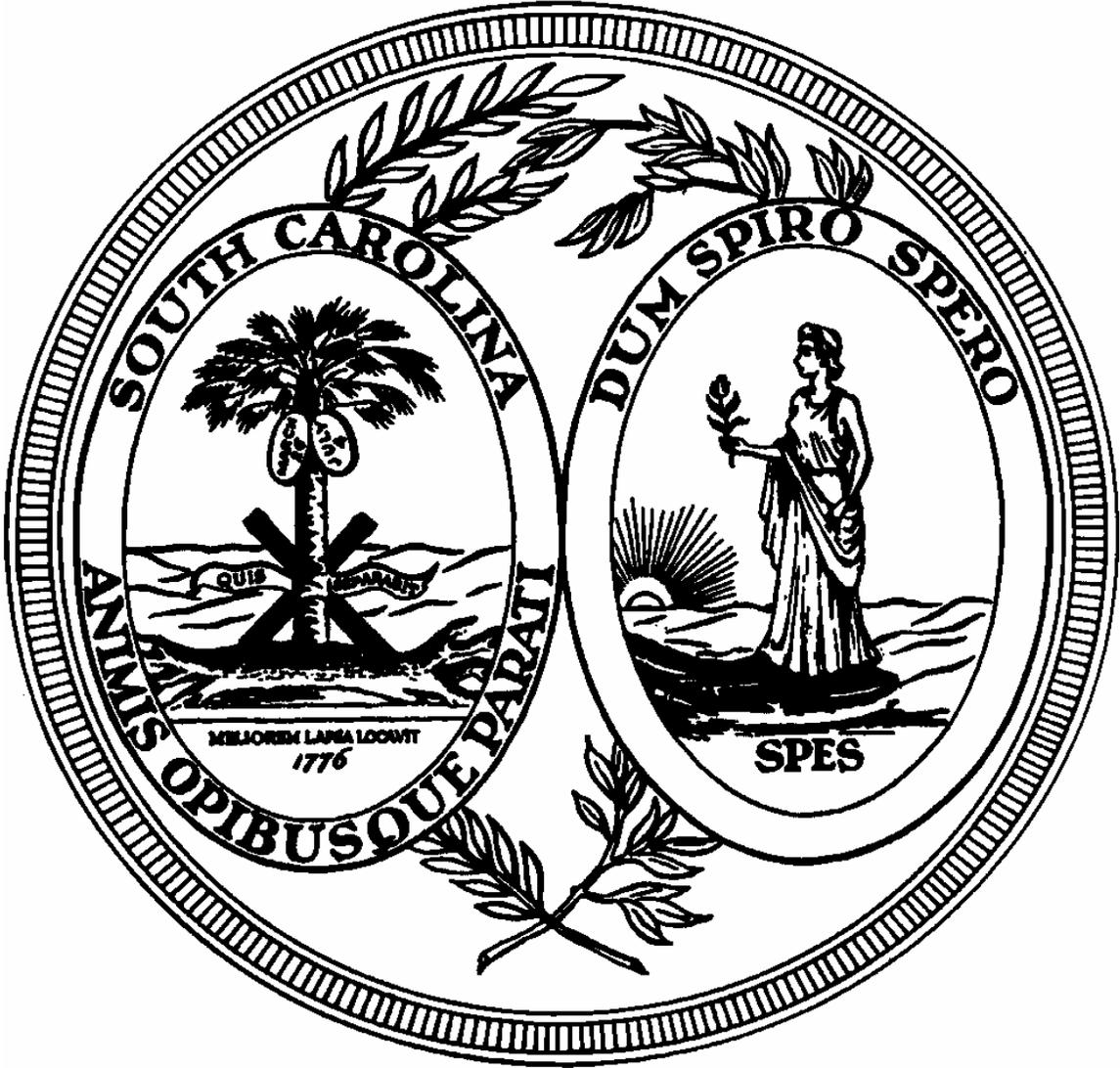
If amounts are withdrawn from the Reserve, the State Constitution requires restoration of the Reserve to full funding within three years.

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

<u>Fiscal Year Ended June 30</u>	<u>Start-of- Year Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>End-of-Year Balance</u>	<u>Full-Funding Amount^a</u>	<u>Actual End-of- Year <input type="checkbox"/> Funded^b</u>
1999	130,380	7,270	<input type="checkbox"/>	137,650	137,650	100 <input type="checkbox"/>
2000	137,650	7,721	<input type="checkbox"/>	145,371	145,371	100 <input type="checkbox"/>
2001	145,371	2,545	(87,393)	60,523	147,916	41 <input type="checkbox"/>
2002	60,523	2,286	(62,809)	<input type="checkbox"/>	150,202	0 <input type="checkbox"/>
2003	<input type="checkbox"/>	38,797	(38,797)	<input type="checkbox"/>	152,410	0 <input type="checkbox"/>
2004	<input type="checkbox"/>	74,455	(49,300)	25,155	147,708	17 <input type="checkbox"/>
2005	25,155	50,000	<input type="checkbox"/>	75,155	149,034	50 <input type="checkbox"/>
2006	75,155	78,333	<input type="checkbox"/>	153,488	153,488	100 <input type="checkbox"/>
2007	153,488	14,244	<input type="checkbox"/>	167,732	167,732	100 <input type="checkbox"/>
2008	167,732	19,049	(91,658)	95,123	186,781	51 <input type="checkbox"/>

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

^bEquals (End-of-Year Balance/Full-Funding Amount) x 100.



Proprietary Funds

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

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

Note 1b in the notes to the financial statements describes the State's major enterprise funds. The paragraphs below describe all nonmajor enterprise funds and the internal service funds that the State uses.

a. Nonmajor Enterprise Funds

The State uses enterprise funds to report activities for which it charges fees to external users for goods or services if *any* of the following situations applies:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity.
- Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges rather than with taxes or similar revenues.
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

The State uses the nonmajor enterprise funds described below.

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

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

Second Injury Fund. This fund serves as a claims processor for insurance carriers, self-insurers, and the State Accident Fund. The fund processes claims of employees with existing permanent physical impairment who are further injured in the course of their subsequent employment.

Tuition Prepayment Program Fund. This fund, previously known as the PACE program, allows contributors to make payments, under the terms of a tuition prepayment contract, to cover future undergraduate tuition expenses of a designated beneficiary at a South Carolina public higher education institution. Alternatively, the benefits of this contract can be applied toward the cost of tuition, up to the weighted average tuition at South Carolina public institutions, at any accredited college or university to which the designated beneficiary has been admitted.

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

University of South Carolina Trust Fund (the Trust). The Trust operates exclusively for the benefit of the University of South Carolina's School of Medicine to augment and aid education, research, and service in the field of health sciences. The University of South Carolina is a higher education institution reported in the Higher Education Fund, a major enterprise fund. The Trust's fiscal year ends December 31, and the accompanying supplementary information includes the Trust's financial information for the fiscal year ended December 31, 2007.

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

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

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

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

Other Enterprise Funds. Other enterprise activities of the State include: the Savannah Valley Development and the Public Railways Divisions of the South Carolina Department of Commerce, the Canteens Fund, operation of the Columbia Farmers' Market, and enterprise operations of the Adjutant General's Office and the State Board for Technical and Comprehensive Education.

b. Internal Service Funds

The State uses the internal service funds described below to report activities that provide goods or services to other State funds, departments, agencies, component units, and/or to other governments, on a cost-reimbursement basis if the State is the predominant participant in the activity. If the State is *not* the predominant participant, it reports the activity as an enterprise fund.

Insurance Reserve Fund. This is a risk management/reinsurance fund. It underwrites insurance risks on public buildings and their contents and tort liability, medical malpractice, and automobile liability for public employees. State law limits the Fund's customers to certain governmental persons/entities within the State and certain associated parties.

Employee Insurance Programs Fund. This is a risk management fund that underwrites the group health, dental, life, accidental death and dismemberment, disability, and long-term care benefits provided to State and public school employees and retirees.

State Accident Fund. This is a risk management fund that provides workers' compensation benefits predominantly to State employees. Premiums are collected from State agencies.

General Services Fund. This fund accounts for various services provided to State and local governmental units for which user fees are charged. These services include telecommunication and computer services, rental of office buildings, janitorial services, building maintenance, and procurement services.

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

Motor Pool Fund. This fund provides daily and permanent lease assignments of vehicles to State agencies. It also maintains an inventory of automotive parts to provide maintenance of these vehicles.

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

Prison Industries Fund. This fund accounts for goods produced by inmate labor. These goods are sold primarily to State agencies.

Other Internal Service Funds. These funds, aggregated for reporting purposes, account for other miscellaneous activities that meet the definition of internal service funds. Such activities include provision of training programs for State employees and work activity centers of the Vocational Rehabilitation Department.

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS

June 30, 2008

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
ASSETS					
Current assets:					
Cash and cash equivalents.....	□ 5,002	□ 4,667	□ 198	□ 151,083	□ 315
Investments.....	6,329	□	□	□	3,391
Invested securities lending collateral.....	□	553	7,330	11,360	□
Receivables, net:					
Accounts.....	2	373	□	□	45
Contributions.....	□	□	□	□	80
Participants.....	□	□	□	13,381	□
Accrued interest.....	69	10	□	312	238
Patient accounts.....	□	□	□	□	□
Due from other funds.....	□	□	□	□	□
Inventories.....	□	279	□	□	□
Restricted assets:					
Cash and cash equivalents.....	□	□	49,801	□	1,448
Investments.....	□	□	□	□	8,441
Loans receivable.....	□	□	□	□	84
Other.....	□	□	567	□	148
Prepaid items.....	199	9	□	□	1
Other current assets.....	□	□	□	□	□
Total current assets.....	<u>11,601</u>	<u>5,891</u>	<u>57,896</u>	<u>176,136</u>	<u>14,191</u>
Long-term assets:					
Investments.....	□	□	□	□	3,010
Receivables, net:					
Contributions.....	□	□	□	□	8
Participants.....	□	□	□	9,904	□
Interfund receivables.....	□	□	□	□	□
Restricted assets:					
Cash and cash equivalents.....	□	□	□	□	5,660
Investments.....	□	□	□	□	45,386
Loans receivable.....	□	□	□	□	55
Other.....	□	□	□	□	560
Prepaid items.....	□	□	□	□	□
Other long-term assets.....	□	□	□	□	12
Non-depreciable capital assets.....	□	4,973	□	□	2,155
Depreciable capital assets, net.....	□	9,161	7	□	□
Total long-term assets.....	<u>□</u>	<u>14,134</u>	<u>7</u>	<u>9,904</u>	<u>56,846</u>
Total assets.....	<u>11,601</u>	<u>20,025</u>	<u>57,903</u>	<u>186,040</u>	<u>71,037</u>

<u>University of South Carolina Trust</u>	<u>University Medical Associates</u>	<u>Medical University Facilities Corporation</u>	<u>CHS Development Company</u>	<u>Enterprise Campus Authority</u>	<u>Other Enterprise</u>	<u>Totals</u>
□ 2,658	□ 59,765	□ □	□ □	□ □	□ 39,791	□ 263,479
8,000	5,759	□	□	□	□	23,479
□	□	□	□	□	5,210	24,453
2,757	714	10	□	□	1,213	5,114
□	□	□	□	□	□	80
□	□	□	□	□	□	13,381
□	□	□	□	□	315	944
2,972	30,785	□	□	□	□	33,757
□	16,339	1,795	927	318	□	19,379
□	□	□	□	□	3,112	3,391
□	□	1,467	11	□	9	52,736
□	□	316	605	□	□	9,362
□	□	□	□	□	□	84
□	□	□	□	□	205	920
□	631	□	156	□	129	1,125
□	1,594	64	60	□	□	1,718
<u>16,387</u>	<u>115,587</u>	<u>3,652</u>	<u>1,759</u>	<u>318</u>	<u>49,984</u>	<u>453,402</u>
□	29,949	□	□	□	□	32,959
□	□	□	□	□	□	8
□	□	□	□	□	□	9,904
□	□	13,640	21,280	□	□	34,920
□	8,001	□	4,095	□	□	17,756
□	16,255	213	□	□	□	61,854
□	□	□	□	□	9,033	9,088
□	□	□	□	□	□	560
□	10,058	□	2,272	□	□	12,330
□	6,330	283	882	□	□	7,507
□	39	□	□	□	19,708	26,875
13,507	44,728	□	□	□	7,406	74,809
<u>13,507</u>	<u>115,360</u>	<u>14,136</u>	<u>28,529</u>	<u>□</u>	<u>36,147</u>	<u>288,570</u>
<u>29,894</u>	<u>230,947</u>	<u>17,788</u>	<u>30,288</u>	<u>318</u>	<u>86,131</u>	<u>741,972</u>

Continued on Next Page

Combining Statement of Net Assets

NONMAJOR ENTERPRISE FUNDS (Continued)

June 30, 2008

(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	78	395	2	0	3
Accrued salaries and related expenses.....	27	288	96	0	7
Accrued interest payable.....	0	0	0	0	0
Tuition benefits payable.....	0	0	0	9,119	0
Policy claims.....	20,000	0	0	0	0
Due to other funds.....	0	14	292	0	1,039
Unearned revenues.....	11,804	240	0	0	45
Securities lending collateral.....	0	553	7,330	11,360	0
Liabilities payable from restricted assets:					
Accrued interest payable.....	0	0	0	0	0
Other.....	0	0	50,075	0	0
Notes payable.....	0	0	0	0	0
Revenue bonds payable.....	0	0	0	0	0
Capital leases payable.....	0	0	0	0	0
Compensated absences payable.....	2	264	87	0	0
Other current liabilities.....	202	0	0	0	8
Total current liabilities.....	<u>32,113</u>	<u>1,754</u>	<u>57,882</u>	<u>20,479</u>	<u>1,102</u>
Long-term liabilities:					
Tuition benefits payable.....	0	0	0	180,298	0
Policy claims.....	162,368	0	0	0	0
Interfund payables.....	0	0	0	0	0
Unearned revenues.....	0	552	0	0	0
Other liabilities payable from restricted assets.....	0	0	0	0	0
Notes payable.....	0	0	0	0	0
Revenue bonds payable.....	0	0	0	0	0
Capital leases payable.....	0	0	0	0	0
Compensated absences payable.....	0	0	14	0	0
Other long-term liabilities.....	0	0	0	0	18
Total long-term liabilities.....	<u>162,368</u>	<u>552</u>	<u>14</u>	<u>180,298</u>	<u>18</u>
Total liabilities.....	<u>194,481</u>	<u>2,306</u>	<u>57,896</u>	<u>200,777</u>	<u>1,120</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	0	14,134	7	0	2,155
Restricted:					
Expendable:					
Education.....	0	0	0	0	27,360
Capital projects.....	0	0	0	0	2,504
Debt service.....	0	0	0	0	0
Nonexpendable:					
Education.....	0	0	0	0	32,055
Unrestricted.....	(182,880)	3,585	0	(14,737)	5,843
Total net assets (deficits).....	<u>(182,880)</u>	<u>17,719</u>	<u>7</u>	<u>(14,737)</u>	<u>69,917</u>

<u>University of South Carolina Trust</u>	<u>University Medical Associates</u>	<u>Medical University Facilities Corporation</u>	<u>CHS Development Company</u>	<u>Enterprise Campus Authority</u>	<u>Other Enterprise</u>	<u>Totals</u>
□ 3,579	□ 2,327	□ □	□ □	□ □	□ 403	□ 6,787
□ □	□ 12,758	□ □	□ □	□ □	□ 391	□ 13,567
□ □	□ 446	□ 172	□ 683	□ □	□ □	□ 1,301
□ □	□ □	□ □	□ □	□ □	□ □	□ 9,119
□ □	□ □	□ □	□ □	□ □	□ □	□ 20,000
□ □	□ □	□ □	□ □	□ □	□ 1,335	□ 2,680
□ □	□ □	□ 23	□ □	□ □	□ 36	□ 12,148
□ □	□ □	□ □	□ □	□ □	□ 5,210	□ 24,453
□ □	□ □	□ □	□ □	□ □	□ 208	□ 208
□ □	□ □	□ □	□ □	□ □	□ □	□ 50,075
□ □	□ 3,050	□ 1,195	□ 1,200	□ □	□ □	□ 5,445
□ 425	□ □	□ 689	□ □	□ □	□ □	□ 1,114
□ 120	□ 60	□ □	□ □	□ □	□ □	□ 180
□ 998	□ 1,850	□ □	□ □	□ □	□ 412	□ 3,613
□ □	□ 1,784	□ □	□ □	□ □	□ □	□ 1,994
<u>5,122</u>	<u>22,275</u>	<u>2,079</u>	<u>1,883</u>	<u>□</u>	<u>7,995</u>	<u>152,684</u>
□ □	□ □	□ □	□ □	□ □	□ □	□ 180,298
□ □	□ □	□ □	□ □	□ □	□ □	□ 162,368
□ □	□ □	□ □	□ □	□ □	□ 9,133	□ 9,133
□ □	□ □	□ □	□ □	□ □	□ □	□ 552
□ □	□ □	□ □	□ □	□ □	□ 6	□ 6
□ □	□ 81,253	□ 7,015	□ 28,473	□ □	□ □	□ 116,741
□ 7,225	□ □	□ 7,350	□ □	□ □	□ □	□ 14,575
□ 88	□ 91	□ □	□ □	□ □	□ □	□ 179
□ □	□ 1,233	□ □	□ □	□ □	□ 198	□ 1,445
□ 401	□ 1,143	□ □	□ □	□ □	□ □	□ 1,562
<u>7,714</u>	<u>83,720</u>	<u>14,365</u>	<u>28,473</u>	<u>□</u>	<u>9,337</u>	<u>486,859</u>
<u>12,836</u>	<u>105,995</u>	<u>16,444</u>	<u>30,356</u>	<u>□</u>	<u>17,332</u>	<u>639,543</u>
5,649	2,290	□	□	□	27,114	51,349
□	□	□	□	□	□	27,360
□	□	□	□	□	□	2,504
□	24,256	1,344	□	□	□	25,600
□	□	□	□	□	□	32,055
<u>11,409</u>	<u>98,406</u>	<u>□</u>	<u>(68)</u>	<u>318</u>	<u>41,685</u>	<u>(36,439)</u>
<u>□ 17,058</u>	<u>□ 124,952</u>	<u>□ 1,344</u>	<u>□ (68)</u>	<u>□ 318</u>	<u>□ 68,799</u>	<u>□ 102,429</u>

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

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	<u>Patients'</u> <u>Compensation</u>	<u>Patriots Point</u> <u>Development</u> <u>Authority</u>	<u>Second</u> <u>Injury</u>	<u>Tuition</u> <u>Prepayment</u> <u>Program</u>	<u>The Citadel</u> <u>Trust, Inc.</u>
Operating revenues:					
Charges for services.....	□ 38,198	□ 8,193	□ 1,673	□ □	□ □
Contributions.....	□	□	□	11,590	□
Interest and other investment income.....	□	□	□	(3,628)	□
Operating revenues pledged for revenue bonds.....	□	□	□	□	□
Other operating revenues.....	□	□	□	□	1,317
Total operating revenues.....	38,198	8,193	1,673	7,962	1,317
Operating expenses:					
General operations and administration.....	926	6,875	1,650	□	125
Benefits and claims.....	12,292	□	□	□	□
Tuition plan disbursements.....	□	□	□	(5,844)	□
Depreciation and amortization.....	□	733	5	□	□
Other operating expenses.....	□	240	22	□	5,730
Total operating expenses.....	13,218	7,848	1,677	(5,844)	5,855
Operating income (loss).....	24,980	345	(4)	13,806	(4,538)
Nonoperating revenues (expenses):					
Interest income.....	346	157	□	□	□
Contributions.....	□	77	□	□	2,659
Local private grants and contracts.....	□	□	□	□	203
Interest expense.....	(41)	□	□	□	□
Net other nonoperating revenues (expenses).....	□	□	□	□	139
Total nonoperating revenues (expenses).....	305	234	□	□	3,001
Income (loss) before other revenues, expenses, and transfers.....	25,285	579	(4)	13,806	(1,537)
Capital contributions.....	□	□	□	□	□
Local private grants and contracts.....	□	□	□	□	18
Additions to endowments.....	□	□	□	□	5,039
Transfers in.....	□	□	□	□	□
Transfers out.....	□	□	□	(361)	(6,255)
Change in net assets.....	25,285	579	(4)	13,445	(2,735)
Net assets (deficits) at beginning of year.....	(208,165)	17,140	11	(28,182)	72,652
Net assets (deficits) at end of year.....	□ (182,880)	□ 17,719	□ 7	□ (14,737)	□ 69,917

University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
□ 29,771	□ 243,256	□ □	□ □	□ □	□ 29,219	□ 350,310
□	□	□	□	□	□	11,590
□	□	□	□	□	□	(3,628)
□	□	1,028	1,245	□	□	2,273
23,952	11,513	84	□	□	254	37,120
53,723	254,769	1,112	1,245	□	29,473	397,665
47,627	204,202	916	1,378	51	24,413	288,163
□	□	□	□	□	□	12,292
□	□	□	□	□	□	(5,844)
1,089	2,678	64	217	□	630	5,416
□	□	□	□	□	19	6,011
48,716	206,880	980	1,595	51	25,062	306,038
5,007	47,889	132	(350)	(51)	4,411	91,627
738	862	□	□	□	2,297	4,400
□	□	□	□	□	□	2,736
□	□	□	□	□	□	203
(381)	(5,679)	□	□	□	(521)	(6,622)
□	(2,619)	□	□	□	(916)	(3,396)
357	(7,436)	□	□	□	860	(2,679)
5,364	40,453	132	(350)	(51)	5,271	88,948
□	□	□	□	□	81	81
□	□	□	□	□	□	18
□	□	□	□	□	□	5,039
□	□	□	247	□	480	727
□	(30,750)	(99)	□	□	(981)	(38,446)
5,364	9,703	33	(103)	(51)	4,851	56,367
11,694	115,249	1,311	35	369	63,948	46,062
□ 17,058	□ 124,952	□ 1,344	□ (68)	□ 318	□ 68,799	□ 102,429

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	Tuition Prepayment Program
Cash flows from operating activities:				
Receipts from customers, patients, and third-party payers.....	□ 37,349	□ 4,751	□ □	□ (101)
Assessments received.....	□	□	111,090	□
Tuition plan contributions received.....	□	□	□	24,247
Other operating cash receipts.....	□	3,580	□	□
Claims and benefits paid.....	(28,545)	□	(114,719)	□
Payments to suppliers for goods and services.....	□	(2,482)	□	□
Payments to employees.....	□	(3,472)	□	□
Internal activity - payments to other funds.....	□	□	□	□
Other operating cash payments.....	(1,062)	(962)	(1,682)	(8,290)
Net cash provided by (used in) operating activities.....	7,742	1,415	(5,311)	15,856
Cash flows from noncapital financing activities:				
Principal payments made to other funds.....	(3,000)	□	□	□
Interest payments made to other funds.....	(59)	□	□	□
Principal paid on noncapital debt.....	□	□	□	□
Interest payments on noncapital debt.....	□	□	□	□
Gifts and grants for other than capital purposes.....	□	□	□	□
Other cash payments.....	□	□	□	□
Transfers in.....	□	□	□	□
Transfers out.....	□	□	□	(361)
Net cash provided by (used in) noncapital financing activities.....	(3,059)	□	□	(361)
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	□	(374)	□	□
Principal paid on capital debt and lease.....	□	□	□	□
Interest payments on capital debt.....	□	□	□	□
Payment of agent and broker fees.....	□	□	□	□
Proceeds from sale of capital assets.....	□	□	□	□
Capital grants and gifts received.....	□	□	□	□
Net cash provided by (used in) capital and related financing activities.....	□	(374)	□	□
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	7,440	□	□	□
Purchase of investments.....	(9,099)	□	□	□
Interest and dividends on investments.....	317	156	3,316	(3,332)
Collection of escrow payments from borrower.....	□	□	□	□
Net cash provided by (used in) investing activities.....	(1,342)	156	3,316	(3,332)
Net increase (decrease) in cash and cash equivalents.....	3,341	1,197	(1,995)	12,163
Cash and cash equivalents at beginning of year.....	1,661	3,470	51,994	138,920
Cash and cash equivalents at end of year.....	5,002	4,667	49,999	151,083

The Citadel Trust, Inc.	University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
□	□	□	□	□	□	□	□
□	29,311	223,971	□	□	□	29,878	325,159
□	□	□	□	□	□	□	111,090
□	□	□	□	□	□	□	24,247
□	23,493	25,117	□	□	□	887	53,077
□	□	□	□	□	□	□	(143,264)
(74)	(17,924)	(77,827)	□	□	(51)	(19,281)	(117,639)
(52)	(32,429)	(124,278)	□	□	□	(5,252)	(165,483)
□	□	□	□	□	□	386	386
□	□	(53)	□	□	□	(1,915)	(13,964)
(126)	2,451	46,930	□	□	(51)	4,703	73,609
□	□	□	□	□	□	(1,256)	(4,256)
□	□	□	□	□	□	(551)	(610)
□	□	(1,350)	□	□	□	□	(1,350)
□	□	(2,760)	□	□	□	□	(2,760)
7,992	□	□	□	□	□	□	7,992
(14)	□	(6,941)	□	□	□	□	(6,955)
□	□	□	□	686	51	480	1,217
(7,041)	□	(30,750)	(99)	□	□	(980)	(39,231)
937	□	(41,801)	(99)	686	51	(2,307)	(45,953)
□	(653)	(1,578)	□	(31)	□	(802)	(3,438)
□	(543)	(1,357)	(1,785)	(1,165)	□	□	(4,850)
□	(381)	(2,649)	(936)	(1,401)	□	□	(5,367)
□	□	(28)	□	□	□	□	(28)
□	□	274	□	□	□	189	463
18	□	□	□	□	□	81	99
18	(1,577)	(5,338)	(2,721)	(2,597)	□	(532)	(13,121)
42,964	6,222	44,223	3,000	3,755	□	□	107,604
(44,144)	(6,369)	(8,803)	(1,311)	(2,886)	□	□	(72,612)
1,476	357	5,814	1,134	1,244	□	1,772	12,254
□	□	□	□	□	□	1,422	1,422
296	210	41,234	2,823	2,113	□	3,194	48,668
1,125	1,084	41,025	3	202	□	5,058	63,203
6,298	1,574	26,741	1,464	3,904	□	34,742	270,768
□	□	□	□	□	□	□	□
7,423	2,658	67,766	1,467	4,106	□	39,800	333,971

Continued on Next Page

Combining Statement of Cash Flows

NONMAJOR ENTERPRISE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Patients' Compensation	Patriots Point Development Authority	Second Injury	Tuition Prepayment Program
Reconciliation of operating income(loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	□ 24,980	□ 345	□ (4)	□ 13,806
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	□	734	4	□
Provision for bad debts.....	□	□	□	□
Realized gains and losses on sale of assets.....	□	□	□	□
Net (increase) decrease in the fair value of investments.....	□	□	□	□
Interest and dividends on investments and interfund loans.....	□	□	□	3,628
Amounts received for payment of claims.....	□	□	109,418	□
Payment of claims.....	□	□	(114,719)	□
Other nonoperating revenues.....	□	77	□	□
Other nonoperating expenses.....	□	□	□	□
Other.....	(185)	□	□	□
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	□	88	□	□
Receivable from participants, net.....	□	□	□	12,657
Loans receivable.....	□	□	□	□
Due from other funds.....	□	2	□	□
Inventories.....	□	14	□	□
Other assets	□	15	□	□
Accounts payable.....	(151)	148	□	□
Accrued salaries and related expenses.....	1	15	(11)	□
Tuition benefits payable.....	□	□	□	(14,134)
Policy claims.....	(16,253)	□	□	□
Due to other funds.....	(2)	(3)	□	(101)
Unearned revenues	(849)	(30)	□	□
Compensated absences payable	(1)	10	1	□
Other liabilities.....	202	□	□	□
Net cash provided by (used in) operating activities.....	□ 7,742	□ 1,415	□ (5,311)	□ 15,856
Noncash capital, investing, and financing activities:				
Acquisition of capital assets through assumption of liabilities.....	□	□	□	□
Decrease in fair value of investments.....	□	□	□	□
Other non-cash activity.....	22	□	□	□
	<u>□ 22</u>	<u>□</u>	<u>□</u>	<u>□</u>

The Citadel Trust, Inc.	University of South Carolina Trust	University Medical Associates	Medical University Facilities Corporation	CHS Development Company	Enterprise Campus Authority	Other Enterprise	Totals
□ (4,539)	□ 5,007	□ 47,889	□ 132	□ (350)	□ (51)	□ 4,412	□ 91,627
□	□ 1,089	□ 2,678	□ 64	□ 217	□	□ 630	□ 5,416
□	□	□ 42,482	□	□	□	□	□ 42,482
□	□	□	□	□	□	□ (89)	□ (89)
□ 4,413	□	□	□	□	□	□	□ 4,413
□	□	□	□	□	□	□	□ 3,628
□	□	□	□	□	□	□	□ 109,418
□	□	□	□	□	□	□	□ (114,719)
□	□	□ 4,958	□ (1,112)	□ (1,245)	□	□ 981	□ 3,659
□	□	□	□ 916	□ 1,378	□	□ (1,896)	□ 398
□	□	□ 30	□	□	□	□	□ (155)
□	□ (459)	□ (43,514)	□	□	□	□ 52	□ (43,833)
□	□	□	□	□	□	□	□ 12,657
□	□ (1,741)	□	□	□	□	□	□ (1,741)
□	□	□ (11,307)	□	□	□	□ 295	□ (11,010)
□	□	□	□	□	□	□ 327	□ 341
□	□	□ 293	□	□	□	□ 4	□ 312
□	□ (1,615)	□ 3,134	□	□	□	□ (650)	□ 866
□	□ (16)	□	□	□	□	□ 137	□ 126
□	□	□	□	□	□	□	□ (14,134)
□	□	□	□	□	□	□	□ (16,253)
□	□	□	□	□	□	□ 386	□ 280
□	□	□	□	□	□	□ 3	□ (876)
□	□ 81	□ 287	□	□	□	□ 95	□ 473
□	□ 105	□	□	□	□	□ 16	□ 323
<u>□ (126)</u>	<u>□ 2,451</u>	<u>□ 46,930</u>	<u>□</u>	<u>□</u>	<u>□ (51)</u>	<u>□ 4,703</u>	<u>□ 73,609</u>
□	□	□ 52	□	□	□	□	□ 52
□ (8,054)	□ (228)	□ (4,787)	□	□	□	□	□ (13,069)
□	□	□	□	□	□	□	□ 22
<u>□ (8,054)</u>	<u>□ (228)</u>	<u>□ (4,735)</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□ (12,995)</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS

June 30, 2008

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>	<u>Central Supplies and Equipment</u>
ASSETS					
Current assets:					
Cash and cash equivalents.....	□ 28,718	□ 344,901	□ 96,000	□ 55,478	□ 557
Invested securities lending collateral.....	57,677	48,730	13,047	922	□
Receivables, net:					
Accounts	16,952	17,293	79,436	944	5
Accrued interest.....	4,309	53	772	87	□
Due from other funds.....	2,129	220	2,866	4,198	658
Due from component units.....	□	□	□	7	□
Inventories.....	□	□	□	734	1,511
Prepaid items.....	14,348	□	25	□	□
Total current assets.....	<u>124,133</u>	<u>411,197</u>	<u>192,146</u>	<u>62,370</u>	<u>2,731</u>
Long-term assets:					
Investments.....	369,854	□	585	□	□
Accounts receivable, net.....	□	□	97	□	□
Interfund receivables.....	11,139	□	□	18,410	□
Deferred charges.....	□	□	□	113	□
Non-depreciable capital assets.....	□	□	□	6,897	□
Depreciable capital assets, net.....	158	99	126	105,158	6
Total long-term assets.....	<u>381,151</u>	<u>99</u>	<u>808</u>	<u>130,578</u>	<u>6</u>
Total assets.....	<u>505,284</u>	<u>411,296</u>	<u>192,954</u>	<u>192,948</u>	<u>2,737</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
□ 6,096	□ 1,308	□ 3,544	□ 634	□ 537,236
□	184	□	□	120,560
844	□	3,461	□	118,935
□	27	□	□	5,248
2,233	31	257	43	12,635
4	□	□	□	11
21	□	4,371	□	6,637
□	□	□	□	14,373
<u>9,198</u>	<u>1,550</u>	<u>11,633</u>	<u>677</u>	<u>815,635</u>
□	□	□	□	370,439
□	□	□	□	97
1,000	□	□	□	30,549
□	□	□	□	113
875	□	304	□	8,076
<u>24,686</u>	<u>450</u>	<u>5,849</u>	<u>□</u>	<u>136,532</u>
<u>26,561</u>	<u>450</u>	<u>6,153</u>	<u>□</u>	<u>545,806</u>
<u>35,759</u>	<u>2,000</u>	<u>17,786</u>	<u>677</u>	<u>1,361,441</u>

Combining Statement of Net Assets

INTERNAL SERVICE FUNDS (Continued)

June 30, 2008

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>	<u>Central Supplies and Equipment</u>
LIABILITIES					
Current liabilities:					
Accounts payable.....	□ 754	□ 479	□ 524	□ 6,289	□ 451
Accrued salaries and related expenses.....	284	407	301	1,638	□
Accrued interest payable.....	□	□	□	608	□
Retainages payable.....	□	□	□	214	□
Intergovernmental payables.....	□	□	□	55	□
Policy claims.....	215,902	184,593	75,297	□	□
Due to other funds.....	40	43	30	788	11
Unearned revenues.....	58,840	10,887	87,171	□	□
Securities lending collateral.....	57,677	48,730	13,047	922	□
Notes payable.....	□	□	□	1,775	□
Revenue bonds payable.....	□	□	□	1,470	□
Limited obligation bonds payable.....	□	□	□	1,730	□
Capital leases payable.....	□	□	□	□	□
Compensated absences payable.....	169	300	275	1,625	□
Other current liabilities.....	□	□	1,894	□	□
Total current liabilities.....	<u>333,666</u>	<u>245,439</u>	<u>178,539</u>	<u>17,114</u>	<u>462</u>
Long-term liabilities:					
Policy claims.....	□	□	113,513	□	□
Interfund payables.....	□	□	□	1,749	1,500
Notes payable.....	□	□	□	3,399	□
Revenue bonds payable.....	□	□	□	17,811	□
Limited obligation bonds payable.....	□	□	□	7,622	□
Compensated absences payable.....	195	259	80	1,464	□
Total long-term liabilities.....	<u>195</u>	<u>259</u>	<u>113,593</u>	<u>32,045</u>	<u>1,500</u>
Total liabilities.....	<u>333,861</u>	<u>245,698</u>	<u>292,132</u>	<u>49,159</u>	<u>1,962</u>
NET ASSETS (DEFICITS)					
Invested in capital assets, net of related debt.....	158	99	126	79,659	6
Restricted:					
Expendable:					
Loan programs.....	20,000	□	□	□	□
Insurance programs.....	151,265	165,499	□	□	□
Unrestricted.....	□	□	(99,304)	64,130	769
Total net assets (deficits).....	<u>□ 171,423</u>	<u>□ 165,598</u>	<u>□ (99,178)</u>	<u>□ 143,789</u>	<u>□ 775</u>

<u>Motor Pool</u>	<u>Pension Administration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
□ 2,013	□ 518	□ 329	□ □	□ 11,357
85	728	964	15	4,422
361	□	□	□	969
□	□	□	□	214
□	□	□	□	55
□	□	□	□	475,792
184	415	1,983	7	3,501
□	□	□	□	156,898
□	184	□	□	120,560
3,331	□	□	□	5,106
□	□	□	□	1,470
□	□	□	□	1,730
□	□	37	□	37
90	677	295	12	3,443
□	□	□	□	1,894
<u>6,064</u>	<u>2,522</u>	<u>3,608</u>	<u>34</u>	<u>787,448</u>
□	□	□	□	113,513
1,500	□	□	□	4,749
11,054	□	□	□	14,453
□	□	□	□	17,811
□	□	□	□	7,622
81	610	266	11	2,966
<u>12,635</u>	<u>610</u>	<u>266</u>	<u>11</u>	<u>161,114</u>
<u>18,699</u>	<u>3,132</u>	<u>3,874</u>	<u>45</u>	<u>948,562</u>
11,705	450	6,116	□	98,319
□	□	□	□	20,000
□	□	□	□	316,764
5,355	(1,582)	7,796	632	(22,204)
<u>□ 17,060</u>	<u>□ (1,132)</u>	<u>□ 13,912</u>	<u>□ 632</u>	<u>□ 412,879</u>

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

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	Insurance Reserve	Employee Insurance Programs	State Accident	General Services	Central Supplies and Equipment
Operating revenues:					
Charges for services.....	□ 109,769	□ 1,612,996	□ 101,658	□ 92,174	□ 10,440
Interest and other investment income.....	□	□	□	953	□
Licenses, fees, and permits.....	□	□	□	3	□
Other operating revenues.....	□	63,458	□	□	□
Total operating revenues.....	109,769	1,676,454	101,658	93,130	10,440
Operating expenses:					
General operations and administration.....	61,174	147,006	4,966	90,668	11,334
Benefits and claims.....	45,738	1,696,845	87,997	11	□
Interest.....	□	□	□	7	□
Depreciation and amortization.....	52	43	150	7,363	1
Other operating expenses.....	□	□	5,081	831	31
Total operating expenses.....	106,964	1,843,894	98,194	98,880	11,366
Operating income (loss).....	2,805	(167,440)	3,464	(5,750)	(926)
Nonoperating revenues (expenses):					
Interest income.....	24,698	24,003	4,318	442	□
Interest expense.....	□	□	□	(1,635)	□
Net other nonoperating revenues (expenses).....	11	□	50	369	□
Total nonoperating revenues (expenses).....	24,709	24,003	4,368	(824)	□
Income (loss) before other revenues and transfers.....	27,514	(143,437)	7,832	(6,574)	(926)
Special items.....	(20,000)	25,611	□	□	□
Transfers in.....	297	262	□	12,959	□
Transfers out.....	(754)	(596)	□	(8,542)	□
Change in net assets.....	7,057	(118,160)	7,832	(2,157)	(926)
Net assets (deficits) at beginning of year.....	164,366	283,758	(107,010)	145,946	1,701
Net assets (deficits) at end of year.....	□ 171,423	□ 165,598	□ (99,178)	□ 143,789	□ 775

Motor Pool	Pension Administration	Prison Industries	Other Internal Service	Totals
□ 25,207	□ 21,149	□ 29,411	□ 454	□ 2,003,258
□	7	□	□	960
□	□	□	□	3
□	□	□	□	63,458
25,207	21,156	29,411	454	2,067,679
18,626	20,973	29,884	367	384,998
□	□	□	□	1,830,591
□	□	□	□	7
7,952	173	374	□	16,108
3	151	3	□	6,100
26,581	21,297	30,261	367	2,237,804
(1,374)	(141)	(850)	87	(170,125)
□	186	□	□	53,647
(580)	□	□	□	(2,215)
639	110	(1,411)	□	(232)
59	296	(1,411)	□	51,200
(1,315)	155	(2,261)	87	(118,925)
□	□	□	□	5,611
5,448	62	□	□	19,028
(11,924)	(466)	□	(15)	(22,297)
(7,791)	(249)	(2,261)	72	(116,583)
24,851	(883)	16,173	560	529,462
□ 17,060	□ (1,132)	□ 13,912	□ 632	□ 412,879

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>
Cash flows from operating activities:				
Receipts from customers.....	□ 62,638	□ 1,352,605	□ 29,248	□ □
Internal activity payments from other funds.....	45,436	268,269	65,834	92,978
Other operating cash receipts.....	□	103,567	12,929	1,508
Claims paid.....	(39,705)	1,132,809	(63,670)	□
Payments to suppliers for goods and services.....	(46,745)	(2,959,941)	(5,328)	(57,914)
Payments to employees.....	(3,524)	(5,528)	(3,901)	(32,193)
Internal activity payments to other funds.....	(473)	□	(8,107)	(1,799)
Other operating cash payments.....	□	□	□	(10)
Net cash provided by (used in) operating activities.....	<u>17,627</u>	<u>(108,219)</u>	<u>27,005</u>	<u>2,570</u>
Cash flows from noncapital financing activities:				
Principal payments received from other funds.....	1,356	□	□	□
Principal payments made to other funds.....	□	□	□	(1,709)
Receipt of interest from other funds.....	(1,095)	□	□	□
Loans received from other funds.....	□	□	□	□
Special refund to participants in Insurance Reserve Fund.....	(20,000)	□	□	□
Transfers in.....	297	262	□	12,959
Transfers out.....	(754)	(596)	□	(8,542)
Net cash provided by (used in) noncapital financing activities.....	<u>(20,196)</u>	<u>(334)</u>	<u>□</u>	<u>2,708</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets.....	(27)	(7)	(80)	(1,698)
Principal payments on limited obligation bonds.....	□	□	□	(1,640)
Principal paid on capital debt and lease.....	□	□	□	(238)
Proceeds from sale or disposal of capital assets.....	□	□	□	□
Net cash used in capital financing activities.....	<u>(27)</u>	<u>(7)</u>	<u>(80)</u>	<u>(3,576)</u>
Cash flows from investing activities:				
Proceeds from sales and maturities of investments.....	687,596	21,974	□	□
Purchase of investments.....	(748,739)	(11,007)	□	□
Interest on investments.....	27,286	24,225	4,057	□
Net cash provided by (used in) investing activities.....	<u>(33,857)</u>	<u>35,192</u>	<u>4,057</u>	<u>□</u>
Net increase (decrease) in cash and cash equivalents.....	<u>(36,453)</u>	<u>(73,368)</u>	<u>30,982</u>	<u>1,702</u>
Cash and cash equivalents at beginning of year.....	<u>65,171</u>	<u>418,269</u>	<u>65,018</u>	<u>53,776</u>
Cash and cash equivalents at end of year.....	<u>□ 28,718</u>	<u>□ 344,901</u>	<u>□ 96,000</u>	<u>□ 55,478</u>

Central Supplies and Equipment	Motor Pool	Pension Adminis- tration	Prison Industries	Other Internal Service	Totals
□	□	□	□	□	□
10,441	25,204	21,158	29,410	454	1,474,355
□	639	110	□	□	529,320
□	□	□	1,601	□	120,354
(11,047)	(18,434)	(6,720)	□	□	1,029,434
□	(1,548)	(12,741)	(8,555)	(111)	(3,114,795)
□	□	(1,720)	(18,810)	(249)	(78,494)
□	□	□	(13)	□	(12,112)
□	□	□	(3,001)	□	(3,011)
(606)	5,861	87	632	94	(54,949)
□	□	□	□	□	1,356
□	□	□	□	□	(1,709)
□	□	□	□	□	(1,095)
495	7,863	□	□	□	8,358
□	□	□	□	□	(20,000)
□	5,448	62	□	□	19,028
□	(11,924)	(466)	□	(15)	(22,297)
495	1,387	(404)	□	(15)	(16,359)
□	(12,409)	(146)	(410)	□	(14,777)
□	□	□	□	□	(1,640)
□	□	□	(285)	□	(523)
□	998	□	□	□	998
□	(11,411)	(146)	(695)	□	(15,942)
□	□	□	□	□	709,570
□	□	□	□	□	(759,746)
□	□	186	□	□	55,754
□	□	186	□	□	5,578
(111)	(4,163)	(277)	(63)	79	(81,672)
668	10,259	1,585	3,607	555	618,908
557	6,096	1,308	3,544	634	537,236

Continued on Next Page

Combining Statement of Cash Flows

INTERNAL SERVICE FUNDS (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	<u>Insurance Reserve</u>	<u>Employee Insurance Programs</u>	<u>State Accident</u>	<u>General Services</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss).....	□ 2,806	□ (167,440)	□ 3,464	□ (5,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	52	43	150	7,363
Elimination of claims liability due to transfer of LTDI Plan.....	□	25,611	□	□
Other nonoperating revenues.....	□	□	87	1,473
Other nonoperating expenses.....	□	□	(395)	□
Effect of change in operating assets and liabilities:				
Accounts receivable, net.....	(2,722)	7,199	(3,974)	(373)
Accrued interest.....	□	□	□	(58)
Due from other funds	(1,235)	34,258	□	□
Inventories.....	□	□	□	315
Other assets.....	2,565	□	(12)	□
Accounts payable.....	389	(214)	(4,331)	(436)
Accrued salaries and related expenses.....	(10)	□	□	16
Accrued interest payable.....	□	□	□	(56)
Retainages payable.....	□	□	□	201
Policy claims.....	14,719	(14,185)	29,619	□
Due to other funds.....	32	□	□	(128)
Unearned revenues	1,050	6,529	2,413	□
Compensated absences payable.....	(19)	(20)	(16)	3
Net cash provided by (used in) operating activities.....	□ 17,627	□ (108,219)	□ 27,005	□ 2,570
Noncash capital, investing, and financing activities:				
Decrease in fair value of investments.....	□ (2,199)	□ □	□ □	□ □
Decrease in investments for amortization and accretion.....	□ (138)	□ □	□ □	□ □
Total noncash capital, investing, and financing activities.....	□ (2,337)	□ □	□ □	□ □

<u>Central Supplies and Equipment</u>	<u>Motor Pool</u>	<u>Pension Adminis- tration</u>	<u>Prison Industries</u>	<u>Other Internal Service</u>	<u>Totals</u>
□ (926)	□ (1,375)	□ (141)	□ (850)	□ 87	□ (170,125)
1	7,952	173	374	□	16,108
□	□	□	□	□	25,611
□	639	110	1,601	□	3,910
□	□	□	(3,001)	□	(3,396)
1	(293)	□	(120)	□	(282)
□	□	3	□	□	(55)
(18)	294	(31)	680	(6)	33,942
302	(3)	□	856	□	1,470
□	□	□	□	□	2,553
32	(1,503)	(160)	(343)	□	(6,566)
□	□	70	8	5	89
□	□	□	□	□	(56)
□	□	□	□	□	201
□	□	□	□	□	30,153
2	143	9	1,493	2	1,553
□	□	□	□	□	9,992
□	7	54	(66)	6	(51)
<u>□ (606)</u>	<u>□ 5,861</u>	<u>□ 87</u>	<u>□ 632</u>	<u>□ 94</u>	<u>□ (54,949)</u>
□ □	□ □	□ □	□ □	□ □	□ (2,199)
□	□	□	□	□	□ (138)
<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ (2,337)</u>

Fiduciary Funds

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

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

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

The State maintains only one investment trust fund, so no combining statements are necessary for that fund type. The paragraphs below describe all other individual fiduciary funds that the State uses.

a. Pension and Other Post-Employment Benefit Trust Funds

South Carolina Retirement System. This is a multiple-employer pension system that benefits employees of the State, public schools, and political subdivisions of the State.

Police Officers' Retirement System. This is a multiple-employer pension system that benefits police officers and fire fighters employed by the State or its political subdivisions.

General Assembly Retirement System. This is a single-employer pension system that benefits members of the South Carolina General Assembly.

Judges' and Solicitors' Retirement System. This is a single-employer pension system that benefits the judges of the State's Supreme Court, Court of Appeals, circuit courts, family courts, and the State's circuit solicitors.

National Guard Retirement System. The State administers this single-employer pension system that provides a supplemental retirement benefit to members of the South Carolina National Guard. The State is a nonemployer contributor to the system.

South Carolina Retiree Health Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer post-employment health and dental benefit plans.

Long-term Disability Insurance Trust Fund. This trust was established to fund the State's cost-sharing multiple employer long-term disability insurance plans.

b. Private-Purpose Trust Funds

College Savings Plan Fund. The Future Scholar 529 College Savings Plan (the Plan), accounted for in this fund, provides participant families a tax-advantaged method of saving for future college costs. A primary objective of both the financial advisor program and the direct program within the Plan is to provide families with flexibility and professional investment management in meeting their college savings objectives.

Other Private-Purpose Trust Funds. This fund accounts for monies the State has received as trustee under various trust arrangements that specify how the principal and interest earnings must be used. In each case, all of the principal and income benefit individuals, private organizations, or governments outside the State reporting entity; none of the monies may be used for State purposes. The purposes to which the resources of these funds are dedicated include scholarships, the operation of the equestrian center and activities at the Springdale Race Course (for the exclusive benefit of the Carolina Cup Racing Association, Inc., a private nonprofit corporation), and the decommissioning of a low-level radioactive waste disposal facility on behalf of Chem-Nuclear Systems, Inc., a for-profit corporation.

c. Agency Funds

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

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

Other Agency Funds. Balances in these funds, aggregated for presentation purposes, represent amounts held for prisoners and patients of State institutions, cash bonds, miscellaneous clearing accounts, and other deposits.

Combining Statement of Plan Net Assets

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

June 30, 2008

(Expressed in Thousands)

PENSION TRUST

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
ASSETS					
Cash and cash equivalents.....	□ 1,509,652	□ 209,614	□ 2,849	□ 8,447	□ 1,074
Receivables:					
Contributions.....	156,756	17,158	37	737	□
Employer long-term.....	577	19	□	□	□
Accrued interest.....	77,503	10,476	146	423	52
Unsettled investment sales.....	721,176	96,321	1,358	3,923	486
Other investment receivables.....	3,923	524	8	21	3
Total receivables.....	<u>959,935</u>	<u>124,498</u>	<u>1,549</u>	<u>5,104</u>	<u>541</u>
Due from other funds.....	<u>11,094</u>	<u>366</u>	<u>8</u>	<u>□</u>	<u>175</u>
Investments, at fair value:					
Short term securities.....	89,014	11,889	168	484	60
Debt-domestic.....	5,390,761	727,962	10,140	29,283	3,626
Debt-international.....	3,093,577	413,183	5,827	16,828	2,083
Equity-domestic.....	5,406,024	722,037	10,183	29,406	3,642
Equity-international.....	425,462	56,825	801	2,314	287
Alternatives.....	7,223,315	964,757	13,605	39,291	4,866
Financial and other.....	□	□	□	□	□
Total investments.....	<u>21,628,153</u>	<u>2,896,653</u>	<u>40,724</u>	<u>117,606</u>	<u>14,564</u>
Invested securities lending collateral.....	3,325,439	444,151	6,264	18,089	2,240
Capital assets, net.....	3,116	319	9	15	□
Prepaid items.....	252	34	1	1	2
Total assets.....	<u>27,437,641</u>	<u>3,675,635</u>	<u>51,404</u>	<u>149,262</u>	<u>18,596</u>
LIABILITIES					
Accounts payable.....	15,288	2,038	29	84	10
Accounts payable □ unsettled investment purchases.....	95,976	9,483	134	386	48
Due to other funds.....	36,156	1,685	462	42	□
Deferred retirement benefits.....	551,911	□	□	349	□
Securities lending collateral.....	3,325,439	444,151	6,264	18,089	2,240
Other liabilities.....	165,724	22,207	307	881	110
Total liabilities.....	<u>4,190,494</u>	<u>479,564</u>	<u>7,196</u>	<u>19,831</u>	<u>2,408</u>
NET ASSETS					
Held in trust for pension and other post-employment benefits.....	<u>□ 23,247,147</u>	<u>□ 3,196,071</u>	<u>□ 44,208</u>	<u>□ 129,431</u>	<u>□ 16,188</u>

OPEB TRUST

South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
□ 145,156	□ 4,772	□ 1,881,564
□	□	174,688
□	□	596
586	99	89,285
□	□	823,264
□	□	4,479
<u>586</u>	<u>99</u>	<u>1,092,312</u>
<u>36,630</u>	<u>□</u>	<u>48,273</u>
□	□	101,615
122,950	19,916	6,304,638
□	□	3,531,498
□	□	6,171,292
□	□	485,689
□	□	8,245,834
<u>2,023</u>	<u>2,286</u>	<u>4,309</u>
<u>124,973</u>	<u>22,202</u>	<u>24,844,875</u>
2,041	602	3,798,826
□	□	3,459
□	□	290
<u>309,386</u>	<u>27,675</u>	<u>31,669,599</u>
54	42	17,545
□	□	106,027
□	□	38,345
□	□	552,260
2,041	602	3,798,826
□	□	189,229
<u>2,095</u>	<u>644</u>	<u>4,702,232</u>
<u><u>307,291</u></u>	<u><u>27,031</u></u>	<u><u>26,967,367</u></u>

Combining Statement of Changes in Plan Net Assets

PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

PENSION TRUST

	South Carolina Retirement System	Police Officers' Retirement System	General Assembly Retirement System	Judges' and Solicitors' Retirement System	National Guard Retirement System
Additions:					
Retirement contributions:					
Employer.....	□ 775,590	□ 114,147	□ 2,440	□ 7,613	□ 3,998
Employee.....	540,845	75,666	712	1,353	□
Total retirement contributions.....	<u>1,316,435</u>	<u>189,813</u>	<u>3,152</u>	<u>8,966</u>	<u>3,998</u>
Investment income:					
Interest income and net depreciation in investments.....	(609,812)	(81,255)	(1,074)	(3,197)	(325)
Securities lending income.....	183,573	24,274	363	1,021	133
Total investment income.....	<u>(426,239)</u>	<u>(56,981)</u>	<u>(711)</u>	<u>(2,176)</u>	<u>(192)</u>
Less investment expense:					
Investment expense.....	58,747	7,785	116	326	43
Securities lending expense.....	156,210	20,649	309	869	113
Net investment income.....	<u>(641,196)</u>	<u>(85,415)</u>	<u>(1,136)</u>	<u>(3,371)</u>	<u>(348)</u>
Assets moved between pension trust funds.....	27	2,008	21	63	□
Total additions.....	<u>675,266</u>	<u>106,406</u>	<u>2,037</u>	<u>5,658</u>	<u>3,650</u>
Deductions:					
Regular retirement benefits.....	1,633,493	194,490	6,181	12,499	3,199
Supplemental retirement benefits.....	1,321	52	□	□	□
Deferred retirement benefits.....	219,078	□	□	349	□
Refunds of retirement contributions to members.....	79,027	13,754	102	211	□
Group life insurance claims.....	17,617	2,068	28	256	□
Accidental death benefits.....	□	1,447	□	□	□
Other post-employment benefits.....	□	□	□	□	□
Depreciation.....	107	11	□	□	□
Administrative expense.....	18,553	2,494	37	103	156
Assets moved between pension trust funds.....	2,092	□	27	□	□
Total deductions.....	<u>1,971,288</u>	<u>214,316</u>	<u>6,375</u>	<u>13,418</u>	<u>3,355</u>
Change in net assets	<u>(1,296,022)</u>	<u>(107,910)</u>	<u>(4,338)</u>	<u>(7,760)</u>	<u>295</u>
Net assets at beginning of year.....	<u>24,543,169</u>	<u>3,303,981</u>	<u>48,546</u>	<u>137,191</u>	<u>15,893</u>
Net assets at end of year.....	<u>□ 23,247,147</u>	<u>□ 3,196,071</u>	<u>□ 44,208</u>	<u>□ 129,431</u>	<u>□ 16,188</u>

OPEB TRUST

South Carolina Retiree Health Insurance Trust Fund	Long-term Disability Insurance Trust Fund	Totals
□ 348,835	□ 28,639	□ 1,281,262
□	□	618,576
<u>348,835</u>	<u>28,639</u>	<u>1,899,838</u>
(230)	(363)	(696,256)
□	□	209,364
<u>(230)</u>	<u>(363)</u>	<u>(486,892)</u>
□	□	67,017
□	□	178,150
<u>(230)</u>	<u>(363)</u>	<u>(732,059)</u>
□	□	2,119
<u>348,605</u>	<u>28,276</u>	<u>1,169,898</u>
□	□	1,849,862
□	□	1,373
□	□	219,427
□	□	93,094
□	□	19,969
□	□	1,447
41,260	1,245	42,505
□	□	118
54	□	21,397
□	□	2,119
<u>41,314</u>	<u>1,245</u>	<u>2,251,311</u>
<u>307,291</u>	<u>27,031</u>	<u>(1,081,413)</u>
□	□	<u>28,048,780</u>
<u>□ 307,291</u>	<u>□ 27,031</u>	<u>□ 26,967,367</u>

Combining Statement of Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

June 30, 2008

(Expressed in Thousands)

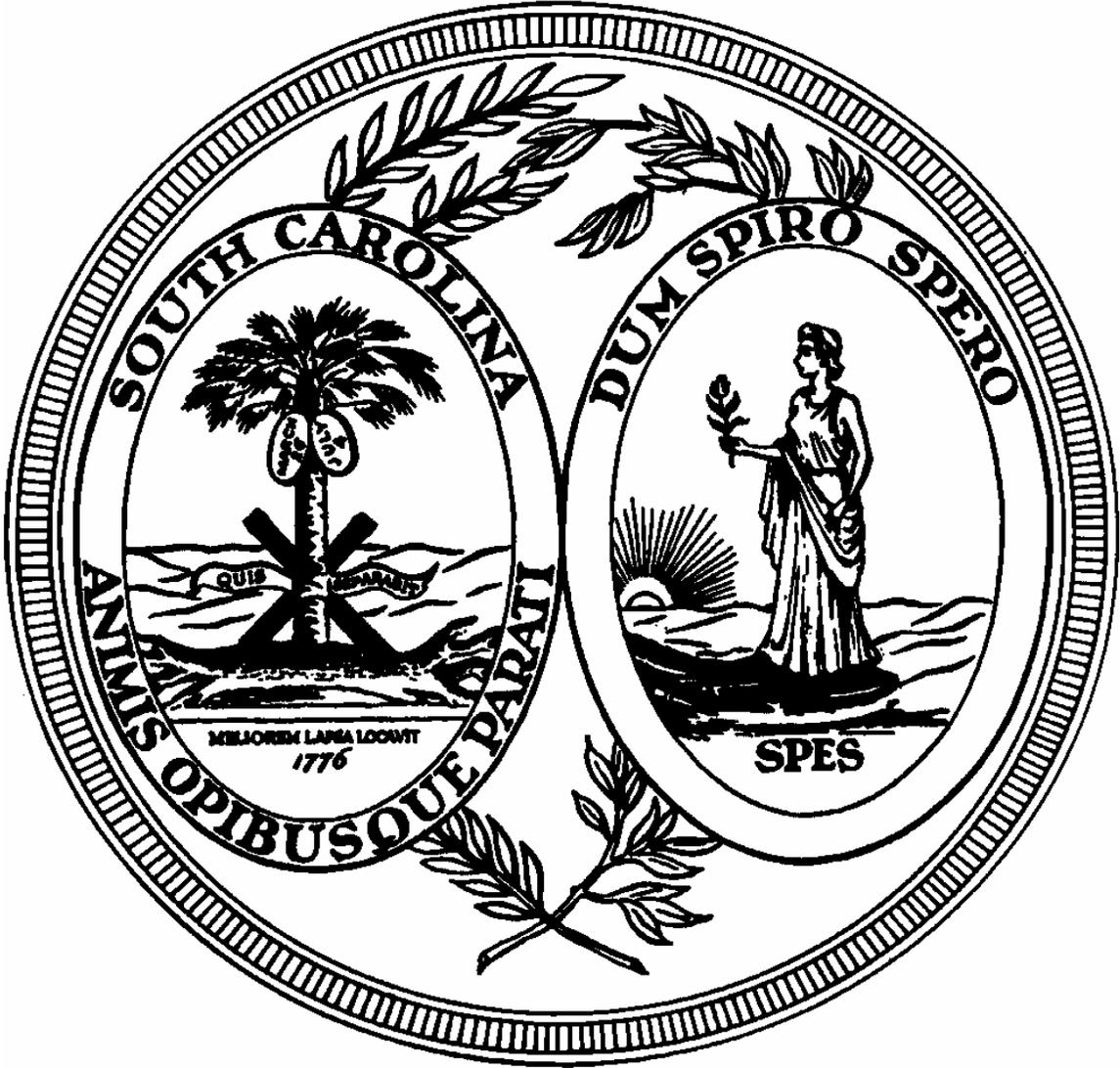
	College Savings Plan	Other Private-Purpose Trust	Totals
ASSETS			
Cash and cash equivalents.....	□	□	□
Receivables, net:			
Accrued interest.....	734	235	969
Unsettled investment sales.....	1,319	□	1,319
Investments.....	1,064,117	□	1,064,117
Invested securities lending collateral	□	3,805	3,805
Other assets.....	□	5,054	5,054
Total assets.....	1,066,170	37,315	1,103,485
LIABILITIES			
Accounts payable.....	1,124	24	1,148
Accounts payable□unsettled investment purchases.....	865	□	865
Securities lending collateral.....	□	3,805	3,805
Total liabilities.....	1,989	3,829	5,818
NET ASSETS			
Held in trust for other purposes.....	□	□	□
	1,064,181	33,486	1,097,667

Combining Statement of Changes in Fiduciary Net Assets

PRIVATE-PURPOSE TRUST FUNDS

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

	College Savings Plan	Other Private-Purpose Trust	Totals
Additions:			
Licenses, fees, and permits.....	□ □	□ 165	□ 165
Tuition plan deposits.....	168,256	□	168,256
Interest income.....	(71,641)	1,037	(70,604)
Total additions.....	96,615	1,202	97,817
Deductions:			
Administrative expense.....	7,776	135	7,911
Payments in accordance with trust agreements.....	□	103	103
Other expenses.....	□	206	206
Total deductions.....	7,776	444	8,220
Change in net assets.....	88,839	758	89,597
Net assets at beginning of year	975,342	32,728	1,008,070
Net assets at end of year.....	□ 1,064,181	□ 33,486	□ 1,097,667



Combining Statement of Assets and Liabilities

AGENCY FUNDS

June 30, 2008

(Expressed in Thousands)

	<u>Insurance Company Deposits</u>	<u>Payroll Clearing</u>	<u>Other Agency</u>	<u>Totals</u>
ASSETS				
Cash and cash equivalents.....	□ □	□ 13,580	□ 215,138	□ 228,718
Receivables, net:				
Accounts.....	□	48	11,081	11,129
Accrued interest.....	□	□	3,669	3,669
Taxes.....	□	□	2,622	2,622
Due from other funds.....	□	51,636	5,653	57,289
Investments.....	□	□	32,682	32,682
Securities held in lieu of surety bonds.....	292,471	□	□	292,471
Invested securities lending collateral	□	□	19,132	19,132
Total assets.....	<u>□ 292,471</u>	<u>□ 65,264</u>	<u>□ 289,977</u>	<u>□ 647,712</u>
LIABILITIES				
Accounts payable.....	□ □	□ 215	□ 16,078	□ 16,293
Tax refunds payable.....	□	□	2,696	2,696
Intergovernmental payables.....	□	□	2,196	2,196
Deposits.....	□	□	4,983	4,983
Amounts held in custody for others.....	292,471	65,049	244,892	602,412
Securities lending collateral.....	□	□	19,132	19,132
Other liabilities.....	□	□	□	□
Total liabilities.....	<u>□ 292,471</u>	<u>□ 65,264</u>	<u>□ 289,977</u>	<u>□ 647,712</u>

Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
INSURANCE COMPANY DEPOSITS				
Assets:				
Cash and cash equivalents.....	□ □	□ 997	□ 997	□ □
Securities held in lieu of surety bonds.....	293,468	□	997	292,471
Total assets.....	□ 293,468	□ 997	□ 1,994	□ 292,471
Liabilities:				
Amounts held in custody for others.....	□ 293,468	□ □	□ 997	□ 292,471
Total liabilities.....	□ 293,468	□ □	□ 997	□ 292,471
PAYROLL CLEARING				
Assets:				
Cash and cash equivalents.....	□ □	□ 1,156,141	□ 1,142,561	□ 13,580
Accounts receivable.....	29	48	29	48
Due from other funds.....	50,085	51,636	50,085	51,636
Total assets.....	□ 50,114	□ 1,207,825	□ 1,192,675	□ 65,264
Liabilities:				
Accounts payable.....	□ 270	□ 215	□ 270	□ 215
Amounts held in custody for others.....	49,844	1,004,294	989,089	65,049
Total liabilities.....	□ 50,114	□ 1,004,509	□ 989,359	□ 65,264

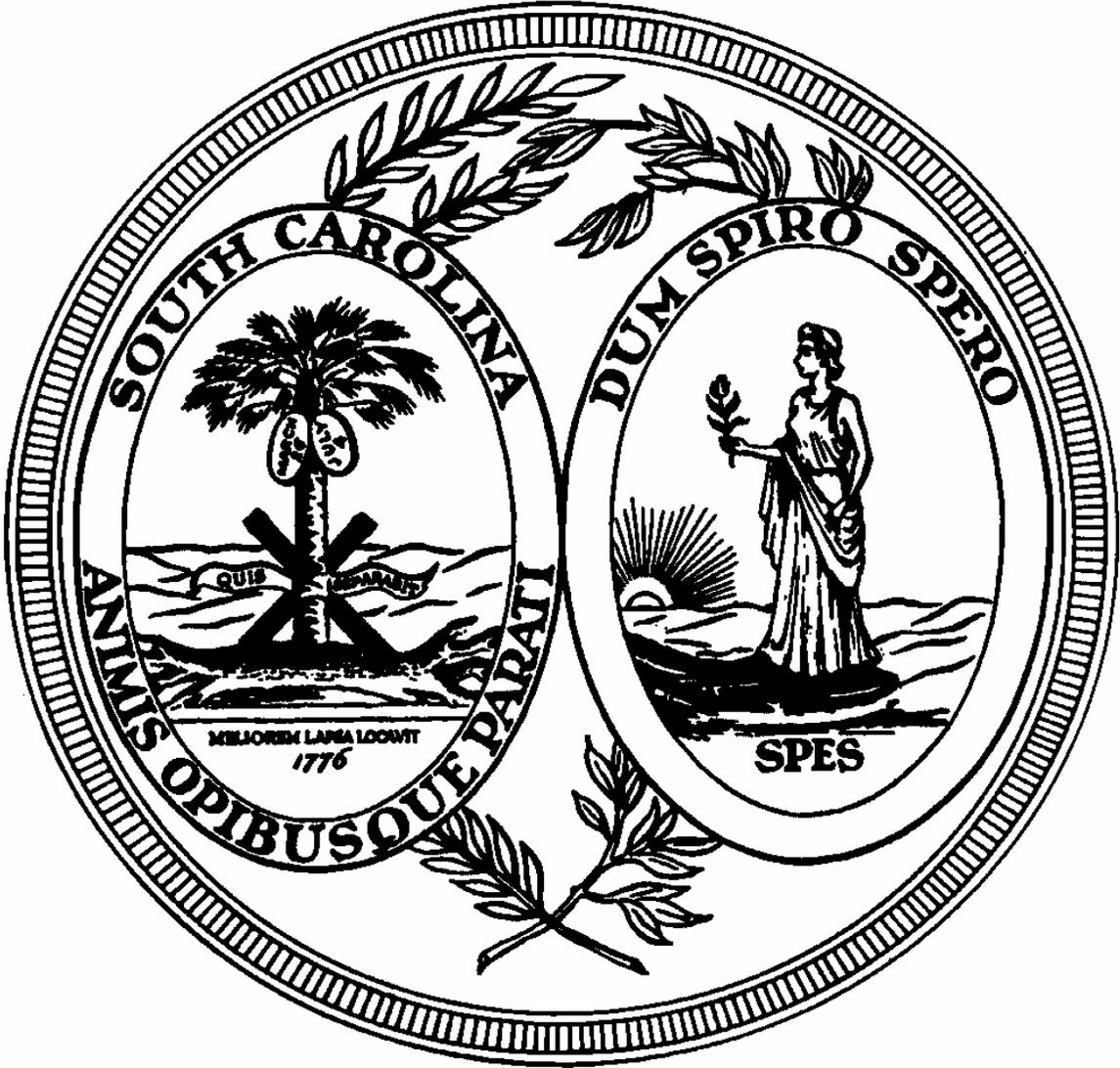
Combining Statement of Changes in Assets and Liabilities

AGENCY FUNDS (Continued)

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
OTHER AGENCY				
Assets:				
Cash and cash equivalents.....	□ 175,425	□ 2,501,807	□ 2,462,094	□ 215,138
Accounts receivable.....	5,895	11,434	6,248	11,081
Accrued interest receivable.....	1,478	3,669	1,478	3,669
Taxes receivable.....	2,866	2,622	2,866	2,622
Due from other funds.....	5,856	11,227	11,430	5,653
Investments.....	29,598	3,084	□	32,682
Invested securities lending collateral.....	18,329	19,132	18,329	19,132
Total assets.....	□ 239,447	□ 2,552,975	□ 2,502,445	□ 289,977
Liabilities:				
Accounts payable.....	□ 16,736	□ 19,394	□ 20,052	□ 16,078
Tax refunds payable.....	629	2,696	629	2,696
Intergovernmental payables.....	2,492	2,196	2,492	2,196
Deposits.....	2,838	4,983	2,838	4,983
Amounts held in custody for others.....	198,172	2,108,607	2,061,887	244,892
Securities lending collateral.....	18,329	19,132	18,329	19,132
Other liabilities.....	251	□	251	□
Total liabilities.....	□ 239,447	□ 2,157,008	□ 2,106,478	□ 289,977
TOTALS--ALL AGENCY FUNDS				
Assets:				
Cash and cash equivalents.....	□ 175,425	□ 3,658,945	□ 3,605,652	□ 228,718
Accounts receivable.....	5,924	11,482	6,277	11,129
Accrued interest receivable.....	1,478	3,669	1,478	3,669
Taxes receivable.....	2,866	2,622	2,866	2,622
Due from other funds.....	55,941	62,863	61,515	57,289
Investments.....	29,598	3,084	□	32,682
Securities held in lieu of surety bonds.....	293,468	□	997	292,471
Invested securities lending collateral.....	18,329	19,132	18,329	19,132
Total assets.....	□ 583,029	□ 3,761,797	□ 3,697,114	□ 647,712
Liabilities:				
Accounts payable.....	□ 17,006	□ 19,609	□ 20,322	□ 16,293
Tax refunds payable.....	629	2,696	629	2,696
Intergovernmental payables.....	2,492	2,196	2,492	2,196
Deposits.....	2,838	4,983	2,838	4,983
Amounts held in custody for others.....	541,484	3,112,901	3,051,973	602,412
Securities lending collateral.....	18,329	19,132	18,329	19,132
Other liabilities.....	251	□	251	□
Total liabilities.....	□ 583,029	□ 3,161,517	□ 3,096,834	□ 647,712



Discretely Presented Component Units

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

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

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

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

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

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

The South Carolina Medical Malpractice Liability Joint Underwriting Association (the Association) was established to provide medical malpractice insurance on a self supporting basis. The financial information presented in the accompanying supplemental information is for the Association's fiscal year ended December 31, 2007.

The South Carolina First Steps to School Readiness Board of Trustees (First Steps) was established in 1999 as a non-profit, tax-exempt corporation under Section 501(c)(3) of the Internal Revenue Code. The corporation was created specifically to carry out the objectives of The South Carolina First Steps to School Readiness Act and to lessen the burdens on government by overseeing the South Carolina First Steps to School Readiness initiative for improving early childhood development.

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

The Children's Trust Fund of South Carolina, Inc. (the Fund) is a non-profit, tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Fund's purpose is to stimulate innovative prevention and treatment programming to meet critical needs of South Carolina's children by awarding grants to private non-profit organizations. The financial information presented in the accompanying supplemental information is for the Fund's fiscal year ended December 31, 2007.

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

June 30, 2008

(Expressed in Thousands)

	<u>Clemson University Foundation</u>	<u>University of South Carolina Educational Foundation</u>	<u>South Carolina Medical Liability Joint Underwriting Association</u>	<u>South Carolina First Steps to School Readiness Board of Trustees</u>	<u>Children's Trust Fund of S.C., Inc.</u>	<u>Totals</u>
ASSETS						
Current assets:						
Cash and cash equivalents.....	□ 14,193	□ 7,264	□ 10,739	□ 10,480	□ 134	□ 42,810
Investments.....	□	15,366	64,387	□	922	80,675
Invested securities lending collateral.....	□	□	□	1,337	□	1,337
Receivables, net						
Accounts	389	58	2,073	□	□	2,520
Contributions	3,273	2	□	□	3	3,278
Accrued interest	□	101	712	104	□	917
Due from Federal government and other grantors..	□	□	□	□	16	16
Due from primary government.....	□	□	□	1	□	1
Restricted assets:						
Cash and cash equivalents.....	16,224	□	□	□	□	16,224
Other.....	29	□	□	□	□	29
Other current assets.....	119	□	□	□	□	119
Deferred charges.....	□	□	1,804	□	□	1,804
Total current assets.....	34,227	22,791	79,715	11,922	1,075	149,730
Long-term assets:						
Investments.....	407,521	268,168	□	□	□	675,689
Receivables, net:						
Accounts.....	1,679	□	□	□	□	1,679
Contributions.....	22,161	14,468	□	□	□	36,629
Other long-term assets.....	565	□	□	□	□	565
Non-depreciable capital assets.....	8,971	□	□	□	□	8,971
Depreciable capital assets, net.....	325	39	206	□	□	570
Total long-term assets.....	441,222	282,675	206	□	□	724,103
Total assets.....	□ 475,449	□ 305,466	□ 79,921	□ 11,922	□ 1,075	□ 873,833

Combining Statement of Net Assets

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS (Continued)

June 30, 2008

(Expressed in Thousands)

	Clemson University Foundation	University of South Carolina Educational Foundation	South Carolina Medical Liability Joint Underwriting Association	South Carolina First Steps to School Readiness Board of Trustees	Children's Trust Fund of S.C., Inc.	Totals
LIABILITIES						
Current liabilities:						
Accounts payable.....	□ 254	□ 1,096	□ 584	□ 180	□ 17	□ 2,131
Accrued salaries and related expenses.....	□	□	□	□ 103	□ 2	□ 105
Intergovernmental payables.....	□	□	□	□ 270	□	□ 270
Policy claims.....	□	□	□ 35,000	□	□	□ 35,000
Due to primary government.....	115,733	20,983	□	□ 58	□	□ 136,774
Deferred revenues and deferred credits.....	□	□	□ 26,597	□	□	□ 26,597
Amounts held in custody for others.....	1,292	□	□	□	□	□ 1,292
Securities lending collateral.....	□	□	□	□ 1,337	□	□ 1,337
Accounts payable from restricted assets.....	1,893	□	□	□	□	□ 1,893
Notes payable.....	□	□ 5	□	□	□	□ 5
Compensated absences payable.....	□	□	□	□ 52	□	□ 52
Other current liabilities.....	□	□ 509	□	□	□	□ 509
Total current liabilities.....	119,172	22,593	62,181	2,000	19	205,965
Long-term liabilities:						
Policy claims.....	□	□	□ 161,995	□	□	□ 161,995
Amounts held in custody for others.....	2,625	□	□ 74	□	□	□ 2,699
Notes payable.....	□	□ 21	□	□	□	□ 21
Compensated absences payable.....	□	□	□	□ 47	□	□ 47
Other long-term liabilities.....	6,392	3,123	□	□	□	□ 9,515
Total long-term liabilities.....	9,017	3,144	162,069	47	□	174,277
Total liabilities.....	128,189	25,737	224,250	2,047	19	380,242
NET ASSETS (DEFICITS)						
Invested in capital assets, net of related debt.....	9,296	39	206	□	□	9,541
Restricted:						
Expendable:						
Education.....	116,282	80,785	□	□ 9,875	□	□ 206,942
Other.....	□	□	□ 2,112	□	□ 254	□ 2,366
Nonexpendable, education.....	188,262	141,636	□	□	□	□ 329,898
Unrestricted.....	33,420	57,269	□ (146,647)	□	□ 802	□ (55,156)
Total net assets (deficit).....	□ 347,260	□ 279,729	□ (144,329)	□ 9,875	□ 1,056	□ 493,591

Combining Statement of Activities

NONMAJOR DISCRETELY PRESENTED COMPONENT UNITS

For the Fiscal Year Ended June 30, 2008

(Expressed in Thousands)

	Expenses	Program Revenues		Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	
Clemson University Foundation.....	□ 20,642	□ □	□ 11,467	□ (9,175)
University of South Carolina Educational Foundation.....	22,649	□	11,411	(11,238)
South Carolina Medical Malpractice Liability Joint Underwriting Association.....	43,009	47,807	4,396	9,194
South Carolina First Steps to School Readiness Board of Trustees.....	24,998	□	26,957	1,959
Children's Trust Fund of S.C., Inc.....	602	□	651	49
Totals.....	□ 111,900	□ 47,807	□ 54,882	□ (9,211)

<u>Net Assets (Deficit)</u> <u>Beginning of Year</u>	<u>Net Assets (Deficit)</u> <u>End of Year</u>
□ 356,435	□ 347,260
290,967	279,729
(153,523)	(144,329)
7,916	9,875
1,007	1,056
□ 502,802	□ 493,591

Balance Sheet

SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES

June 30, 2008

(Expressed in Thousands)

ASSETS

Cash and cash equivalents.....	□	10,480
Invested securities lending collateral.....		1,337
Accrued interest receivable.....		104
Due from primary government.....		1
Total assets.....	□	11,922

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable.....	□	180
Accrued salaries and related expenditures.....		103
Intergovernmental payables.....		270
Due to primary government.....		58
Securities lending collateral.....		1,337
Total liabilities.....		1,948

Fund Balance:

Unreserved, undesignated.....		9,974
Total liabilities and fund balance.....	□	11,922

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

Total fund balance	□	9,974
---------------------------------	---	--------------

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

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

Capital assets.....	□	46
Accumulated depreciation.....		(46)
Total capital assets.....		□

Compensated absences payable are not due and payable in the current period and therefore are not reported in the Balance Sheet.....		(99)
---	--	------

Net assets	□	9,875
-------------------------	---	--------------

Statement of Revenues, Expenditures, and Changes in Fund Balance

SOUTH CAROLINA FIRST STEPS TO SCHOOL READINESS
BOARD OF TRUSTEES

For the Fiscal Year Ended June 30, 2008
(Expressed in Thousands)

Revenues:

Interest and other investment income.....	□ 752
State operating grants and contracts.....	26,101
Contributions.....	<u>104</u>
Total revenues.....	<u>26,957</u>

Expenditures:

Current: Education.....	3,770
Intergovernmental	<u>21,201</u>
Total expenditures.....	<u>24,971</u>

Excess of expenditures over revenues.....	1,986
Fund balance at beginning of year.....	<u>7,988</u>
Fund balance at end of year.....	<u>□ 9,974</u>

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

Net change in fund balance	□ 1,986
---	----------------

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

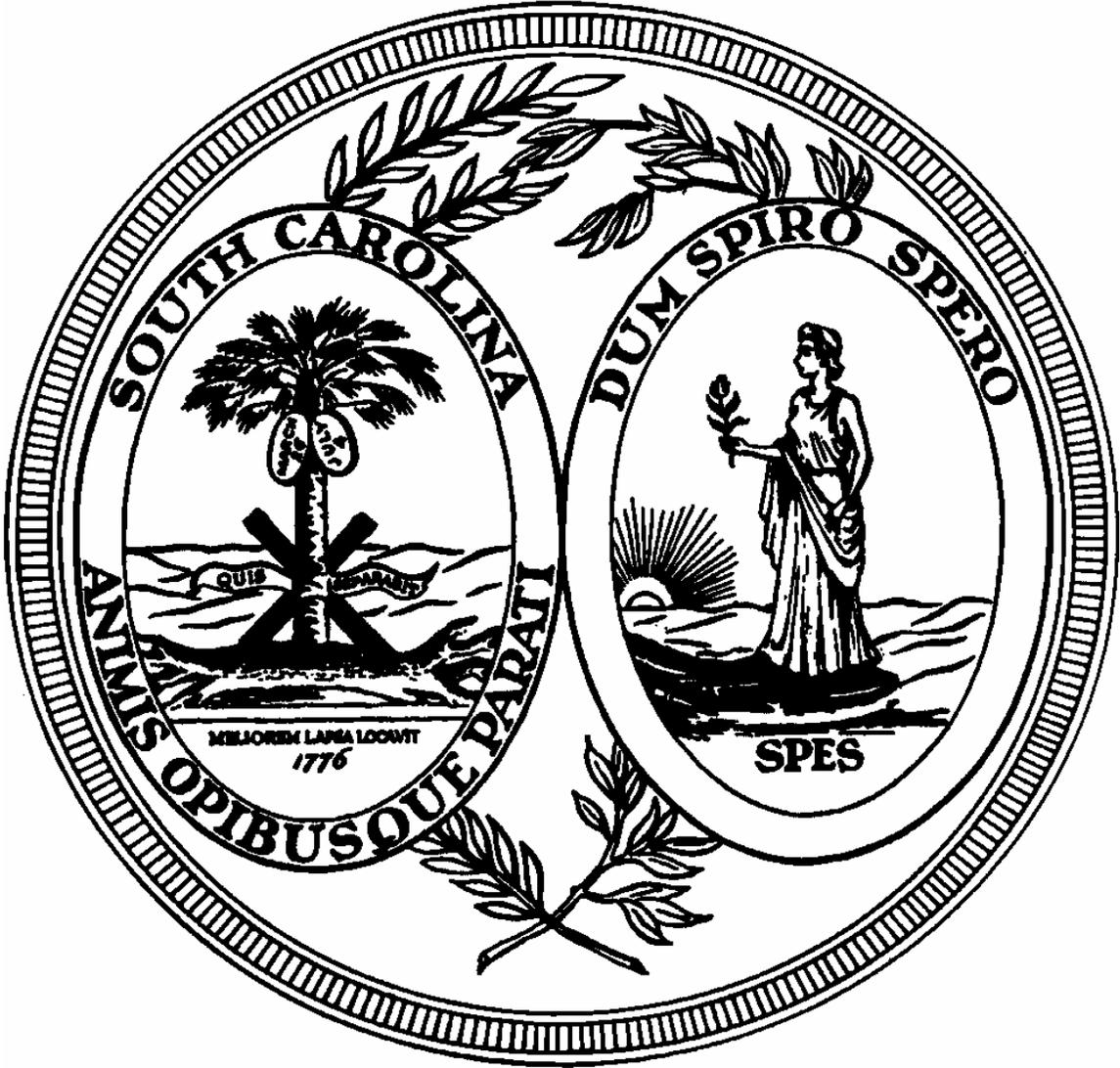
Capital outlays are reported as expenditures in the governmental fund.
However, in the Combining Statement of Activities the cost of
capital assets is allocated over their useful lives as depreciation
expense. In the current period this amount is:

Depreciation expense.....	(2)
---------------------------	-----

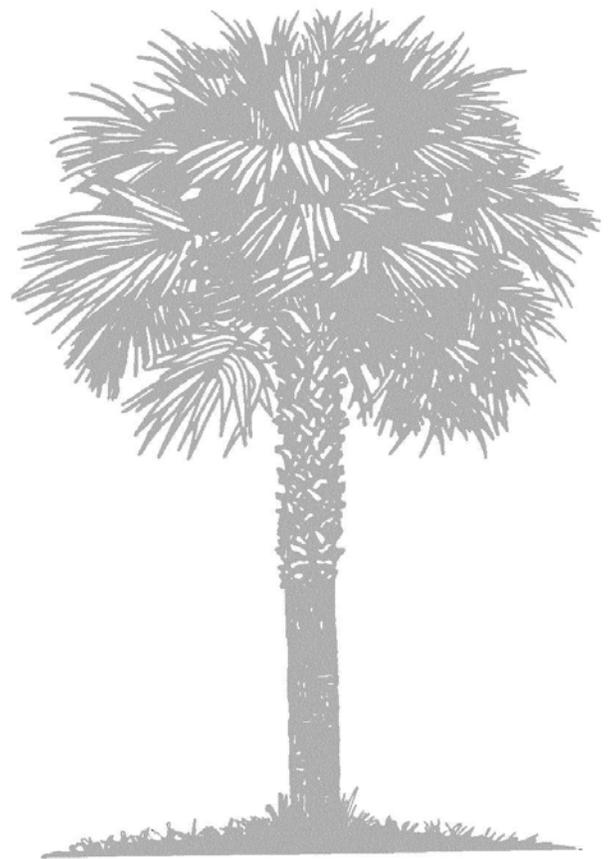
Compensated absences expenses reported in the Combining Statement
of Activities do not require the use of current financial resources and
therefore are not reported as expenditures in the governmental fund.

Increase in compensated absences payable.....	<u>(25)</u>
---	-------------

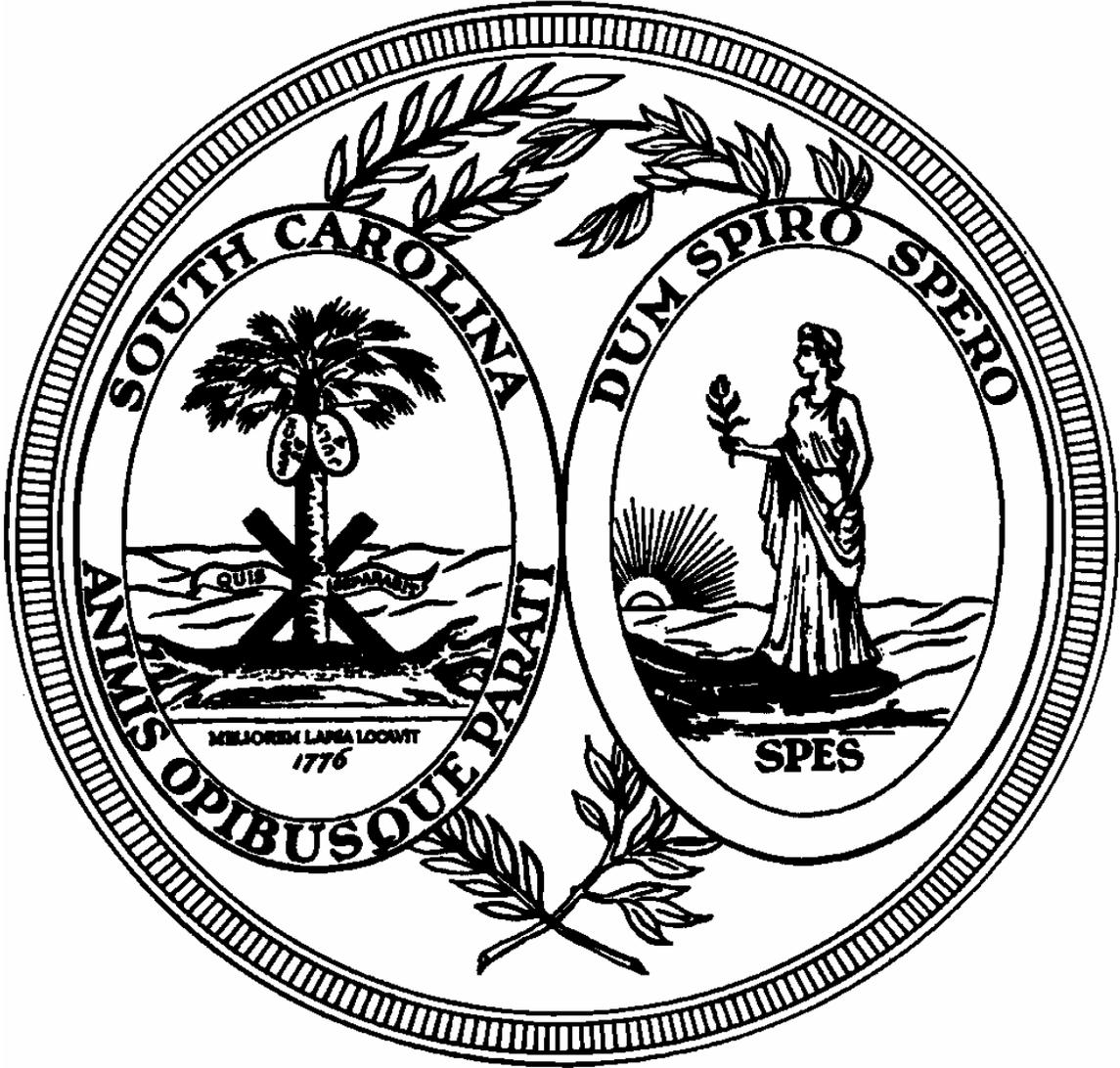
Change in net assets.....	<u>□ 1,959</u>
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Statistical Section *(Unaudited)*



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



Statistical Section

This section of the Comprehensive Annual Financial Report provides additional information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the State of South Carolina's overall financial health.

CONTENTS

	<u>Page</u>
Financial Trends	204
<p>These schedules contain trend information to help the reader understand how the State's financial performance and well-being have changed over time.</p>	
Revenue Capacity	218
<p>These schedules contain information to help the reader assess the State's most significant revenue sources, the personal income tax and the retail sales tax.</p>	
Debt Capacity	224
<p>These schedules present information to help the reader assess the affordability of the State's current levels of outstanding debt and the State's ability to issue additional debt in the future.</p>	
Demographic and Economic Information	244
<p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the State's financial activities take place.</p>	
Operating Information	250
<p>These schedules contain service and capital asset data to help the reader understand how the information in the State's financial report relates to the services the State provides and the activities it performs.</p>	

SOURCES

Unless otherwise noted, the information in these schedules is derived from the State's Comprehensive Annual Financial Report for the relevant fiscal year.

Net Assets by Component

Last Seven Fiscal Years ^a

(Accrual basis of accounting, expressed in thousands)

	For the Fiscal Year		
	2002	2003	2004
Governmental activities			
Invested in capital assets, net of related debt.....	□ 7,621,846	□ 8,077,945	□ 8,534,931
Restricted.....	2,431,538	2,385,607	2,445,033
Unrestricted.....	(1,002,579)	(1,103,579)	(960,949)
Total governmental activities net assets.....	□ 9,050,805	□ 9,359,973	□ 10,019,015
Business-type activities			
Invested in capital assets, net of related debt.....	□ 1,551,604	□ 1,648,504	□ 1,695,208
Restricted.....	1,291,069	1,187,558	1,186,958
Unrestricted.....	159,956	217,017	270,380
Total business-type activities net assets.....	□ 3,002,629	□ 3,053,079	□ 3,152,546
Primary government			
Invested in capital assets, net of related debt.....	□ 9,173,450	□ 9,726,449	□ 10,230,139
Restricted.....	3,722,607	3,573,165	3,631,991
Unrestricted.....	(842,623)	(886,562)	(690,569)
Total primary government net assets.....	□ 12,053,434	□ 12,413,052	□ 13,171,561

^a Accrual-basis financial information for the State as a whole is available beginning with the fiscal year ended June 30, 2002, the year GASB Statement 34 was implemented.

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

Source: South Carolina Comptroller General's Office

Ended June 30

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 8,877,813	□ 9,371,744	□ 9,706,055	□ 10,007,523
2,735,158	3,089,099	3,498,173	3,597,084
(172,175)	445,362	603,503	(161,549)
<u>□ 11,440,796</u>	<u>□ 12,906,205</u>	<u>□ 13,807,731</u>	<u>□ 13,443,058</u>
□ 1,778,072	□ 1,973,060	□ 2,133,862	□ 2,315,357
1,232,819	1,253,359	1,406,468	1,386,458
360,037	442,758	594,033	656,170
<u>□ 3,370,928</u>	<u>□ 3,669,177</u>	<u>□ 4,134,363</u>	<u>□ 4,357,985</u>
□ 10,655,885	□ 11,344,804	□ 11,839,917	□ 12,322,880
3,967,977	4,342,458	4,904,641	4,983,542
187,862	888,120	1,197,536	494,621
<u>□ 14,811,724</u>	<u>□ 16,575,382</u>	<u>□ 17,942,094</u>	<u>□ 17,801,043</u>

Changes in Net Assets

Last Seven Fiscal Years ^a

(Accrual basis of accounting, expressed in thousands)

	For the Fiscal Year		
	2002	2003	2004
Expenses			
Governmental activities:			
General government.....	□ 1,749,351	□ 1,485,190	□ 1,587,442
Education.....	920,695	1,110,675	1,228,354
Health and environment.....	3,888,356	4,240,170	4,588,137
Social services.....	798,409	846,818	942,591
Administration of justice.....	693,478	676,157	628,227
Resources and economic development.....	221,644	202,982	192,000
Transportation.....	340,405	473,086	531,667
Intergovernmental ^b □ □ □ .. □ .. □ □ □ □ .. □ □ □ □ □ □ □ □ ..	3,807,548	3,686,361	3,813,383
Unallocated interest expense.....	71,883	76,130	67,614
Total governmental activities expenses.....	<u>12,491,769</u>	<u>12,797,569</u>	<u>13,579,415</u>
Business-type activities:			
Higher education.....	2,270,359	2,460,589	2,527,649
Higher education institution support.....	717,480	728,103	757,252
Unemployment compensation benefits.....	526,954	546,389	493,619
Financing of housing facilities.....	125,422	133,632	137,671
Medical malpractice insurance.....	78,949	50,113	30,733
Financing of student loans.....	36,748	41,409	39,641
Tuition prepayment program.....	33,862	27,208	30,620
Patriots Point development.....	6,717	6,986	6,976
Insurance claims processing.....	1,467	1,603	1,586
Other.....	28,362	25,452	22,659
Total business-type activities expenses.....	<u>3,826,320</u>	<u>4,021,484</u>	<u>4,048,406</u>
Total primary government expenses.....	<u>16,318,089</u>	<u>16,819,053</u>	<u>17,627,821</u>

Ended June 30

2005	2006	2007	2008
□ 1,727,612	□ 2,650,722	□ 3,434,216	□ 4,531,636
1,280,791	2,452,623	4,078,954	4,401,108
4,767,155	6,025,626	4,897,060	5,416,883
992,960	1,347,522	1,152,324	1,300,347
629,185	873,911	742,064	789,071
197,351	276,968	371,918	411,582
664,125	1,166,910	1,018,800	941,924
3,848,454	□	□	□
67,705	100,109	108,401	102,825
14,175,338	14,894,391	15,803,737	17,895,376
2,679,238	2,871,493	3,120,278	3,405,491
800,151	881,583	965,686	1,121,483
366,820	365,091	390,087	449,775
147,021	150,626	158,031	174,152
47,432	52,598	24,809	13,259
43,567	61,472	61,537	77,249
26,653	38,849	8,100	(5,844)
6,638	6,911	7,061	7,848
1,655	1,536	1,553	1,677
29,055	24,172	27,458	27,614
4,148,230	4,454,331	4,764,600	5,272,704
18,323,568	19,348,722	20,568,337	23,168,080

Continued on Next Page

Changes in Net Assets (Continued)

Last Seven Fiscal Years ^a

(Accrual basis of accounting, expressed in thousands)

	For the Fiscal Year		
	2002	2003	2004
Program Revenues			
Governmental activities:			
Charges for services:			
General government.....	□ 1,233,641	□ 1,020,219	□ 1,231,619
Other activities.....	511,095	480,021	368,240
Operating grants and contributions.....	4,472,482	5,139,624	5,656,373
Capital grants and contributions.....	514,815	516,167	584,722
Total governmental activities program revenues.....	6,732,033	7,156,031	7,840,954
Business-type activities:			
Charges for services:			
Higher education.....	1,290,521	1,543,441	1,724,447
Higher education support.....	708,450	742,754	769,118
Unemployment compensation benefits.....	266,678	374,112	367,632
Other activities.....	136,854	153,085	148,827
Operating grants and contributions.....	523,672	429,283	422,971
Capital grants and contributions.....	29,635	47,381	47,136
Total business-type activities program revenues.....	2,955,810	3,290,056	3,480,131
Total primary government activities program revenues.....	9,687,843	10,446,087	11,321,085
Net Expenses			
Governmental activities.....	(5,759,736)	(5,641,538)	(5,738,461)
Business-type activities.....	(870,510)	(731,428)	(568,275)
Total primary government net expense.....	(6,630,246)	(6,372,966)	(6,306,736)

Ended June 30

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 1,390,695	□ 1,530,670	□ 1,617,400	□ 1,694,147
425,896	472,511	453,957	466,621
6,052,454	5,773,902	5,848,554	6,313,817
<u>650,384</u>	<u>621,512</u>	<u>503,633</u>	<u>333,255</u>
<u>8,519,429</u>	<u>8,398,595</u>	<u>8,423,544</u>	<u>8,807,840</u>
1,858,869	2,000,940	2,116,206	2,337,123
833,452	905,000	984,723	1,075,408
309,975	333,423	339,715	343,104
171,522	176,324	173,689	206,113
419,672	478,462	577,625	452,961
<u>55,166</u>	<u>74,224</u>	<u>86,807</u>	<u>47,226</u>
<u>3,648,656</u>	<u>3,968,373</u>	<u>4,278,765</u>	<u>4,461,935</u>
<u>12,168,085</u>	<u>12,366,968</u>	<u>12,702,309</u>	<u>13,269,775</u>
(5,655,909)	(6,495,796)	(7,380,193)	(9,087,536)
<u>(499,574)</u>	<u>(485,958)</u>	<u>(485,835)</u>	<u>(810,769)</u>
<u>(6,155,483)</u>	<u>(6,981,754)</u>	<u>(7,866,028)</u>	<u>(9,898,305)</u>

Continued on Next Page

Changes in Net Assets (Continued)

Last Seven Fiscal Years ^a

(Accrual basis of accounting, expressed in thousands)

	For the Fiscal Year		
	2002	2003	2004
General Revenues and Other Changes in Net Assets			
Governmental activities:			
Taxes:			
Individual income tax.....	□ 2,357,050	□ 2,282,464	□ 2,416,437
Retail sales and use tax.....	2,788,909	2,820,520	3,009,485
Other taxes.....	1,271,326	1,323,521	1,390,893
Unrestricted grants and contributions.....	37,744	82,721	80,333
Unrestricted investment income.....	79,119	29,535	18,723
Tobacco legal settlement.....	88,290	80,042	74,180
Special and extraordinary items.....	□	□	□
Other revenues.....	70,137	71,621	75,967
Transfers.....	(862,126)	(782,874)	(668,515)
Total governmental activities.....	<u>5,830,449</u>	<u>5,907,550</u>	<u>6,397,503</u>
Business-type activities:			
Special and extraordinary items.....	(6,851)	(996)	(773)
Additions to endowments.....	□	□	□
Transfers.....	862,126	782,874	668,515
Total business-type activities.....	<u>855,275</u>	<u>781,878</u>	<u>667,742</u>
Total primary government.....	<u>6,685,724</u>	<u>6,689,428</u>	<u>7,065,245</u>
Change in Net Assets			
Governmental activities.....	70,713	266,012	659,042
Business-type activities.....	(15,235)	50,450	99,467
Total primary government.....	<u>□ 55,478</u>	<u>□ 316,462</u>	<u>□ 758,509</u>

^a Accrual-basis financial information for the State as a whole is available beginning with the fiscal year ended June 30, 2002, the year GASB Statement 34 was implemented.

^b Beginning with the fiscal year ended June 30, 2006, intergovernmental expenses are no longer reported as a function in the government-wide statements.

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

Source: South Carolina Comptroller General's Office

Ended June 30

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 2,762,538	□ 3,156,028	□ 3,349,358	□ 3,341,265
3,221,466	3,613,754	3,803,732	4,236,156
1,469,701	1,753,214	1,787,974	1,838,101
26,391	18,664	15,642	19,279
32,628	69,438	134,196	156,974
73,231	67,841	79,912	83,494
□	□	□	5,611
71,090	67,012	61,926	57,256
<u>(714,238)</u>	<u>(784,746)</u>	<u>(951,021)</u>	<u>(1,015,273)</u>
<u>6,942,807</u>	<u>7,961,205</u>	<u>8,281,719</u>	<u>8,722,863</u>
(556)	(539)	□	□
□	□	□	19,118
<u>714,238</u>	<u>784,746</u>	<u>951,021</u>	<u>1,015,273</u>
<u>713,682</u>	<u>784,207</u>	<u>951,021</u>	<u>1,034,391</u>
<u>7,656,489</u>	<u>8,745,412</u>	<u>9,232,740</u>	<u>9,757,254</u>
1,286,898	1,465,409	901,526	(364,673)
<u>214,108</u>	<u>298,249</u>	<u>465,186</u>	<u>223,622</u>
<u>□ 1,501,006</u>	<u>□ 1,763,658</u>	<u>□ 1,366,712</u>	<u>□ (141,051)</u>

Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual basis of accounting, expressed in thousands)

	For the Fiscal Year			
	1999	2000	2001	2002
General Fund				
Reserved.....	□ 335,038	□ 388,139	□ 153,079	□ 67,611
Unreserved.....	31,360	33,297	(173,802)	(207,562)
Total General Fund.....	<u>366,398</u>	<u>421,436</u>	<u>(20,723)</u>	<u>(139,951)</u>
All other governmental funds				
Reserved.....	350,722	556,474	875,445	1,521,120
Unreserved, reported in:				
Special revenue funds.....	1,351,951	1,260,987	2,308,638	1,435,046
Capital projects fund.....	91,507	105,214	125,157	112,525
Permanent funds ^a□	□	□	□	579
Total all other governmental funds.....	<u>1,794,180</u>	<u>1,922,675</u>	<u>3,309,240</u>	<u>3,069,270</u>
Total fund balances, governmental funds.....	<u>□ 2,160,578</u>	<u>□ 2,344,111</u>	<u>□ 3,288,517</u>	<u>□ 2,929,319</u>

^a Prior to fiscal year 2002, activities of the permanent funds were reported in nonexpendable trust funds which are not included in the schedule.

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

Source: South Carolina Comptroller General's Office

Ended June 30

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 57,982	□ 90,605	□ 142,662	□ 280,169	□ 413,157	□ 341,773
<u>(204,352)</u>	<u>(97,632)</u>	<u>345,437</u>	<u>833,676</u>	<u>679,780</u>	<u>(77,715)</u>
<u>(146,370)</u>	<u>(7,027)</u>	<u>488,099</u>	<u>1,113,845</u>	<u>1,092,937</u>	<u>264,058</u>
1,644,870	1,902,990	1,942,261	2,027,383	2,153,086	2,077,825
1,083,312	961,307	1,224,530	614,501	1,454,483	1,118,942
104,289	178,711	183,763	307,633	240,134	234,123
839	970	983	496,290	1,070	1,209
<u>2,833,310</u>	<u>3,043,978</u>	<u>3,351,537</u>	<u>3,445,807</u>	<u>3,848,773</u>	<u>3,432,099</u>
<u>□ 2,686,940</u>	<u>□ 3,036,951</u>	<u>□ 3,839,636</u>	<u>□ 4,559,652</u>	<u>□ 4,941,710</u>	<u>□ 3,696,157</u>

Changes in Fund Balances

GOVERNMENTAL FUNDS

Last Ten Fiscal Years

(Modified accrual basis of accounting, dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Revenues			
Taxes:			
Individual income.....	□ 2,282,509	□ 2,453,465	□ 2,492,877
Retail sales and use.....	2,521,264	2,676,686	2,705,207
Other.....	1,274,366	1,227,671	1,244,551
Licenses, fees, and permits.....	290,530	306,067	309,017
Interest and other investment income.....	122,314	155,992	246,987
Federal.....	3,470,068	3,722,415	4,180,091
Local and private grants.....	□	□	□
State grants.....	□	□	□
Departmental services.....	539,864	539,856	564,562
Contributions.....	200,386	251,523	159,803
Fines and penalties.....	76,512	69,017	74,959
Tobacco legal settlement.....	□	96,274	73,747
Other.....	80,686	84,214	100,828
Total revenues.....	<u>10,858,499</u>	<u>11,583,180</u>	<u>12,152,629</u>
Expenditures			
Current:			
General government.....	355,558	422,935	488,865
Education.....	355,927	403,453	443,540
Health and environment.....	3,443,809	3,600,808	4,200,086
Social services.....	648,689	674,353	720,602
Administration of justice.....	632,872	694,845	716,462
Resources and economic development.....	159,546	180,403	198,351
Transportation.....	303,824	518,584	324,207
Capital outlay.....	504,814	583,761	663,500
Debt service:			
Principal retirement.....	90,786	107,621	139,977
Interest and fiscal charges.....	55,193	81,632	102,435
Intergovernmental.....	3,262,640	3,874,298	4,132,596
Total expenditures.....	<u>9,813,658</u>	<u>11,142,693</u>	<u>12,130,621</u>

For the Fiscal Year Ended June 30

2002	2003	2004	2005	2006	2007	2008
□ 2,340,840	□ 2,287,989	□ 2,408,756	□ 2,765,012	□ 3,127,734	□ 3,337,312	□ 3,360,054
2,771,191	2,817,138	2,996,073	3,225,931	3,631,350	3,805,628	4,254,318
1,244,487	1,292,376	1,373,468	1,437,920	1,740,273	1,762,708	1,810,088
270,005	390,390	415,445	462,186	493,527	519,707	522,131
194,743	157,858	75,349	122,958	157,015	273,949	315,962
4,596,726	5,014,039	5,659,928	5,975,208	5,949,905	5,770,911	6,015,003
9,299	9,330	9,183	9,924	11,448	9,715	52,347
□	□	□	3,469	65	□	□
638,330	703,823	668,252	640,350	727,251	638,441	747,419
178,427	335,846	534,455	681,174	406,031	373,238	331,689
82,893	81,532	105,601	107,197	111,480	113,340	121,359
88,291	86,313	74,180	73,231	67,841	79,912	83,493
121,945	124,038	86,796	84,203	98,457	126,857	129,096
12,537,177	13,300,672	14,407,486	15,588,763	16,522,377	16,811,718	17,742,959
491,678	475,705	533,227	613,314	633,822	857,359	824,171
485,133	632,906	652,102	680,676	752,980	811,465	872,898
4,218,410	4,512,620	4,931,105	5,129,240	5,143,590	5,243,672	5,771,833
803,313	844,927	874,703	999,624	1,048,720	1,143,967	1,271,986
644,270	644,896	574,404	582,748	637,444	698,429	751,182
180,203	162,798	154,066	179,635	198,445	231,468	256,526
435,384	559,466	614,220	629,430	779,985	742,299	715,538
627,588	525,284	531,822	607,683	623,365	342,857	220,744
185,031	231,533	220,265	243,050	250,785	264,967	789,639
226,568	236,281	239,553	252,889	257,609	254,938	341,027
4,530,261	4,469,022	4,594,739	4,678,620	4,985,632	5,113,092	6,178,735
12,827,839	13,295,438	13,920,206	14,596,909	15,312,377	15,704,513	17,994,279

Continued on Next Page

Changes in Fund Balances

GOVERNMENTAL FUNDS (Continued)

Last Ten Fiscal Years

(Modified accrual basis of accounting, dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Excess of revenues over (under) expenditures.....	□ 1,044,841	□ 440,487	□ 22,008
Other financing sources (uses)			
Bonds and notes issued.....	560,827	657,748	1,992,249
Refunding bonds issued.....	□	□	□
Accrued interest on refunding bonds issued.....	□	□	□
Premiums on bonds issued.....	□	□	□
Discounts on bonds issued.....	□	□	□
Capital leases.....	7,448	151	315
Receipts from swap counter-parties.....	□	□	□
Payment of termination fee to swap counter-party.....	□	□	□
Payments to refunded bond escrow agent.....	□	□	□
Transfers in.....	115,326	209,991	261,620
Transfers out.....	<u>(949,994)</u>	<u>(1,144,753)</u>	<u>(1,311,278)</u>
Total other financing sources (uses).....	<u>(266,393)</u>	<u>(276,863)</u>	<u>942,906</u>
Increase (decrease) in reserve for inventories ^a ..□ □ □ □ □	<u>(4,949)</u>	<u>779</u>	<u>(5,119)</u>
Net change in fund balances.....	<u>□ 773,499</u>	<u>□ 164,403</u>	<u>□ 959,795</u>
Debt service as a percentage of noncapital expenditures.....	b	b	b

^a Effective July 1, 2001, the State began applying the consumption method to its inventories in governmental funds, rather than the purchases method.

^b Debt service as a percentage of noncapital expenditures calculations is available beginning with the fiscal year ended June 30, 2002, the year GASB Statement 34 was implemented.

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

Source: South Carolina Comptroller General's Office

For the Fiscal Year Ended June 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ (290,662)	□ 5,234	□ 487,280	□ 991,854	□ 1,210,000	□ 1,107,205	□ (251,320)
646,571	492,895	467,795	303,820	289,475	306,991	□
□	105,415	524,860	448,160	221,045	102,015	275,730
□	□	□	□	□	□	957
14,858	11,323	11,334	41,225	22,222	9,456	□
(1,461)	□	□	□	□	(8)	(8,249)
140	1,088	□	700	250	□	513
□	□	□	□	□	□	7,599
□	□	□	□	□	□	(7,599)
□	(106,267)	(524,606)	(332,801)	(241,235)	(118,350)	(251,180)
348,088	408,663	552,574	205,963	488,833	384,755	1,099,105
<u>(1,207,429)</u>	<u>(1,160,730)</u>	<u>(1,206,111)</u>	<u>(915,263)</u>	<u>(1,270,574)</u>	<u>(1,410,006)</u>	<u>(2,111,109)</u>
<u>(199,233)</u>	<u>(247,613)</u>	<u>(174,154)</u>	<u>(248,196)</u>	<u>(489,984)</u>	<u>(725,147)</u>	<u>(994,233)</u>
□	□	□	□	□	□	□
<u>□ (489,895)</u>	<u>□ (242,379)</u>	<u>□ 313,126</u>	<u>□ 743,658</u>	<u>□ 720,016</u>	<u>□ 382,058</u>	<u>□ (1,245,553)</u>
3.5□	3.7□	3.5□	3.6□	3.5□	3.4□	6.4□

Personal Income by Industry

Last Ten Calendar Years
(Dollars in millions)

Sources	1998	1999	2000	2001 ^b
Farm earnings.....	341	418	489	587
Agricultural services, forestry, fishing, and other.....	413	452	472	366
Mining.....	89	96	96	98
Construction.....	4,495	4,839	5,083	5,243
Manufacturing.....	14,899	14,701	15,443	14,522
Transportation and public utilities.....	3,437	4,416	4,771	3,104
Wholesale trade.....	3,231	3,543	3,718	3,179
Retail trade.....	6,750	7,224	7,418	6,178
Finance, insurance, and real estate.....	3,877	4,336	4,484	4,788
Services.....	13,799	14,899	15,998	21,353
Federal government, civilian.....	1,678	1,739	1,874	1,841
Military.....	1,857	2,051	2,167	2,210
State and local government.....	8,987	9,649	10,428	10,854
Other ^a	23,001	23,353	25,829	27,145
Total personal income.....	86,854	91,716	98,270	101,468
Average effective rate ^c.....	2.3%	2.2%	2.1%	2.2%

^a Includes dividends, interest, rental income, residence adjustment, government transfers to individuals, and deductions for social insurance.

^b The employment classification coding system changed from the Standard Industrial Code basis to the North American Classification System in calendar year 2001. Prior calendar years were not reclassified.

^c The total direct tax rate for personal income is not available. Average effective rate equals total personal income tax liability divided by total personal income.

^d Information not yet available.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Calendar Year					
2002	2003	2004	2005	2006	2007
□ 190	□ 563	□ 589	□ 542	□ 375	□ 323
332	346	343	356	371	370
92	98	104	106	111	114
5,248	5,483	5,811	6,302	7,068	7,030
14,781	15,183	14,992	14,958	15,572	15,735
3,158	3,294	3,586	3,690	3,882	3,958
3,305	3,323	3,685	4,084	4,449	4,794
6,281	6,444	6,715	7,060	7,362	7,607
5,114	5,431	5,651	6,139	6,607	6,890
22,055	23,012	25,010	26,692	28,423	30,196
1,984	2,023	2,220	2,327	2,471	2,610
2,483	2,798	3,087	3,310	3,441	3,684
11,256	11,671	12,197	12,951	13,612	14,473
<u>27,767</u>	<u>27,534</u>	<u>29,613</u>	<u>31,703</u>	<u>36,122</u>	<u>38,067</u>
□ 104,046	□ 107,203	□ 113,603	□ 120,220	□ 129,866	□ 135,851
2.1□	2.1□	2.2□	2.2□	2.3□	d

Taxable Sales by Industry

Last Nine Fiscal Years^a
(Expressed in millions)

Sources	For the Fiscal Year			
	2000	2001	2002	2003
Retail trade.....	□ 33,814	□ 32,845	□ 33,980	□ 34,692
Services.....	4,279	4,213	4,119	4,222
Transportation, communication, and utilities.....	2,945	3,420	3,533	3,587
Wholesale trade.....	3,231	3,105	3,002	3,041
Other.....	930	902	843	863
Total taxable sales.....	□ 45,199	□ 44,485	□ 45,477	□ 46,405

Percent Distribution of Taxable Sales by Industry

Last Nine Fiscal Years^a

Sources	For the Fiscal Year			
	2000	2001	2002	2003
Retail trade.....	74.8□	73.8□	74.7□	74.8□
Services.....	9.5□	9.5□	9.1□	9.1□
Transportation, communication, and utilities.....	6.5□	7.7□	7.8□	7.7□
Wholesale trade.....	7.1□	7.0□	6.6□	6.5□
Other.....	2.1□	2.0□	1.8□	1.9□
Total taxable sales.....	100.0□	100.0□	100.0□	100.0□
Sales tax rate^b □ □ ..□ .□ □ □ ..□ □ □ □	5.0□	5.0□	5.0□	5.0□

^a Information for periods prior to fiscal year 2000 is not available.

^b Excludes the 2□ accommodations tax and the local option sales tax; includes the 4□ retail sales tax (5□ beginning June 1, 2007) and 1□ Education Improvement Act sales tax.

Note: Due to confidentiality issues, the names of the ten largest sales tax revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the State's sales tax revenues.

Source: South Carolina Department of Revenue

Ended June 30

2004	2005	2006	2007	2008
□ 38,118	□ 41,133	□ 44,258	□ 47,331	□ 44,061
4,552	4,747	5,172	5,426	5,754
4,054	4,175	4,682	5,041	5,229
2,950	3,173	3,466	2,851	2,869
1,073	1,390	1,781	1,935	1,748
□ 50,747	□ 54,618	□ 59,359	□ 62,584	□ 59,661

Ended June 30

2004	2005	2006	2007	2008
75.1□	75.3□	74.6□	75.6□	73.9□
9.0□	8.7□	8.7□	8.7□	9.6□
8.0□	7.6□	7.9□	8.1□	8.8□
5.8□	5.8□	5.8□	4.5□	4.8□
2.1□	2.6□	3.0□	3.1□	2.9□
100.0□	100.0□	100.0□	100.0□	100.0□
5.0□	5.0□	5.0□	6.0□	6.0□

Personal Income Tax Rates

Last Ten Calendar Years

Tax Year	Tax Rates	Number of Brackets	Income Brackets		Average Effective Rate ^a
			Low	High	
1998	2.5% - 7.0%	6	2,310	11,550	2.3%
1999	2.5% - 7.0%	6	2,340	11,700	2.2%
2000	2.5% - 7.0%	6	2,360	11,800	2.1%
2001	2.5% - 7.0%	6	2,400	12,000	2.2%
2002	2.5% - 7.0%	6	2,440	12,200	2.1%
2003	2.5% - 7.0%	6	2,460	12,300	2.1%
2004	2.5% - 7.0%	6	2,500	12,500	2.2%
2005	2.5% - 7.0%	6	2,530	12,650	2.2%
2006	2.5% - 7.0%	6	2,570	12,850	2.3%
2007	0.0% - 7.0%	6	2,630	13,150	^b

a

b

Source: South Carolina Department of Revenue

Personal Income Tax Filers and Liability by Income Level

Calendar Years 2006 and 1997

(Dollars, except Income Level, expressed in thousands)

2006 ^a				
State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
≥100,001 and higher	76,128	3.9%	1,232,216	41.3%
≥75,001 - <100,000	58,415	3.0%	312,048	10.4%
≥50,001 - <75,000	134,007	6.8%	490,100	16.4%
≥25,001 - <50,000	295,723	15.0%	593,751	19.9%
≥10,001 - <25,000	363,643	18.5%	282,910	9.5%
≥10,000 and lower	1,038,332	52.8%	75,132	2.5%
Total	1,966,248	100.0%	2,986,157	100.0%

1997				
State Taxable Income Level	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
≥100,001 and higher	34,806	2.0%	511,182	27.8%
≥75,001 - <100,000	28,039	1.6%	140,776	7.6%
≥50,001 - <75,000	91,625	5.3%	307,920	16.7%
≥25,001 - <50,000	295,504	17.0%	546,747	29.7%
≥10,001 - <25,000	396,236	22.9%	279,121	15.2%
≥10,000 and lower	886,798	51.2%	54,995	3.0%
Total	1,733,008	100.0%	1,840,741	100.0%

a

Source: South Carolina Department of Revenue

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(Dollars in thousands unless otherwise indicated)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Governmental Activities				
General obligation bonds.....	□ 1,139,782	□ 1,392,192	□ 2,054,526	□ 2,204,129
Limited obligation bonds.....	38,206	35,175	34,003	30,597
Tobacco Authority bonds.....	□	□	934,530	902,920
Infrastructure Bank bonds.....	275,000	574,275	832,575	1,193,046
Revenue bonds.....	□	□	□	□
Notes payable.....	2,299	5,429	7,026	4,398
Capital leases.....	<u>15,593</u>	<u>12,646</u>	<u>10,042</u>	<u>8,185</u>
Total governmental activities.....	<u>1,470,880</u>	<u>2,019,717</u>	<u>3,872,702</u>	<u>4,343,275</u>
Business-Type Activities				
General obligation bonds.....	78,305	99,945	96,310	134,235
General obligation bonds anticipation notes payable....	□	□	□	8,400
Revenue bonds.....	1,100,686	1,266,445	1,283,584	1,417,382
Revenue bonds anticipation notes payable.....	□	□	□	16,400
Notes payable.....	167,012	184,651	176,703	157,216
Certificates of participation payable.....	20,698	19,882	19,010	18,036
Capital leases.....	<u>33,201</u>	<u>48,109</u>	<u>47,782</u>	<u>46,633</u>
Total business-type activities.....	<u>1,399,902</u>	<u>1,619,032</u>	<u>1,623,389</u>	<u>1,798,302</u>
Total primary government.....	<u>□ 2,870,782</u>	<u>□ 3,638,749</u>	<u>□ 5,496,091</u>	<u>□ 6,141,577</u>
Debt as a percentage of personal income.....	3.1□	3.7□	5.4□	5.9□
Debt per capita expressed in actual dollars.....	□722	□904	□1,353	□1,496

^a Not yet available.

Source: South Carolina Comptroller General's Office

For the Fiscal Year Ended June 30

<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 2,239,207	□ 2,266,261	□ 2,298,253	□ 2,405,119	□ 2,214,865	□ 2,016,952
27,040	23,304	19,392	15,291	10,985	9,352
869,870	845,630	820,905	796,900	769,755	242,891
1,463,582	1,725,514	1,947,393	1,917,706	2,162,973	2,125,640
26,034	24,802	23,521	22,169	41,044	38,598
7,395	8,884	10,311	21,021	15,622	20,362
4,106	3,256	2,856	1,894	939	672
<u>4,637,234</u>	<u>4,897,651</u>	<u>5,122,631</u>	<u>5,180,100</u>	<u>5,216,183</u>	<u>4,454,467</u>
208,968	242,740	230,423	249,514	356,795	351,481
□	□	□	□	□	30,000
1,480,054	1,542,828	2,312,032	2,532,352	2,709,144	2,928,641
28,025	44,310	9,345	6,855	4,500	□
163,134	207,276	224,080	249,674	253,357	341,009
13,525	□	□	□	□	□
65,445	54,585	52,555	44,987	46,069	48,048
<u>1,959,151</u>	<u>2,091,739</u>	<u>2,828,435</u>	<u>3,083,382</u>	<u>3,369,865</u>	<u>3,699,179</u>
<u>□ 6,596,385</u>	<u>□ 6,989,390</u>	<u>□ 7,951,066</u>	<u>□ 8,263,482</u>	<u>□ 8,586,048</u>	<u>□ 8,153,646</u>
6.2□	6.2□	6.6□	6.4□	6.3□	a
□1,591	□1,664	□1,869	□1,908	□1,948	a

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Dollars in thousands unless otherwise indicated)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
Governmental Activities			
Capital improvement bonds.....	□ 806,237	□ 815,252	□ 893,941
State highway bonds.....	333,545	326,940	672,135
State school facilities bonds.....	□	250,000	488,450
Infrastructure Bank bonds.....	□	□	□
State economic development bonds.....	□	□	□
Research university infrastructure bonds.....	□	□	□
Total governmental activities.....	<u>1,139,782</u>	<u>1,392,192</u>	<u>2,054,526</u>
Business-Type Activities			
State institution bonds.....	<u>78,305</u>	<u>99,945</u>	<u>96,310</u>
Total primary government.....	<u>□ 1,218,087</u>	<u>□ 1,492,137</u>	<u>□ 2,150,836</u>
Debt as a percentage of personal income.....	1.3□	1.5□	2.1□
Debt per capita expressed in actual dollars.....	□306	□371	□529

^a Not yet available.

Source: South Carolina Comptroller General's Office

For the Fiscal Year Ended June 30

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 931,044	□ 919,382	□ 917,949	□ 801,626	□ 693,815	□ 603,762	□ 514,410
651,135	630,730	609,939	725,434	699,669	663,582	622,145
621,950	689,095	650,565	611,126	567,873	523,305	476,498
□	□	60,333	58,785	57,171	55,491	53,742
□	□	27,475	101,282	238,109	227,992	217,449
□	□	□	□	148,482	140,733	132,708
<u>2,204,129</u>	<u>2,239,207</u>	<u>2,266,261</u>	<u>2,298,253</u>	<u>2,405,119</u>	<u>2,214,865</u>	<u>2,016,952</u>
<u>134,235</u>	<u>208,968</u>	<u>242,740</u>	<u>230,423</u>	<u>249,514</u>	<u>356,795</u>	<u>351,481</u>
<u>□ 2,338,364</u>	<u>□ 2,448,175</u>	<u>□ 2,509,001</u>	<u>□ 2,528,676</u>	<u>□ 2,654,633</u>	<u>□ 2,571,660</u>	<u>□ 2,368,433</u>
2.2□	2.3□	2.2□	2.1□	2.0□	1.9□	a
□570	□590	□597	□594	□613	□583	a

Computation of Legal Debt Margin

June 30, 2008

(Expressed in Thousands)

Section 59-107-90 of the South Carolina Code of Laws states that the maximum amount of annual debt service on institution bonds for each institution shall not exceed ninety percent of the sums received from tuition fees for the preceding fiscal year.

Section 57-11-240 of the South Carolina Code of Laws and Article X, Section 13 of the South Carolina Constitution state that highway bonds may be issued if such bonds are additionally secured by a pledge of revenues designated by the General Assembly for State highway purposes from taxes or licenses imposed for using the public highways of the State. The maximum annual debt service on all highway bonds shall not exceed fifteen percent of the proceeds received from the designated revenues for the fiscal year next preceding.

Section 11-51-50 of the South Carolina Code of Laws states that the issuance of general obligation bonds of the State must be limited so that the maximum annual debt service on all general obligation bonds of the State (excluding highway bonds, State institution bonds, tax anticipation notes, and bond anticipation notes) may not exceed six percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

Section 11-41-60 states that the maximum annual debt service on economic development bonds may not exceed one-half of one percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

Section 11-51-50 also states that the maximum annual debt service on research university infrastructure bonds may not exceed one-half of one percent of the general revenues of the State for the fiscal year next preceding (excluding revenues which are authorized to be pledged for state highway bonds and state institution bonds).

INSTITUTION BONDS

<u>Institution</u>	<u>Prior Year Revenues</u>	<u>90% Computation</u>	<u>Maximum Debt Service</u>	<u>Margin</u>
The Citadel.....	586	527	258	269
Clemson University.....	11,941	10,747	6,025	4,722
Coastal Carolina University.....	2,020	1,818	1,425	393
College of Charleston.....	1,456	1,310	573	737
Francis Marion University.....	212	191	0	191
Lander University.....	16,028	14,425	1,379	13,046
Medical University of South Carolina.....	8,400	7,560	5,128	2,432
South Carolina State University ^a □ □ ...	2,446	2,201	2,731	(530)
University of South Carolina.....	18,584	16,726	11,287	5,439
Winthrop University.....	6,036	5,432	3,879	1,553
Central Carolina Technical College.....	765	689	200	489
Midlands Technical College.....	1,800	1,620	1,395	225
Tri-County Technical College.....	1,162	1,046	735	311
Totals.....	71,436	64,292	35,015	29,277

HIGHWAY BONDS

2006-2007 Budgetary General Fund revenues pledged for highway bonds.....	32,535
2006-2007 other revenues pledged for highway bonds.....	646,488
2006-2007 revenues pledged for highway bonds.....	679,023
15% of 2006-2007 revenues pledged for highway bonds.....	101,853
Less: maximum annual debt service for highway bonds ^b	71,766
Legal debt service margin at June 30, 2008--highway bonds.....	30,087

Computation of Legal Debt Margin (Continued)

June 30, 2008

(Expressed in Thousands)

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

2006-2007 Budgetary General Fund revenues	6,658,503
Less: 2006-2007 Budgetary General Fund revenues pledged for highway bonds ^c	32,535
2006-2007 net Budgetary General Fund revenues.....	<u>6,625,968</u>
6% of 2006-2007 net Budgetary General Fund revenues.....	397,558
Less: maximum annual debt service for general obligation bonds excluding institution and highway bonds and bond anticipation notes ^d	<u>221,525</u>
Legal debt service margin at June 30, 2008--general obligation bonds excluding institution and highway bonds and bond anticipation notes.....	<u><u>176,033</u></u>

ECONOMIC DEVELOPMENT BONDS

2006-2007 Budgetary General Fund revenues	6,658,503
Less: 2006-2007 Budgetary General Fund revenues pledged for highway bonds ^c	32,535
2006-2007 net Budgetary General Fund revenues.....	<u>6,625,968</u>
0.5% of 2006-2007 net Budgetary General Fund revenues.....	33,130
Less: maximum annual debt service for economic development bonds ^d	<u>21,229</u>
Legal debt service margin at June 30, 2008--economic development bonds.....	<u><u>11,901</u></u>

RESEARCH UNIVERSITY INFRASTRUCTURE BONDS

2006-2007 Budgetary General Fund revenues	6,658,503
Less: 2006-2007 Budgetary General Fund revenues pledged for highway bonds ^c	32,535
2006-2007 net Budgetary General Fund revenues.....	<u>6,625,968</u>
0.5% of 2006-2007 net Budgetary General Fund revenues.....	33,130
Less: maximum annual debt service for research university infrastructure bonds ^d	<u>13,777</u>
Legal debt service margin at June 30, 2008--research university infrastructure bonds.....	<u><u>19,353</u></u>

^a South Carolina State University exceeded its legal debt service limit on its State institution bonds by approximately \$530 thousand at June 20, 2008. The University will adjust tuition fees in subsequent years to cover the debt requirement.

^b As of June 30, 2008, the maximum annual debt service will occur in the fiscal year ending June 30,

^c For the fiscal year ended June 30, 2008, there were no net Budgetary General Fund revenues pledged for State institution bonds and anticipation notes.

^d As of June 30, 2008, the maximum annual debt service will occur in the fiscal year ending June 30, 2009.

Source: South Carolina Comptroller General's Office

Legal Debt Margin Information

Last Ten Fiscal Years
(Dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>State Institution Bonds</u>			
The Citadel			
Debt service limitation.....	□ 439	□ 439	□ 449
Debt service applicable to limit.....	206	206	206
Legal debt margin at June 30.....	□ 233	□ 233	□ 243
Legal debt margin as a percentage of debt service limitation.....	53.1 □	53.1 □	54.1 □
Clemson University			
Debt service limitation.....	□ 77,977	□ 77,977	□ 3,211
Debt service applicable to limit.....	1,542	1,542	1,542
Legal debt margin at June 30.....	□ 76,435	□ 76,435	□ 1,669
Legal debt margin as a percentage of debt service limitation.....	98.0 □	98.0 □	52.0 □
Coastal Carolina University			
Debt service limitation.....	□ 19,231	□ 527	□ 519
Debt service applicable to limit.....	343	343	340
Legal debt margin at June 30.....	□ 18,888	□ 184	□ 179
Legal debt margin as a percentage of debt service limitation.....	98.2 □	34.9 □	34.5 □
College of Charleston			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	□	□	□
Legal debt margin at June 30.....	□ □	□ □	□ □
Legal debt margin as a percentage of debt service limitation.....	□	□	□
Francis Marion University			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	□	□	□
Legal debt margin at June 30.....	□ □	□ □	□ □
Legal debt margin as a percentage of debt service limitation.....	□	□	□
Lander University			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	□	□	□
Legal debt margin at June 30.....	□ □	□ □	□ □
Legal debt margin as a percentage of debt service limitation.....	□	□	□

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 475	□ 505	□ 503	□ 506	□ 515	□ 527	□ 527
461	460	460	457	457	258	258
<u>□ 14</u>	<u>□ 45</u>	<u>□ 43</u>	<u>□ 49</u>	<u>□ 58</u>	<u>□ 269</u>	<u>□ 269</u>
2.9 □	8.9 □	8.5 □	9.7 □	11.3 □	51.0 □	51.0 □
□ 3,893	□ 4,359	□ 6,188	□ 6,193	□ 6,408	□ 7,860	□ 10,747
1,542	4,046	4,800	4,800	4,800	6,025	6,025
<u>□ 2,351</u>	<u>□ 313</u>	<u>□ 1,388</u>	<u>□ 1,393</u>	<u>□ 1,608</u>	<u>□ 1,835</u>	<u>□ 4,722</u>
60.4 □	7.2 □	22.4 □	22.5 □	25.1 □	23.3 □	43.9 □
□ □	□ 757	□ 778	□ 871	□ 1,210	□ 1,519	□ 1,818
□	696	696	696	696	1,435	1,425
<u>□ □</u>	<u>□ 61</u>	<u>□ 82</u>	<u>□ 175</u>	<u>□ 514</u>	<u>□ 84</u>	<u>□ 393</u>
□	8.1 □	10.5 □	20.1 □	42.5 □	5.5 □	21.6 □
□ □	□ 2,250	□ 3,776	□ 3,793	□ 1,186	□ 1,107	□ 1,310
□	573	573	573	573	573	573
<u>□ □</u>	<u>□ 1,677</u>	<u>□ 3,203</u>	<u>□ 3,220</u>	<u>□ 613</u>	<u>□ 534</u>	<u>□ 737</u>
□	74.5 □	84.8 □	84.9 □	51.7 □	48.2 □	56.3 □
□ □	□ □	□ □	□ □	□ 185	□ 191	□ 191
□	□	□	□	156	156	□
<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ 29</u>	<u>□ 35</u>	<u>□ 191</u>
□	□	□	□	15.7 □	18.3 □	100.0 □
□ □	□ □	□ 10,771	□ 11,107	□ 12,342	□ 13,588	□ 14,425
□	□	788	775	1,388	1,383	1,379
<u>□ □</u>	<u>□ □</u>	<u>□ 9,983</u>	<u>□ 10,332</u>	<u>□ 10,954</u>	<u>□ 12,205</u>	<u>□ 13,046</u>
□	□	92.7 □	93.0 □	88.8 □	89.8 □	90.4 □

Continued on Next Page

Legal Debt Margin Information (Continued)

Last Ten Fiscal Years
(Dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>State Institution Bonds</u>			
Medical University of South Carolina			
Debt service limitation.....	□ 3,978	□ 1,307	□ 4,347
Debt service applicable to limit.....	<u>1,453</u>	<u>3,631</u>	<u>3,631</u>
Legal debt margin at June 30.....	□ <u>2,525</u>	□ <u>(2,324)</u>	□ <u>716</u>
Legal debt margin as a percentage of debt service limitation.....	63.5□	-177.8□	16.5□
South Carolina State University			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	<u>□</u>	<u>□</u>	<u>□</u>
Legal debt margin at June 30.....	□ □	□ □	□ □
Legal debt margin as a percentage of debt service limitation.....	□	□	□
University of South Carolina			
Debt service limitation.....	□ 5,937	□ 6,448	□ 7,026
Debt service applicable to limit.....	<u>4,361</u>	<u>4,361</u>	<u>4,361</u>
Legal debt margin at June 30.....	□ <u>1,576</u>	□ <u>2,087</u>	□ <u>2,665</u>
Legal debt margin as a percentage of debt service limitation.....	26.5□	32.4□	37.9□
Winthrop University			
Debt service limitation.....	□ 594	□ 594	□ 878
Debt service applicable to limit.....	<u>406</u>	<u>406</u>	<u>568</u>
Legal debt margin at June 30.....	□ <u>188</u>	□ <u>188</u>	□ <u>310</u>
Legal debt margin as a percentage of debt service limitation.....	31.6□	31.6□	35.3□
Central Carolina Technical College			
Debt service limitation.....	□ 3,083	□ 2,840	□ 203
Debt service applicable to limit.....	<u>202</u>	<u>202</u>	<u>202</u>
Legal debt margin at June 30.....	□ <u>2,881</u>	□ <u>2,638</u>	□ <u>1</u>
Legal debt margin as a percentage of debt service limitation.....	93.4□	92.9□	0.5□
Greenville Technical College			
Debt service limitation.....	□ 12,961	□ 14,298	□ 148
Debt service applicable to limit.....	<u>124</u>	<u>118</u>	<u>112</u>
Legal debt margin at June 30.....	□ <u>12,837</u>	□ <u>14,180</u>	□ <u>36</u>
Legal debt margin as a percentage of debt service limitation.....	99.0□	99.2□	24.3□

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 5,064	□ 5,894	□ 6,098	□ 6,480	□ 7,560	□ 7,560	□ 7,560
<u>4,300</u>	<u>4,938</u>	<u>5,776</u>	<u>5,747</u>	<u>5,657</u>	<u>5,128</u>	<u>5,128</u>
<u>□ 764</u>	<u>□ 956</u>	<u>□ 322</u>	<u>□ 733</u>	<u>□ 1,903</u>	<u>□ 2,432</u>	<u>□ 2,432</u>
15.1 □	16.2 □	5.3 □	11.3 □	25.2 □	32.2 □	32.2 □
□ □	□ 611	□ 610	□ 656	□ 963	□ 940	□ 2,201
<u>□</u>	<u>318</u>	<u>318</u>	<u>318</u>	<u>318</u>	<u>2,731</u>	<u>2,731</u>
<u>□ □</u>	<u>□ 293</u>	<u>□ 292</u>	<u>□ 338</u>	<u>□ 645</u>	<u>□ (1,791)</u>	<u>□ (530)</u>
□	48.0 □	47.9 □	51.5 □	67.0 □	-190.5 □	-24.1 □
□ 7,651	□ 8,794	□ 9,009	□ 10,316	□ 12,704	□ 14,136	□ 16,726
<u>6,987</u>	<u>6,522</u>	<u>7,054</u>	<u>7,054</u>	<u>7,054</u>	<u>11,287</u>	<u>11,287</u>
<u>□ 664</u>	<u>□ 2,272</u>	<u>□ 1,955</u>	<u>□ 3,262</u>	<u>□ 5,650</u>	<u>□ 2,849</u>	<u>□ 5,439</u>
8.7 □	25.8 □	21.7 □	31.6 □	44.5 □	20.2 □	32.5 □
□ 798	□ 1,071	□ 1,399	□ 2,969	□ 4,244	□ 5,074	□ 5,432
<u>665</u>	<u>910</u>	<u>1,318</u>	<u>1,318</u>	<u>3,077</u>	<u>3,059</u>	<u>3,879</u>
<u>□ 133</u>	<u>□ 161</u>	<u>□ 81</u>	<u>□ 1,651</u>	<u>□ 1,167</u>	<u>□ 2,015</u>	<u>□ 1,553</u>
16.7 □	15.0 □	5.8 □	55.6 □	27.5 □	39.7 □	28.6 □
□ 243	□ 655	□ 763	□ 743	□ 759	□ 689	□ 689
<u>202</u>	<u>202</u>	<u>202</u>	<u>202</u>	<u>202</u>	<u>202</u>	<u>200</u>
<u>□ 41</u>	<u>□ 453</u>	<u>□ 561</u>	<u>□ 541</u>	<u>□ 557</u>	<u>□ 487</u>	<u>□ 489</u>
16.9 □	69.2 □	73.5 □	72.8 □	73.4 □	70.7 □	71.0 □
□ 161	□ □	□ □	□ □	□ □	□ □	□ □
<u>106</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>
<u>□ 55</u>	<u>□ □</u>	<u>□ □</u>				
34.2 □	□	□	□	□	□	□

Continued on Next Page

Legal Debt Margin Information (Continued)

Last Ten Fiscal Years
(Dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>State Institution Bonds</u>			
Midlands Technical College			
Debt service limitation.....	□ 12,018	□ 12,903	□ 1,565
Debt service applicable to limit.....	<u>832</u>	<u>832</u>	<u>832</u>
Legal debt margin at June 30.....	□ 11,186	□ 12,071	□ 733
Legal debt margin as a percentage of debt service limitation.....	93.1 □	93.6 □	46.8 □
Tri-County Technical College			
Debt service limitation.....	□ 752	□ 904	□ 888
Debt service applicable to limit.....	<u>735</u>	<u>735</u>	<u>735</u>
Legal debt margin at June 30.....	□ 17	□ 169	□ 153
Legal debt margin as a percentage of debt service limitation.....	2.3 □	18.7 □	17.2 □
Trident Technical College			
Debt service limitation.....	□ 9,547	□ 10,220	□ □
Debt service applicable to limit.....	<u>413</u>	<u>413</u>	<u>□</u>
Legal debt margin at June 30.....	□ 9,134	□ 9,807	□ □
Legal debt margin as a percentage of debt service limitation.....	95.7 □	96.0 □	□
<u>State Highway Bonds</u>			
Debt service limitation.....	□ 70,915	□ 77,873	□ 81,779
Debt service applicable to limit.....	<u>32,590</u>	<u>32,590</u>	<u>60,283</u>
Legal debt margin at June 30.....	□ 38,325	□ 45,283	□ 21,496
Legal debt margin as a percentage of debt service limitation.....	54.0 □	58.1 □	26.3 □
<u>General Obligation Bonds excluding Institution and Highway Bonds and Bond Anticipation Notes</u>			
Debt service limitation.....	□ 237,806	□ 241,960	□ 247,869
Debt service applicable to limit.....	<u>137,252</u>	<u>170,418</u>	<u>195,116</u>
Legal debt margin at June 30.....	□ 100,554	□ 71,542	□ 52,753
Legal debt margin as a percentage of debt service limitation.....	42.3 □	29.6 □	21.3 □

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ 900	□ 1,019	□ 1,019	□ 1,345	□ 1,620	□ 1,620	□ 1,620
<u>832</u>	<u>827</u>	<u>827</u>	<u>827</u>	<u>827</u>	<u>1,395</u>	<u>1,395</u>
<u>□ 68</u>	<u>□ 192</u>	<u>□ 192</u>	<u>□ 518</u>	<u>□ 793</u>	<u>□ 225</u>	<u>□ 225</u>
7.6 □	18.8 □	18.8 □	38.5 □	49.0 □	13.9 □	13.9 □
□ 934	□ 968	□ 1,358	□ 968	□ 939	□ 970	□ 1,046
<u>735</u>	<u>735</u>	<u>735</u>	<u>735</u>	<u>735</u>	<u>735</u>	<u>735</u>
<u>□ 199</u>	<u>□ 233</u>	<u>□ 623</u>	<u>□ 233</u>	<u>□ 204</u>	<u>□ 235</u>	<u>□ 311</u>
21.3 □	24.1 □	45.9 □	24.1 □	21.7 □	24.2 □	29.7 □
□ □	□ □	□ □	□ □	□ □	□ □	□ □
<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>	<u>□</u>
<u>□ □</u>	<u>□ □</u>	<u>□ □</u>				
□	□	□	□	□	□	□
□ 80,208	□ 82,238	□ 83,574	□ 87,988	□ 90,101	□ 96,128	□ 101,853
<u>60,283</u>	<u>60,226</u>	<u>60,412</u>	<u>71,766</u>	<u>71,766</u>	<u>71,766</u>	<u>71,766</u>
<u>□ 19,925</u>	<u>□ 22,012</u>	<u>□ 23,162</u>	<u>□ 16,222</u>	<u>□ 18,335</u>	<u>□ 24,362</u>	<u>□ 30,087</u>
24.8 □	26.8 □	27.7 □	18.4 □	20.3 □	25.3 □	29.5 □
□ 251,161	□ 243,631	□ 270,334	□ 278,531	□ 332,122	□ 370,495	□ 397,558
<u>221,644</u>	<u>218,653</u>	<u>233,275</u>	<u>226,157</u>	<u>230,124</u>	<u>225,409</u>	<u>221,525</u>
<u>□ 29,517</u>	<u>□ 24,978</u>	<u>□ 37,059</u>	<u>□ 52,374</u>	<u>□ 101,998</u>	<u>□ 145,086</u>	<u>□ 176,033</u>
11.8 □	10.3 □	13.7 □	18.8 □	30.7 □	39.2 □	44.3 □

Continued on Next Page

Legal Debt Margin Information (Continued)

Last Ten Fiscal Years
(Dollars in thousands)

	<u>1999</u>	<u>2000</u>	<u>2001</u>
<u>Economic Development Bonds</u>			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	□	□	□
Legal debt margin at June 30.....	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>
Legal debt margin as a percentage of debt service limitation.....	□	□	□
<u>Research University Infrastructure Bonds</u>			
Debt service limitation.....	□ □	□ □	□ □
Debt service applicable to limit.....	□	□	□
Legal debt margin at June 30.....	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>
Legal debt margin as a percentage of debt service limitation.....	□	□	□

Source: South Carolina Comptroller General's Office

<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
□ □	□ □	□ 24,576	□ 25,321	□ 27,677	□ 30,875	□ 33,130
□	□	2,198	9,632	21,342	21,284	21,229
<u>□ □</u>	<u>□ □</u>	<u>□ 22,378</u>	<u>□ 15,689</u>	<u>□ 6,335</u>	<u>□ 9,591</u>	<u>□ 11,901</u>
□	□	91.1 □	62.0 □	22.9 □	31.1 □	35.9 □
□ □	□ □	□ □	□ □	□ 27,677	□ 30,875	□ 33,130
□	□	□	□	13,980	13,882	13,777
<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ □</u>	<u>□ 13,697</u>	<u>□ 16,993</u>	<u>□ 19,353</u>
□	□	□	□	49.5 □	55.0 □	58.4 □

Pledged Revenue Coverage

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
Budget and Control Board □ Revenue Bonds					
2004	□ 2,226	□ 1,140	□ 1,086	□ 2,226	1.00
2005	2,242	1,190	1,052	2,242	1.00
2006	2,276	1,260	1,016	2,276	1.00
2007	2,298	1,320	978	2,298	1.00
2008	2,324	1,385	939	2,324	1.00
The Citadel □ Revenue Bonds					
1999	□ 3,767	□ 870	□ 1,182	□ 2,052	1.84
2000	3,734	905	1,138	2,043	1.83
2001	3,979	955	1,094	2,049	1.94
2002	4,343	990	1,048	2,038	2.13
2003	4,901	1,040	1,000	2,040	2.40
2004	5,025	1,080	949	2,029	2.48
2005	5,228	1,145	896	2,041	2.56
2006	5,507	1,725	1,339	3,064	1.80
2007	5,346	1,610	1,268	2,878	1.86
2008	6,056	1,680	1,202	2,882	2.10
The Citadel □ Athletic Facilities Revenue Bonds					
2004	□ 2,823	□ 154	□ 133	□ 287	9.84
2005	2,897	162	126	288	10.06
2006	3,456	670	357	1,027	3.37
2007	3,833	690	708	1,398	2.74
2008	4,201	719	1,001	1,720	2.44
Clemson University □ Plant Improvement Bonds					
1999	□ 1,160	□ 390	□ 428	□ 818	1.42
2000	1,114	485	354	839	1.33
2001	1,204	515	324	839	1.44
2002	1,177	570	292	862	1.37
2003	1,002	590	266	856	1.17
2004	1,003	615	242	857	1.17
2005	1,005	635	216	851	1.18
2006	1,003	665	190	855	1.17
2007	985	690	162	852	1.16
2008	1,061	720	132	852	1.25
Clemson University □ Athletic Facilities Revenue Bonds					
2002	□ 3,360	□ 1,025	□ 823	□ 1,848	1.82
2003	4,299	985	871	1,856	2.32
2004	3,726	1,040	1,105	2,145	1.74
2005	3,761	1,095	1,059	2,154	1.75
2006	5,875	1,155	1,404	2,559	2.30
2007	10,531	1,220	1,635	2,855	3.69
2008	8,747	1,490	1,585	3,075	2.84

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
Clemson University Revenue Bonds					
1999	6,848	2,325	1,339	3,664	1.87
2000	8,437	2,340	1,235	3,575	2.36
2001	9,116	2,340	2,398	4,738	1.92
2002	10,760	2,445	2,290	4,735	2.27
2003	12,141	2,435	2,157	4,592	2.64
2004	11,865	2,555	3,048	5,603	2.12
2005	13,170	2,605	3,126	5,731	2.30
2006	13,149	3,505	3,233	6,738	1.95
2007	14,761	4,000	3,204	7,204	2.05
2008	16,130	4,185	3,016	7,201	2.24
Coastal Carolina University Revenue Bonds					
2000	2,875	320	1,573	1,893	1.52
2001	3,127	635	1,554	2,189	1.43
2002	3,352	675	1,520	2,195	1.53
2003	3,159	710	1,485	2,195	1.44
2004	2,832	640	1,445	2,085	1.36
2005	2,798	790	1,323	2,113	1.32
2006	6,184	825	1,272	2,097	2.95
2007	10,624	1,190	907	2,097	5.07
2008	8,383	970	1,076	2,046	4.09
College of Charleston Revenue Bonds					
1999	3,824	1,380	1,092	2,472	1.55
2000	3,446	1,250	1,140	2,390	1.44
2001	2,916	1,330	1,074	2,404	1.21
2002	2,959	1,410	1,005	2,415	1.23
2003	4,177	1,160	2,147	3,307	1.26
2004	8,913	2,050	2,748	4,798	1.86
2005	13,522	2,815	4,193	7,008	1.93
2006	14,492	3,070	4,085	7,155	2.03
2007	17,683	3,180	4,008	7,188	2.46
2008	15,839	4,400	7,448	11,848	1.34
Infrastructure Bank Bonds					
2005	147,206	27,855	89,313	117,168	1.26
2006	166,443	37,940	93,409	131,349	1.27
2007	195,754	41,070	90,284	131,354	1.49
2008	198,598	44,355	115,133	159,488	1.25
Lander University 2002 Higher Education Facilities Revenue Bonds					
2003	1,352	165	94	259	5.22
2004	1,394	170	86	256	5.45
2005	1,507	180	78	258	5.84
2006	1,479	185	70	255	5.80
2007	1,759	195	61	256	6.87
2008	1,094	200	52	252	4.34

Continued on Next Page

Pledged Revenue Coverage (Continued)

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
South Carolina State University Revenue Bonds					
2001	976	355	347	702	1.39
2002	556	370	325	695	0.80
2003	1,505	385	306	691	2.18
2004	1,780	415	284	699	2.55
2005	1,888	430	267	697	2.71
2006	569	334	173	507	1.12
2007	1,785	552	821	1,373	1.30
2008	2,638	396	2,097	2,493	1.06
Spartanburg Technical College 1999 Special Student Fee Capital Improvement Bonds					
2000	326	213	85	298	1.09
2001	332	153	145	298	1.11
2002	389	160	138	298	1.31
2003	377	168	130	298	1.27
2004	365	177	121	298	1.22
2005	339	185	113	298	1.14
2006	355	195	103	298	1.19
2007	348	204	94	298	1.17
2008	382	214	83	297	1.28
Spartanburg Technical College 2001 Special Student Fee Capital Improvement Bonds					
2002	370	129	115	244	1.52
2003	312	127	117	244	1.28
2004	287	133	111	244	1.18
2005	282	134	104	238	1.18
2006	297	147	98	245	1.21
2007	291	154	90	244	1.19
2008	319	161	83	244	1.30
Spartanburg Technical College 2004 Special Student Fee Capital Improvement Bonds					
2005	447	200	165	365	1.22
2006	495	215	177	392	1.26
2007	454	235	169	404	1.12
2008	797	255	161	416	1.91
Spartanburg Technical College 2005 Special Student Fee Capital Improvement Bonds					
2006	455	84	57	141	3.23
2007	308	165	117	282	1.09
2008	338	170	111	281	1.20
Tobacco Settlement Revenue Management Authority Bonds					
2002	86,079		61,311	61,311	1.40
2003	86,313		58,888	58,888	1.47
2004	74,180		56,354	56,354	1.32
2005	73,232		54,496	54,496	1.34
2006	67,841		52,601	52,601	1.29
2007	79,912		50,761	50,761	1.57
2008	83,493	390,735	48,540	439,275	0.19

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
University of South Carolina Aiken Campus □ 1999 Auxiliary Revenue Bonds					
2000	□ 407	□ 160	□ 247	□ 407	1.00
2001	386	165	221	386	1.00
2002	389	175	214	389	1.00
2003	387	180	207	387	1.00
2004	389	190	199	389	1.00
2005	392	200	192	392	1.00
2006	389	205	184	389	1.00
2007	390	215	175	390	1.00
2008	391	225	166	391	1.00
University of South Carolina Aiken Campus □ 2006 Auxiliary Revenue Bonds					
2006	□ 121	□	□ 142	□ 142	0.85
2007	1,045	475	570	1,045	1.00
2008	1,042	490	552	1,042	1.00
University of South Carolina Columbia Campus □ 2000 Auxiliary Revenue Bonds					
2001	□ 1,449	□ 270	□ 1,179	□ 1,449	1.00
2002	1,470	305	1,165	1,470	1.00
2003	1,469	320	1,149	1,469	1.00
2004	1,473	340	1,133	1,473	1.00
2005	1,470	355	1,115	1,470	1.00
2006	485	375	110	485	1.00
2007	486	395	91	486	1.00
2008	486	415	71	486	1.00
University of South Carolina Columbia Campus □ 2003 Parking Facilities Revenue Bonds					
2004	□ 399	□ 235	□ 178	□ 413	0.97
2005	412	210	202	412	1.00
2006	406	215	191	406	1.00
2007	401	220	181	401	1.00
2008	395	225	170	395	1.00
University of South Carolina Columbia Campus □ 2004 Auxiliary Revenue Bonds					
2005	□ 1,838	□ 725	□ 1,202	□ 1,927	0.95
2006	1,919	505	1,414	1,919	1.00
2007	1,919	525	1,394	1,919	1.00
2008	1,923	550	1,373	1,923	1.00
University of South Carolina Columbia Campus □ 2005 Auxiliary Revenue Bonds					
2006	□ 669	□ 185	□ 484	□ 669	1.00
2007	744	225	519	744	1.00
2008	743	235	508	743	1.00

Continued on Next Page

Pledged Revenue Coverage (Continued)

Last Ten Fiscal Years
(Dollars in Thousands)

Fiscal Year Ended June 30	Revenue Available for Debt Service	Debt Service Requirements			Coverage Ratio
		Principal	Interest	Total	
University of South Carolina Columbia Campus □ 2005 Auxiliary Refunding Revenue Bonds					
2006	□ 2,606	□ 1,330	□ 1,566	□ 2,896	0.90
2007	3,102	1,200	2,035	3,235	0.96
2008	3,461	1,465	1,996	3,461	1.00
University of South Carolina Columbia Campus □ 2008 Auxiliary Revenue Bonds					
2008	□ 274	□ □	□ 531	□ 531	0.51
University of South Carolina Spartanburg Campus □ 1997 Auxiliary Revenue Bonds					
1999	□ 372	□ 135	□ 237	□ 372	1.00
2000	375	145	230	375	1.00
2001	372	150	222	372	1.00
2002	374	160	214	374	1.00
2003	376	170	206	376	1.00
2004	372	175	197	372	1.00
2005	373	185	188	373	1.00
2006	216	195	21	216	1.00
2007	221	210	11	221	1.00
2008	□	□	□	□	□
Winthrop University □ Facilities Revenue Bonds					
1999	□ 213	□ 48	□ 40	□ 88	2.42
2000	242	51	38	89	2.72
2001	267	54	35	89	3.00
2002	266	58	31	89	2.99
2003	883	401	237	638	1.38
2004	944	395	237	632	1.49
2005	2,211	413	219	632	3.50
2006	2,133	637	306	943	2.26
2007	2,882	670	274	944	3.05
2008	2,768	694	245	939	2.94
Winthrop University □ 2001 Athletic Facilities Revenue Bonds					
2002	□ 458	□ 120	□ 67	□ 187	2.45
2003	486	120	105	225	2.16
2004	501	120	99	219	2.29
2005	498	120	94	214	2.33
2006	490	120	88	208	2.36
2007	496	120	83	203	2.44
2008	489	120	77	197	2.48

Fiscal Year Ended June 30	Operating Revenues	Loan Payments	Less: Operating Expenses	Net Funds Available for Debt Service	Debt Service Requirements			Coverage Ratio
					Principal	Interest	Total	
Education Assistance Authority								
2005	□ 39,372	□ 398,326	□ (19,165)	□ 418,533	□ 20,995	□ 13,443	□ 34,438	12.15
2006	49,980	783,634	(26,266)	807,348	48,035	24,063	72,098	11.20
2007	56,178	634,371	(15,216)	675,333	51,770	35,936	87,706	7.70
2008	63,971	322,194	(14,838)	371,327	147,354	49,288	196,642	1.88
Housing Authority								
2005	□ 39,921	□ 118,016	□ (1,983)	□ 155,954	□ 64,225	□ 29,938	□ 94,163	1.66
2006	41,202	99,633	(2,775)	138,060	70,715	30,892	101,607	1.36
2007	49,133	66,425	(3,747)	111,811	59,186	31,764	90,950	1.23
2008	53,607	70,133	(3,882)	119,858	41,720	38,182	79,902	1.50

Note: All prior fiscal year data that is available has been presented.

Source: South Carolina Comptroller General's Office

Demographic Statistics

Last Ten Calendar Years

<u>Year</u>	<u>Population at July 1 ^a</u>	<u>Per Capita Income ^b</u>	<u>Average Annual Unemployment Rate ^c</u>
1998	3,919,235	□ 22,161	3.6□
1999	3,974,682	23,075	4.1□
2000	4,023,628	24,423	3.6□
2001	4,062,933	24,974	5.2□
2002	4,104,683	25,348	5.9□
2003	4,146,770	25,852	6.7□
2004	4,201,437	27,039	6.8□
2005	4,254,989	28,254	6.7□
2006	4,330,108	29,991	6.4□
2007	4,407,709	30,821	5.9□

^a Source: U.S. Census Bureau

^b Per capita income is calculated by dividing total personal income by population.

^c Source: U.S. Department of Labor

Employment by Industry

Latest Completed Calendar Year and Nine Years Prior

Sources	1998		2007	
	Number of Employees	Percent of Total	Number of Employees	Percent of Total
Contract construction.....	109,300	6.1%	127,600	6.5%
Manufacturing:				
Durable goods.....	162,200	9.1%	138,500	7.1%
Nondurable goods.....	179,000	10.0%	111,600	5.7%
Transportation, communication, and public utilities.....	84,800	4.8%	93,800	4.8%
Wholesale and retail trade:				
Wholesale.....	58,800	3.3%	71,600	3.7%
Retail.....	231,300	13.0%	239,200	12.3%
Finance, insurance and real estate.....	82,800	4.6%	106,400	5.5%
Services and mining.....	565,600	31.7%	723,900	37.1%
Government:				
Federal.....	30,500	1.7%	29,600	1.5%
State and local.....	278,800	15.7%	308,100	15.8%
Total wage and salary employment.....	1,783,100	100.0%	1,950,300	100.0%

Source: South Carolina Employment Security Commission

Ten Largest Employers

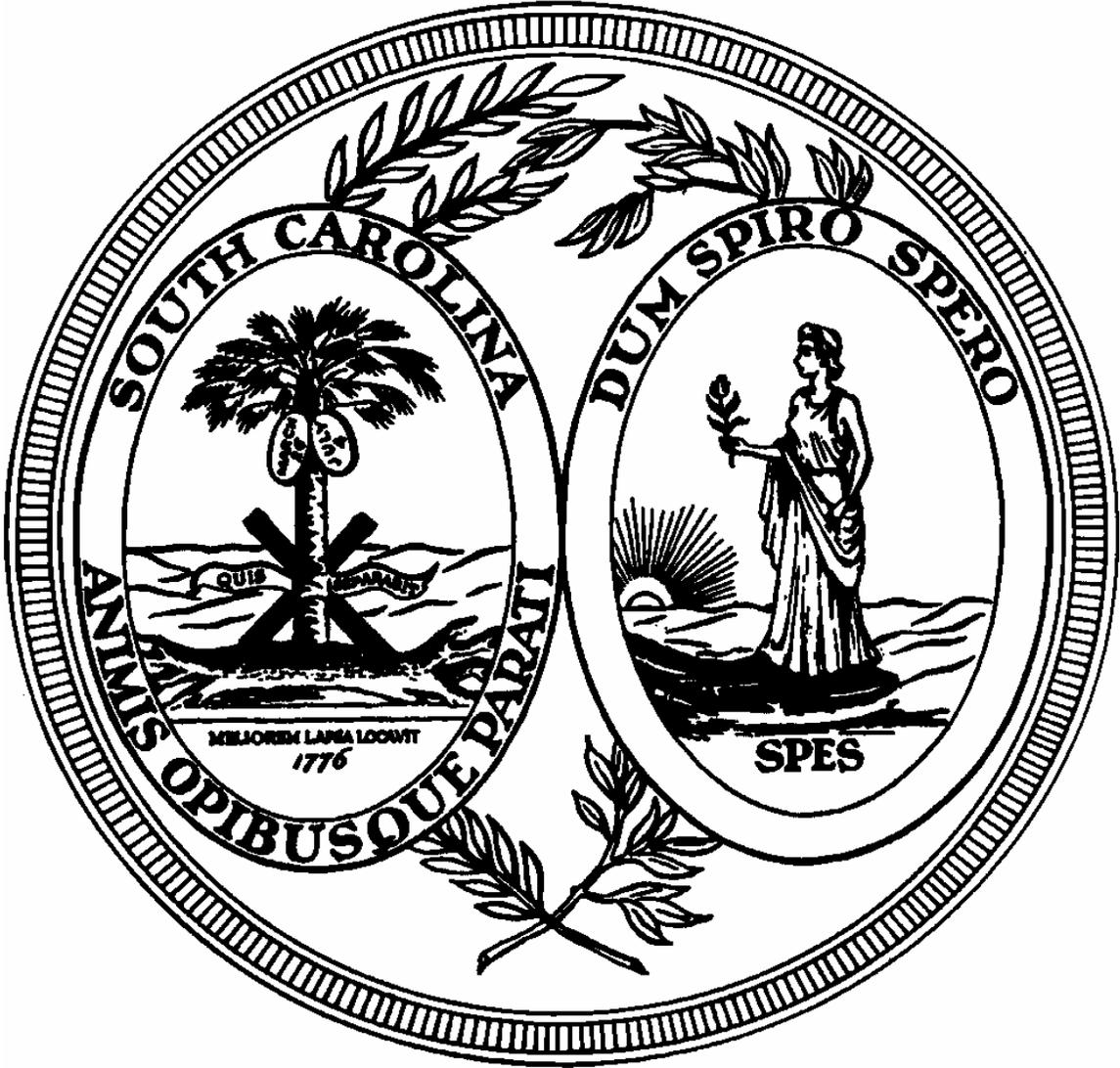
Latest Completed Calendar Year and Six Years Prior^a
(Listed alphabetically)

<u>2001</u>	<u>2007</u>
Bi-Lo, Inc.	Bi-Lo, Inc.
Blue Cross/Blue Shield of South Carolina	Blue Cross/Blue Shield of South Carolina
Greenville County School District	Greenville County School District
Michelin Tire Corporation	Greenville Hospital System
Springs Industries, Inc.	Palmetto Health Alliance, Inc.
University of South Carolina	University of South Carolina
U.S. Department of Defense	U.S. Department of Defense
U.S. Postal Service	U.S. Postal Service
Wal-Mart Associates, Inc.	Wal-Mart Associates, Inc.
Westinghouse Savannah River	Washington Savannah River Company

^a The ten largest employers prior to calendar year 2001 are unavailable.

Note: Due to confidentiality issues, the number of employees for each company is not available and the employers are listed alphabetically rather than in order of size.

Source: South Carolina Employment Security Commission



Government Employees By Function

Last Nine Fiscal Years ^a

Function	Permanent Employees			
	2000	2001	2002	2003
Governmental activities:				
General government.....	5,621	5,562	5,243	5,115
Education.....	3,241	3,321	3,255	3,116
Health and environment.....	14,682	14,246	13,849	13,610
Social services.....	5,125	5,147	4,489	4,196
Administration of justice.....	12,703	12,049	11,336	10,966
Resources and economic development.....	2,201	2,178	2,005	1,892
Transportation.....	4,967	4,975	4,954	4,826
Business-type activities:				
Higher education.....	23,620	20,375	20,335	20,420
Higher education institutional support.....	4,947	5,066	5,158	5,291
Financing of housing facilities.....	102	110	116	114
Medical malpractice insurance.....	3	3	3	3
Financing of student loans.....	43	43	53	66
Tuition prepayment program.....	2	2	2	2
Patriots Point development.....	72	70	71	66
Insurance claims processing.....	20	21	21	23
Other	36	36	37	35
Totals.....	77,385	73,204	70,927	69,741

^a Fiscal year data is not available for 1999.

Source: South Carolina Comptroller General's Office

as of June 30

<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
6,136	6,195	6,267	6,457	6,532
3,054	3,053	2,922	3,014	3,084
13,341	13,010	12,461	12,237	12,286
3,693	3,618	3,627	3,904	3,998
9,620	9,417	9,747	10,098	10,280
1,727	1,746	1,776	1,818	1,856
4,960	5,002	4,794	4,880	5,065
20,523	20,893	21,195	21,962	22,403
5,555	5,676	5,990	4,133	4,569
117	114	112	116	116
4	5	5	5	4
63	67	69	66	69
2	2	2	2	2
69	68	67	67	67
23	23	19	22	20
32	34	32	36	35
<u>68,919</u>	<u>68,923</u>	<u>69,085</u>	<u>68,817</u>	<u>70,386</u>

Operating Indicators By Function

Last Four Fiscal Years ^a

	2005	2006	2007	2008
General government				
Individual income tax returns processed	2,112,766	2,172,409	2,273,202	2,421,786
Corporate income tax returns processed	156,784	155,228	164,855	166,237
Department of Motor Vehicles transactions	12,670,522	13,474,463	13,331,078	13,234,198
Workers' compensation cases reviewed	111,869	127,848	82,603	77,961
Education				
Public school enrollment	680,635	694,155	698,290	701,749
Average operating miles per school bus	15,600	15,685	16,000	15,651
State Museum visitors	148,752	145,845	141,202	131,731
Health and environment				
Medicaid eligible participants	983,981	932,708	902,308	669,507
Women, Infant and Children (WIC) program participants	108,341	107,413	112,467	124,033
Community mental health center clients	90,733	89,480	87,641	87,762
Social services				
Average food stamp households served per month	216,602	225,456	231,053	248,314
Child Protective Services investigations	17,186	16,898	18,168	18,553
Administration of justice				
Adult prison average daily population	22,970	22,964	23,437	23,958
Juvenile facility average daily population	1,074	1,043	985	910
Resources and economic development				
Department of Commerce capital investment projects	105	137	139	179
Welcome Center visitors	2,525,294	2,454,311	2,378,630	2,281,295
Hunting and fishing licenses processed	704,882	781,882	811,025	839,696
Watercraft registrations	396,915	415,993	433,158	430,377
Transportation				
Miles of surface repair	173,620	163,829	167,551	158,512
Miles of roadway inspections	270,024	313,530	332,559	342,981
Higher education and higher education institution support				
Total headcount enrollment	172,386	174,686	176,415	180,479
Degrees awarded	24,826	25,622	26,063	26,237
Unemployment compensation benefits				
Initial claims	313,629	299,975	304,464	292,661
Total benefit weeks claimed	2,129,960	1,515,302	1,998,836	1,964,982
Financing of housing facilities				
Mortgage loans managed	12,314	13,504	15,815	17,734
Families receiving rental assistance	20,478	20,872	20,129	20,100
Medical malpractice insurance				
Membership total	7,166	7,050	6,320	5,466
Financing of student loans				
Number of student loans outstanding	332,794	323,536	351,024	189,292
Tuition prepayment program				
Individual accounts	6,262	6,452	6,314	6,200
State maritime museum				
Museum visitors and other area patrons	240,811	260,827	259,425	264,326
Insurance claims processing				
Second Injury Fund claims paid	4,520	3,860	3,951	3,661
Other				
Public railway carloads (calendar year)	88,242	88,245	82,036	95,521

^a Prior fiscal year data is not readily available.

Source: South Carolina Comptroller General's Office

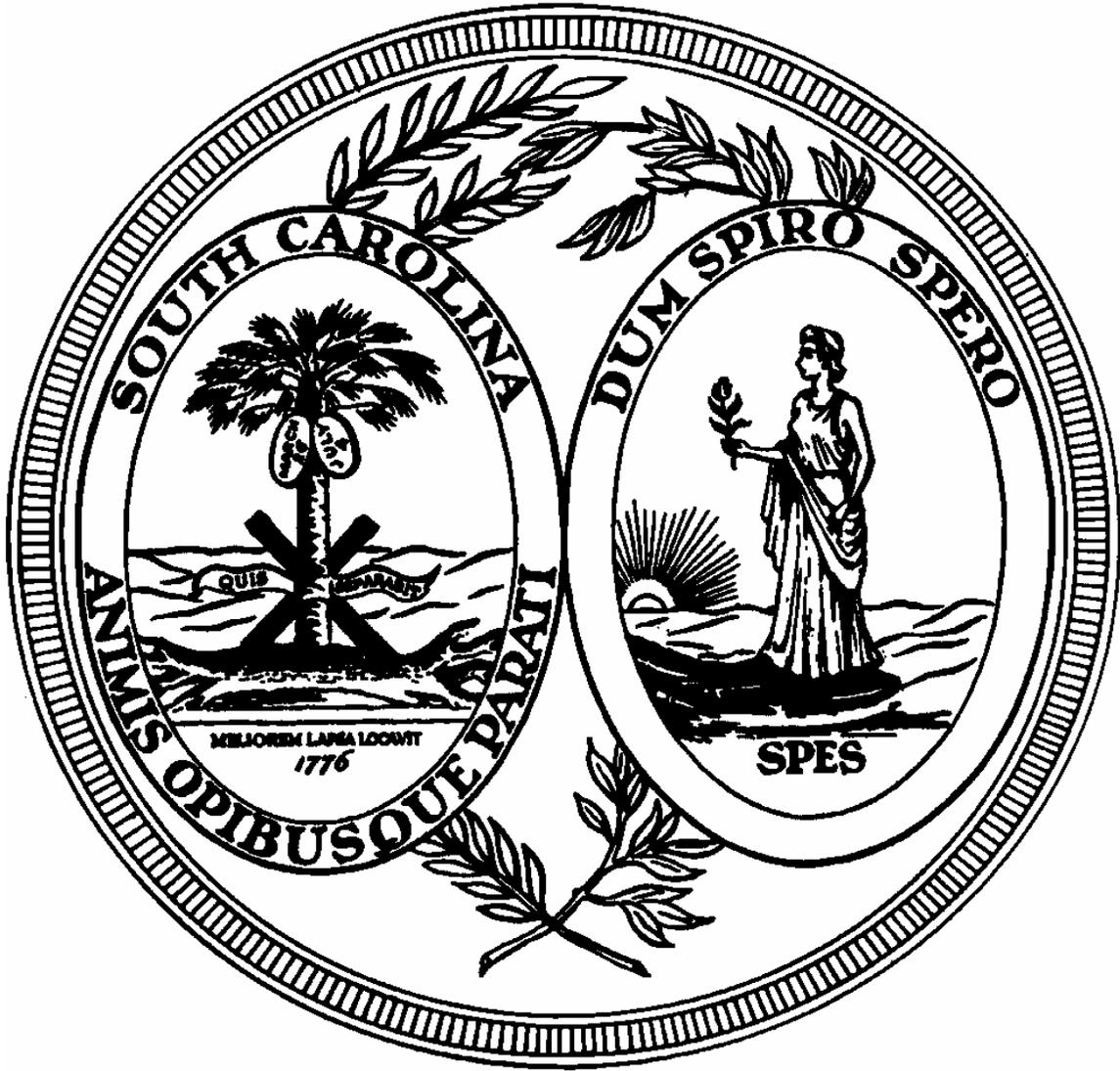
Capital Assets By Function

Last Four Fiscal Years ^a

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
General government				
Buildings and facilities	33	33	33	28
State armories	65	65	62	63
Fleet vehicles	2,357	2,687	3,515	3,831
Motor vehicle district offices	69	69	69	69
Education				
School buses	6,453	5,788	6,274	6,420
Television transmitters	11	11	11	11
Vocational training client centers	35	35	35	35
Health and environment				
Mental health hospitals	111	111	137	154
Community mental health centers	60	60	59	47
Regional special needs centers	5	5	5	5
Social services				
Buildings and facilities	66	66	66	66
Administration of justice				
Adult correctional institutions	29	29	28	28
Juvenile correctional facilities	7	7	7	7
Highway patrol district offices	7	7	7	7
Highway patrol vehicles	1,222	1,055	1,004	1,237
Resources and economic development				
Acres of State parks	81,168	81,168	81,807	81,824
Acres of State forests	91,600	91,600	91,466	91,466
State parks and historical sites	53	53	53	53
State farmers' markets	3	3	3	3
Vehicles and boats	1,575	1,538	1,026	1,280
Transportation				
Miles of State highways	66,252	66,240	66,242	66,248
Weigh stations	9	9	9	9
Traffic cameras	179	250	300	300
Miles of cable median barriers	442	470	470	476
Higher education				
Number of campuses	33	33	33	33
Buildings-universities	815	810	787	773
Buildings-technical colleges	282	277	286	297
Buildings-student residences	335	340	373	388
State maritime museum				
Vintage aircraft	4	4	4	4
Historical period exhibits	3	15	15	15
Other				
Rail yards	3	3	3	3
State-owned locomotives	13	13	13	10

^a Prior fiscal year data is not readily available.

Source: South Carolina Comptroller General's Office



Section 1-11-425 of the South Carolina Code of Laws requires inclusion of the following information:
Total printing cost was \$454.30; 170 copies were printed at a cost of \$2.67 each.

STATE OF SOUTH CAROLINA
STATEWIDE SINGLE AUDIT
FOR THE YEAR ENDED JUNE 30, 2008

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State of South Carolina



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE SUPPLEMENTARY SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS

March 5, 2009

The Honorable Mark Sanford, Governor
and
Members of the General Assembly
Columbia, South Carolina

Compliance

We have audited the compliance of the State of South Carolina (the State) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2008. The State's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the State's management. Our responsibility is to express an opinion on the State's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the State's compliance with those requirements.

In our opinion, the State of South Carolina complied, in all material respects, with the requirements referred to in the preceding paragraph that are applicable to each of its major federal programs for the year ended June 30, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 08E24-1, 08H73-1 through 08H73-3, 08J12-1, 08J12-2, 08J20-1, 08L04-1 through 08L04-5, 08P16-1, 08P16-2, 08P24-1, 08P32-1 through 08P32-3.

Internal Control Over Compliance

The management of the State of South Carolina is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the State's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the State's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the State's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the State's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the State's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as findings 08H73-1 through 08H73-3, 08J12-2, 08J20-1, 08L04-3, 08L04-5, 08P16-2, 08P24-1, and 08P32-1 through 08P32-3 to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the State's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider findings 08H73-2, 08L04-3, and 08P32-2 to be material weaknesses.

The State's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the State's responses and, accordingly, we express no opinion on them.

Schedules of Expenditures of Federal Awards

We have jointly audited, with Clifton Gunderson, LLP, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina as of and for the year ended June 30, 2008, and have issued our report thereon dated November 12, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the State's basic financial statements. The accompanying schedules of expenditures of federal awards are presented for purposes of additional analysis as required by OMB Circular A-133 and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The State's basic financial statements included the operations of certain agencies and component units that have been excluded from the schedules of expenditures of federal awards because each of the entities engaged other auditors to perform an audit in accordance with the Single Audit Act Amendments of 1996. As described in Note 1, these agencies and component units expended \$1,703,673,386 in federal awards during the year ended June 30, 2008.

This report is intended solely for the information and use of the Governor and Members of the General Assembly, the governing body and management of State agencies, the cognizant federal agency, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Richard H. Gilbert, Jr., CPA
Deputy State Auditor

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
By Federal Grantor and CFDA Number
For the Year Ended June 30, 2008

Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS				
DEPARTMENT OF AGRICULTURE				
Wildlife Services				
Early Detection of Highly Pathogenic Avian Influenza in Wild Birds	P24	10.028	07-7100-0207-CA	66,303
Program Total				66,303
Commodity Loans and Loan Deficiency Payments				
Specialty Crop Market Promotion Grant	P16	10.051	None	0
Program Total				0
Conservation Reserve Program (CRP)				
Conservation Reserve Program	P12	10.069	07-DG-11083145-008	45,868
Program Total				45,868
Market News				
Market News Service	P16	10.153	12-25-A-2929	12,437
Program Total				12,437
Federal-State Marketing Improvement Program				
Nutraceuticals as Alternative Crops Part II - Implications for Certification and Branding	P16	10.156	12-25-G-0377	2,550
Program Total				2,550
Inspection Grading and Standardization				
Federal - State Poultry Grading Service (State Trust Fund)	P16	10.162	12-25-A-3315	1,396,122
Federal - State Inspection of Fresh Fruits, Vegetables and Other Products	P16		12-25-A-3551	564,110
Meat Grading and Certification Service	P16		12-25-A-4298	0
Program Total				1,960,232
Market Protection and Promotion				
National Organic Certification Cost-Share Program	P16	10.163	12-25-A-4478	750
Program Total				750
Specialty Crop Block Grant Program				
South Carolina Department of Agriculture Branding and Promotional Campaign	P16	10.169	12-25-G-0530	49,946
Program Total				49,946
Agricultural and Rural Economic Research				
Food Stamp Process in South Carolina	F03	10.250	43-AEM-5-890097	0
Program Total				0
Meat, Poultry, and Egg Products Inspection				
Enhancement of Food Emergency Response Network Microbiology Laboratory Testing Capability for South Carolina	J04	10.477	FSIS-C-36-2005 02	23,323
Food Emergency Response Network (FERN) Microbiology	J04		FSIS-C-36-2005 03	168,321
Program Total				191,644
Special Supplemental Nutrition Program for Women, Infants, and Children				
Women, Infants and Children	J04	10.557	3F9706 007	0
Women, Infants and Children	J04		5SC700706 007	0
			5SC700715 008	
Women, Infants and Children	J04		5SC700706 012	0
			5SC700715 009	

See Index of State Agencies at Appendix A.

☐ Denotes major programs and programs in major clusters

See accompanying notes to the schedules of expenditures of federal awards.

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
By Federal Grantor and CFDA Number
For the Year Ended June 30, 2008

Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF AGRICULTURE				
Special Supplemental Nutrition Program for Women, Infants, and Children		10.557		
Women, Infants and Children	J04		5SC700706 013 5SC700715 006	0
Women, Infants and Children	J04		5SC700706 014	45,254
Women, Infants and Children	J04		5SC700706 018 5SC700715 012	0
Women, Infants and Children	J04		5SC700706 12	57,827
Women, Infants and Children	J04		5SC700706 5	8,685
Women, Infants and Children	J04		5SC700706 6 5SC700715 5	68,062,512
Women, Infants and Children	J04		5SC700706 8 5SC700715 8	0
Women, Infants and Children	J04		5SC700706 8	143,996
Women, Infants and Children	J04		5SC700715 10 5SC700706 14	14,988,465
Program Total				83,306,739
Child and Adult Care Food Program		10.558		
Child and Adult Care Food Program	L04		5SC300329	25,821,680
Program Total				25,821,680
State Administrative Expenses for Child Nutrition		10.560		
State Administrative Expenses for Child Nutrition	H63		5SC300911	2,007,412
State Administrative Expenses for Child Nutrition	L04		5SC300912	835,451
Program Total				2,842,863
Nutrition Education and Training Program		10.564		
Nutrition, Education and Training Program	H63		59-84531-0-528	0
Program Total				0
Commodity Supplemental Food Program		10.565		
Commodity Supplemental Food Program	L04		5SC810816	239,150
Program Total				239,150
WIC Farmers Market Nutrition Program (FMNP)		10.572		
Commodity Assistance Program	J04		5SC810706 2	90,982
Program Total				90,982
Team Nutrition Grants		10.574		
Team Nutrition Grants	H63		1005554	38,000
Team Nutrition Grants	H63		3N3502	32,071
2006 Local Wellness Program	H63		CNLW-06-SC-01	19,012
Team Nutrition Grants	H63		IN350330	53,429
Program Total				142,512
Senior Farmers Market Nutrition Program		10.576		
Senior Farmers Market Nutrition Program	L04		8SC820001	475,554
Program Total				475,554
Food for Education		10.608		
Instructional Model for Education	H63		2003-0148-000	0
Program Total				0

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
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For the Year Ended June 30, 2008

Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF AGRICULTURE				
Forestry Research		10.652		
Southern Annual Forest Inventory and Analysis	P12		07-CA-11330145-095	311,250
Southern Annual Forest Inventory and Analysis	P12		08-CA-11330145-035	34,120
Program Total				345,370
Cooperative Forestry Assistance		10.664		
Title IV - Hazard Mitigation Preparedness	P12		04-DG-11083145-040	10,676
Urban and Community Forestry Assistance	P12		04-DG-11083145-040	44,030
I and DC Southern Pine Beetle Prevent Restore	P12		05-DG-11083145-050	283,356
Community Fire Protection	P12		05-DG-11083145-060	18,970
Emerald Ash Borer	P12		05-DG-11083145-080	20,902
Title IV Hazard Mitigation Preparedness	P12		05-DG-11083145-080	120,032
Hemlock Woolly Adelgid	P12		05-DG-11083145-080	9,040
Sudden Oak Death	P12		05-DG-11083145-080	777
Cooperative Forest Health	P12		05-DG-11083145-080	14,315
Urban and Community Forestry Assistance	P12		05-DG-11083145-080	65,347
Volunteer Fire Assistance	P12		06DG-11083145002	4,472
Title IV - Volunteer Fire Assistance	P12		06DG-11083145002	6,342
Sudden Oak Death	P12		06DG-11083145003	18,626
Forest Stewardship	P12		06DG-11083145003	260,977
State Fire Assistance	P12		06DG-11083145003	26,432
Title IV - Hazard Mitigation Preparedness	P12		06DG-11083145003	43,460
SFA NFP Hazard Mitigation Preparedness	P12		06DG-11083145003	11,528
Exotic Survey	P12		06DG-11083145003	38,750
Cooperative Forest Health	P12		06DG-11083145003	48,311
Urban and Community Forestry Assistance	P12		06DG-11083145003	154,383
Hemlock Woolly Adelgid	P12		06DG-11083145003	17,213
I and DC Southern Pine Beetle Prevent Restore	P12		06DG-11083145004	662,475
Monitoring Red Bay Mortality	P12		06DG-11083145007	9,970
Title IV Volunteer Fire Assistance	P12		07DG-11083145003	109,155
Volunteer Fire Assistance	P12		07DG-11083145003	84,879
Forest Stewardship	P12		07DG-11083145004	209,584
Sirex Surveys	P12		07DG-11083145004	14,103
Red Bay Mortality	P12		07DG-11083145004	0
State Fire Assistance	P12		07DG-11083145004	432,278
Hemlock Woolly Adelgid	P12		07DG-11083145004	0
Cooperative Forest Health	P12		07DG-11083145004	24,596
Early Detection Response	P12		07DG-11083145004	0
National Fire Plan Invasive Weeds	P12		07DG-11083145004	9,160
Urban and Community Forestry Assistance	P12		07DG-11083145004	13,006
SFA NFP Hazard Mitigation Preparedness	P12		07DG-11083145004	348,850
Title IV Hazard Mitigation Preparedness	P12		07DG-11083145004	96,090
Forest Health Monitoring	P12		07DG-11083145004	25,568
Forest Stewardship - Nursery	P12		07DG-11083145004	60,000
Stewardship RFA	P12		07DG-11083145004	15,379
Sudden Oak Death	P12		07DG-11083145004	0
Planning Assistance	P12		08-DG-11083145-001	0

STATE OF SOUTH CAROLINA
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Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF AGRICULTURE				
Cooperative Forestry Assistance		10.664		
Volunteer Fire Assistance	P12		08-DG-11083145-002	0
Urban Competitive Grant	P12		08-DG-11083145-004	0
CFH Competitive Grant	P12		08-DG-11083145-004	0
Title IV - Hazard Mitigation Preparedness	P12		08-DG-11083145-004	0
Sudden Oak Death	P12		08-DG-11083145-004	0
Urban and Community Forestry Assistance	P12		08-DG-11083145-004	0
Exotic Surveys	P12		08-DG-11083145-004	0
Forest Stewardship - Nursery	P12		08-DG-11083145-004	0
SFA Competitive Grant	P12		08-DG-11083145-004	0
State Fire Assistance	P12		08-DG-11083145-004	55,735
Forest Health Monitoring	P12		08-DG-11083145-004	0
Cooperative Forest Health	P12		08-DG-11083145-004	0
Hemlock Woolly Adelgid	P12		08-DG-11083145-004	0
SFA/NFP Hazard Mitigation Preparedness	P12		08-DG-11083145-004	12,394
Forest Stewardship	P12		08-DG-11083145-004	0
Forest Legacy	P24		05-DG-11083145-030	0
Program Total				3,401,161
Rural Development, Forestry, and Communities		10.672		
Economic Action	P12		07-DG-11083145-009	9,538
Program Total				9,538
Forestry Legacy Program (FLP)		10.676		
Forest Legacy Program	P24		06-DG1108314-505	95
Forest Legacy	P24		07DG11083145001	3,306,754
Forest Legacy Program Grant	P24		07DG11083145001	0
Forest Legacy Administration 2007	P24		07DG11083145002	24,170
Forest Legacy Administration 2008	P24		08-DG-11083145-005	0
Program Total				3,331,019
Forest Land Enhancement Program (FLEP)		10.677		
Forest Land Enhancement Program	P12		05-DG-11083145-040	116,542
Forest Land Enhancement Program	P12		06DG-11083145006	74,520
Program Total				191,062
Forest Health Protection (FHP)		10.680		
Forest Health Protection Southern Pine Beetle	P12		07-DG-11083145-005	40
Chinese Privet Control	P12		07-DG-11083145-006	0
Forest Health Protection Southern Pine Beetle	P12		08-DG-11083145-003	0
Program Total				40
Rural Business Enterprise Grants		10.769		
Rural Business Enterprise Grant	P28		None	47,037
Program Total				47,037
Soil and Water Conservation		10.902		
NRCS Lidar Data Support	P24		68-4639-7-7023	0

STATE OF SOUTH CAROLINA
 Schedule of Expenditures of Federal Awards
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Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF AGRICULTURE				
Soil and Water Conservation		10.902		
Program Total				0
Environmental Quality Incentives Program		10.912		
Assist with Implementation of EQIP Program by Performing Status Reviews on Approximately 1048 Contracts in 16 Counties	P24		65-4639-6-6005	23,614
Provide Program Technical Support for Implementing Conservation Programs in (7) Counties (Aiken, Chester, Dillon, Edgefield, Horry, Lancaster, Orangeburg)	P24		65-4639-7-7028	0
Program Total				23,614
Total Department of Agriculture				122,598,051
DEPARTMENT OF COMMERCE				
Economic Development - Support for Planning Organizations (Section 203 Grants for Planning and Administrative Expenses)		11.302		
Geographic Information System (GIS) Water and Sewer Database	P32		04-88-05663	50,000
Program Total				50,000
Geodetic Surveys and Services (Geodesy and Applications of the National Geodetic Reference System)		11.400		
Modernization of Land Information System XII	F03		NA04NOS4000162	147,306
Statewide Mapping Land Information System Height Modernization Program	F03		NA06NOS4000006	232,204
Geodesy National Height Modernization Program	F03		NA07NOS4000174	475,000
Program Total				854,510
Sea Grant Support		11.417		
National Sea Grant Law Center	J04		NA06OAR4170078; 07-01-060	17,946
Program Total				17,946
Coastal Zone Management Administration Awards		11.419		
The Marine Debris and Abandoned Vessel Removal Project, Phase II	J04		NA03NOS4190166 Amendment 2	0
Fiscal Year 2004-2005 Section 306.309.CNPS Coastal Zone Management Grant for the State of South Carolina	J04		NA04NOS4190057 Amendment 3	297,607
Fiscal Year 2005-2006 Section 306.309.310 Coastal Zone Management Grant for the State of South Carolina	J04		NA05NOS4191093 Amendment 1	392,341
The Marine Debris and Abandoned Vessel Removal Project, Phase III	J04		NA05NOS4191178 Amendment 2	46,427
Fiscal Year 2006 Coastal Zone Management Grant for the State of South Carolina	J04		NA06NOS4190193	615,776
Fiscal Year 2007 Coastal Zone Management Award for the State of South Carolina	J04		NA07NOS4190070	1,616,518
Protection and Acquisition of Bonneau Ferry, Cooper River West Branch	P24		NA04NOS4190002	4,451,950
Program Total				7,420,619
Coastal Zone Management Estuarine Research Reserves		11.420		
Ashapoo-Edisto-Combahee (ACE) National Estuarine Research Reserve (NERR) Grant Request for Construction Funds	J04		NA16OR1290 Amendment 5	99,637
Edisto Interpretive Barracks Construction	P24		NA05NOS4201141	2,689
Program Total				102,326

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
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Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF COMMERCE				
Financial Assistance for National Centers for Coastal Ocean Science		11.426		
Fort Johnson Joint Laboratory (South Carolina Department of Natural Resources) Modernization	P24		NA04NOS4260189	286,654
Program Total				286,654
Unallied Science Program		11.472		
Cooper River Corridor Special Area Management Plan	J04		NA16FL2735 Amendment 4	15,811
Program Total				15,811
Educational Partnership Program		11.481		
South Carolina Marine Debris Awareness Initiative	J04		FR.0524	19,352
Program Total				19,352
Total Department of Commerce				8,767,218
DEPARTMENT OF DEFENSE				
State Memorandum of Agreement Program for the Reimbursement of Technical Services		12.113		
Defense Environmental Restoration Program	J04		W9128F-06-2-0145 MOD 0020	1,146,159
Program Total				1,146,159
Military Construction, National Guard		12.400		
Pickens Hawk Armory	E24		450056	0
Fountain Inn Hawk Armory	E24		450057	0
Ware Shoals Hawk Armory	E24		450058	0
Class IX Facility at McEntire	E24		450125	0
Charleston Readiness Center	E24		W912QG-06-2-2002	6,808,296
Program Total				6,808,296
National Guard Military Operations and Maintenance (O & M) Projects		12.401		
Appendix 21 - Air National Guard Facilities and Operations Maintenance	E24		DAHA38-00-2-1021	0
Appendix 24 - Air National Guard Fire Protection Activities	E24		DAHA38-00-2-1024	0
Appendix 1 - Army National Guard Facilities Programs	E24		W912QG-05-2-1001	73,945
Appendix 1 - Army National Guard Facilities Programs	E24		W912QG-06-2-1001	125,000
Appendix 2 - Army National Guard Environmental Programs Resources Management	E24		W912QG-06-2-1002	0
Appendix 3 - Army National Guard Security Guard Activities	E24		W912QG-06-2-1003	0
Appendix 21 - Air National Guard Facilities Operations and Maintenance Activities	E24		W912QG-06-2-1021	0
Appendix 22 - Air National Guard Environmental Program Management	E24		W912QG-06-2-1022	0
Appendix 40 - Army National Guard Distance Learning Project	E24		W912QG-06-2-1040	0
Appendix 1 - Army National Guard Facilities Programs	E24		W912QG-07-2-1001	3,757,374
Appendix 2 - Army National Guard Environmental Resources Management	E24		W912QG-07-2-1002	560,870
Appendix 3 - Army National Guard Security Guard Activities	E24		W912QG-07-2-1003	186,197
Appendix 4 - Army National Guard Electronic Security System Installation, Operations and Maintenance	E24		W912QG-07-2-1004	69,861
Appendix 5 - Army National Guard Telecommunications	E24		W912QG-07-2-1005	307,445
Appendix 7 - Army National Guard Sustainable Range Program	E24		W912QG-07-2-1007	286,948
Appendix 8 - Army National Guard Fulltime Dining Facility Operations	E24		W912QG-07-2-1008	601,314
Appendix 10 - Army National Guard Antiterrorism Program Manager (ATPM) Activities	E24		W912QG-07-2-1010	25,033

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
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Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF DEFENSE				
National Guard Military Operations and Maintenance (O□M) Projects		12.401		
Appendix 19 - Army National Guard Supplementary Transportation Activities	E24		W912QG-07-2-1019	6,016
Appendix 21 - Air National Guard Facilities Operations and Maintenance Activities	E24		W912QG-07-2-1021	711,954
Appendix 22 - Air National Guard Environmental Program Management	E24		W912QG-07-2-1022	14,181
Appendix 23 - Air National Guard Security Services	E24		W912QG-07-2-1023	130,685
Appendix 24 - Air National Guard Fire Protection Activities	E24		W912QG-07-2-1024	342,527
Appendix 25 - Air National Guard Natural and Cultural Resources Management	E24		W912QG-07-2-1025	21,750
Appendix 29 - Air National Guard Family Readiness and Support Services	E24		W912QG-07-2-1029	22,048
Appendix 40 - Army National Guard Distance Learning Project	E24		W912QG-07-2-1040	105,716
Appendix 1 - Army National Guard Facilities Programs	E24		W912QG-08-2-1001	6,899,343
Appendix 2 - Army National Guard Environmental Programs Resources Management	E24		W912QG-08-2-1002	889,114
Appendix 3 - Army National Guard Security Guard	E24		W912QG-08-2-1003	452,709
Appendix 4 - Army National Guard Electronic Security System Installation, Operations and Maintenance	E24		W912QG-08-2-1004	132,133
Appendix 5 - Army National Guard Telecommunications	E24		W912QG-08-2-1005	824,902
Appendix 7 - Army National Guard Sustainable Range Program	E24		W912QG-08-2-1007	294,054
Appendix 8 - Army National Guard Fulltime Dining Facility Operation	E24		W912QG-08-2-1008	223,527
Appendix 10 - Army National Guard Antiterrorism Program Manager	E24		W912QG-08-2-1010	456,462
Appendix 19 - Army National Guard Supplementary Transportation Activities	E24		W912QG-08-2-1019	13,424
Appendix 21 - Air National Guard Facility Operations and Maintenance Activities	E24		W912QG-08-2-1021	1,309,995
Appendix 22 - Air National Guard Environmental Program Management	E24		W912QG-08-2-1022	32,113
Appendix 23 - Air National Guard Security Guard	E24		W912QG-08-2-1023	300,461
Appendix 24 - Air National Guard Fire Protection	E24		W912QG-08-2-1024	716,837
Appendix 25 - Air National Guard Natural and Cultural Resources Management	E24		W912QG-08-2-1025	53,658
Appendix 29 - Air National Guard Family Readiness and Support Services	E24		W912QG-08-2-1029	0
Appendix 40 - Army National Guard Distance Learning Project	E24		W912QG-08-2-1040	188,804
Program Total				20,136,400
National Guard Civilian Youth Opportunities		12.404		
National Guard Youth Opportunities - South Carolina National Guard Youth ChalleNGe	E24		DAHA38-00-2-4000	0
National Guard Youth Opportunities - South Carolina National Guard Youth ChalleNGe	E24		DAHA38-98-2-4000	122,945
Appendix 1 - ChalleNGe	E24		W912QG-06-2-4001	273,570
Appendix 2 - STARBASE	E24		W912QG-06-2-4002	0
Appendix 1 - ChalleNGe	E24		W912QG-07-2-4001	947,060
Appendix 2 - STARBASE	E24		W912QG-07-2-4002	110,068
Appendix 3 - National Guard Youth ChalleNGe Staff Training ASD-RA Special Projects	E24		W912QG-07-2-4003	3,553
Appendix 1 - ChalleNGe	E24		W912QG-08-2-4001	2,669,703
Appendix 2 - STARBASE	E24		W912QG-08-2-4002	113,213
Program Total				4,240,112
Military Medical Research and Development		12.420		
Co-Occurrence of Diabetes and Breast Cancer Among Women by Ethnicity	J04		W81XWH-04-1-0703; 05-1056 (11520 FA42)	0
Program Total				0

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF DEFENSE				
National Security Education Program David L. Boren Fellowships		12.552		
Troops to Teachers Program	H63		None	62,199
Program Total				62,199
Other Federal Assistance		NONE		
Clear Zone Habitat Conservation on South Carolina Airstrip	P24		W912DY-07-2-0020	15,914
Program Total				15,914
Total Department of Defense				32,409,080
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Community Development Block Grants State's Program and Non-Entitlement Grants in Hawaii		14.228		
Community Development Block Grant: State Small Cities Program	P32		B-DC-450001	26,624,741
Program Total				26,624,741
Shelter Plus Care		14.238		
Shelter Plus Care	J12		SC16C01015110162007	365,714
Shelter Plus Care	J12		SC16C30200115001	260,956
Shelter Plus Care	J12		SC16C501015110162009	37,436
Shelter Plus Care	J12		SC16C50200114001	60,564
Shelter Plus Care	J12		SC16C602001	6,535
Program Total				731,205
Housing Opportunities for Persons with AIDS		14.241		
Housing Opportunities for Persons with AIDS (HOPWA) Program	J04		SCH04-F999	0
Housing Opportunities for Persons with AIDS (HOPWA) Program	J04		SCH05-F999	37,635
Housing Opportunities for Persons with AIDS (HOPWA) Program	J04		SCH06-F999	906,138
Housing Opportunities for Persons with AIDS (HOPWA) Program	J04		SCH07-F999	757,994
Housing Opportunities for Persons with AIDS (HOPWA) Program	J04		SCH-08-F999	8,495
Program Total				1,710,262
Community Development Block Grants Brownfield's Economic Development Initiative		14.246		
Dormitory Renovation	H75		B06-SPSC-0941	0
Program Total				0
Fair Housing Assistance Program - State and Local		14.401		
Fair Housing Assistance Program	L36		FF204K054002	0
Fair Housing Assistance Program	L36		FF204K064002	69,947
Fair Housing Assistance Program	L36		FF204K074002	90,833
Fair Housing Assistance Program	L36		FF204K084002	0
Program Total				160,780
Total Department of Housing and Urban Development				29,226,988
DEPARTMENT OF THE INTERIOR				
Fish and Wildlife Management Assistance		15.608		
South Carolina Environmental Education School Network	H63		2005-0297-000	23,688
Lake Russell Lake Hartwell Shoreline Habitat Enhancement	P24		2007-0096-002	15,058

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF THE INTERIOR				
Fish and Wildlife Management Assistance		15.608		
Program Total				38,746
Coastal Wetlands Planning, Protection and Restoration Act		15.614		
Pee Dee River Conservation Initiative	P24		C-8	1,000,000
Program Total				1,000,000
Cooperative Endangered Species Conservation Fund		15.615		
Reprint of Workbook and Key to Freshwater Bivalves	P24		40187G025	8,500
Program Total				8,500
Clean Vessel Act		15.616		
Clean Vessel Act Awareness Campaign - Coastal	P24		V-14-1	1,014
Clean Vessel Act Awareness Campaign - Inland	P24		V-15-1	0
Clean Vessel Act Awareness - Outreach	P24		V-16-DE	340,213
Clean Vessel Act Awareness Campaign - Public Awareness Inland	P24		V-17-EO	11,175
Program Total				352,402
Sportfishing and Boating Safety Act		15.622		
Boating Infrastructure Grant Program: Transient Redevelopment at Georgetown Marina	P24		Y-9-D	562,986
Program Total				562,986
North American Wetlands Conservation Fund		15.623		
South Carolina Pee Dee River Conservation Initiative - Woodbury Tract	P24		SC-N91B	1,000,000
Program Total				1,000,000
Wildlife Conservation and Restoration		15.625		
Jocassee Gorges Education and Visitor Program Development	P24		R-6-1	4,131
Program Total				4,131
Hunter Education and Safety Program		15.626		
Take One Make One and National Archery in the Schools	P24		W-98-E	44,403
Take One Make One and National Archery in the Schools	P24		W-98-E-2	123,548
Take One Make One, Archery in the Schools, Scholastic Clay Target Program	P24		W-98-E-3	0
Program Total				167,951
Multi-State Conservation Grant Program		15.628		
Northern Bobwhite □ Songbird Monitoring on CP-33 Contracts in South Carolina	P24		M-1-T	15,816
Program Total				15,816
Coastal Program		15.630		
Coastal Program	P28		401816J098	0
Coastal Program	P28		401817G057	25,000
Program Total				25,000
Landowner Incentive Program		15.633		
South Carolina RCW Safe Harbor Cost Share Program	P24		I-1-1	39,838
South Carolina RCW Safe Harbor Cost Share Program (LIP Tier 2)	P24		I-2-1	142,483
Program Total				182,321

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF THE INTERIOR				
State Wildlife Grants		15.634		
Coordination and Implementation of South Carolina's Comprehensive Wildlife Conservation Plan	P24		T-21-R-1	8,360
Conservation Initiative	P24		T-28-L	50,000
Coordination and Implementation of South Carolina's Comprehensive Wildlife Conservation Plan	P24		T-29-0-1	6,030
Restoring Seabird Nesting on Bird Key Stono Seabird Colony	P24		T-32-T-1	8,838
Carolina Herp Atlas	P24		T-37-T-1	0
Program Total				73,228
National Spatial Data Infrastructure Cooperative Agreements Program		15.809		
Geospatial Repositories	F03		05HQAG0121	8,400
South Carolina GIS State Outreach	P24		08HQAG0010	0
Program Total				8,400
Historic Preservation Fund Grants-In-Aid		15.904		
Historic Preservation	H79		45-06-21544	77,200
Historic Preservation	H79		45-07-21645	8,998
South Carolina National Heritage Corridor	P28		1443CA509098004	91,665
South Carolina National Heritage Corridor 2007	P28		H5041060121	667,020
South Carolina National Heritage Corridor Military Conflict Trail	P28		H5430060019	850
Program Total				845,733
Outdoor Recreation - Acquisition, Development and Planning		15.916		
Land and Water Conservation 2003 Grant	P28		None	21,093
Land and Water Conservation 2006 Grant	P28		None	100,000
Land and Water Conservation 2004 Grant	P28		None	152,452
Land and Water Conservation 2005 Grant	P28		None	261,237
Program Total				534,782
American Battlefield Protection		15.926		
American Battlefield Protection Program	P28		GA-2255-07-017	745
Program Total				745
Other Federal Assistance		NONE		
Junior Duck Conservation and Design Program	P24		401814G001	733
Geologic Mapping of Selected 7.5-minute Quadrangles Covering the Congaree National Park and Adjoining Area	P24		H2360-05-3170	32,919
Program Total				33,652
Total Department of the Interior				4,854,393
DEPARTMENT OF JUSTICE				
Juvenile Accountability Block Grants		16.523		
Fiscal Year 2003 Juvenile Accountability Incentive Block Grants Program	K05		2003JBBX0005	0
Fiscal Year 2004 Juvenile Accountability Block Grants Program	K05		2004JBFX0024	116,866
Fiscal Year 2005 Juvenile Accountability Block Grants Program	K05		2005JBFX0002	109,010
Fiscal Year 2005 Juvenile Accountability Block Grants Program	K05		2006JBFX0030	229,228
Juvenile Accountability Incentive Block Grant 2005	K05		None	0

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF JUSTICE				
Juvenile Accountability Block Grants		16.523		
Program Total				455,104
Juvenile Justice and Delinquency Prevention - Allocation to States		16.540		
Fiscal Year 2004 Title II Part B Formula Grants Program	K05		2004JFFX0009	255,835
Fiscal Year 2005 Title II Part B Formula Grants Program	K05		2005JFFX0012	88,307
Fiscal Year 2005 Title II Part B Formula Grants Program	K05		2005JFFX0064	34,472
Fiscal Year 2006 Title II Part B Formula Grants Program	K05		2006JFFX0044	89,793
Fiscal Year 2006 Juvenile Accountability Block Grants Program	K05		2006JFFX0044	118,096
Justice Assistance Grant 2007	K05		2007JFFX0033	74,828
Fiscal Year 2003 Title II Part B Formula Grants Program	K05		2007JFFX0033	15,409
Program Total				676,740
Part E - Developing, Testing and Demonstrating Promising New Programs		16.541		
Juvenile Justice and Delinquency Prevention Congressional Earmark Program	H63		2003-JS-FX-0084	983,866
Program Total				983,866
Part D - Research, Evaluation, Technical Assistance and Training		16.542		
Internet Crimes Against Children Task Force	E20		2005-MCCX-K025	203,963
National Juvenile Justice Data Analysis Project	N12		70099-017	0
Program Total				203,963
Missing Children's Assistance		16.543		
Missing Children's Assistance	J12		COLU-SC-PS07	9,934
Missing Children's Assistance	J12		COLU-SC-PS08	5,349
Program Total				15,283
Title V - Delinquency Prevention Program		16.548		
Fiscal Year 2005 Title V - Incentive Grants for Local Delinquency Prevention Program	K05		2005JPFX0013	71,768
Fiscal Year 2006 Title V - Incentive Grants for Local Delinquency Prevention Program	K05		2006JPFX0003	25,969
Fiscal Year 2007 Title II Part B Formula Grants Program	K05		2007JPFX0048	10,660
Program Total				108,397
State Justice Statistics Program for Statistical Analysis Centers		16.550		
Congressionally Mandated Awards (Hollings III)	B04		2002-RG-CX-0006	2,018,813
Fiscal Year 2005 State Justice Statistics Program for Statistical Analysis Centers	K05		2005BJCXK015	19,149
Fiscal Year 2007 State Justice Statistics Program for Statistical Analysis Centers	K05		2007BJCXK017	39,799
Program Total				2,077,761
National Criminal History Improvement Program (NCHIP)		16.554		
National Criminal History Improvement Program - 2004	D10		2004-RU-BX-K010	55,170
National Criminal History Improvement Program - 2005	D10		2004-RU-BX-K010	27,641
National Criminal History Improvement Program - 2006	D10		2006-RU-BX-K006	63,318
Program Total				146,129
National Institute of Justice Research, Evaluation, and Development Project Grants		16.560		
2002 Computer Crime Center - Crime Laboratory Improvement Program	D10		2003-IJ-CX-K022	410,154
2003 Computer Crime Center - Crime Laboratory Improvement Program	D10		2003-IJ-CX-K022	420,872

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF JUSTICE				
National Institute of Justice Research, Evaluation, and Development Project Grants		16.560		
Crime Laboratory Improvement Program - 2004	D10		2003-IJ-CX-K022	289,374
No Suspect Casework DNA Backlog Reduction - 2004	D10		2004-DN-BX-K047	0
Crime Laboratory Improvement Program - 2003	D10		2004-LP-CX-K001	190,228
National Criminal Justice Information Systems	D10		2004-RG-CX-K009	196,066
DNA Capacity Enhancement - 2005	D10		2005-DA-BX-K084	354,152
Forensic Casework DNA Backlog Reduction - 2005	D10		2005-DN-BX-K103	370,577
Evaluating the Effectiveness of Sex Offender Registration and Notification	K05		2006WGBX0002	5,019
Program Total				2,236,442
Crime Victim Assistance		16.575		
Fiscal Year 2004 Victims Of Crime Act (VOCA) Crime Victim Assistance	K05		2004VAGX0020	31,135
Fiscal Year 2005 Victims of Crime Act, Victims Assistance Grant Program	K05		2005VAGX0005	405,669
Fiscal Year 2006 Victims of Crime Act, Victims Assistance Grant Program	K05		2006VAGX0021	913,685
Fiscal Year 2007 Victims of Crime Act, Victims Assistance Grant Program	K05		2007VAGX0035	3,548,964
Program Total				4,899,453
Edward Byrne Memorial Formula Grant Program		16.579		
Edward Byrne Memorial State and Local Law Enforcement Assistance Program	K05		2004DBBX0023	84,607
Fiscal Year 2004 Edward Byrne Memorial State and Law Enforcement Assistance Formula Grant Program	K05		2004DBBX0023	301,525
Program Total				386,132
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program		16.580		
Congressionally Mandated Awards (Hollings IV)	B04		2003-DD-BX-0347	2,840,106
Fiscal Year 2004 Prescription Drug Monitoring (Harold Rogers) Program	J04		2004-PM-BX-0025 Adj □2	109,448
Sex Offender Management Discretionary Grant Program, Fiscal Year 2006	K05		2006LDBXK006	75,000
NMVTIS - National Motor Vehicle Title Information System Participation Program	R40		2007-DD-BX-0705	10,742
Program Total				3,035,296
Drug Court Discretionary Grant Program		16.585		
Single Jurisdiction Enhancement Drug Court Grants	J20		2004-DC-BX-003	0
Program Total				0
Violent Offender Incarceration and Truth in Sentencing Incentive Grants		16.586		
Violent Offender Incarceration and Truth in Sentencing Incentive Formula Grant Program	N04		96-CV-VX-0045	2,767,634
Program Total				2,767,634
Violence Against Women Formula Grants		16.588		
Fiscal Year 2003 STOP Violence Against Women Formula Grants Program	K05		2003WFBX0223	0
STOP Violence Against Women Formula Grants Program	K05		2004WFAX0024	49,918
STOP Violence Against Women Formula Grants Program	K05		2005WFAX0016	190,072
STOP Violence Against Women Formula Grants Program	K05		2006WFAX0067	777,862
STOP Violence Against Women Formula Grants Program	K05		2007WFAX0061	696,213
Program Total				1,714,065
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Grant Program		16.589		
Rural Domestic Violence	E20		2005WRAX0012	195,731

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF JUSTICE				
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Grant Program		16.589		
Program Total				195,731
Residential Substance Abuse Treatment for State Prisoners		16.593		
Fiscal Year 2005 Residential and Substance Abuse Treatment Formula Grant	K05		2005RTBX0003	10,442
Fiscal Year 2006 Residential and Substance Abuse Treatment Formula Grant	K05		2006RTBX0047	20,018
Fiscal Year 2007 Residential and Substance Abuse Treatment Formula Grant	K05		2007RTBX0051	148,899
Program Total				179,359
State Criminal Alien Assistance Program		16.606		
State Criminal Alien Assistance Program	N04		1999-AP-VX-0208	0
State Criminal Alien Assistance Program	N04		2004-AP-BX-0402	334,216
State Criminal Alien Assistance Program	N04		2004-AP-VX-0402	163
State Criminal Alien Assistance Program	N04		2006-AP-BX-0569	165,677
State Criminal Alien Assistance Program	N04		2007-AP-BX-0247	455,372
State Criminal Alien Assistance Program	N04		2008-AP-BX-0326	519,871
Program Total				1,475,299
Bulletproof Vest Partnership Program		16.607		
Bulletproof Vest Program	K05		BVP GRANT PROGRAM	49,825
Program Total				49,825
Community Prosecution and Project Safe Neighborhoods (Community Prosecution Program)		16.609		
Project Safe Neighborhoods South Carolina	K05		2003GPCX0183	106,900
Project Safe Neighborhoods South Carolina	K05		2006GPCX0045	51,558
Project Safe Neighborhoods South Carolina	K05		2007GPCX0026	28,632
Program Total				187,090
Public Safety Partnership and Community Policing Grants		16.710		
COPS Technology Grant	B04		2005-CK-WX-0665	512,333
Program Total				512,333
Juvenile Mentoring Program (JUMP)		16.726		
Juvenile Mentoring Program	L04		2003-JG-FX-1027	193
Program Total				193
Enforcing Underage Drinking Laws Program		16.727		
Fiscal Year 2006 Enforcing Underage Drinking Laws (EUDL) Grant Program	J20		2006-AH-FX-0010	237,587
OJJDP Fiscal Year 2007 Enforcing Underage Drinking Laws Block Grant Program	J20		2007-AH-FX-0018	148,903
Program Total				386,490
Special Data Collections and Statistical Studies (Statistics)		16.734		
Justice Research and Statistical Association Project	K05		2007RUBXK003	14,793
Program Total				14,793
Edward Byrne Memorial Justice Assistance Grant Program		16.738		
Mental Health Court - Anderson	J12		1G06011	4,880
Justice Assistance Grant 2005	K05		2005DJBX0030	137,396

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF JUSTICE				
Edward Byrne Memorial Justice Assistance Grant Program		16.738		
Justice Assistance Grant 2006	K05		2006DJBX0061	1,218,916
Justice Assistance Grant 2007	K05		2007DJBX0070	300,065
Fiscal Year 2007 State Justice Statistics Program for Statistical Analysis Centers	K05		2007DJBX0070	2,487,622
Program Total				4,148,879
Statewide Automated Victim Information Notification (SAVIN) Program		16.740		
Developing and Enhancing Statewide Automated Victim Information and Notification (SAVIN)	N04		2007-VN-CX-002	74,940
Program Total				74,940
Forensic DNA Capacity Enhancement Program		16.741		
2006 DNA Capacity Enhancement	D10		2006-DN-BK-K226	265,358
Program Total				265,358
Paul Coverdell Forensic Sciences Improvement Grant Program		16.742		
Paul Coverdell Forensic Science Improvement Grants Program	K05		2006DNB0074	53,762
Paul Coverdell Forensic Science Improvement Grants Program	K05		2007CDBX0084	65,181
Program Total				118,943
Forensic Casework DNA Backlog Reduction Program		16.743		
2006 Forensic Casework DNA Backlog Reduction	D10		2006-DN-BK-K114	177,501
Program Total				177,501
Anti-Gang Initiative (Anti-Gang Initiative)		16.744		
Project Safe Neighborhoods South Carolina - Anti Gang	K05		2006PGBX0041	294,130
Project Safe Neighborhoods South Carolina - Anti Gang	K05		2007PGBX0011	132,782
Program Total				426,912
Capital Case Litigation (CCL)		16.746		
South Carolina Capital Case Litigation Initiative (SCCLI)	E20		2007-CP-BX-0001	15,695
Program Total				15,695
Other Federal Assistance		NONE		
Developing a Policy for Public Access to Court Records	B04		SJI-06-T-073	0
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies Program	D10		None	334,885
Federal Drug Forfeiture	J04		None	0
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies Program	K05		None	343,985
Equitable Sharing of Federally Forfeited Property	N04		None	0
Program Total				678,870
Total Department of Justice				28,614,476
DEPARTMENT OF LABOR				
Compensation and Working Conditions		17.005		
OSHS Cooperative Agreement	R36		W9J781457P	20,875
OSHS Cooperative Agreement	R36		W9J881458P	46,358
Program Total				67,233

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF LABOR				
Senior Community Service Employment Program		17.235		
Title V: Older Americans Act	E04		AD-14122-04-60	79,479
Title V: Older Americans Act	E04		AD-16464WTO	1,265,871
Program Total				1,345,350
Trade Adjustment Assistance		17.245		
Trade Adjustment Assistance (TAA) FY2006 Program	P32		TA-15326-06-55	48,832
Trade Adjustment Assistance (TAA) FY2007 Program	P32		TA-15878-07-55	3,237,906
Trade Adjustment Assistance (TAA) FY2008 Program	P32		TA-16825-08-55	5,225,305
Program Total				8,512,043
Incentive Grants - WIA Section 503		17.267		
WIA Incentive Grants, PY2006	P32		PI -14925 RD	321,417
WIA Incentive Grants, PY2005	P32		PI-14925-05-55	71,438
Program Total				392,855
Occupational Safety and Health - State Program		17.503		
State Operational Grant (23(g) OSHA)	R36		60F70046	626,565
State Operational Grant (23(g) OSHA)	R36		SP16721SP8	1,175,731
Program Total				1,802,296
Consultation Agreements		17.504		
Consultation Cooperative Agreement (21D)	R36		CS16690CS8	473,655
Consultation Cooperative Agreement (21D)	R36		E9F7-0946	207,289
Program Total				680,944
Total Department of Labor				12,800,721
DEPARTMENT OF TRANSPORTATION				
Airport Improvement Program		20.106		
Conduct State System Plan Study	P32		3-45-0000-04	244,732
Anderson Regional Fence-System Plan	P32		3-45-0000-07	78,946
Install and Upgrade Weather Reporting Equipment at Twenty-Two General Aviation Airports in the State of South Carolina	P32		3-45-4500-07	722,138
Marion County Airport	P32		3-45-4500-08	29,293
Acquire Aircraft Rescue and Fire Fighting Vehicle	P32		3-45-4500-09	0
Install Automated Weather Reporting Equipment - AWOS III	P32		3-45-4500-10	89,400
Program Total				1,164,509
National Motor Carrier Safety		20.218		
Commercial Vehicle Information Systems and Networks Deployment 2001	K05		MC0145555	99,123
Motor Carrier Safety Assistance Program - Basic Grant 2005	K05		MC-05-45-1	0
Motor Carrier Safety Assistance Program - Basic Grant 2006	K05		MC-06-45-1	0
Motor Carrier Safety Assistance Program - Basic Grant 2007	K05		MC-07-45-1	1,610,159
Motor Carrier Safety Assistance Program - Basic Grant 2008	K05		MC-08-45-1	761,567
Motor Carrier Safety Assistance Program High Priority - Motor Coach	K05		MH-07-45-1	17,053
New Entrant	R40		MN-06-45-1	98,791
MCSAP - New Entrant Safety	R40		MN-07-45-1	362,918
Program Total				2,949,611

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DEPARTMENT OF TRANSPORTATION				
Recreational Trails Program		20.219		
Recreational Trails Program (2001 Grant)	P28		RTP-2001(001)	0
Recreational Trails Program (2002 Grant)	P28		RTP-2002(001)	8,229
Recreational Trails Program (2003 Grant)	P28		RTP-2003(001)	38,541
Recreational Trails Program (2004 Grant)	P28		RTP-2004(001)	209,218
Recreational Trails Program (2005 Grant)	P28		RTP-2005(001)	173,370
Recreational Trails Program (2006 Grant)	P28		RTP-2006(001)	441,624
Recreational Trails Program (2007 Grant)	P28		RTP-2007(001)	72,512
Program Total				943,494
Commercial Driver License State Programs		20.232		
Commercial Driver's License Program Improvement (CDLPI)	R40		CD06 (451)	152,405
Program Total				152,405
National Highway Transportation Safety Administration (NHTSA) Discretionary Safety Grants		20.614		
NHTSA Cooperative Agreement-Digit	R40		DTNH22-04-H-05935	40,000
Program Total				40,000
Pipeline Safety		20.700		
2007 One Call Grant	R06		PPHP05007OC0029	9,170
2005 One Call Grant	R06		RDPS2005G00048	0
Program Total				9,170
Interagency Hazardous Materials Public Sector Training and Planning Grants		20.703		
Hazardous Materials Emergency Preparedness, Planning and Training Activities	E24		HMESC6042140	64,018
Hazardous Materials Emergency Preparedness, Planning and Training Activities	E24		HMESC7042150	99,529
Program Total				163,547
Total Department of Transportation				5,422,736
APPALACHIAN REGIONAL COMMISSION				
Appalachian Regional Development (Appalachian Program)		23.001		
Clemson and Central Public Water System Improvements	F03		ARC-SC-14872	0
Anderson Water System Improvements	F03		ARC-SC-15237	132,267
Anderson Regional Water Treatment Upgrades	F03		ARC-SC-15238	18,484
City of Traveler's Rest Sewer Improvements	F03		ARC-SC-15519-06	225,268
Program Total				376,019
Appalachian Area Development		23.002		
Town of Blacksburg	P32		SC-15236-05	73,464
Program Total				73,464
Appalachian Research, Technical Assistance, and Demonstration Projects		23.011		
South Carolina Consolidated Technical Assistance Grant	P32		SC-7774-C19-07	3,378
South Carolina Consolidated Technical Assistance Grant	P32		SC-7774-C20-08	37,533
Program Total				40,911
Total Appalachian Regional Commission				490,394

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NONCLUSTERED GRANTS, CONTINUED				
GENERAL SERVICES ADMINISTRATION				
Donation of Federal Surplus Personal Property		39.003		
Donation of Federal Surplus Property	F03		None	7,318,120
Program Total				7,318,120
Election Reform Payments		39.011		
Election Reform Payments	E28		None	401,917
Program Total				401,917
Total General Services Administration				7,720,037
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Promotion of the Arts - Grants to Organizations and Individuals		45.024		
Folk and Traditional Arts	H91		06-5500-7125	0
Program Total				0
Promotion of the Arts - Partnership Agreements		45.025		
Arts in Education	H91		04-6100-2046	0
Arts in Underserved Communities	H91		04-6100-2046	0
Challenge America	H91		04-6100-2046	0
Challenge America	H91		05-6100-2046	0
Arts in Education	H91		05-6100-2046	0
Basic State Plan	H91		05-6100-2046	0
Basic State Plan Poetry	H91		06-6100-2052	111,578
American Masterpieces	H91		06-6100-2052	2,766
Challenge America	H91		06-6100-2052	28,140
Arts in Education	H91		06-6100-2052	12,469
Arts in Underserved Communities	H91		06-6100-2052	17,464
Folk and Traditional Arts	H91		07-6100-2034	20,000
American Masterpieces	H91		07-6100-2034	36,131
Basic State Plan	H91		07-6100-2034	344,546
Arts in Education	H91		07-6100-2034	87,143
Challenge America	H91		07-6100-2034	63,562
Arts in Underserved Communities	H91		07-6100-2034	33,993
Program Total				757,792
Promotion of the Humanities - Federal State Partnership		45.129		
Frustration of High Hopes	H95		6-1155-1	460
Program Total				460
Promotion of the Humanities - We the People		45.168		
Lecture Program	F03		8-1237-2	600
Program Total				600
Grants to States		45.310		
Library Services and Technology Act	H03		IE 05-55	0
State Library Program	H87		LS-00-04-0041-04	0
State Library Program	H87		LS-00-05-0041-05	0
State Library Program	H87		LS-00-05-0041-06	1,226,368
State Library Program	H87		LS-00-07-0041-07	1,271,221

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NONCLUSTERED GRANTS, CONTINUED				
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Grants to States		45.310		
Program Total				2,497,589
National Leadership Grants		45.312		
Seeds of Change	H95		LG-40-06-0212-06	71,113
Program Total				71,113
Total National Foundation on the Arts and the Humanities				3,327,554
NATIONAL SCIENCE FOUNDATION				
Geosciences		47.050		
Enhancing Diversity in Geosciences: Mentoring and Researching Modeling for Middle School and University Students	P24		GEO-0703702	0
Program Total				0
Social, Behavioral, and Economic Sciences		47.075		
Offender Registration	F03		None	6,087
Program Total				6,087
Total National Science Foundation				6,087
DEPARTMENT OF VETERANS' AFFAIRS				
Grants to States for Construction of State Home Facilities		64.005		
Construct State Veterans Home - Walterboro	J12		FAI-45-003	1,077,913
Program Total				1,077,913
All-Volunteer Force Educational Assistance		64.124		
Veterans Education Assistance	H03		V 101 (223C) P-4754	319,701
Program Total				319,701
Total Department of Veterans' Affairs				1,397,614
ENVIRONMENTAL PROTECTION AGENCY				
State Indoor Radon Grants		66.032		
State Indoor Radon Program Grant	J04		K1-97429307-0	34,603
Program Total				34,603
Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act		66.034		
South Carolina Department of Health and Environmental Control Air Quality PM2.5 Ambient Air Monitoring Network	J04		PM-96438605-2	543,930
South Carolina National Air Toxics Trends Study (NATTS)	J04		PM-96497208-0	90,543
	J04		XA-96470307-2	101,416
Program Total				735,889
Water Quality Management Planning		66.454		
Water Quality Management Planning	J04		C6-00476107-1	93,867
Water Quality Management Planning Grant	J04		C6-00476108-0	9,071
Program Total				102,938
Capitalization Grants for Clean Water State Revolving Funds		66.458		
Clean Water State Revolving Loan Fund	F03		None	46,222,293

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ENVIRONMENTAL PROTECTION AGENCY				
Capitalization Grants for Clean Water State Revolving Funds		66.458		
Capitalization Grant - Clean Water State Revolving Loan Fund	J04		CS-45000107-0	346,632
Program Total				46,568,925
Nonpoint Source Implementation Grants		66.460		
Clean Water Act Section 319(h) Nonpoint Source Pollution	J04		C9-99462901-2	260,966
Clean Water Act Section 319(h) Nonpoint Source Pollution	J04		C9-99462902-2	195,732
Water Quality Management Nonpoint Source Program	J04		C9-99462903-2	454,333
Water Quality Management Nonpoint Source Program	J04		C9-99462904-0	323,760
Water Nonpoint Source Implementation - South Carolina	J04		C9-99462905-1	209,274
Nonpoint Source Implementation Grant	J04		C9-99462906-0	176,926
Nonpoint Source Program - Water Quality Management	J04		C9-99462907-0	1,214,256
Interstate Fecal Coliform Bacteria TMDL Development and Implementation for the Upper Little Pee Dee River	P24		EQ-5-402	245
Program Total				2,835,492
Regional Wetland Program Development Grants		66.461		
Wetlands Protection State Development Program	J04		CD-96408804-1	136,828
Regional Wetlands Program Development Grant	J04		CD-96458907-0	77,689
Wetlands Protection State Development Program	J04		CD-97430001-3	82,407
Program Total				296,924
Capitalization Grants for Drinking Water State Revolving Funds		66.468		
Drinking Water State Revolving Fund	F03		None	11,020,262
Drinking Water State Revolving Fund Program	J04		FS-98431202-2	33,586
South Carolina Drinking Water State Revolving Loan Fund	J04		FS-98431203-0	144,084
Fiscal Year 2004 South Carolina Department of Health and Environmental Control Drinking Water State Revolving Fund Capitalization	J04		FS-98431204-0	332,023
Drinking Water State Revolving Fund Capitalization Grant	J04		FS-98431205-1	79
Safe Drinking Water State Revolving Fund	J04		FS-98431206-0	167,258
Program Total				11,697,292
State Grants to Reimburse Operators of Small Water Systems for Training and Certification Costs		66.471		
State Grants to Reimburse Operators of Small Water Systems for Training Certification Costs	J04		CT-97480703-1	145,316
Program Total				145,316
Beach Monitoring and Notification Program Implementation Grants		66.472		
Beach Monitoring and Notification Program Development Grant	J04		CU-97441602-7	301,686
Program Total				301,686
Water Protection Grants to the States		66.474		
Water Protection Coordination Grants to the States	J04		WP-97459902-6	81,695
Program Total				81,695
Performance Partnership Grants		66.605		
Performance Partnership Grant Program	J04		BG-98417507-4	7,091,544
Performance Partnership Grant Program	J04		None	663,237

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NONCLUSTERED GRANTS, CONTINUED				
ENVIRONMENTAL PROTECTION AGENCY				
Performance Partnership Grants		66.605		
Program Total				7,754,781
Environmental Information Exchange Network Grant Program and Related Assistance		66.608		
Fiscal Year 2005 Exchange Network (1) - South Carolina Department of Health and Environmental Control	J04		OS-83261501-1	71,963
Fiscal Year 2006 Exchange Network - South Carolina Department of Health and Environmental Control	J04		OS-83306401-1	241,978
Program Total				313,941
Superfund State, Political Subdivision, and Indian Tribe Site - Specific Cooperative Agreements		66.802		
Superfund State Political Subdivision and Indian Tribe Site Specific Grants	J04		V-96482408-0	256,416
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	J04		V-96484508-0	130,462
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	J04		V-97404000-6	2,717
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	J04		V-97404100-7	50,854
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	J04		V-97455302-4	102,464
Program Total				542,913
State and Tribal Underground Storage Tanks Program		66.804		
State Underground Storage Tanks Program	J04		L-00450307-1	0
Program Total				0
Leaking Underground Storage Tank Trust Fund Program		66.805		
Leaking Underground Storage Tank Trust Fund Program	J04		LS-96443306-3	1,369,086
Leaking Underground Storage Tanks Trust Program	J04		LS-97441502-9	38,975
Leaking Underground Storage Tanks Trust Program	J04		LS-97499804-5	14,832
Program Total				1,422,893
Superfund State and Indian Tribe Core Program Cooperative Agreements		66.809		
Superfund CORE Program	J04		VC-96484408-0	331,515
Superfund State and Indian Tribe Core Program Cooperative Agreement	J04		VC-97404200-6	135,722
Program Total				467,237
State and Tribal Response Program Grants		66.817		
State and Tribal Response Program	J04		RP-97484303-5	926,387
Program Total				926,387
Brownfields Assessment and Cleanup Cooperative Agreements		66.818		
Brownfields Assessment and Cleanup Cooperative Agreements	J04		BF-96409904-1	282
Brownfields Assessment and Cleanup Cooperative Agreements	J04		BF-96429905-1	1,552,284
Program Total				1,552,566
Environmental Education Grants		66.951		
EPA Funding	H63		83267201	53,556
Program Total				53,556

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NONCLUSTERED GRANTS, CONTINUED				
ENVIRONMENTAL PROTECTION AGENCY				
Total Environmental Protection Agency				75,835,034
DEPARTMENT OF ENERGY				
University-Laboratory Cooperative Program				
SCUREF - Summer Science Program	H63	81.004	SC137-6112-32-5346	0
Program Total				0
State Energy Program				
Operations - 100% Federal	F03	81.041	DE-FG26-05R410968	661,000
Program Total				661,000
Office of Environmental Cleanup and Acceleration				
Environmental D and D at Savannah River Site	H79	81.104	03SR22276	42,502
Remediation and Environmental Monitoring (REM) Grant	J04		DE-FG09-04SR22284 A020	848,093
Remediation and Environmental Monitoring (REM) Grant	J04		DE-FG09-04SR22284 A026	2,235,805
Program Total				3,126,400
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions				
Waste Isolation Pilot Project	E24	81.106	SSEB-WIPP-SC-SCEMD-04-05	0
Waste Isolation Pilot Project	E24		SSEB-WIPP-SC-SCEMD-04-07	48,482
Waste Shipment Along the Waste Isolation Pilot Project Corridor for Southern and Mid-Western States	J04		DE-FC04-93AL82966; SSEB-WIPP-SC-DHEC-0203-014	124,840
State Transport Police - Energy - Waste Isolation Pilot Project	K05		5SEBWIPP-SC-STPD-0405-01	56,737
Program Total				230,059
University Reactor Infrastructure and Education Support				
Spent Fuel Security 2002 - 2007	D10	81.114	DE-FG09-97-AE 18904	51,362
Program Total				51,362
Energy Efficiency and Renewable Energy Information Dissemination, Outreach, Training and Technical Analysis Assistance				
Best Practices Guide	F03	81.117	DE-FC26-05R402813	649
Design Protocol for Industries and Government	F03		DE-FC44-05R402814	0
Million Solar Roofs - Phase 2	F03		DE-FG44-05R410952	106
Program Total				755
State Energy Program Special Projects				
Schwan's Propane Truck Deployment	F03	81.119	DE-FG44-04R410942	10,933
USC Ethanol Infrastructure Install	F03		DE-FG44-04R410944	0
Rebuild America	F03		DE-FG44-04R410946	0
South Carolina Biomass Market Development Partnership	F03		DE-FG44-04R410947	0
Palmetto State Clean Fuels Coalition	F03		DE-FG44-05R410986	0
City of Rock Hill Ethanol Infrastructure	F03		DE-FG44-05R410987	24,226
South Carolina Large Energy User Project	F03		DE-FG44-05R410988	33,005
Rebuild America Promote State Public Building Program	F03		DE-FG44-05R410989	2,860

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF ENERGY				
State Energy Program Special Projects		81.119		
Promoting Contracting in Public Colleges	F03		DE-FG44-05R410990	11,350
Program Total				82,374
Miscellaneous Federal Assistance Actions		81.502		
Emergency Preparedness	E24		DE-FG09-00SR22166	200,270
Stripper Well	F03		None	2,910,916
Exxon Hawkins Settlement	F03		None	134,392
Diamond Shamrock	F03		None	18,849
Program Total				3,264,427
Total Department of Energy				7,416,377
DEPARTMENT OF EDUCATION				
Adult Education - State Grant Program		84.002		
Adult Education - State Administered	H63		V002A050040	4,114
Adult Education - State Administered	H63		V002A060040	3,056,888
Adult Education - State Administered	H63		V002A070040	4,628,987
Program Total				7,689,989
Title I Grants to Local Educational Agencies		84.010		
Title I - Grants to LEAS	H63		S010A050040	4,289,262
Title I - Grants to LEAS	H63		S010A060040	89,410,905
Title I - Grants to LEAS	H63		S010A070040	79,691,098
Program Total				173,391,265
Migrant Education - State Grant Program		84.011		
Migrant Education - State Grant Program	H63		S011A050041	331,121
Migrant Education - State Grant Program	H63		S011A060041	153,899
Program Total				485,020
Title I Program for Neglected and Delinquent Children		84.013		
Neglected and Delinquent	H63		S013A050040	49,218
Neglected and Delinquent	H63		S013A060040	1,125,679
Neglected and Delinquent	H63		S013A070040	341,246
Program Total				1,516,143
Vocational Education - Basic Grants to States		84.048		
Vocational Education - Basic Grants to States	H63		V048A050040	604,481
Vocational Education - Basic Grants to States	H63		V048A060040	11,319,961
Vocational Education - Basic Grants to States	H63		V048A070040	6,351,165
Program Total				18,275,607
Leveraging Educational Assistance Partnership		84.069		
Leveraging Educational Assistance Partnership Program (LEAP)	H06		N069A070051	325,268
Special Leveraging Educational Assistance Partnership Program (SLEAP)	H06		N069B070044	378,257
Program Total				703,525
Fund for the Improvement of Postsecondary Education		84.116		
Performance Funding in South Carolina	H03		P116B020966	0

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DEPARTMENT OF EDUCATION				
Fund for the Improvement of Postsecondary Education		84.116		
Program Total				0
Rehabilitation Services - Vocational Rehabilitation Grants to States		84.126		
Basic Support	H73		H126A060060	249,736
Basic Support	H73		H126A070060	35,570,605
Basic Support	H73		H126A080060	12,350,235
Basic Support	L24		H126A000061	0
Basic Support	L24		H126A030061	0
Basic Support	L24		H126A040061	0
Basic Support	L24		H126A050061	10,487
Basic Support	L24		H126A060061	196,005
Basic Support	L24		H126A070061	5,787,445
Basic Support	L24		H126A080061	111
Program Total				54,164,624
Migrant Education - Coordination Program		84.144		
MEP Consortium Incentive Grant	H63		S144F060041	43,705
MEP Consortium Incentive Grant	H63		S144F070041	15,945
Program Total				59,650
Independent Living - State Grants		84.169		
State Independent Living Services	H73		H169A060059	0
State Independent Living Services	H73		H169A070059	149,858
State Independent Living Services	H73		H169A080059	37,848
State Independent Living Services	L24		H169A050060	0
State Independent Living Services	L24		H169A060060	5,056
State Independent Living Services	L24		H169A070060	32,505
Program Total				225,267
Rehabilitation Services - Independent Living Services for Older Individuals Who are Blind		84.177		
Independent Living Older Blind	L24		H177B050040	883
Independent Living Older Blind	L24		H177B060040	0
Independent Living Older Blind	L24		H177B070040	348,440
Independent Living Older Blind	L24		H177B080040	170,226
Program Total				519,549
Special Education - Grants for Infants and Families with Disabilities		84.181		
Infants and Toddlers with Disabilities	J04		H181A050036	101,414
Infants and Toddlers with Disabilities	J04		H181A060036	2,053,109
Infants and Toddlers with Disabilities	J04		H181A070036	4,264,426
Program Total				6,418,949
Safe and Drug-Free Schools and Communities - National Programs		84.184		
Safe Schools Healthy Students - Marion	J12		None	87,181
Safe Schools Healthy Students - Lancaster	J12		Q184L050428	53,223
Program Total				140,404

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF EDUCATION				
Byrd Honors Scholarships		84.185		
Robert C. Byrd Honors Scholarship Program	H63		P185A060042	109,500
Robert C. Byrd Honors Scholarship Program	H63		P185A070042	430,183
Program Total				539,683
Safe and Drug-Free Schools and Communities - State Grants		84.186		
State and Local Programs	H63		Q186A050042	64,394
State and Local Programs	H63		Q186A060042	2,548,433
State and Local Programs	H63		Q186A070042	650,711
Governors Grants	J20		Q186B060043	155,858
Governors Grants	J20		Q186B070043	792,472
Program Total				4,211,868
Supported Employment Services for Individuals with Severe Disabilities		84.187		
Supported Employment State Grants	H73		H187A070061	141,746
Supported Employment State Grants	H73		H187A080061	199,024
Supported Employment State Grants	L24		H187A040062	0
Supported Employment State Grants	L24		H187A050062	0
Supported Employment State Grants	L24		H187A060062	35,892
Supported Employment State Grants	L24		H187A070062	15,905
Program Total				392,567
Education for Homeless Children and Youth		84.196		
Education for Homeless Children and Youth	H63		S196A040042	0
Education for Homeless Children and Youth	H63		S196A050042	102,336
Education for Homeless Children and Youth	H63		S196A060042	479,292
Education for Homeless Children and Youth	H63		S196A070042	302,625
Program Total				884,253
Javits Gifted and Talented Students Education Grant Program		84.206		
South Carolina Javits	H63		S206A030031	27,580
Program Total				27,580
Even Start - State Educational Agencies		84.213		
Even Start - State Grants	H63		S213C050041	452,628
Even Start - State Grants	H63		S213C060041	755,378
Even Start - State Grants	H63		S213C070041	14,036
Program Total				1,222,042
Fund for the Improvement of Education		84.215		
Linking School and Mental Health	H63		Q215M070022	22,129
South Carolina Teen Leaders Evolving and Developing Project (Teen LEAD)	H63		Q215S060055	473,382
Teaching American History Grant □2	H79		U215X040339	268,690
School Counseling Demonstration Program - McCormick	J12		Q215E060222	115,507
Teaching American History Grant	P28		None	0
Program Total				879,708
Rehabilitation Services Demonstration and Training Programs		84.235		
Literacy	H73		H235P030009	165,687

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DEPARTMENT OF EDUCATION				
Rehabilitation Services Demonstration and Training Programs		84.235		
The YES Program	H73		H235U070011	92,981
Program Total				258,668
Tech-Prep Education		84.243		
Tech-Prep Education	H63		V243A050040	9,470
Tech-Prep Education	H63		V243A060040	1,220,866
Tech-Prep Education	H63		V243A070040	1,471,672
Program Total				2,702,008
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training		84.265		
State Vocational Unit In-Service Training	H73		H265A050085	248,421
State Vocational Rehabilitation Unit In-Service Training	L24		H265A000030-05	0
State Vocational Rehabilitation Unit In-Service Training	L24		H265A000030-06	48,392
State Vocational Rehabilitation Unit In-Service Training	L24		H265A000030-07	11,379
State Vocational Rehabilitation Unit In-Service Training	L24		H265A000030-08	0
Program Total				308,192
Eisenhower Professional Development State Grants		84.281		
Eisenhower Professional Development Higher Education Grants	H03		S281B000040	0
Program Total				0
Charter Schools		84.282		
Public Charter Schools	H63		U282A030002	417,253
Public Charter Schools	H63		U282A060013	1,602,692
Program Total				2,019,945
Twenty-First Century Community Learning Centers		84.287		
After School Learning Center Formula Award	H63		S287C040041	0
After School Learning Center Formula Award	H63		S287C050041	144,309
After School Learning Center Formula Award	H63		S287C060041	9,143,982
After School Learning Center Formula Award	H63		S287C070041	2,584,642
Program Total				11,872,933
State Grants for Innovative Programs		84.298		
Title V	H63		S298A050041	1,039,478
Title V	H63		S298A060041	377,667
Title V	H63		S298A070041	11,690
Program Total				1,428,835
Education Research, Development and Dissemination		84.305		
National Institute on Student Achievement, Curriculum and Assessment	H63		ED-03-CO-0053	80,917
Teacher Quality Research: Mathematics and Science	H63		R305M050270	352,113
Program Total				433,030
Education Technology State Grants		84.318		
Educational Technology State Grant	H63		S318X050040	896,146
Educational Technology State Grant	H63		S318X060040	2,722,326
Educational Technology State Grant	H63		S318X070040	11,625

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF EDUCATION				
Education Technology State Grants		84.318		
Program Total				3,630,097
Special Education - State Personnel Development		84.323		
State Program Improvement Grants	H63		H323A020005-04	50,996
State Program Improvement Grants	H63		H323A020005-05	904,975
State Program Improvement Grants	H63		H323A020005-06	120,744
Program Total				1,076,715
Special Education - Technical Assistance and Dissemination to Improve Services and Results for Children with Disabilities		84.326		
South Carolina Modification, Accommodation, Reports and Standards (MARS)	H63		H326X060007	272,790
Deaf - Blind Grant	H75		None	178,420
Program Total				451,210
Advanced Placement Program		84.330		
Advanced Placement Program	H63		910513	0
Advanced Placement Program	H63		930607	0
Program Total				0
Grants to States for Incarcerated Youth Offenders		84.331		
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	N04		Q331A050042	59,275
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	N04		Q331A060042	265,805
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	N04		Q331A070042	32,557
Program Total				357,637
Comprehensive School Reform Demonstration		84.332		
Comprehensive School Reform Demonstration Program	H63		S332A050042	44,271
Program Total				44,271
Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR-UP)		84.334		
Gaining Early Awareness and Readiness for Undergraduate Programs	H03		P334A990172	435
Gaining Early Awareness and Readiness for Undergraduate Programs	H03		P334S050009	2,593,317
Program Total				2,593,752
Early Childhood Educator Professional Development		84.349		
Bridges to Early Learning	H63		S349A070038	57,458
Program Total				57,458
Transition to Teaching		84.350		
Transition to Teaching Program - Statewide	H63		S350B020014-05	18,320
Transition to Teaching Program - Statewide	H63		S350B020014-06	92,734
Program Total				111,054
Reading First State Grants		84.357		
Reading First	H63		S357A050042	8,602,484
Reading First	H63		S357A060042	7,531,048

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DEPARTMENT OF EDUCATION				
Reading First State Grants		84.357		
Program Total				16,133,532
Rural Education		84.358		
Rural and Low-Income Schools	H63		S358B050040	51,135
Rural and Low-Income Schools	H63		S358B060040	1,991,958
Rural and Low-Income Schools	H63		S358B070040	1,217,222
Program Total				3,260,315
Early Reading First		84.359		
South Carolina Early Reading Collaborative	H63		S359B070052	294,508
Program Total				294,508
English Language Acquisition Grants		84.365		
English Language Acquisition: State Formula Grant Program	H63		T365A050040	139,322
English Language Acquisition: State Formula Grant Program	H63		T365A060040	1,820,953
English Language Acquisition: State Formula Grant Program	H63		T365A070040	1,060,399
Program Total				3,020,674
Mathematics and Science Partnerships		84.366		
MSP	H63		S366B050041	1,885,356
MSP	H63		S366B060041	1,264,358
Program Total				3,149,714
Improving Teacher Quality State Grants		84.367		
Improving Teacher Quality Grants - SAHES	H03		S367B020035	0
Improving Teacher Quality Grants - SAHES	H03		S367B030035	0
Improving Teacher Quality Grants - SAHES	H03		S367B040035	15,201
Improving Teacher Quality Grants - SAHES	H03		S367B050035	276
Improving Teacher Quality Grants - SAHES	H03		S367B060035	382,393
Improving Teacher Quality Grants - SAHES	H03		S367B070035	841,117
Improving Teacher Quality Grants - SAHES	H03		S367B080035	0
Improving Teacher Quality State Grants	H63		S367A050038	391,329
Improving Teacher Quality State Grants	H63		S367A060038	17,935,493
Improving Teacher Quality State Grants	H63		S367A070038	18,203,538
Program Total				37,769,347
Grants for Enhanced Assessment Instruments		84.368		
Grants for Enhanced Assessment Instruments	H63		S368A040009	129,220
Grants for Enhanced Assessment Instruments	H63		S368A060013	399,824
Operationalizing Alternate Assessment for Science Inquiry Skills (OAASIS)	H63		S368A070012	65,280
Program Total				594,324
Grants for State Assessments and Related Activities		84.369		
State Assessments and Related Activities	H63		S369A040042	0
State Assessments and Related Activities	H63		S369A050042	462,863
State Assessments and Related Activities	H63		S369A060042	3,737,427
State Assessments and Related Activities	H63		S369A070042	1,297,856
Program Total				5,498,146

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF EDUCATION				
Statewide Data Systems		84.372		
Statewide Data Systems	H63		R372A060054	1,449,422
Program Total				1,449,422
Special Education - Technical Assistance on State Data Collection		84.373		
Targeting Research to Investigate Alternate Assessment Development (TRIAAD)	H63		H373X070007	14,564
Program Total				14,564
Teacher Incentive Fund (TIF)		84.374		
Teacher Incentive Funds	H63		S374A070027	3,094,192
Program Total				3,094,192
School Improvement Grants		84.377		
School Improvement Grant	H63		S377A070041	199,612
Program Total				199,612
Other Federal Assistance		NONE		
American Printing House for the Blind (APH)	H63		None	121,696
Program Total				121,696
Total Department of Education				373,693,544
NATIONAL ARCHIVES AND RECORDS ADMINISTRATION				
National Historical Publications and Records Grants		89.003		
Administrative Support	H79		2002-017	0
Planning and Administrative Support	H79		NAR06GRANT-007	12,365
SHRAB Regrant and Training Project	H79		NAR07-RC-05707-07	10,401
Program Total				22,766
Total National Archives and Records Administration				22,766
ELECTION ASSISTANCE COMMISSION				
Help America Vote Act Requirements Payments		90.401		
Help America Vote Act Requirements Payments	E28		None	240,036
Program Total				240,036
Total Election Assistance Commission				240,036
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Public Health and Social Services Emergency Fund		93.003		
Bioterrorism - Hospital Preparedness Program	J04		4 U3RMC00028-02-04	0
Program Total				0
State and Territorial and Technical Assistance Capacity Development Minority HIV/AIDS Demonstration Program		93.006		
2006 Office of Minority Health State Partnership Grant Program	J04		6 STTMP051027-02-02	40,290
2007 Office of Minority Health State Partnership Grant Program	J04		6 STTMP051027-03-07	100,532
Program Total				140,822

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medical Reserve Corps Small Grant Program		93.008		
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 0149	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 0558	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1125	36
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1137	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1142	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1151	621
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1174	794
Support and Capacity Building for an Expansion of the Medical Reserve Corps	J04		1 MRCSG061001-02; MRC 08 1191	0
Medical Reserve Corps Demonstration Grant Program	J04		4 MRCSG030092-03-02	0
Program Total				1,451
Community-Based Abstinence Education (CBAE)		93.010		
Health Resources and Services Administration Abstinence Education Continuations	J04		None	0
Program Total				0
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation		93.041		
Title VII: Elder Abuse, Older Americans Act	E04		06AASCT7SP	0
Title VII: Elder Abuse, Older Americans Act	E04		07AASCT7SP	72,851
Program Total				72,851
Special Programs for the Aging - Title VII, Chapter 2 - Long Term Care Ombudsman Services for Older Individuals		93.042		
Title VII: Ombudsman, Older Americans Act	E04		06AASCT7SP	0
Title VII: Ombudsman, Older Americans Act	E04		07AASCT7SP	212,492
Program Total				212,492
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services		93.043		
III D: Preventive Health, Older Americans Act	E04		06AASCT3SP	40,322
III D: Preventive Health, Older Americans Act	E04		07AASCT3SP	281,084
III D: Preventive Health, Older Americans Act	E04		08AASCT3SP	10,735
Program Total				332,141
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects		93.048		
Aging and Disability Resource Center	E04		90AM2756:02	286,699
South Carolina Performance Outcomes Measures Project: Advanced Pomp SMP	E04		90AM2883	49,189
	E04		90AM3052	151,149
Implementation of Evidence-Based Intervention Programs Into Three Geographic Areas of the State	E04		90AM3118	254,768
Study the Effects of OAA Services Upon Medicare Utilization and Costs	E04		90AM3163:01	67,179

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NONCLUSTERED GRANTS, CONTINUED				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Special Programs for the Aging - Title IV - and Title II - Discretionary Projects		93.048		
Program Total				808,984
Alzheimer's Disease Demonstration Grants to States		93.051		
Alzheimer's Demonstration Grant	E04		90AZ2803.01	212,320
Program Total				212,320
National Family Caregiver Support, Title III, Part E		93.052		
III E: NFCSP, Older Americans Act	E04		06AASCT3SP	25,900
III E: NFCSP, Older Americans Act	E04		07AASCT3SP	1,986,975
III E: NFCSP, Older Americans Act	E04		08AASCT3SP	73,338
Program Total				2,086,213
Chronic Diseases: Research, Control, and Prevention (Research, Control and Prevention)		93.068		
South Carolina ALS Registry	F03		200-2006-16243	115,449
Program Total				115,449
Public Health Emergency Preparedness		93.069		
Public Health Preparedness and Response for Bioterrorism	J04		5U90TP416976-08 Revised	9,491,329
Program Total				9,491,329
Food and Drug Administration - Research		93.103		
Inspection of Mammography Machines and Facilities in South Carolina (abbreviated)	J04		223-04-4440	0
South Carolina State Interagency Food Safety Council	P16		FD-R-002635-01	0
Program Total				0
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)		93.104		
Youth Net Year 5	J12		5079 SM056056-05	274,515
Youth Net Year 4	J12		5079 SM56056-04	342,464
Program Total				616,979
Maternal and Child Health Federal Consolidated Programs		93.110		
Strengthening Our Title V Information Infrastructure	J04		2 H18MC00045-14-00	35,890
Oral Health Integrated Systems Development	J04		4 H47MC00036-04-01	0
State Implementation Grants for Integrated Community Systems for Children with Special Health Care Needs	J04		5 D70MC04481-03-00	272,529
Community-Based Integrated Service Systems (Local/State)	J04		5 H25MC06113-02-00	15,290
Community-Based Integrated Service Systems (Local/State)	J04		5 H25MC06113-03-00	82,282
State Implementation Grants for Integrated Community Systems for Children with Special Health Care Needs	J04		6 D70MC04481-02-02	0
Strengthening Our Title V Information Infrastructure	J04		6 H18MC00045-15-01	4,422
Program Total				410,413
Environmental Health		93.113		
Maternal Exposures and Child Outcomes	F03		1 R01 ES012895-O1A1	28,182
Program Total				28,182

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Project Grants and Cooperative Agreements for Tuberculosis Control Programs		93.116		
Tuberculosis Control Program and AIDS	J04		5U52PS400492-25 Revised	686,867
Tuberculosis Control Program and AIDS	J04		5U52PS400492-26 Revised	539,239
Tuberculosis Control Program and AIDS	J04		U52 CCU400492-24-3	0
Program Total				1,226,106
Emergency Medical Services for Children		93.127		
Emergency Medical Services for Children Partnership Grants	J04		5 H33MC06719-02-01	52,710
Emergency Medical Services for Children Partnership Grants	J04		5 H33MC06719-03-00	31,757
Program Total				84,467
Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices		93.130		
Primary Care Offices	J04		5 U68CS00215-23-00	39,240
Primary Care Offices	J04		6 U68CS00215-22-01	144,145
Program Total				183,385
Injury Prevention and Control Research and State and Community Based Programs		93.136		
Brain Injury Surveillance Follow-Up Registry	F03		U17 CCU 421926-02	0
Programs for the Prevention of Fire-Related Injuries	J04		1 H28 CE000850-01 (Revised)	30,456
South Carolina Violent Death Reporting System (SCVDRS)	J04		1 U17 CE001314-01	127,228
Sexual Violence Prevention and Education	J04		1 VF1 CE001108-01 (Revised)	184,666
Programs for the Prevention of Fire-Related Injuries	J04		5 H28 CE000850-02	69,825
National Violent Death Reporting System	J04		5 U17 CE422396-05 (Revised)	95,072
Public Health Injury Surveillance and Prevention Program	J04		5U17CE424805-03 Revised	203,848
Sexual Violence Prevention and Education	J04		5VF1CE001108-02 Revised	360,924
Public Health Injury Surveillance and Prevention Program	J04		U17 CCU424805-02	20,503
Program Total				1,092,522
Projects for Assistance in Transition from Homelessness (PATH)		93.150		
Projects for Assistance in Transition from Homelessness Formula Grant Program	J12		2X06SM060041-07	325,830
Projects for Assistance in Transition from Homelessness Formula Grant Program	J12		SMX0600041-06	71,540
Program Total				397,370
Coordinated Services and Access to Research for Women, Infants, Children, and Youth		93.153		
Ryan White Title IV Program	J04		2 H12HA00027-14-00	82,421
Ryan White Title IV Program	J04		5 H12HA00027-15-00	496,244
Ryan White Title IV Program	J04		6 H12HA00027-13-03	0
Program Total				578,665
Family Planning - Services		93.217		
Title X, Family Planning Services Project	J04		2 FPHPA040443-38-00	139
Title X, Family Planning Services Project	J04		6 FPHPA040443-36-02	205,805
Title X, Family Planning Services Project	J04		6 FPHPA040443-37-01	6,347,602
Program Total				6,553,546

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Consolidated Health Centers (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, Public Housing Primary Care, and School Based Health Centers)		93.224		
Health Center Cluster	J04		1 H80 CS 00595-01	0
Program Total				0
Research on Healthcare Costs, Quality and Outcomes		93.226		
Understanding and Eliminating Health Disparities	F03		AHRQ 5 P01 HS10871-04	0
Program Total				0
Traumatic Brain Injury State Demonstration Grant Program		93.234		
South Carolina Traumatic Brain Injury Implementation Grant	J16		4H21 MC00050-02-02	0
Traumatic Brain Injury Implementation	J16		6H21MC06755-02-01	119,864
Program Total				119,864
Abstinence Education Program		93.235		
Abstinence Education Grant Program	J04		G-0601SCAEGP	12,876
Abstinence Education Grant Program	J04		G-0701SCAEGP	281,095
Abstinence Education Grant Program	J04		G-0801SCAEGP	427,608
Program Total				721,579
Substance Abuse and Mental Health Services - Projects of Regional and National Significance		93.243		
Project CALM	J12		1 H79 SM54667-01	0
State Mental Health Data Infrastructure Grant for Q1	J12		1HR1 SM058122-01	35,116
Co-Occurring State Incentive Grant	J12		1KD1TI08389-02	272,759
Project CALM	J12		4 H79 SM54667-03-2	0
Statewide Strategy for Multisystemic Therapy	J12		4 H79 SM55803-02-3	68,276
State Mental Health Data Infrastructure Grant for Q1	J12		4 HR1 SM56657-03-5	159,798
Child and Adolescent SIG	J12		5HS5 SM056547-04	432,553
Co-Occurring State Incentive Grant	J12		5KD1TI018389-02	523,039
Project CALM	J12		6 H79 SM54667-02-1	0
Child and Adolescent SIG	J12		6HS5 SM56547-03	221,685
Strengthening Treatment Access and Retention	J20		1UD1TI017614	77,441
The ACES Program	J20		5 H79 TI16370	214,195
Adolescent Treatment Coordination in South Carolina	J20		5 H79 TI17377	33,480
Adolescent Treatment Coordination in South Carolina	J20		5H79TI017377	333,595
Strengthening Treatment Access and Retention	J20		5UD1TI017614	260,380
Program Total				2,632,317
Universal Newborn Hearing Screening		93.251		
Universal Newborn Hearing Screening	J04		6 H61MC00040-06-01	77,333
Universal Newborn Hearing Screening	J04		6 H61MC00040-07-02	61,292
Program Total				138,625
Immunization Grants		93.268		
Immunization and Vaccines for Children Grants	J04		2H23IP422544-06 Revised	1,900,135
Immunization and Vaccines for Children Grants	J04		5H23IP422544-05 Revised	2,250,533
Immunization and Vaccines for Children Grants	J04		H23 CCH422544-02-5	0

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Immunization Grants		93.268		
Immunization and Vaccines for Children Grants	J04		H23 CCH422544-04-2	0
Program Total				4,150,668
Drug-Free Communities Support Program Grants		93.276		
DEA Marijuana Eradication Program - 2007	D10		2007-102	150,645
DEA Marijuana Eradication Program - 2008	D10		2008-101	39,048
Program Total				189,693
Centers for Disease Control and Prevention - Investigations and Technical Assistance		93.283		
Epidemiology and Laboratory Capacity for Infectious Diseases	J04		1 U50 CI000491-01 (Revised)	481,636
State Public Health Department Comprehensive Heart Disease and Stroke Prevention Program	J04		1U50DP000735-01 Revised	1,086,709
Adult Viral Hepatitis Prevention Coordinator	J04		1U51PS000910-01 Revised	40,519
National Cancer Prevention and Control Program	J04		1U58DP000770-01 Revised	4,095,696
Southeastern African American Diabetes, Hypertension and Stroke	J04		1U58DP001015-01; MUSC07-059	70,248
Chronic Disease Prevention and Health Promotion Programs	J04		3U58DP422829-05W1	2,556,125
Public Health Preparedness and Response for Bioterrorism	J04		5 U90 TP416976-07 (Revised)	3,810,578
Epidemiology and Laboratory Capacity for Infectious Diseases	J04		5U50CI000491-02 Revised	206,398
Cancer Prevention and Control Program for Reducing Tobacco Related Malignancies in South Carolina	J04		H75 CCH424532-01-3	15,827
Epidemiology and Laboratory Capacity for Infectious Diseases	J04		U50 CCU419686-05-4	0
National Cancer Prevention and Control Program	J04		U55 CCU421931-05-6	570,418
Chronic Disease Prevention and Health Promotion Programs	J04		U58 CCU422829-04-5	7,949
Avian Influenza Rapid Response at the State Level	J04		U60 CCU007277	13,000
National Laboratory Training Network and Management Information System	J04		U60 CCU303019; LB-7-983	0
Public Health Preparedness and Response for Bioterrorism	J04		U90 CCU416976-06-9	253,234
Program Total				13,208,337
Promoting Safe and Stable Families		93.556		
Promoting Safe and Stable Families	L04		G-01SC00FP	6,354,510
Program Total				6,354,510
Temporary Assistance for Needy Families		93.558		
Adolescent Pregnancy Prevention Initiatives (APPI)	J04		None	4
Temporary Assistance For Needy Families (TANF)	L04		G-02SCTANF	125,421,206
Program Total				125,421,210
Child Support Enforcement		93.563		
Child Support Enforcement (Title IV-D)	L04		G-04SC4004	29,515,589
Program Total				29,515,589
Refugee and Entrant Assistance - State Administered Programs		93.566		
Refugee and Entrant Assistance: State Administered Programs (Cash and Medical Assistance)	L04		G-AASC4100	356,562
Refugee and Entrant Assistance: State Administered Programs (Social Services)	L04		G-AASC4110	49,801

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Refugee and Entrant Assistance - State Administered Programs		93.566		
Program Total				406,363
U.S. Repatriation		93.579		
U.S. Repatriation	L04		REIMBURSEMENT	3,602
Program Total				3,602
Empowerment Zones Program		93.585		
Empowerment Zones Program	J02		G-9501-SC-ECUR	10,032
Program Total				10,032
State Court Improvement Program		93.586		
State Court Improvements (CIP VI)	B04		2006-G991513	123,819
Program Total				123,819
Grants to States for Access and Visitation Programs		93.597		
Grants to States for Access and Visitation Programs	L04		G-01SCSAVP	131,006
Program Total				131,006
Chafee Education and Training Vouchers Program (ETV)		93.599		
Chafee Education and Training Vouchers Program (ETV)	L04		G-01SCCETV	395,877
Program Total				395,877
Head Start		93.600		
Head Start	L04		04CD0021.01	145,071
Program Total				145,071
Adoption Incentive Payments		93.603		
Adoption Incentive Payments	L04		0601SCAIPP	124,109
Program Total				124,109
Voting Access for Individuals with Disabilities - Grants to States		93.617		
Voting Access for Individuals with Disabilities - Grants to States	E28		None	131,379
Program Total				131,379
Developmental Disabilities Basic Support and Advocacy Grants		93.630		
South Carolina Project MAC	H75		None	39,516
Program Total				39,516
Developmental Disabilities Projects of National Significance		93.631		
Family Support Administration on Developmental Disabilities	J16		90DF0052	0
Program Total				0
Children's Justice Grants to States		93.643		
Children's Justice Grants to States	L04		G-01SCCJA1	216,150
Program Total				216,150
Child Welfare Services - State Grants		93.645		
Child Welfare Services: State Grants	L04		G-01SC1400	4,374,312
Program Total				4,374,312

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Foster Care - Title IV-E		93.658		
Foster Care: Title IV - E	L04		G-01SC1401	25,787,938
Program Total				25,787,938
Adoption Assistance		93.659		
Adoption Assistance	L04		G-01SC1407	14,927,537
Program Total				14,927,537
Social Services Block Grant		93.667		
Social Services Block Grant	L04		G-02SCSOSR	30,947,181
Program Total				30,947,181
Child Abuse and Neglect State Grants		93.669		
Child Abuse and Neglect State Grants	L04		G-01SCCA01	426,920
Program Total				426,920
Family Violence Prevention and Services Grants for Battered Women's Shelters - Grants to States and Indian Tribes		93.671		
Family Violence Prevention and Services Grants for Battered Women's Shelters: Grants to States and Indian Tribes	L04		G-01SCFVPS	1,332,172
Program Total				1,332,172
Chafee Foster Care Independence Program		93.674		
Chafee Foster Care Independent Living Program (CFCIP)	L04		G-01SC1420	1,222,912
Program Total				1,222,912
State Children's Insurance Program		93.767		
State Children's Insurance Program	J02		05-0205SC5021	175,811
State Children's Insurance Program	J02		05-0505SC5021	7,551,740
State Children's Insurance Program	J02		05-0605SC5021	43,161,634
State Children's Insurance Program	J02		05-0705SC5021	0
State Children's Insurance Program	J02		05-0805SC5021	0
Program Total				50,889,185
Medicaid Infrastructure Grants to Support the Competitive Employment of People with Disabilities		93.768		
Promoting Competitive Employment for People with Disabilities in South Carolina	J02		11-P-91784-4-04	171,088
Program Total				171,088
Centers for Medicare and Medicaid Services (CMS) Research, Demonstrations and Evaluations		93.779		
Aging and Disability Resource Center Grant	E04		11-C-91950-4-01	12,470
State Health Insurance Assistance Program	E04		11-P-20219-4	423,064
Systems Transformation: Links for Community Living	E04		1LQCMS300038-01	399,021
Validating and Expanding the Use of Peer Review Organizations	J16		11-P-92050-4-01	94,400
Program Total				928,955
Alternatives to Psychiatric Residential Treatment Facilities for Children (Demonstration Projects Regarding Home and Community-Based Alternatives to Psychiatric Residential Treatment Facilities for Children)		93.789		
Community Based Alternatives to Psychiatric Residential Treatment Facilities	J02		1S0CMS300131-01	13,504

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Alternatives to Psychiatric Residential Treatment Facilities for Children (Demonstration Projects Regarding Home and Community-Based Alternatives to Psychiatric Residential Treatment Facilities for Children)		93.789		
Program Total				13,504
Money Follows the Person Rebalancing Demonstration		93.791		
South Carolina Money Follows the Person Demonstration Grant	J02		1LICMS300152:01	1,268
Program Total				1,268
National Bioterrorism Hospital Preparedness Program		93.889		
Hospital Preparedness Program	J04		6 U3REP070053-01-02	1,614,663
Bioterrorism - Hospital Preparedness Program	J04		6 U3RHS005927-01-03	1,964,749
Bioterrorism - Hospital Preparedness Program	J04		6 U3RHS007569-01-02	2,676,774
Program Total				6,256,186
Rural Health Care Services Outreach and Rural Health Network Development Program		93.912		
Rural Health Network Development Program	J04		D06RH06880A0; HS-8-874	53,166
Program Total				53,166
HIV Care Formula Grants		93.917		
Minority AIDS Initiative Programs for Part B Grantees	J04		6 G24HA08409-01-01	99,755
Ryan White Care Act Title II	J04		6 X07HA00038-16-04	0
Ryan White Care Act Title II	J04		6 X07HA00038-17-04	25,227,799
Ryan White Care Act Title II	J04		6 X07HA00038-18-01	2,913,395
Program Total				28,240,949
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease		93.918		
Ryan White Title III	J04		H76HA00657; R7-7-621	0
Ryan White Title III	J04		H76HA00657; R7-8-613	51,635
Ryan White Title III	J04		R7-6-344	0
Program Total				51,635
Healthy Start Initiative		93.926		
Closing the Health Gap on Infant Mortality: African American - Focused Risk Reduction	J04		4 U19MC03179-03-02	439,101
Healthy Start Eliminating Disparities in Perinatal Health Grant	J04		R3-6-899	0
Healthy Start Eliminating Disparities in Perinatal Health Grant	J04		R3-7-1215	24,743
Program Total				463,844
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems		93.938		
School Health Programs to Prevent Serious Health Problems and Improve Education	H63		U87:CCU409018-06	412,500
School Health Programs to Prevent Serious Health Problems and Improve Education	H63		U87:CCU409018-07	19,498
School Health Programs to Prevent Serious Health Problems and Improve Education	H63		U87:CCU409018-08	0
School Health Programs to Prevent Serious Health Problems and Improve Education	H63		U87:CCU409018-09	0
School Health Programs to Prevent Serious Health Problems and Improve Education	H63		U87:CCU422630-01	0

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems		93.938		
Program Total				431,998
HIV Prevention Activities - Health Department Based		93.940		
Expanded and Integrated Human Immunodeficiency Virus (HIV) Testing for Populations	J04		1U62PS000774-01 Revised	77,935
HIV Prevention Projects	J04		5U62PS423484-04 Revised	2,699,278
PS04-012, HIV Prevention Projects	J04		5U62PS723484-05 Revised	1,945,050
Program Total				4,722,263
HIV Demonstration, Research, Public and Professional Education Projects		93.941		
HIV/AIDS Surveillance	J04		1U62PS001007-01	324,348
Linkages to HIV Care Demonstration Project	J04		U65CCU424434-02-2	0
Program Total				324,348
Human Immunodeficiency Virus (HIV) Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance		93.944		
HIV/AIDS Surveillance	J04		4U62PS423579-03 Revised	399,097
Enhanced HIV/AIDS Surveillance for Perinatal Prevention	J04		5 U62 PS000277-02	55,749
Morbidity and Risk Behavior Surveillance	J04		5U62 PS424457-04 Revised	349,404
Enhanced HIV/AIDS Surveillance for Perinatal Prevention	J04		5U62PS000277-03	50,616
Morbidity and Risk Behavior Surveillance	J04		U62CCU424457-03-2	3,423
Program Total				858,289
Assistance Programs for Chronic Disease Prevention and Control		93.945		
Racial Ethnic Approaches to Community Health 2010	J04		U50CCU417281	0
Cardiovascular Health Programs	J04		U50CCU421338-05-2	1,615
Racial Ethnic Approaches to Community Health 2010	J04		U50CCU422184	4,044
Program Total				5,659
Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs (Infant Health and Pre-Term Delivery Initiative; PRAMS; MCHEP; ART; VAW; Maternal Health Research)		93.946		
South Carolina Pregnancy Risk Assessment Management System	J04		5 UR6 DP000502-02	92,912
South Carolina Pregnancy Risk Assessment Management System	J04		5UR6DP000502-03	18,330
Program Total				111,242
Block Grants for Community Mental Health Services		93.958		
Block Grants for Community Mental Health Services	J12		06BSCCMHS-04	194,338
Block Grants for Community Mental Health Services	J12		3B09SM010048-0753	2,984,378
Block Grants for Community Mental Health Services	J12		3B09SM010048-0754	2,101,048
Program Total				5,279,764
Block Grants for Prevention and Treatment of Substance Abuse		93.959		
Substance Abuse Prevention/Treatment Block Grant	J20		06B1SCSAPT	1,856,985
Substance Abuse Prevention/Treatment Block Grant	J20		2B08TI010048	1,178,072
Substance Abuse Prevention/Treatment Block Grant	J20		B1SCSAPT07	17,891,934
Program Total				20,926,991

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DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Preventive Health Services - Sexually Transmitted Diseases Control Grants		93.977		
PS05-004 Comprehensive STD Prevention Systems (CSPS)	J04		5H25PS404336-16 Revised	1,336,016
PS05-004 Comprehensive STD Prevention Systems (CSPS)	J04		5H25PS404336-17	538,680
Comprehensive STD Prevention Systems (CSPS)	J04		H25.CCH404336-15-3	0
Program Total				1,874,696
Cooperative Agreements for State-Based Diabetes Control Programs and Evaluation of Surveillance Systems		93.988		
Systems-Based Diabetes Prevention and Control Programs (DPCPS)	J04		3U32DP422685-05W1	689,285
Systems-Based Diabetes Prevention and Control Programs (DPCPS)	J04		U32.CCU422685-04	0
Program Total				689,285
Preventive Health and Health Services Block Grant		93.991		
Preventive Health Services	J04		2006-B1-SC-PRVS-04	96,893
Preventive Health Services	J04		2B01DP009049-07 Revised	381,933
Preventive Health Services	J04		3B01DP009049-08W1	644,154
Program Total				1,122,980
Maternal and Child Health Services Block Grant to the States		93.994		
Maternal and Child Health Services	J04		6 B04MC04249-01-02	0
Maternal and Child Health Services	J04		6 B04MC06592-01-06	67,134
Maternal and Child Health Services	J04		6 B04MC07810-01-07	3,760,400
Maternal and Child Health Services	J04		6 B04MC08924-01-04	6,993,477
Program Total				10,821,011
Other Federal Assistance		NONE		
Historically Black Colleges and Universities	J02		None	8,767
Cancer Information Service	J04		HHSN26120051105C; N01-C0-51105	55,440
Program Total				64,207
Total Department of Health and Human Services				422,146,488
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
State Commissions		94.003		
Commission Administration	H63		04CAHSC001	92,327
Program Total				92,327
Learn and Serve America - School and Community Based Programs		94.004		
K-12 Community Based Programs	H63		03KCHSC001	37,748
K-12 School Based Programs	H63		03KCSSC001	188,081
K-12 School Based Programs	H63		03KSSSC001	184,851
Program Total				410,680
AmeriCorps		94.006		
AmeriCorps State	H63		03AFHSC001	0
AmeriCorps State	H63		06ACHSC001	379,133
AmeriCorps State	H63		06AFHSC001	335,788
Program Total				714,921

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CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Planning and Program Development Grants		94.007		
Disability	H63		07CDHSC001	37,241
Program Total				37,241
Training and Technical Assistance		94.009		
Program Development and Technical Assistance	H63		05PTHSC001	70,740
Program Development and Technical Assistance	H63		08PTHSC001	21,119
Program Total				91,859
Total Corporation for National and Community Service				1,347,028
SOCIAL SECURITY ADMINISTRATION				
Social Security - Work Incentives Planning and Assistance Program (SSA Work Incentives Planning and Assistance (WIPA) Program)		96.008		
South Carolina Pathways Towards Employment Project	H73		14-W-50078-4-01	0
South Carolina Pathways Towards Employment Project	H73		14-W-50078-4-02	213,329
South Carolina Pathways Towards Employment Project	H73		14-W-50078-4-03	49,075
South Carolina Pathways Towards Employment Project	H73		16-T-10111-4-05	0
Program Total				262,404
Total Social Security Administration				262,404
DEPARTMENT OF HOMELAND SECURITY				
Boating Safety Financial Assistance		97.012		
State Recreational Boating Safety Programs	P24		17.01.45	635,704
State Recreational Boating Safety Programs	P24		18.01.45	1,347,848
Program Total				1,983,552
Pre-Disaster Mitigation (PDM) Competitive Grants		97.017		
Pre-Disaster Mitigation Competitive Grant Program (PDM-C)	E24		EMA-2005-PC-0005	43,735
Pre-Disaster Mitigation Competitive Grant Program (PDM-C)	E24		EMA-2007-PC-0005	89,082
Program Total				132,817
Community Assistance Program State Support Services Element (CAP-SSSE)		97.023		
Community Assistance Program	P24		EMA-2004-GR-5016	0
Community Assistance Program	P24		EMA-2006-GR-5606	0
Community Assistance Program	P24		EMA-2007-GR-5758	152,154
Community Assistance Program	P24		EMA-2008-GR-5831	50,750
Program Total				202,904
Flood Mitigation Assistance (FMA)		97.029		
Flood Mitigation Assistance-Project	P24		EMA-2003-CA-5333	341,302
Flood Mitigation Assistance-Technical Assistance	P24		EMA-2005-FM-E010	4,555
Flood Mitigation Assistance-Planning Fiscal Year 2004	P24		EMA-2005-FM-E011	26,700
Flood Mitigation Assistance-Sullivan's Island Project 002	P24		EMA-2006FME001	201,750
Beaufort County FMA Planning Update	P24		EMA-2007-FM-E008	0
Pickens County: 131 Quail Haven Acquisition	P24		EMA-2007-FM-EO06	50,121
South Carolina Department of Natural Resources Technical Assistance Grant	P24		EMA-2007-FM-EO13	590
Program Total				625,018

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DEPARTMENT OF HOMELAND SECURITY				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)		97.036		
Federal Emergency Management Agency - Hurricane Floyd Public Assistance	E24		FEMA-1299-DR-SC	0
Federal Emergency Management Agency - Ice Storm 2002 Public Assistance	E24		FEMA-1451-DR-SC	0
Federal Emergency Management Agency - Winter Storm Public Assistance	E24		FEMA-1509-DR-SC	428,014
Public Assistance Grants (Hurricane Charley)	E24		FEMA-1543-DR-SC	59,364
Public Assistance Grants (Tropical Storm Gaston)	E24		FEMA-1547-DR-SC	373,996
Public Assistance - Ice Storm Upstate December 2005	E24		FEMA-1625-DR-SC	491,774
Public Assistance Programs - Katrina	E24		FEMA-3233-EM-SC	61,875
FEMA Hurricanes	J04		None	0
Program Total				1,415,023
First Responder Counter-Terrorism Training Assistance		97.038		
First Responder Counter-Terrorism Training	R36		None	26,000
Program Total				26,000
Hazard Mitigation Grant		97.039		
Hazard Mitigation Grant Program - Administration State	E24		FEMA-1299-DR-SC	24,285
Hazard Mitigation Grant Program - Winter Storm	E24		FEMA-1313-DR-SC	0
Hazard Mitigation Grant Program - Winter Storm	E24		FEMA-1451-DR-SC	956
Hazard Mitigation Grant Program - Winter Storm	E24		FEMA-1509-DR-SC	154,303
Hazard Mitigation Grant Program - Charley	E24		FEMA-1543-DR-SC	23,962
Hazard Mitigation Grant Program - Gaston	E24		FEMA-1547-DR-SC	85,735
Hazard Mitigation Grant Program - Frances	E24		FEMA-1566-DR-SC	8,513
Hazard Mitigation Grant Program - 05 Ice Storm	E24		FEMA-1625-DR-SC	70,763
Program Total				368,517
National Dam Safety Program		97.041		
National Dam Safety Program	J04		EMW-2006-ND-0143	45,452
National Dam Safety Program	J04		EMW-2007-GR-0773	25,288
Program Total				70,740
Emergency Management Performance Grants		97.042		
2006 Emergency Management Performance Grant	D10		2006-EM-E6-0057	510,595
2007 Emergency Management Performance Grant	D10		2007-EM-E7-0038	2,423,020
2007 Emergency Management Performance Grant Supplement	D10		2007-EM-E7-0113	97,334
Program Total				3,030,949
Cooperating Technical Partners (CTP)		97.045		
Cooperating Technical Partners	P24		EMA-2003-GR-5372	43,038
Cooperating Technical Partners	P24		EMA-2004-CA-5022	533,942
Cooperating Technical Partners	P24		EMA-2005-CA-5214	796,994
Cooperating Technical Partners	P24		EMA-2006-CA-5619	651,629
Cooperating Technical Partners	P24		EMA-2007-CA-5773	907,342
Program Total				2,932,945
Emergency Operations Centers		97.052		
Supplemental EOC Phase II	E24		EMA-2002-GR-5100	1,142,110
Program Total				1,142,110

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DEPARTMENT OF HOMELAND SECURITY				
Map Modernization Management Support		97.070		
Map Modernization Management Support	P24		EMA-2005-CA-5237	52,274
Map Modernization Management Support	P24		EMA-2005-CA-5248	70,001
Map Modernization Management Support	P24		EMA-2006-CA-5629	7,254
Map Modernization Management Support	P24		EMA-2007-CA-5729	638
Map Modernization Management Support	P24		EMA-2008-CA-5869	0
Program Total				130,167
Buffer Zone Protection Program (BZPP)		97.078		
2005 Buffer Zone Protection Grant	D10		2005-GR-T5-0080	236,183
Program Total				236,183
Total Department of Homeland Security				12,296,925
Total Nonclustered Grants				1,150,895,951
RESEARCH AND DEVELOPMENT CLUSTER				
DEPARTMENT OF AGRICULTURE				
Plant and Animal Disease, Pest Control, and Animal Care		10.025		
Surveillance and Management of Chronic Wasting Disease	P24		06-9645-892-CA	1,270
Surveillance and Management of Chronic Wasting Disease	P24		07-9645-892-CA	48,000
Program Total				49,270
Wildlife Services		10.028		
Avian Influenza Surveillance Program	P24		06-7100-0207-CA	0
Program Total				0
Grants for Agricultural Research, Special Research Grants		10.200		
United States Marine Shrimp Farming Program Fiscal Year 2004	P24		2004-38808-02142	156,308
Program Total				156,308
Grants for Agricultural Research - Competitive Research Grants		10.206		
Shrimp Immunity Viral Infection: An Evaluation of the Contribution of RNA Interference	P24		2006-35204-17434	28,161
Program Total				28,161
Organic Agriculture Research and Extension Initiative		10.307		
Organic Farming of Marine Shrimp: A Holistic Approach to Management of Feeds and Microbial Dynamics	P24		2006-51300-03472	147,527
Program Total				147,527
Total Department of Agriculture				381,266
DEPARTMENT OF COMMERCE				
Anadromous Fish Conservation Act Program		11.405		
Investigations of Fisheries Parameters for Anadromous Fishes in South Carolina	P24		NA04NMF4050201	38,836
Program Total				38,836
Interjurisdictional Fisheries Act of 1986		11.407		
Fishery Independent Assessment of Adult Red Drum and Coastal Sharks in South Carolina	P24		NA03NMF4070106	197

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF COMMERCE				
Interjurisdictional Fisheries Act of 1986		11.407		
Fishery Independent Assessment of Adult Red Drum and Coastal Sharks in South Carolina	P24		NA06NMF4070049	28,380
Program Total				28,577
Sea Grant Support		11.417		
A Proposal for Sea Grant College Program Support, South Carolina Sea Grant Consortium for 2006 - 2008	P26		NA06OAR4170015	1,075,138
Carolinas Coastal Climate Outreach Initiative	P26		NA06OAR4170212	76,654
Commercialization of Bait Shrimp Farming Based on Specific Pathogen Free Stocks	P26		NA06OAR4170235	227,716
National Initiative for Aquaculture Development and Fishery Enhancement of Cobia (Rachycentron Canadium)	P26		NA06OAR4170252	219,167
Knauss Fellowship 2007 (South Carolina), (Semon)	P26		NA07OAR4170030	26,016
Collaboration to Enhance Diversity in Ocean Literacy and Facilitate Communications and Planning throughout the Ocean Observations Community	P26		NA07OAR4170423	53,226
Knauss Fellowship 2008 (South Carolina), (Arthur)	P26		NA08OAR4170334	14,028
Knauss Fellowship 2008 (South Carolina), (Berrio)	P26		NA08OAR4170335	15,391
Knauss Fellowship 2008 (South Carolina), (McDonald)	P26		NA08OAR4170336	15,179
Knauss Fellowship 2008 (South Carolina), (Lenandro)	P26		NA08OAR4170337	15,623
Sea Grant National Marine Aquaculture Initiatives	P26		NA16RG1561	0
A Proposal for Sea Grant College Program Support, South Carolina Sea Grant Consortium for 2002 - 2004	P26		NA16RG2250	163,690
Program Total				1,901,828
Coastal Zone Management Estuarine Research Reserves		11.420		
Application for Federal Funds (Fiscal Year 2005) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	P24		NA04NOS4200068	0
Application for Federal Funds (Fiscal Year 2006) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	P24		NA06NOS4200124	324,599
Application for Federal Funds (Fiscal Year 2007) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	P24		NA07NOS4200119	277,974
Program Total				602,573
Financial Assistance for National Centers for Coastal Ocean Science		11.426		
The South Carolina Harmful Algal Bloom Program	P24		NA04NOS4260188	0
The South Carolina Harmful Algal Bloom Program	P24		NA05NOS4261092	0
Expansion of the South Carolina Harmful Algal Bloom Project	P24		NA06NOS4260037	203,296
A Proposed Harmful Algal Bloom Initiative for South Carolina Assessing the Potential Impacts of Red Tides, Pfiesteria and Toxic Algae	P24		NA06OA0675	0
Land Use - Coastal Ecosystem Study	P26		NA04NOS4260210	833
Urbanization and Southeastern Estuarine Systems (USES)	P26		NA05NOS4261154	90,445
Development of a Conceptual Model for an Integrated Coastal Demographic - Economic - Environmental Prediction and Forecasting Initiative	P26		NA06NOS4260030	325,431
Program Total				620,005
Marine Fisheries Initiative		11.433		
Development of Conversion Factors for Different Trap Types used by MARMAP since 1978	P24		NA04NMF4330073	119,066
Can Marine-Protected Areas Conserve Genetic Diversity in Tomtate, Haemulon Aurolineatum, and French Grunt	P24		NA17FF2878	0

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DEPARTMENT OF COMMERCE				
Marine Fisheries Initiative		11.433		
Program Total				119,066
Cooperative Fishery Statistics		11.434		
South Carolina National Marine Fisheries Service Regional Cooperative Statistics Program	P24		NA04NMF4340064	0
South Carolina National Marine Fisheries Service Cooperative Fishery Statistics Program	P24		NA07NMF4340040	140,696
Program Total				140,696
Southeast Area Monitoring and Assessment Program		11.435		
South Carolina National Marine Fisheries Service Southeast Area Monitoring and Assessment Program (SEAMAP) South Atlantic Shallow Water Trawl Survey	P24		NA06NMF4350021	344,494
Program Total				344,494
Unallied Management Projects		11.454		
Batch Fecundity and Spawning Frequency as a Function of Size, Age, and Season for Black Sea Bass and Red Porgy in the United States South Atlantic	P24		508710-08-01	0
Estimates of Catch-and-Release Mortality for Red Drum (Sciaenops Ocellatus) in the Recreational Fishery of South Carolina	P24		NA03NMF4540418	0
Marine Resources Monitoring, Assessment and Prediction Program (MARMAP) Conducting Fishery-Independent Surveys and Research off the Atlantic Coast of the Southeastern United States	P24		NA06NMF4540093	1,079,478
Program Total				1,079,478
Special Oceanic and Atmospheric Projects		11.460		
From the Estuary to the Abyss: Exploring Along the Latitude 31-30 Transect	P24		NA04OAR4600055	0
Sonar Mapping of Biologically-Engineered and Other Complex Habitats at the Shelf Edge and Upper Slope of the South Atlantic Bight	P24		NA06OAR4600095	42,664
Carolina Coastal Ocean Observation and Prediction System	P24		USC 03842	0
Program Total				42,664
Habitat Conservation		11.463		
A Comprehensive Assessment of South Carolina's Intertidal Oyster Beds Using High Resolution Multi-Spectral Imagery for Oyster Resource Management and Restoration	P24		NA03NMF4630296	14,522
Restoration of Coastal Impoundments within the ACE Basin, South Carolina with a Policy Analysis and Implications of Re-Impounding Old Rice Field Dikes	P24		NA03NOS4190168	41,912
A Feasibility Study to Examine Potential Hydrological and Biological Benefits from Restoring Flow of a Saltmarsh Creek at the Edisto Beach Causeway	P24		NA03NOS4630167	933
Evaluating Success of Intertidal Oyster Restoration in South Carolina	P24		NA04NMF4630094	2,976
South Carolina's 2004-05 Intertidal Oyster Survey and Related Restoration Enhancement Program: An Integrated Oyster Resource Habitat Management and Restoration Program Using Novel Approaches	P24		NA04NMF4630309	161,505
Program Total				221,848
Office of Administration Special Programs		11.470		
Shortnose and Atlantic Sturgeon Diet and Genetics	P24		2003-0206-007	0
Program Total				0

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF COMMERCE				
Unallied Science Program		11.472		
Examination of Local Movement and Migratory Behavior of Sea Turtles during Spring and Summer along the Atlantic Coast of the Southeastern United States	P24		NA03NMF4720281	250,994
Assessment of Deepwater Fishes of the Charleston Bump Complex and Adjacent Outer Continental Shelf and Upper Slope - Year 1	P24		NA03NMF4720321	120,551
Contribution to the Biology of Red Drum (Sciaenops Ocellatus) in South Carolina: Continuation of Mark-Recapture Studies, Estimates of Subadult Abundance and Adult Abundance from Fishery Independent Surveys	P24		NA03NMF4720356	456,136
Cooperative Fisheries Research in South Carolina	P24		NA04NMF4720306	761,907
Southeastern Regional Taxonomic Center	P24		NA05NMF4721145	134,397
Inter-Basin Transfer, Migration, and Habitat Use by Shortnose Sturgeon in the Santee River and Winyah Bay System	P24		NA06NMF4720044	30,699
Shortnose Sturgeon Population Estimate and Ages	P24		NA06NMF4720273	67,329
To Implement Portions of the Recovery Plan for United States Population of Loggerhead Turtle and for Other Species of Sea Turtles in South Carolina Waters	P24		NA07NMF4720207	43,045
South Carolina Endangered Species Program - Part 1	P24		NA17FL2809	29,699
Cooperative Institute for Fisheries Molecular Biology (FISHTEC) - Interpretation and Distribution of Fisheries and Coastal Ecosystems Data and Information	P26		EA133C-06-SE-3283	25,935
Providing Oceans and Human Health Research, Education and Training to Appropriate Audiences	P26		MOA-2006-025/7182	291,493
Program Total				2,212,185
Coastal Services Center		11.473		
Implementation of NFRA Communications Plan	P26		FC133C06SE3757	0
Southeast Coastal Ocean Observations Regional Association (SECOORA): Building a Regional Framework for the Coastal Ocean Observing System of the Southeastern United States - Phase II	P26		NA05NOS4731148	446,426
Enhancing the Regional Coastal Ocean Observing System in the Southeastern United States	P26		NA07NOS4730219	29,975
Program Total				476,401
Atlantic Coastal Fisheries Cooperative Management Act		11.474		
Atlantic Coastal Fisheries Cooperative Management Act	P24		NA04NMF4740178	83,971
Atlantic Coastal Fisheries Cooperative Management Act Program in South Carolina	P24		NA07NMF4740044	89,486
Continuation of Sampling for Hard Part Aging from the Commercial Fishery for Snapper-Grouper Complex in South Carolina	P24		NA07NMF4740063	36,510
Implementation of the ACCSP Commercial Module in South Carolina	P24		NA17FG1234	49,488
Program Total				259,455
Center for Sponsored Coastal Ocean Research - Coastal Ocean Program		11.478		
South Atlantic Bight Land Use-Coastal Ecosystem Study (LU-CES), Phase II	P26		NA96OP0113	0
Urbanization and Southeastern Estuarine Systems (USES)	P26		NA96OP0222	0
Program Total				0
Educational Partnership Program		11.481		
Shortnose and Atlantic Sturgeon Studies	P24		2006-0087-009	134,750
Santee-Cooper Shortnose Sturgeon Monitoring - II	P24		2006-0087-010	12,816
Program Total				147,566

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF COMMERCE				
Measurement and Engineering Research and Standards		11.609		
Establishing Standards for Oyster Microarrays	P24		70NANB4H1103	495
External RNA Controls for Microarray Performance	P24		70NANB6H6213	33,637
Measurement and Technology Enablement of Development of Competitive Sustainable Aquaculture Innovation	P24		70NANB7H6179	114,995
Program Total				149,127
Other Federal Assistance		NONE		
Marine Resources Monitoring Assessment and Prediction Program (MARMAP)	P24		50-WCNF-1-06007-L0004	0
Program Total				0
Total Department of Commerce				8,384,799
DEPARTMENT OF DEFENSE				
Navigation Projects		12.107		
Richard B. Russell Land Mitigation	P24		SCDNR-RBR-JST-06	71,177
Richard B. Russell Trout Stocking Mitigation	P24		SCDNR-RBRTROUT99	62,014
Program Total				133,191
Basic and Applied Scientific Research		12.300		
South Atlantic Coastal Ocean Observing System Implementation	P24		N00014-02-1-0972	33,904
Southeast Atlantic Coastal Ocean Observing System - Initial Implementation	P26		N00014-02-1-0972	20,751
Program Total				54,655
Other Federal Assistance		NONE		
Folly Beach Renourishment	P24		SAC0007	103,677
An Environmental Monitoring Study of Hard Bottom Reef Areas Near the Charleston Ocean Dredged Material Disposal Site	P24		SAC0007	0
Program Total				103,677
Total Department of Defense				291,523
DEPARTMENT OF THE INTERIOR				
Fish and Wildlife Management Assistance		15.608		
Creel Survey of Lake Russell, Lake Thurmond, and the Russell Tailrace	P24		401814G032	181,065
Program Total				181,065
Coastal Wetlands Planning, Protection and Restoration Act		15.614		
Provide GIS and other Spatial Technology to Support Coastal Ecosystem Program	P24		401813-J031	0
Program Total				0
Cooperative Endangered Species Conservation Fund		15.615		
South Carolina Endangered Species Program	P24		E-1-29	75,739
South Carolina Endangered Species Program E-1-30	P24		E-1-30	57,440
Program Total				133,179
North American Wetlands Conservation Fund		15.623		
Cedar Island Enhancement Project	P24		N-6-1	0
Murphy Island Enhancement Project	P24		N-7-1	0

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF THE INTERIOR				
North American Wetlands Conservation Fund		15.623		
Program Total				0
Landowner Incentive Program		15.633		
South Carolina Landowner Incentive Program Tier 1 - 2007	P24		I-5-1	2,353
Program Total				2,353
State Wildlife Grants		15.634		
Landscape Planning for Priority Wildlife Species on Agricultural Lands	P24		T-10-P-1	114,845
Restoration of Longleaf Pine Forest on State Owned Lands	P24		T-11-R-1	84,652
Conservation of Migratory Landbirds in South Carolina	P24		T-13-R-2	67,087
Development of Best Management Practices for Sustaining Wildlife in the Maritime Zone of South Carolina	P24		T-14-T-1	34,531
South Carolina Reptile and Amphibian Conservation Planning	P24		T-15-P-1	2,870
Upland Habitat Improvements on Lewis Ocean Bay Heritage Preserve	P24		T-16-R-1	0
Protection and Management of Seabird Colonies	P24		T-17-R-1	45,111
Habitat Enhancement on North and South Williman Islands, Beaufort County, South Carolina	P24		T-19-R-1	18,496
Status and Management Plan Development for Three Rare Burrowing Crayfish, <i>Distocambarus Youngineri</i> , <i>D. Hunteri</i> and <i>Cambarus Reflexus</i>	P24		T-20-R-1	10,642
Controlling Access to Known and Potential Bat Roost	P24		T-23-R-1	6,409
Fish Passage on the Broad River: An Assessment of the Benefits to Freshwater Mussels	P24		T-24-R-1	21,980
South Carolina Stream Conservation Implementation	P24		T-25-R-1	86,789
South Carolina Reptile and Amphibian Implementation	P24		T-26-R-1	110,566
Habitat Improvement for Grassland Birds	P24		T-27-R-1	49,060
Taxonomy, Life History, and Distribution of the Crayfish (<i>Procambarus Echinatus</i>)	P24		T-30-R-1	4,350
Assessing Introgressive Hybridization within and Habitat Requirement of Native Carolina Redeye Bass (<i>Micropterus Coosae</i>)	P24		T-31-R-1	10,471
Robust Redhorse (<i>Moxostoma Robustum</i>) Electrofishing and Radio Telemetry Tracking on the Great Pee Dee River, South Carolina	P24		T-33-R-1	6,271
Community Bases Habitat Restoration and Large Scale Resource Enhancement Through SCORE	P24		T-34-HM-1	9,476
Identification of the Diamondback Terrapin Habitat in South Carolina	P24		T-35-R-1	8,136
A GIS-Based Model to Guide Landscape-Scale Restoration at the Woodberry Tract and Hamilton Ridge Properties	P24		T-36-HM-1	20,937
Mink Restoration and Monitoring Development Project	P24		T-38-R-1	0
Development of a Comprehensive Wildlife Conservation Plan	P24		T-5-1	20,467
Conservation of Water and Seabirds in South Carolina	P24		T-7-R-2	39,662
South Carolina Stream Conservation Planning Project	P24		T-8-1-P	0
Robust Redhorse Restoration and Conservation	P24		T-9-R-1	116
Program Total				772,924
U.S. Geological Survey - Research and Data Collection		15.808		
Mapping and Digitization of 7.5-Minute Quadrangles in the Lake Marion and I-20 Growth Corridor Areas, South Carolina	P24		06HQAG0038	21,708
A WWH (Where, What, and How Much) Inventory of Available Geologic Information in South Carolina	P24		07HQGR0121	3,935
The South Carolina-Georgia Coastal Erosion Study - Phase II	P26		00HQAG0208	0
The South Carolina-Georgia Coastal Erosion Study - Phase II	P26		05ERA0063	154,211

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF THE INTERIOR				
U.S. Geological Survey - Research and Data Collection		15.808		
Program Total				179,854
National Cooperative Geologic Mapping Program		15.810		
Mapping and Digitization of 7.5-Minute Quadrangles in the Lake Marion and I-20 Growth Corridor Areas, South Carolina	P24		07HQAG0082	203,465
Program Total				203,465
Other Federal Assistance		NONE		
Congaree Swamp Fish Survey	P24		H5240-00-0290	0
Program Total				0
Total Department of the Interior				1,472,840
NATIONAL SCIENCE FOUNDATION				
Geosciences		47.050		
Center for Ocean Sciences Education Excellence Southeast: Building on Success	P26		OCE-0527849	413,333
Program Total				413,333
Biological Sciences		47.074		
Functional Genomic Approach to Signal Transduction and Innate Immunity in Shrimp	P24		MCB-0315393	2,892
Program Total				2,892
Total National Science Foundation				416,225
ENVIRONMENTAL PROTECTION AGENCY				
Nonpoint Source Implementation Grants		66.460		
Fecal Coliform Bacteria TMDL Development and Implementation for the Scape Ore Swamp	P24		C-999-4629-03-0	2,090
Fecal Coliform Bacteria TMDL Development and Implementation and Dissolved Oxygen Characterization for the Big Swamp and Singleton Swamp Watersheds	P24		C-999-4629-04-0	3,773
Fecal Coliform Bacteria TMDL Development and Implementation for the Spears Creek Watershed	P24		EQ-6-807	5,789
Program Total				11,652
Office of Research and Development Consolidated Research Training		66.511		
Monitoring Estuarine Habitat Condition in the Coastal Zone of South Carolina	P24		CR-83256501	72,628
Coastal 2000 Initiative-Monitor Water Quality and Habitat Condition in South Carolina	P24		R-82847201-0	0
Program Total				72,628
Total Environmental Protection Agency				84,280
DEPARTMENT OF ENERGY				
Conservation Research and Development		81.086		
Natural Resources Management Activities and Biodiversity Maintenance	P24		DE-FC09-97SR18926	92,654
Program Total				92,654
Total Department of Energy				92,654

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RESEARCH AND DEVELOPMENT CLUSTER, CONTINUED				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Centers for Disease Control and Prevention - Investigations and Technical Assistance		93.283		
Expanding Survey Systems to Include Pfiesteria, Harmful Algal Blooms, and Marine Toxic Algae	P26		U50:CCU423374-01	476,618
Program Total				476,618
Social Services Research and Demonstration		93.647		
Social Services Research and Demonstration	L04		90 YE 013:01	416
Program Total				416
Total Department of Health and Human Services				477,034
Total Research and Development Cluster				11,600,621
FOOD STAMP CLUSTER				
DEPARTMENT OF AGRICULTURE				
Food Stamps		10.551		
Food Stamps	L04		5SC400407	680,075,828
Program Total				680,075,828
State Administrative Matching Grants for Food Stamp Program		10.561		
State Administrative Matching Grants for Food Stamp Program	L04		5SC400407	18,958,759
Program Total				18,958,759
Total Department of Agriculture				699,034,587
Total Food Stamp Cluster				699,034,587
CHILD NUTRITION CLUSTER				
DEPARTMENT OF AGRICULTURE				
National School Lunch Program		10.555		
National School Lunch Program	H63		5SC300328	193,182,295
Food Donation	H63		None	17,527,283
Program Total				210,709,578
Summer Food Service Program for Children		10.559		
Summer Food Service Program for Children	L04		5SC300329	7,778,485
Program Total				7,778,485
Total Department of Agriculture				218,488,063
Total Child Nutrition Cluster				218,488,063
EMERGENCY FOOD ASSISTANCE CLUSTER				
DEPARTMENT OF AGRICULTURE				
Emergency Food Assistance Program (Administrative Costs)		10.568		
Emergency Food Assistance Program (Administrative Costs)	L04		5SC400816	821,733
Program Total				821,733
Emergency Food Assistance Program (Food Commodities)		10.569		
Emergency Food Assistance Program (Food Commodities)	L04		None	3,756,632
Program Total				3,756,632

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EMERGENCY FOOD ASSISTANCE CLUSTER, CONTINUED				
DEPARTMENT OF AGRICULTURE				
Total Department of Agriculture				4,578,365
Total Emergency Food Assistance Cluster				4,578,365
FISH AND WILDLIFE CLUSTER				
DEPARTMENT OF THE INTERIOR				
Sport Fish Restoration Program		15.605		
Orangeburg City Landing, Edisto River, Orangeburg County	P24		F-100-D	82,875
Public Landing, Combahee River, Colleton County	P24		F-101-DB	0
Prices Bridge Landing, Horseshoe Creek, Colleton County	P24		F-102-D	0
Enterprise Landing, Intercoastal Waterway, Horry County	P24		F-104-DB	0
South Carolina Marine Recreational Fisheries Survey	P24		F-29-20	0
South Carolina Marine Recreational Fisheries Survey	P24		F-29-21	257,348
Marine Artificial Reef Development and Management	P24		F-54-14	0
Marine Artificial Reef Development and Management	P24		F-54-15	105,857
Marine Artificial Reef Development and Management	P24		F-54-16	180,453
Southeastern Cooperative Fish Disease Project	P24		F-58-15	9,000
State Lake Facilities and Boating Access Maintenance	P24		F-59-14	207
State Lake Facilities and Boating Access Maintenance	P24		F-59-15	174,563
Fisheries Investigation of Lakes and Streams-Statewide	P24		F-63-12	124,121
Fisheries Investigation of Lakes and Streams-Statewide	P24		F-63-13	1,551,763
Aquatic Education Program	P24		F-68-10	139,444
Aquatic Education Program	P24		F-68-7	0
Aquatic Education Program	P24		F-68-9	4,460
Walhalla Hatchery Operations and Maintenance	P24		F-74-7	14,781
Walhalla Hatchery Operations and Maintenance	P24		F-74-8	174,468
South Carolina Marine Resources DJ Administration Project	P24		F-75-5	5,054
Cheraw Hatchery Operation and Maintenance	P24		F-76-6	0
Cheraw Hatchery Operation and Maintenance	P24		F-76-7	173,388
Assessment of Adult Red Drum in South Carolina Coastal Waters	P24		F-77-3	0
Assessment of Adult Red Drum in South Carolina Coastal Waters	P24		F-77-4	78,935
FERC Coordination	P24		F-80-5	5,175
FERC Coordination	P24		F-80-6	47,627
Dennis Center Hatchery Operation and Maintenance	P24		F-83-5	13,425
Dennis Center Hatchery Operation and Maintenance	P24		F-83-6	356,213
Impacts of Stocked Red Drum Larvae on Juvenile Abundance and Related Economics Cost and Benefit	P24		F-85-4	43,684
Utilization of Stocked Red Drum Larvae as a Tool to Evaluate Population Recruitment Bottlenecks	P24		F-85-5	141,765
Freshwater Fisheries Centralized Data Base Development	P24		F-89-T-2	6,341
Freshwater Fisheries Centralized Data Base Development	P24		F-89-T-3	49,538
Flounder Life History Studies-Assessment of Flounder Giggling	P24		F-91-R-1	132,281
Jessen's Landing Additional Dock	P24		F-92-D	64,911
Goat Hill Landing	P24		F-93-DB	0
Videl's Dock Capers Island	P24		F-94-DB-1-B	38,570
Fishery-Independent Monitoring of Juvenile Nursery Habitat of Key Recreational Species	P24		F-95-R-1	50,367
Sandy Bluff Landing, Little Pee Dee River	P24		F-96-D-1	0

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FISH AND WILDLIFE CLUSTER, CONTINUED				
DEPARTMENT OF THE INTERIOR				
Sport Fish Restoration Program		15.605		
Pea House Landing, Georgetown County	P24		F-97-D	0
Sullivan's Ferry, Edisto River, Colleton County	P24		F-98-D	0
West Bank Landing Edisto River, Colleton County	P24		F-99-D	0
Program Total				4,026,614
Wildlife Restoration		15.611		
Hunter Education Program	P24		W-1-32	203,336
Hunter Education Program	P24		W-1-33	466,996
Southeastern Cooperative Wildlife Disease Project	P24		W-29-51	11,250
Statewide Wildlife Management, Technical Guidance, Research and Surveys, and Coordination	P24		W-30-48	127,261
Statewide Wildlife Management, Technical Guidance, Research and Surveys, and Coordination	P24		W-30-49	2,390,008
Determining Population Abundance of Black Bears in Coastal South Carolina and Development of a Bear Management Plan	P24		W-99-1 (D)	0
Program Total				3,198,851
Total Department of the Interior				7,225,465
Total Fish and Wildlife Cluster				7,225,465
WIA CLUSTER				
DEPARTMENT OF LABOR				
WIA Adult Program (WIA-Adult Program)		17.258		
WIA Youth Adult Dislocated Workers Formula Combined, PY2004	P32		AA-13824-04-50	0
WIA Youth Adult Dislocated Workers Formula Combined, PY2005	P32		AA-14701-05-55	34,530
WIA Youth Adult Dislocated Workers Formula Combined, PY2006	P32		AA-15505-06-55	6,390,112
WIA Youth Adult Dislocated Workers Formula Combined, PY2007	P32		AA-16054-07-55	13,045,174
Program Total				19,469,816
WIA Youth Activities		17.259		
WIA Youth Adult Dislocated Workers Formula Combined, PY2004	P32		AA-13824-04-50	0
WIA Youth Adult Dislocated Workers Formula Combined, PY2005	P32		AA-14701-05-55	887,406
WIA Youth Adult Dislocated Workers Formula Combined, PY2006	P32		AA-15505-06-55	5,910,657
WIA Youth Adult Dislocated Workers Formula Combined, PY2007	P32		AA-16054-07-55	11,756,229
WIA Youth Adult Dislocated Workers Formula Combined, PY2008	P32		AA-17147-08-55	11,926
Program Total				18,566,218
WIA Dislocated Workers (WIA-Dislocated Workers)		17.260		
WIA Youth Adult Dislocated Workers Formula Combined, PY2004	P32		AA-13824-04-50	0
WIA Youth Adult Dislocated Workers Formula Combined, PY2005	P32		AA-14701-05-55	83,440
WIA Youth Adult Dislocated Workers Formula Combined, PY2006	P32		AA-14701-06-55	10,786,167
WIA Youth Adult Dislocated Workers Formula Combined, PY2007	P32		AA-16054-07-55	15,958,826
Program Total				26,828,433
Total Department of Labor				64,864,467
Total WIA Cluster				64,864,467

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HIGHWAY PLANNING AND CONSTRUCTION CLUSTER				
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction		20.205		
Battle of Camden National Landmark and Interpretation	P28		28H22RUL6033	200,000
Palmetto Trail at Croft State Park	P28		42H22MP07034	108,276
Program Total				308,276
Total Department of Transportation				308,276
Total Highway Planning and Construction Cluster				308,276
HIGHWAY SAFETY CLUSTER				
DEPARTMENT OF TRANSPORTATION				
State and Community Highway Safety		20.600		
Crash Outcome Data Evaluation System (CODES) V	F03		DTNH22-04-H-27021	43,593
National Highway Traffic Safety Administration 402 - 2008	K05		2008NHTSA402	1,044,815
National Highway Traffic Safety Administration 402 - 2006	K05		2H07025	29,661
National Highway Traffic Safety Administration 402 - 2006	K05		2H07032	12,150
Fatality Accident Reporting System 1998	K05		DTNH22-92-Y-07025	126,024
National Highway Traffic Safety Administration 402 - 2007	K05		NHTSA4022007	1,357,160
National Highway Traffic Safety Administration 402 - 2008	K05		NHTSA4022008	615,452
Savannah River Scenic Highway Safety Enhancements	P28		SBD-SC99(001)	67,364
Odometer Fraud Investigations	R28		DTNH22-05-H-01157	21,728
Program Total				3,317,947
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants		20.601		
Fiscal Year 2006 Title II Part B Formula Grants Program	K05		NHTSA4102006	22,323
National Highway Traffic Safety Administration 410 - 2006	K05		NHTSA4102006	2,115,811
National Highway Traffic Safety Administration 410 - 2007	K05		NHTSA4102007	195,590
Program Total				2,333,724
Occupant Protection		20.602		
National Highway Traffic Safety Administration 405 - 2006	K05		NHTSA4052006	5,468
National Highway Traffic Safety Administration 405 - 2007	K05		NHTSA4052007	410,377
Program Total				415,845
Safety Incentive Grants for Use of Seatbelts		20.604		
National Highway Traffic Safety Administration 157B - 2004	K05		2004NHTSA157B	1,501
National Highway Traffic Safety Administration 157B - 2005	K05		2005NHTSA157B	8,418
Program Total				9,919
Safety Belt Performance Grants (Section 406)		20.609		
National Highway Traffic Safety Administration 406 - 2006	K05		NHTSA4062006	100,550
Program Total				100,550
Total Department of Transportation				6,177,985
Total Highway Safety Cluster				6,177,985
SPECIAL EDUCATION CLUSTER (IDEA)				
DEPARTMENT OF EDUCATION				
Special Education - Grants to States		84.027		
Part B	H63		H027A050081	5,261

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SPECIAL EDUCATION CLUSTER (IDEA), CONTINUED				
DEPARTMENT OF EDUCATION				
Special Education - Grants to States		84.027		
Part B	H63		H027A060081	106,508,990
Part B	H63		H027A070081	62,091,778
Program Total				168,606,029
Special Education - Preschool Grants		84.173		
Part B	H63		H173A060085	4,061,463
Part B	H63		H173A070085	3,651,591
Program Total				7,713,054
Total Department of Education				176,319,083
Total Special Education Cluster (IDEA)				176,319,083
AGING CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers		93.044		
III-B: Supportative Services Older Americans Act	E04		06AASCT3SP	19,047
III-B: Supportative Services Older Americans Act	E04		07AASCT3SP	5,374,295
III-B: Supportative Services Older Americans Act	E04		08AASCT3SP	215,769
Program Total				5,609,111
Special Programs for the Aging - Title III, Part C - Nutrition Services		93.045		
III-C2: Home Delivered Meals, Older Americans Act	E04		06AASCT3SP	18,004
III-C1: Congregate Meals, Older Americans Act	E04		06AASCT3SP	78,131
III-C1: Congregate Meals, Older Americans Act	E04		07AASCT3SP	3,778,014
III-C2: Home Delivered Meals, Older Americans Act	E04		07AASCT3SP	2,705,842
III-C1: Congregate Meals, Older Americans Act	E04		08AASCT3SP	189,054
III-C2: Home Delivered Meals, Older Americans Act	E04		08AASCT3SP	97,323
Program Total				6,866,368
Nutrition Services Incentive Program		93.053		
Nutritional Service Incentive Program	E04		07AASCNSIP	365,152
Nutritional Service Incentive Program	E04		08AASCNSIP	1,041,003
Program Total				1,406,155
Total Department of Health and Human Services				13,881,634
Total Aging Cluster				13,881,634
CCDF CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Child Care and Development Block Grant		93.575		
Child Care and Development Block Grant	L04		G-02SCCCDF	36,718,532
Program Total				36,718,532
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		93.596		
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	L04		G-02SCCCDF	31,909,071

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Federal Grantor Program Title Grant Title	Agency Number	CFDA Number	Grant Contract Number	Expenditures
CCDF CLUSTER, CONTINUED				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund		93.596		
Program Total				31,909,071
Total Department of Health and Human Services				68,627,603
Total CCDF Cluster				68,627,603
MEDICAID CLUSTER				
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
State Medicaid Fraud Control Units		93.775		
Medicaid Fraud Control Unit - 12th Year	E20		1-06-01SC5050	0
Medicaid Fraud Control Unit - 13th Year	E20		1-07-01SC5050	205,575
Medicaid Fraud Control Unit - 14th Year	E20		1-08-01SC5050	661,771
Program Total				867,346
State Survey and Certification of Health Care Providers and Suppliers		93.777		
State Survey and Certification of Health Care Providers and Suppliers	J02		05-0705-SC-5001	0
State Survey and Certification of Health Care Providers and Suppliers	J02		05-0805-SC-5001	1,346,658
South Carolina CLIA	J04		05-0305-SC-5002	0
Survey and Certification Services	J04		05-0605-SC-5000	0
South Carolina CLIA	J04		05-0605-SC-5002	0
Survey and Certification Services	J04		05-0705-SC-5000	560,274
South Carolina CLIA	J04		05-0705-SC-5002	38,617
Survey and Certification Services	J04		05-0805-SC-5000	1,602,665
South Carolina CLIA	J04		05-0805-SC-5002	124,392
Program Total				3,672,606
Medical Assistance Program		93.778		
Medical Assistance Program: Administration Payments	J02		05-0505SC5048	0
Medical Assistance Program: Assistance Payments	J02		05-0605SC5028	0
Medical Assistance Program: Administration Payments	J02		05-0605SC5048	0
Medical Assistance Program: Assistance Payments	J02		05-0705SC5028	703,788,463
Medical Assistance Program: Administration Payments	J02		05-0705SC5048	10,566,702
Medical Assistance Program: Assistance Payments	J02		05-0805SC5028	2,313,986,478
Medical Assistance Program: Administration Payments	J02		05-0805SC5048	73,595,615
Program Total				3,101,937,258
Total Department of Health and Human Services				3,106,477,210
Total Medicaid Cluster				3,106,477,210
DISABILITY INSURANCE SSI CLUSTER				
SOCIAL SECURITY ADMINISTRATION				
Social Security - Disability Insurance		96.001		
Social Security Disability Insurance	H73		04-06-04SCDI00	6,469
Social Security Disability Insurance	H73		04-07-04SCDI00	10,038,034
Social Security Disability Insurance	H73		04-08-04SCDI00	22,039,998
Social Security Administration Disability Programs	L24		None	0
Program Total				32,084,501

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DISABILITY INSURANCE SSI CLUSTER, CONTINUED				
SOCIAL SECURITY ADMINISTRATION				
Supplemental Security Income		96.006		
Social Security Administration Reimbursement	L24		4-9604SCDI01	0
Program Total				0
Total Social Security Administration				32,084,501
Total Disability Insurance SSI Cluster				32,084,501
HOMELAND SECURITY CLUSTER				
DEPARTMENT OF HOMELAND SECURITY				
State Domestic Preparedness Equipment Support Program		97.004		
2004 Homeland Security Grant Program	D10		2004-GE-T4-0013	799
Program Total				799
Homeland Security Grant Program		97.067		
2003 Homeland Security Grant Program - Part II	D10		2003-MU-T3-0017	0
2005 Homeland Security Grant Program	D10		2005-GE-T5-0018	2,286,025
2006 Homeland Security Grant Program	D10		2006-GE-T6-0001	6,867,891
2007 Citizen Preparedness for Catastrophic Events	D10		2007-GE-T7-0045	276,181
Program Total				9,430,097
Total Department of Homeland Security				9,430,896
Total Homeland Security Cluster				9,430,896
TOTAL FEDERAL EXPENDITURES				5,569,994,707

See accompanying notes to the schedules of expenditures of federal awards.

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State Agency Grant Title	CFDA Number	Grant Contract Number	Expenditures
JUDICIAL DEPARTMENT (B04)			
Congressionally Mandated Awards (Hollings III)	16.550	2002-RG-CX-0006	□ 2,018,813
Congressionally Mandated Awards (Hollings IV)	16.580	2003-DD-BX-0347	2,840,106
COPS Technology Grant	16.710	2005-CK-WX-0665	512,333
State Court Improvements (CIP VI)	93.586	2006-G991513	123,819
Total Direct Assistance			5,495,071
Developing a Policy for Public Access to Court Records	NONE	SJI-06-T-073	0
Total Passed Through Entities Not Included in Reporting Entity			0
Total Judicial Department			5,495,071
GOVERNOR'S OFFICE - STATE LAW ENFORCEMENT DIVISION (D10)			
National Criminal History Improvement Program - 2004	16.554	2004-RU-BX-K010	55,170
National Criminal History Improvement Program - 2005	16.554	2004-RU-BX-K010	27,641
National Criminal History Improvement Program - 2006	16.554	2006-RU-BX-K006	63,318
2002 Computer Crime Center - Crime Laboratory Improvement Program	16.560	2003-IJ-CX-K022	410,154
2003 Computer Crime Center - Crime Laboratory Improvement Program	16.560	2003-IJ-CX-K022	420,872
Crime Laboratory Improvement Program - 2004	16.560	2003-IJ-CX-K022	289,374
No Suspect Casework DNA Backlog Reduction - 2004	16.560	2004-DN-BX-K047	0
Crime Laboratory Improvement Program - 2003	16.560	2004-LP-CX-K001	190,228
National Criminal Justice Information Systems	16.560	2004-RG-CX-K009	196,066
DNA Capacity Enhancement - 2005	16.560	2005-DA-BX-K084	354,152
Forensic Casework DNA Backlog Reduction - 2005	16.560	2005-DN-BX-K103	370,577
2006 DNA Capacity Enhancement	16.741	2006-DN-BK-K226	265,358
2006 Forensic Casework DNA Backlog Reduction	16.743	2006-DN-BK-K114	177,501
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies Program	NONE	None	334,885
Spent Fuel Security 2002 - 2007	81.114	DE-FG09-97-AE 18904	51,362
DEA Marijuana Eradication Program - 2007	93.276	2007-102	150,645
DEA Marijuana Eradication Program - 2008	93.276	2008-101	39,048
2004 Homeland Security Grant Program	97.004	2004-GE-T4-0013	799
2006 Emergency Management Performance Grant	97.042	2006-EM-E6-0057	510,595
2007 Emergency Management Performance Grant	97.042	2007-EM-E7-0038	2,423,020
2007 Emergency Management Performance Grant Supplement	97.042	2007-EM-E7-0113	97,334
2003 Homeland Security Grant Program - Part II	97.067	2003-MU-T3-0017	0
2005 Homeland Security Grant Program	97.067	2005-GE-T5-0018	2,286,025
2006 Homeland Security Grant Program	97.067	2006-GE-T6-0001	6,867,891
2007 Citizen Preparedness for Catastrophic Events	97.067	2007-GE-T7-0045	276,181
2005 Buffer Zone Protection Grant	97.078	2005-GR-T5-0080	236,183
Total Direct Assistance			16,094,379
State Law Enforcement Division National Forensic Sciences Improvement Act	16.560	1NF040016	0
Paul Coverdell Forensic Science Improvement	16.560	1NF05002	0
State Law Enforcement Division Chaplaincy Program - First Year	16.575	IV97087	0
High Tech Crime Unit - First Year	16.579	IF00059	0
Project Safe Neighborhoods - 2003 Identification Assistance	16.609	1P03018	18,098
Project Ceasefire Project Safe Neighborhood Analyst	16.609	1P07005	24,116
Vice Narcotics Team Enhancement - 2005	16.738	1D05083	0

See accompanying notes to the schedules of expenditures of federal awards.

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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
GOVERNOR'S OFFICE - STATE LAW ENFORCEMENT DIVISION (D10), CONTINUED			
Vice.Narcotics Team Enhancement - 2006	16.738	1G06025	21,189
Vice.Narcotics Team Enhancement - 2007	16.738	1G07031	63,327
Special Victims Unit Child Elder Equipment - 2007	16.738	1G07032	18,694
Forensic Science Improvement Program - 2007	16.742	1NF0702	14,658
Total Passed Through State Agencies Included in Reporting Entity			160,082
Total Governor's Office - State Law Enforcement Division			16,254,461
LIEUTENANT GOVERNOR'S OFFICE (E04)			
Title V: Older Americans Act	17.235	AD-14122-04-60	79,479
Title V: Older Americans Act	17.235	AD-16464WTO	1,265,871
Title VII: Elder Abuse, Older Americans Act	93.041	06AASCT7SP	0
Title VII: Elder Abuse, Older Americans Act	93.041	07AASCT7SP	72,851
Title VII: Ombudsman, Older Americans Act	93.042	06AASCT7SP	0
Title VII: Ombudsman, Older Americans Act	93.042	07AASCT7SP	212,492
III D: Preventive Health, Older Americans Act	93.043	06AASCT3SP	40,322
III D: Preventive Health, Older Americans Act	93.043	07AASCT3SP	281,084
III D: Preventive Health, Older Americans Act	93.043	08AASCT3SP	10,735
III-B: Supportative Services Older Americans Act	93.044	06AASCT3SP	19,047
III-B: Supportative Services Older Americans Act	93.044	07AASCT3SP	5,374,295
III-B: Supportative Services Older Americans Act	93.044	08AASCT3SP	215,769
III-C2: Home Delivered Meals, Older Americans Act	93.045	06AASCT3SP	18,004
III-C1: Congregate Meals, Older Americans Act	93.045	06AASCT3SP	78,131
III-C2: Home Delivered Meals, Older Americans Act	93.045	07AASCT3SP	2,705,842
III-C1: Congregate Meals, Older Americans Act	93.045	07AASCT3SP	3,778,014
III-C2: Home Delivered Meals, Older Americans Act	93.045	08AASCT3SP	97,323
III-C1: Congregate Meals, Older Americans Act	93.045	08AASCT3SP	189,054
Aging and Disability Resource Center	93.048	90AM2756.02	286,699
South Carolina Performance Outcomes Measures Project: Advanced Pomp SMP	93.048	90AM2883	49,189
	93.048	90AM3052	151,149
Implementation of Evidence-Based Intervention Programs Into Three Geographic Areas of the State	93.048	90AM3118	254,768
Study the Effects of OAA Services Upon Medicare Utilization and Costs	93.048	90AM3163.01	67,179
Alzheimer's Demonstration Grant	93.051	90AZ2803.01	212,320
III E: NFCSP, Older Americans Act	93.052	06AASCT3SP	25,900
III E: NFCSP, Older Americans Act	93.052	07AASCT3SP	1,986,975
III E: NFCSP, Older Americans Act	93.052	08AASCT3SP	73,338
Nutritional Service Incentive Program	93.053	07AASCNSIP	365,152
Nutritional Service Incentive Program	93.053	08AASCNSIP	1,041,003
Aging and Disability Resource Center Grant	93.779	11-C-91950.4-01	12,470
State Health Insurance Assistance Program	93.779	11-P-20219.4	423,064
Systems Transformation: Links for Community Living	93.779	1LQCMS300038.01	399,021
Total Direct Assistance			19,786,540
Social Services Block Grant	93.667	DSS Contract □ C 70039 E-2	285,752
Social Services Block Grant	93.667	DSS Contract □ C 70039 E-3	760,876
Total Passed Through State Agencies Included in Reporting Entity			1,046,628

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LIEUTENANT GOVERNOR'S OFFICE (E04), CONTINUED			
Total Lieutenant Governor's Office			20,833,168
ATTORNEY GENERAL'S OFFICE (E20)			
Internet Crimes Against Children Task Force	16.542	2005-MCCX-K025	203,963
Rural Domestic Violence	16.589	2005WRAX0012	195,731
South Carolina Capital Case Litigation Initiative (SCCCLI)	16.746	2007-CP-BX-0001	15,695
Medicaid Fraud Control Unit - 12th Year	93.775	1-06-01SC5050	0
Medicaid Fraud Control Unit - 13th Year	93.775	1-07-01SC5050	205,575
Medicaid Fraud Control Unit - 14th Year	93.775	1-08-01SC5050	661,771
Total Direct Assistance			1,282,735
Prosecution Assistance and Criminal Justice Training - Year 11	16.588	1K05006	0
Prosecution Assistance and Criminal Justice Training - Year 12	16.588	1K06006	26,521
Prosecution Assistance and Criminal Justice Training - Year 13	16.588	1K07005	81,272
Victims Assistance Equipment	16.588	1V04125	0
Total Passed Through State Agencies Included in Reporting Entity			107,793
Total Attorney General's Office			1,390,528
COMMISSION ON PROSECUTION COORDINATION (E21)			
Child Victim Witness Advocate	16.575	IV06075	0
Pretrial Intervention Software Interface	16.738	IG07056	94,500
Traffic Safety Resource Prosecutor	20.600	2H07017	56,130
Traffic Safety Resource Prosecutor	20.600	2H08017	101,241
Total Passed Through State Agencies Included in Reporting Entity			251,871
Total Commission on Prosecution Coordination			251,871
ADJUTANT GENERAL'S OFFICE (E24)			
Pickens Hawk Armory	12.400	450056	0
Fountain Inn Hawk Armory	12.400	450057	0
Ware Shoals Hawk Armory	12.400	450058	0
Class IX Facility at McEntire	12.400	450125	0
Charleston Readiness Center	12.400	W912QG-06-2-2002	6,808,296
Appendix 21 - Air National Guard Facilities and Operations Maintenance	12.401	DAHA38-00-2-1021	0
Appendix 24 - Air National Guard Fire Protection Activities	12.401	DAHA38-00-2-1024	0
Appendix 1 - Army National Guard Facilities Programs	12.401	W912QG-05-2-1001	73,945
Appendix 1 - Army National Guard Facilities Programs	12.401	W912QG-06-2-1001	125,000
Appendix 2 - Army National Guard Environmental Programs Resources Management	12.401	W912QG-06-2-1002	0
Appendix 3 - Army National Guard Security Guard Activities	12.401	W912QG-06-2-1003	0
Appendix 21 - Air National Guard Facilities Operations and Maintenance Activities	12.401	W912QG-06-2-1021	0
Appendix 22 - Air National Guard Environmental Program Management	12.401	W912QG-06-2-1022	0
Appendix 40 - Army National Guard Distance Learning Project	12.401	W912QG-06-2-1040	0
Appendix 1 - Army National Guard Facilities Programs	12.401	W912QG-07-2-1001	3,757,374
Appendix 2 - Army National Guard Environmental Resources Management	12.401	W912QG-07-2-1002	560,870
Appendix 3 - Army National Guard Security Guard Activities	12.401	W912QG-07-2-1003	186,197

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ADJUTANT GENERAL'S OFFICE (E24), CONTINUED			
Appendix 4 - Army National Guard Electronic Security System Installation, Operations and Maintenance	12.401	W912QG-07-2-1004	69,861
Appendix 5 - Army National Guard Telecommunications	12.401	W912QG-07-2-1005	307,445
Appendix 7 - Army National Guard Sustainable Range Program	12.401	W912QG-07-2-1007	286,948
Appendix 8 - Army National Guard Fulltime Dining Facility Operations	12.401	W912QG-07-2-1008	601,314
Appendix 10 - Army National Guard Antiterrorism Program Manager (ATPM) Activities	12.401	W912QG-07-2-1010	25,033
Appendix 19 - Army National Guard Supplementary Transportation Activities	12.401	W912QG-07-2-1019	6,016
Appendix 21 - Air National Guard Facilities Operations and Maintenance Activities	12.401	W912QG-07-2-1021	711,954
Appendix 22 - Air National Guard Environmental Program Management	12.401	W912QG-07-2-1022	14,181
Appendix 23 - Air National Guard Security Services	12.401	W912QG-07-2-1023	130,685
Appendix 24 - Air National Guard Fire Protection Activities	12.401	W912QG-07-2-1024	342,527
Appendix 25 - Air National Guard Natural and Cultural Resources Management	12.401	W912QG-07-2-1025	21,750
Appendix 29 - Air National Guard Family Readiness and Support Services	12.401	W912QG-07-2-1029	22,048
Appendix 40 - Army National Guard Distance Learning Project	12.401	W912QG-07-2-1040	105,716
Appendix 1 - Army National Guard Facilities Programs	12.401	W912QG-08-2-1001	6,899,343
Appendix 2 - Army National Guard Environmental Programs Resources Management	12.401	W912QG-08-2-1002	889,114
Appendix 3 - Army National Guard Security Guard	12.401	W912QG-08-2-1003	452,709
Appendix 4 - Army National Guard Electronic Security System Installation, Operations and Maintenance	12.401	W912QG-08-2-1004	132,133
Appendix 5 - Army National Guard Telecommunications	12.401	W912QG-08-2-1005	824,902
Appendix 7 - Army National Guard Sustainable Range Program	12.401	W912QG-08-2-1007	294,054
Appendix 8 - Army National Guard Fulltime Dining Facility Operation	12.401	W912QG-08-2-1008	223,527
Appendix 10 - Army National Guard Antiterrorism Program Manager	12.401	W912QG-08-2-1010	456,462
Appendix 19 - Army National Guard Supplementary Transportation Activities	12.401	W912QG-08-2-1019	13,424
Appendix 21 - Air National Guard Facility Operations and Maintenance Activities	12.401	W912QG-08-2-1021	1,309,995
Appendix 22 - Air National Guard Environmental Program Management	12.401	W912QG-08-2-1022	32,113
Appendix 23 - Air National Guard Security Guard	12.401	W912QG-08-2-1023	300,461
Appendix 24 - Air National Guard Fire Protection	12.401	W912QG-08-2-1024	716,837
Appendix 25 - Air National Guard Natural and Cultural Resources Management	12.401	W912QG-08-2-1025	53,658
Appendix 29 - Air National Guard Family Readiness and Support Services	12.401	W912QG-08-2-1029	0
Appendix 40 - Army National Guard Distance Learning Project	12.401	W912QG-08-2-1040	188,804
National Guard Youth Opportunities - South Carolina National Guard Youth Challenge	12.404	DAHA38-00-2-4000	0
National Guard Youth Opportunities - South Carolina National Guard Youth Challenge	12.404	DAHA38-98-2-4000	122,945
Appendix 1 - Challenge	12.404	W912QG-06-2-4001	273,570
Appendix 2 - STARBASE	12.404	W912QG-06-2-4002	0
Appendix 1 - Challenge	12.404	W912QG-07-2-4001	947,060
Appendix 2 - STARBASE	12.404	W912QG-07-2-4002	110,068
Appendix 3 - National Guard Youth Challenge Staff Training ASD-RA Special Projects	12.404	W912QG-07-2-4003	3,553
Appendix 1 - Challenge	12.404	W912QG-08-2-4001	2,669,703
Appendix 2 - STARBASE	12.404	W912QG-08-2-4002	113,213
Hazardous Materials Emergency Preparedness, Planning and Training Activities	20.703	HMESC6042140	64,018

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ADJUTANT GENERAL'S OFFICE (E24), CONTINUED			
Hazardous Materials Emergency Preparedness, Planning and Training Activities	20.703	HMESC7042150	99,529
Emergency Preparedness	81.502	DE-FG09-00SR22166	200,270
Pre-Disaster Mitigation Competitive Grant Program (PDM-C)	97.017	EMA-2005-PC-0005	43,735
Pre-Disaster Mitigation Competitive Grant Program (PDM-C)	97.017	EMA-2007-PC-0005	89,082
Federal Emergency Management Agency - Hurricane Floyd Public Assistance	97.036	FEMA-1299-DR-SC	0
Federal Emergency Management Agency - Ice Storm 2002 Public Assistance	97.036	FEMA-1451-DR-SC	0
Federal Emergency Management Agency - Winter Storm Public Assistance	97.036	FEMA-1509-DR-SC	428,014
Public Assistance Grants (Hurricane Charley)	97.036	FEMA-1543-DR-SC	59,364
Public Assistance Grants (Tropical Storm Gaston)	97.036	FEMA-1547-DR-SC	373,996
Public Assistance - Ice Storm Upstate December 2005	97.036	FEMA-1625-DR-SC	491,774
Public Assistance Programs - Katrina	97.036	FEMA-3233-EM-SC	61,875
Hazard Mitigation Grant Program - Administration State	97.039	FEMA-1299-DR-SC	24,285
Hazard Mitigation Grant Program - Winter Storm	97.039	FEMA-1313-DR-SC	0
Hazard Mitigation Grant Program - Winter Storm	97.039	FEMA-1451-DR-SC	956
Hazard Mitigation Grant Program - Winter Storm	97.039	FEMA-1509-DR-SC	154,303
Hazard Mitigation Grant Program - Charley	97.039	FEMA-1543-DR-SC	23,962
Hazard Mitigation Grant Program - Gaston	97.039	FEMA-1547-DR-SC	85,735
Hazard Mitigation Grant Program - Frances	97.039	FEMA-1566-DR-SC	8,513
Hazard Mitigation Grant Program - 05 Ice Storm	97.039	FEMA-1625-DR-SC	70,763
Supplemental EOC Phase II	97.052	EMA-2002-GR-5100	1,142,110
Total Direct Assistance			34,607,092
Waste Isolation Pilot Project	81.106	SSEB-WIPP-SC-SCEMD-04-05	0
Waste Isolation Pilot Project	81.106	SSEB-WIPP-SC-SCEMD-04-07	48,482
Total Passed Through Entities Not Included in Reporting Entity			48,482
AmeriCorps Defense Brigade	94.006	05-F0-556	0
2003 Homeland Security - State Emergency Communications Vehicle Radio	97.004	3HS027	0
2003 Homeland Security - State Level Exercise	97.004	3HS030	0
Citizen Corps Program - State Allocation and M □ A	97.004	4CC02	0
Homeland Security Plans Integration	97.004	4SHSP26	0
Homeland Security - State Emergency Communications Vehicle Radio	97.004	4SHSP27	0
Technical Assistance for State/Local Authorities	97.004	4SHSP28	0
2006 Emergency Management Performance Grant	97.042	2006-EM-E6-0057	351,401
2007 Emergency Management Performance Grant	97.042	2007-EM-E7-0038	3,128,877
2007 Emergency Management Performance Grant	97.042	2007-EM-E7-0113	136,039
Citizen Corps (State Allocation)	97.067	5CC01	0
Citizen Corps (Local Allocation)	97.067	5CC02	0
Emergency Management Performance Grant	97.067	5EMPG01	43,054
WMD Operations Level Training	97.067	5SHSP50	0
WMD Exercise Program	97.067	5SHSP53	0
Plans Integration:Chemical Detention Equipment for Local Authorities	97.067	5SHSP77	0
Citizen Corps Program	97.067	6CCP01	243,596
2006 State Homeland Security Grant Program	97.067	6SHSP04	525,405
2007 Citizen Corps Program	97.067	7CCP01	20,802

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ADJUTANT GENERAL'S OFFICE (E24), CONTINUED			
2007 State Homeland Security Program	97.067	7SHSP04	93,089
2007 State Homeland Security Program	97.067	7SHSP23	87,859
2007 State Homeland Security Program	97.067	7SHSP24	23,777
2007 State Homeland Security Grant Program	97.067	7SHSP25	28,234
Total Passed Through State Agencies Included in Reporting Entity			4,682,133
Total Adjutant General's Office			39,337,707
STATE ELECTION COMMISSION (E28)			
Election Reform Payments	39.011	None	401,917
Help America Vote Act Requirements Payments	90.401	None	240,036
Voting Access for Individuals with Disabilities - Grants to States	93.617	None	131,379
Total Direct Assistance			773,332
Total State Election Commission			773,332
BUDGET AND CONTROL BOARD (F03)			
Food Stamp Process in South Carolina	10.250	43-AEM-5-890097	0
Modernization of Land Information System XII	11.400	NA04NOS4000162	147,306
Statewide Mapping Land Information System Height Modernization Program	11.400	NA06NOS4000006	232,204
Geodesy National Height Modernization Program	11.400	NA07NOS4000174	475,000
Geospatial Repositories	15.809	05HQAG0121	8,400
Crash Outcome Data Evaluation System (CODES) V	20.600	DTNH22-04-H-27021	43,593
Clemson and Central Public Water System Improvements	23.001	ARC-SC-14872	0
Anderson Water System Improvements	23.001	ARC-SC-15237	132,267
Anderson Regional Water Treatment Upgrades	23.001	ARC-SC-15238	18,484
City of Traveler's Rest Sewer Improvements	23.001	ARC-SC-15519-06	225,268
Donation of Federal Surplus Property	39.003	None	7,318,120
Lecture Program	45.168	8-1237-2	600
Offender Registration	47.075	None	6,087
Clean Water State Revolving Loan Fund	66.458	None	46,222,293
Drinking Water State Revolving Fund	66.468	None	11,020,262
Operations - 100% Federal	81.041	DE-FG26-05R410968	661,000
Best Practices Guide	81.117	DE-FC26-05R402813	649
Design Protocol for Industries and Government	81.117	DE-FC44-05R402814	0
Million Solar Roofs - Phase 2	81.117	DE-FG44-05R410952	106
Schwan's Propane Truck Deployment	81.119	DE-FG44-04R410942	10,933
USC Ethanol Infrastructure Install	81.119	DE-FG44-04R410944	0
Rebuild America	81.119	DE-FG44-04R410946	0
South Carolina Biomass Market Development Partnership	81.119	DE-FG44-04R410947	0
Palmetto State Clean Fuels Coalition	81.119	DE-FG44-05R410986	0
City of Rock Hill Ethanol Infrastructure	81.119	DE-FG44-05R410987	24,226
South Carolina Large Energy User Project	81.119	DE-FG44-05R410988	33,005
Rebuild America Promote State Public Building Program	81.119	DE-FG44-05R410989	2,860
Promoting Contracting in Public Colleges	81.119	DE-FG44-05R410990	11,350
Exxon Hawkins Settlement	81.502	None	134,392
Diamond Shamrock	81.502	None	18,849
Stripper Well	81.502	None	2,910,916

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BUDGET AND CONTROL BOARD (F03), CONTINUED			
South Carolina ALS Registry	93.068	200-2006-16243	115,449
Total Direct Assistance			69,773,619
Maternal Exposures and Child Outcomes	93.113	1 R01 ES012895-O1A1	28,182
Brain Injury Surveillance Follow-Up Registry	93.136	U17CCU 421926-02	0
Understanding and Eliminating Health Disparities	93.226	AHRQ15 P01 HS10871-04	0
Total Passed Through Entities Not Included in Reporting Entity			28,182
Seeds of Change: The Great War, South Carolina, and the World	45.312	LG-40-06-0212-06	17,894
Veterans Cemetery - Anderson	64.203	SC-02-01	543,534
Performance Outcome Measure Project (POMP)	93.048	None	31,458
Infant and Toddler Assessment	93.575	08-1475	81,505
Department of Social Services Early Child Care and Education Website	93.575	None	100,143
Cert and Cyber Security Enhancements	97.067	2005-GE-T5-0018	0
800 MHZ Radios - Training - Fire Academy	97.067	2006-GE-T6-0001	273,273
800 MHZ Radios - Training - South Carolina Law Enforcement Division	97.067	2006-GE-T6-0001	74,453
Integrate Cyber Security and International Infrastructure	97.067	2006-GE-T6-0001	202,852
Integrate Cyber Security Into SDC Infrastructure	97.067	2006-GE-T6-0001	144,572
Cyber Security Operations Center	97.067	2007-GE-T7-0045	100,816
Radio Interoperability	97.067	2007-GE-T7-0045	155,094
4 Sector Cyber Security	97.067	2007-GE-T7-0045	88,400
Total Passed Through State Agencies Included in Reporting Entity			1,813,994
Total Budget and Control Board			71,615,795
COMMISSION ON HIGHER EDUCATION (H03)			
Veterans Education Assistance	64.124	V 101 (223C) P-4754	319,701
Eisenhower Professional Development Higher Education Grants	84.281	S281B000040	0
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334A990172	435
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S050009	2,593,317
Improving Teacher Quality Grants - SAHES	84.367	S367B020035	0
Improving Teacher Quality Grants - SAHES	84.367	S367B030035	0
Improving Teacher Quality Grants - SAHES	84.367	S367B040035	15,201
Improving Teacher Quality Grants - SAHES	84.367	S367B050035	276
Improving Teacher Quality Grants - SAHES	84.367	S367B060035	382,393
Improving Teacher Quality Grants - SAHES	84.367	S367B070035	841,117
Improving Teacher Quality Grants - SAHES	84.367	S367B080035	0
Total Direct Assistance			4,152,440
Library Services and Technology Act	45.310	IE 05-55	0
Performance Funding in South Carolina	84.116	P116B020966	0
Total Passed Through Entities Not Included in Reporting Entity			0
Total Commission on Higher Education			4,152,440
HIGHER EDUCATION TUITION GRANTS COMMISSION (H06)			
Leveraging Educational Assistance Partnership Program (LEAP)	84.069	N069A070051	325,268
Special Leveraging Educational Assistance Partnership Program (SLEAP)	84.069	N069B070044	378,257

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HIGHER EDUCATION TUITION GRANTS COMMISSION (H06), CONTINUED			
Total Direct Assistance			703,525
Total Higher Education Tuition Grants Commission			703,525
STATE BOARD FOR TECHNICAL AND COMPREHENSIVE EDUCATION (H59)			
Perkins IV Administrative Funds	84.048	None	102,617
Perkins III Administrative Funds	84.048	None	28,941
Total Passed Through State Agencies Included in Reporting Entity			131,558
Total State Board for Technical and Comprehensive Education			131,558
DEPARTMENT OF EDUCATION (H63)			
National School Lunch Program	10.555	5SC300328	193,182,295
Food Donation	10.555	None	17,527,283
State Administrative Expenses for Child Nutrition	10.560	5SC300911	2,007,412
Nutrition, Education and Training Program	10.564	59-84531-0-528	0
Team Nutrition Grants	10.574	1005554	38,000
Team Nutrition Grants	10.574	3N3502	32,071
2006 Local Wellness Program	10.574	CNLW-06-SC-01	19,012
Team Nutrition Grants	10.574	IN350330	53,429
Instructional Model for Education	10.608	2003-0148-000	0
Troops to Teachers Program	12.552	None	62,199
South Carolina Environmental Education School Network	15.608	2005-0297-000	23,688
Juvenile Justice and Delinquency Prevention Congressional Earmark Program	16.541	2003-JS-FX-0084	983,866
EPA Funding	66.951	83267201	53,556
Adult Education - State Administered	84.002	V002A050040	4,114
Adult Education - State Administered	84.002	V002A060040	3,056,888
Adult Education - State Administered	84.002	V002A070040	4,628,987
Title I - Grants to LEAS	84.010	S010A050040	4,289,262
Title I - Grants to LEAS	84.010	S010A060040	89,410,905
Title I - Grants to LEAS	84.010	S010A070040	79,691,098
Migrant Education - State Grant Program	84.011	S011A050041	331,121
Migrant Education - State Grant Program	84.011	S011A060041	153,899
Neglected and Delinquent	84.013	S013A050040	49,218
Neglected and Delinquent	84.013	S013A060040	1,125,679
Neglected and Delinquent	84.013	S013A070040	341,246
Part B	84.027	H027A050081	5,261
Part B	84.027	H027A060081	106,508,990
Part B	84.027	H027A070081	62,091,778
Vocational Education - Basic Grants to States	84.048	V048A050040	604,481
Vocational Education - Basic Grants to States	84.048	V048A060040	11,319,961
Vocational Education - Basic Grants to States	84.048	V048A070040	6,351,165
MEP Consortium Incentive Grant	84.144	S144F060041	43,705
MEP Consortium Incentive Grant	84.144	S144F070041	15,945
Part B	84.173	H173A060085	4,061,463
Part B	84.173	H173A070085	3,651,591
Robert C. Byrd Honors Scholarship Program	84.185	P185A060042	109,500

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DEPARTMENT OF EDUCATION (H63), CONTINUED			
Robert C. Byrd Honors Scholarship Program	84.185	P185A070042	430,183
State and Local Programs	84.186	Q186A050042	64,394
State and Local Programs	84.186	Q186A060042	2,548,433
State and Local Programs	84.186	Q186A070042	650,711
Education for Homeless Children and Youth	84.196	S196A040042	0
Education for Homeless Children and Youth	84.196	S196A050042	102,336
Education for Homeless Children and Youth	84.196	S196A060042	479,292
Education for Homeless Children and Youth	84.196	S196A070042	302,625
South Carolina Javits	84.206	S206A030031	27,580
Even Start - State Grants	84.213	S213C050041	452,628
Even Start - State Grants	84.213	S213C060041	755,378
Even Start - State Grants	84.213	S213C070041	14,036
Linking School and Mental Health	84.215	Q215M070022	22,129
South Carolina Teen Leaders Evolving and Developing Project (Teen LEAD)	84.215	Q215S060055	473,382
Tech-Prep Education	84.243	V243A050040	9,470
Tech-Prep Education	84.243	V243A060040	1,220,866
Tech-Prep Education	84.243	V243A070040	1,471,672
Public Charter Schools	84.282	U282A030002	417,253
Public Charter Schools	84.282	U282A060013	1,602,692
After School Learning Center Formula Award	84.287	S287C040041	0
After School Learning Center Formula Award	84.287	S287C050041	144,309
After School Learning Center Formula Award	84.287	S287C060041	9,143,982
After School Learning Center Formula Award	84.287	S287C070041	2,584,642
Title V	84.298	S298A050041	1,039,478
Title V	84.298	S298A060041	377,667
Title V	84.298	S298A070041	11,690
National Institute on Student Achievement, Curriculum and Assessment	84.305	ED-03-CO-0053	80,917
Teacher Quality Research: Mathematics and Science	84.305	R305M050270	352,113
Educational Technology State Grant	84.318	S318X050040	896,146
Educational Technology State Grant	84.318	S318X060040	2,722,326
Educational Technology State Grant	84.318	S318X070040	11,625
State Program Improvement Grants	84.323	H323A020005-04	50,996
State Program Improvement Grants	84.323	H323A020005-05	904,975
State Program Improvement Grants	84.323	H323A020005-06	120,744
South Carolina Modification, Accommodation, Reports and Standards (MARS)	84.326	H326X060007	272,790
Comprehensive School Reform Demonstration Program	84.332	S332A050042	44,271
Bridges to Early Learning	84.349	S349A070038	57,458
Transition to Teaching Program - Statewide	84.350	S350B020014-05	18,320
Transition to Teaching Program - Statewide	84.350	S350B020014-06	92,734
Reading First	84.357	S357A050042	8,602,484
Reading First	84.357	S357A060042	7,531,048
Rural and Low-Income Schools	84.358	S358B050040	51,135
Rural and Low-Income Schools	84.358	S358B060040	1,991,958
Rural and Low-Income Schools	84.358	S358B070040	1,217,222
South Carolina Early Reading Collaborative	84.359	S359B070052	294,508
English Language Acquisition: State Formula Grant Program	84.365	T365A050040	139,322

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DEPARTMENT OF EDUCATION (H63), CONTINUED			
English Language Acquisition: State Formula Grant Program	84.365	T365A060040	1,820,953
English Language Acquisition: State Formula Grant Program	84.365	T365A070040	1,060,399
MSP	84.366	S366B050041	1,885,356
MSP	84.366	S366B060041	1,264,358
Improving Teacher Quality State Grants	84.367	S367A050038	391,329
Improving Teacher Quality State Grants	84.367	S367A060038	17,935,493
Improving Teacher Quality State Grants	84.367	S367A070038	18,203,538
Grants for Enhanced Assessment Instruments	84.368	S368A040009	129,220
Grants for Enhanced Assessment Instruments	84.368	S368A060013	399,824
Operationalizing Alternate Assessment for Science Inquiry Skills (OASIS)	84.368	S368A070012	65,280
State Assessments and Related Activities	84.369	S369A040042	0
State Assessments and Related Activities	84.369	S369A050042	462,863
State Assessments and Related Activities	84.369	S369A060042	3,737,427
State Assessments and Related Activities	84.369	S369A070042	1,297,856
Statewide Data Systems	84.372	R372A060054	1,449,422
Targeting Research to Investigate Alternate Assessment Development (TRIAAD)	84.373	H373X070007	14,564
Teacher Incentive Funds	84.374	S374A070027	3,094,192
School Improvement Grant	84.377	S377A070041	199,612
School Health Programs to Prevent Serious Health Problems and Improve Education	93.938	U87CCU409018-06	412,500
School Health Programs to Prevent Serious Health Problems and Improve Education	93.938	U87CCU409018-07	19,498
School Health Programs to Prevent Serious Health Problems and Improve Education	93.938	U87CCU409018-08	0
School Health Programs to Prevent Serious Health Problems and Improve Education	93.938	U87CCU409018-09	0
School Health Programs to Prevent Serious Health Problems and Improve Education	93.938	U87CCU422630-01	0
Commission Administration	94.003	04CAHSC001	92,327
K-12 Community Based Programs	94.004	03KCHSC001	37,748
K-12 School Based Programs	94.004	03KCSSC001	188,081
K-12 School Based Programs	94.004	03KSSSC001	184,851
AmeriCorps State	94.006	03AFHSC001	0
AmeriCorps State	94.006	06ACHSC001	379,133
AmeriCorps State	94.006	06AFHSC001	335,788
Disability	94.007	07CDHSC001	37,241
Program Development and Technical Assistance	94.009	05PTHSC001	70,740
Program Development and Technical Assistance	94.009	08PTHSC001	21,119
Total Direct Assistance			696,819,700
SCUREF - Summer Science Program	81.004	SC137-6112-32-5346	0
Advanced Placement Program	84.330	910513	0
Advanced Placement Program	84.330	930607	0
American Printing House for the Blind (APH)	NONE	None	121,696
Total Passed Through Entities Not Included in Reporting Entity			121,696
South Carolina Youth Court Expansion Initiative	16.523	1JS0107	0
South Carolina Youth Court Expansion Initiative	16.523	1JS03012	0

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DEPARTMENT OF EDUCATION (H63), CONTINUED			
Workforce Development Grant Childcare Pathway Pilot	17.258	6WDG001	82,081
Federal Incentive Grant Curriculum Development	17.267	5F1G013	0
WIA Federal Incentive Grant	17.267	5FIG015	0
Federal Incentive Grant - Curriculum Development	17.267	6FIG013	80,680
WIA Federal Incentive Grant	17.267	6FIG015	140,252
WIA Federal Incentive Grant	17.267	6WDG019	21,443
Literacy	84.235	H235P030009	188,847
Mathematics and Science Coaches Training	84.281	S281B010040	0
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	P334S050009	253,301
South Carolina State-Based Tobacco Use and Prevention and Control Grant	93.283	HP-00-054	0
South Carolina State-Based Tobacco Use and Prevention and Control Grant	93.283	HP-04-016	11,122
Child Care and Development Block Grant	93.575	B20906N	0
Child Care and Development Block Grant	93.575	B30828G	0
Child Care and Development Block Grant	93.575	B40906N	0
Child Care and Development Block Grant	93.575	C50048H	0
Child Care and Development Block Grant	93.575	C70048H	626,771
Child Care and Development Block Grant	93.575	C80048H	2,113,799
Head Start	93.600	A41294A	0
Total Passed Through State Agencies Included in Reporting Entity			3,518,296
Total Department of Education			700,459,692
WIL LOU GRAY OPPORTUNITY SCHOOL (H71)			
National School Lunch Program - Fiscal Year 2006	10.555	None	0
National School Lunch Program - Fiscal Year 2008	10.555	None	0
National School Lunch Program - Fiscal Year 2005	10.555	None	0
National School Lunch Program - Fiscal Year 2007	10.555	None	0
Total Passed Through State Agencies Included in Reporting Entity			0
Total Wil Lou Gray Opportunity School			0
VOCATIONAL REHABILITATION (H73)			
Basic Support	84.126	H126A060060	249,736
Basic Support	84.126	H126A070060	35,570,605
Basic Support	84.126	H126A080060	12,350,235
State Independent Living Services	84.169	H169A060059	0
State Independent Living Services	84.169	H169A070059	149,858
State Independent Living Services	84.169	H169A080059	37,848
Supported Employment State Grants	84.187	H187A070061	141,746
Supported Employment State Grants	84.187	H187A080061	199,024
Literacy	84.235	H235P030009	165,687
The YES Program	84.235	H235U070011	92,981
State Vocational Unit In-Service Training	84.265	H265A050085	248,421
Social Security Disability Insurance	96.001	04-06-04SCDI00	6,469
Social Security Disability Insurance	96.001	04-07-04SCDI00	10,038,034
Social Security Disability Insurance	96.001	04-08-04SCDI00	22,039,998
South Carolina Pathways Towards Employment Project	96.008	14-W-50078-4-01	0
South Carolina Pathways Towards Employment Project	96.008	14-W-50078-4-02	213,329

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VOCATIONAL REHABILITATION (H73), CONTINUED			
South Carolina Pathways Towards Employment Project	96.008	14-W-50078-4-03	49,075
South Carolina Pathways Towards Employment Project	96.008	16-T-10111-4-05	0
Total Direct Assistance			81,553,046
High School/High Tech	17.259	4YHS038	24,864
Federal HRSA Traumatic Brain Injury (TBI) State Partnership Project	93.234	H21MC06755	14,793
Co-Occurring State Incentive Grants	93.243	1KD1TI018389	30,105
Total Passed Through State Agencies Included in Reporting Entity			69,762
Total Vocational Rehabilitation			81,622,808
SCHOOL FOR THE DEAF AND THE BLIND (H75)			
Dormitory Renovation	14.246	B06-SPSC-0941	0
Deaf - Blind Grant	84.326	None	178,420
Total Direct Assistance			178,420
South Carolina Project MAC	93.630	None	39,516
Total Passed Through Entities Not Included in Reporting Entity			39,516
National School Lunch Program	10.555	None	129,315
Individuals with Disabilities Education Act	84.027	05CA507	0
Personnel Development Collaboration	84.027	06CO507-1	0
Individuals with Disabilities Education Act	84.027	07CA507	0
Personnel Development Collaboration	84.027	07CO507-1	0
Individuals with Disabilities Education Act	84.027	08CA507	222,374
Personnel Development Collaboration	84.027	08CO507-1	572,721
PL 99-457 Preschool Grant	84.173	08CG507	11,175
Early Education Program	84.181	BN-04-005	0
Early Education Program	84.181	BN-07-003	0
Early Education Program	84.181	BN-08-003	225,971
Safe and Drug-Free Schools and Communities	84.186	08FQ507	83
Innovative Education Program Strategies Title V	84.298	07BB507	0
Innovative Education Program Strategies Title V	84.298	08BB507	487
Improving Teacher Quality	84.367	07TQ507	0
Improving Teacher Quality	84.367	08TQ507	19,804
Total Passed Through State Agencies Included in Reporting Entity			1,181,930
Total School for the Deaf and the Blind			1,399,866
DEPARTMENT OF ARCHIVES AND HISTORY (H79)			
Historic Preservation	15.904	45-06-21544	77,200
Historic Preservation	15.904	45-07-21645	8,998
Environmental D and D at Savannah River Site	81.104	03SR22276	42,502
Administrative Support	89.003	2002-017	0
Planning and Administrative Support	89.003	NAR06GRANT-007	12,365
SHRAB Regrant and Training Project	89.003	NAR07-RC-05707-07	10,401
Total Direct Assistance			151,466
Teaching American History Grant <input type="checkbox"/> 2	84.215	U215X040339	268,690

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DEPARTMENT OF ARCHIVES AND HISTORY (H79), CONTINUED			
Total Passed Through Entities Not Included in Reporting Entity			<u>268,690</u>
Total Department of Archives and History			<u>420,156</u>
STATE LIBRARY (H87)			
State Library Program	45.310	LS-00-04-0041-04	0
State Library Program	45.310	LS-00-05-0041-05	0
State Library Program	45.310	LS-00-05-0041-06	1,226,368
State Library Program	45.310	LS-00-07-0041-07	1,271,221
Total Direct Assistance			<u>2,497,589</u>
Total State Library			<u>2,497,589</u>
ARTS COMMISSION (H91)			
Folk and Traditional Arts	45.024	06-5500-7125	0
Arts in Underserved Communities	45.025	04-6100-2046	0
Arts in Education	45.025	04-6100-2046	0
Challenge America	45.025	04-6100-2046	0
Challenge America	45.025	05-6100-2046	0
Arts in Education	45.025	05-6100-2046	0
Basic State Plan	45.025	05-6100-2046	0
Challenge America	45.025	06-6100-2052	28,140
Arts in Education	45.025	06-6100-2052	12,469
Arts in Underserved Communities	45.025	06-6100-2052	17,464
American Masterpieces	45.025	06-6100-2052	2,766
Basic State Plan Poetry	45.025	06-6100-2052	111,578
Arts in Education	45.025	07-6100-2034	87,143
Challenge America	45.025	07-6100-2034	63,562
Basic State Plan	45.025	07-6100-2034	344,546
Arts in Underserved Communities	45.025	07-6100-2034	33,993
American Masterpieces	45.025	07-6100-2034	36,131
Folk and Traditional Arts	45.025	07-6100-2034	20,000
Total Direct Assistance			<u>757,792</u>
Total Arts Commission			<u>757,792</u>
MUSEUM COMMISSION (H95)			
Seeds of Change	45.312	LG-40-06-0212-06	71,113
Total Direct Assistance			<u>71,113</u>
Frustration of High Hopes	45.129	6-1155-1	460
Total Passed Through Entities Not Included in Reporting Entity			<u>460</u>
Seaport: OAD - Ocean Exploration	47.050	C20J	1,200
Total Passed Through State Agencies Included in Reporting Entity			<u>1,200</u>
Total Museum Commission			<u>72,773</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)			
Empowerment Zones Program	93.585	G-9501-SC-ECUR	10,032

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DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02), CONTINUED			
State Children's Insurance Program	93.767	05-0205SC5021	175,811
State Children's Insurance Program	93.767	05-0505SC5021	7,551,740
State Children's Insurance Program	93.767	05-0605SC5021	43,161,634
State Children's Insurance Program	93.767	05-0705SC5021	0
State Children's Insurance Program	93.767	05-0805SC5021	0
Promoting Competitive Employment for People with Disabilities in South Carolina	93.768	11-P-91784-4 04	171,088
State Survey and Certification of Health Care Providers and Suppliers	93.777	05-0705-SC-5001	0
State Survey and Certification of Health Care Providers and Suppliers	93.777	05-0805-SC-5001	1,346,658
Medical Assistance Program: Administration Payments	93.778	05-0505SC5048	0
Medical Assistance Program: Assistance Payments	93.778	05-0605SC5028	0
Medical Assistance Program: Administration Payments	93.778	05-0605SC5048	0
Medical Assistance Program: Assistance Payments	93.778	05-0705SC5028	703,788,463
Medical Assistance Program: Administration Payments	93.778	05-0705SC5048	10,566,702
Medical Assistance Program: Assistance Payments	93.778	05-0805SC5028	2,313,986,478
Medical Assistance Program: Administration Payments	93.778	05-0805SC5048	73,595,615
Community Based Alternatives to Psychiatric Residential Treatment Facilities	93.789	1SOCMS300131 01	13,504
South Carolina Money Follows the Person Demonstration Grant	93.791	1LICMS300152 01	1,268
Historically Black Colleges and Universities	NONE	None	8,767
Total Direct Assistance			3,154,377,760
Total Department of Health and Human Services			3,154,377,760
DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)			
Enhancement of Food Emergency Response Network Microbiology Laboratory Testing Capability for South Carolina	10.477	FSIS-C-36-2005 02	23,323
Food Emergency Response Network (FERN) Microbiology	10.477	FSIS-C-36-2005 03	168,321
Women, Infants and Children	10.557	3F9706 007	0
Women, Infants and Children	10.557	5SC700706 007 5SC700715 008	0
Women, Infants and Children	10.557	5SC700706 012 5SC700715 009	0
Women, Infants and Children	10.557	5SC700706 013 5SC700715 006	0
Women, Infants and Children	10.557	5SC700706 014	45,254
Women, Infants and Children	10.557	5SC700706 018 5SC700715 012	0
Women, Infants and Children	10.557	5SC700706 12	57,827
Women, Infants and Children	10.557	5SC700706 5	8,685
Women, Infants and Children	10.557	5SC700706 6 5SC700715 5	68,062,512
Women, Infants and Children	10.557	5SC700706 8 5SC700715 8	0
Women, Infants and Children	10.557	5SC700706 8	143,996
Women, Infants and Children	10.557	5SC700715 10 5SC700706 14	14,988,465
Commodity Assistance Program	10.572	5SC810706 2	90,982
The Marine Debris and Abandoned Vessel Removal Project, Phase II	11.419	NA03NOS4190166 Amendment 2	0
Fiscal Year 2004-2005 Section 306 309 CNPS Coastal Zone Management Grant for the State of South Carolina	11.419	NA04NOS4190057 Amendment 3	297,607
Fiscal Year 2005 2006 Section 306 309 310 Coastal Zone Management Grant for the State of South Carolina	11.419	NA05NOS4191093 Amendment 1	392,341
The Marine Debris and Abandoned Vessel Removal Project, Phase III	11.419	NA05NOS4191178 Amendment 2	46,427
Fiscal Year 2006 Coastal Zone Management Grant for the State of South Carolina	11.419	NA06NOS4190193	615,776

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
Fiscal Year 2007 Coastal Zone Management Award for the State of South Carolina	11.419	NA07NOS4190070	1,616,518
Ashapoo-Edisto-Combahee (ACE) National Estuarine Research Reserve (NERR) Grant Request for Construction Funds	11.420	NA16OR1290 Amendment 5	99,637
Cooper River Corridor Special Area Management Plan	11.472	NA16FL2735 Amendment 4	15,811
Defense Environmental Restoration Program	12.113	W9128F-06-2-0145 MOD 0020	1,146,159
Housing Opportunities for Persons with AIDS (HOPWA) Program	14.241	SCH04-F999	0
Housing Opportunities for Persons with AIDS (HOPWA) Program	14.241	SCH05-F999	37,635
Housing Opportunities for Persons with AIDS (HOPWA) Program	14.241	SCH06-F999	906,138
Housing Opportunities for Persons with AIDS (HOPWA) Program	14.241	SCH07-F999	757,994
Housing Opportunities for Persons with AIDS (HOPWA) Program	14.241	SCH-08-F999	8,495
Fiscal Year 2004 Prescription Drug Monitoring (Harold Rogers) Program	16.580	2004-PM-BX-0025 Adj □2	109,448
Federal Drug Forfeiture	NONE	None	0
State Indoor Radon Program Grant	66.032	K1-97429307-0	34,603
South Carolina Department of Health and Environmental Control Air Quality PM2.5 Ambient Air Monitoring Network	66.034	PM-96438605-2	543,930
South Carolina National Air Toxics Trends Study (NATTS)	66.034	PM-96497208-0	90,543
South Carolina National Air Toxics Trends Study (NATTS)	66.034	XA-96470307-2	101,416
Water Quality Management Planning	66.454	C6-00476107-1	93,867
Water Quality Management Planning Grant	66.454	C6-00476108-0	9,071
Capitalization Grant - Clean Water State Revolving Loan Fund	66.458	CS-45000107-0	346,632
Clean Water Act Section 319(h) Nonpoint Source Pollution	66.460	C9-99462901-2	260,966
Clean Water Act Section 319(h) Nonpoint Source Pollution	66.460	C9-99462902-2	195,732
Water Quality Management Nonpoint Source Program	66.460	C9-99462903-2	454,333
Water Quality Management Nonpoint Source Program	66.460	C9-99462904-0	323,760
Water Nonpoint Source Implementation - South Carolina	66.460	C9-99462905-1	209,274
Nonpoint Source Implementation Grant	66.460	C9-99462906-0	176,926
Nonpoint Source Program - Water Quality Management	66.460	C9-99462907-0	1,214,256
Wetlands Protection State Development Program	66.461	CD-96408804-1	136,828
Regional Wetlands Program Development Grant	66.461	CD-96458907-0	77,689
Wetlands Protection State Development Program	66.461	CD-97430001-3	82,407
Drinking Water State Revolving Fund Program	66.468	FS-98431202-2	33,586
South Carolina Drinking Water State Revolving Loan Fund	66.468	FS-98431203-0	144,084
Fiscal Year 2004 South Carolina Department of Health and Environmental Control Drinking Water State Revolving Fund Capitalization	66.468	FS-98431204-0	332,023
Drinking Water State Revolving Fund Capitalization Grant	66.468	FS-98431205-1	79
Safe Drinking Water State Revolving Fund	66.468	FS-98431206-0	167,258
State Grants to Reimburse Operators of Small Water Systems for Training □ Certification Costs	66.471	CT-97480703-1	145,316
Beach Monitoring and Notification Program Development Grant	66.472	CU-97441602-7	301,686
Water Protection Coordination Grants to the States	66.474	WP-97459902-6	81,695
Performance Partnership Grant Program	66.605	BG-98417507-4	7,091,544
Performance Partnership Grant Program	66.605	None	663,237
Fiscal Year 2005 Exchange Network (1) - South Carolina Department of Health and Environmental Control	66.608	OS-83261501-1	71,963
Fiscal Year 2006 Exchange Network - South Carolina Department of Health and Environmental Control	66.608	OS-83306401-1	241,978
Superfund State Political Subdivision and Indian Tribe Site Specific Grants	66.802	V-96482408-0	256,416
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreements	66.802	V-96484508-0	130,462

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	66.802	V-97404000-6	2,717
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	66.802	V-97404100-7	50,854
Superfund State Political Subdivision and Indian Tribe Site Specific Cooperative Agreement	66.802	V-97455302-4	102,464
State Underground Storage Tanks Program	66.804	L-00450307-1	0
Leaking Underground Storage Tank Trust Fund Program	66.805	LS-96443306-3	1,369,086
Leaking Underground Storage Tanks Trust Program	66.805	LS-97441502-9	38,975
Leaking Underground Storage Tanks Trust Program	66.805	LS-97499804-5	14,832
Superfund CORE Program	66.809	VC-96484408-0	331,515
Superfund State and Indian Tribe Core Program Cooperative Agreement	66.809	VC-97404200-6	135,722
State and Tribal Response Program	66.817	RP-97484303-5	926,387
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96409904-1	282
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-96429905-1	1,552,284
Remediation and Environmental Monitoring (REM) Grant	81.104	DE-FG09-04SR22284 A020	848,093
Remediation and Environmental Monitoring (REM) Grant	81.104	DE-FG09-04SR22284 A026	2,235,805
Infants and Toddlers with Disabilities	84.181	H181A050036	101,414
Infants and Toddlers with Disabilities	84.181	H181A060036	2,053,109
Infants and Toddlers with Disabilities	84.181	H181A070036	4,264,426
Bioterrorism - Hospital Preparedness Program	93.003	4 U3RMC00028-02-04	0
2006 Office of Minority Health State Partnership Grant Program	93.006	6 STTMP051027-02-02	40,290
2007 Office of Minority Health State Partnership Grant Program	93.006	6 STTMP051027-03-07	100,532
Medical Reserve Corps Demonstration Grant Program	93.008	4 MRCSG030092-03-02	0
Health Resources and Services Administration Abstinence Education Continuations	93.010	None	0
Public Health Preparedness and Response for Bioterrorism	93.069	5U90TP416976-08 Revised	9,491,329
Inspection of Mammography Machines and Facilities in South Carolina (abbreviated)	93.103	223-04-4440	0
Strengthening Our Title V Information Infrastructure	93.110	2 H18MC00045-14-00	35,890
Oral Health Integrated Systems Development	93.110	4 H47MC00036-04-01	0
State Implementation Grants for Integrated Community Systems for Children with Special Health Care Needs	93.110	5 D70MC04481-03-00	272,529
Community-Based Integrated Service Systems (Local:State)	93.110	5 H25MC06113-02-00	15,290
Community-Based Integrated Service Systems (Local:State)	93.110	5 H25MC06113-03-00	82,282
State Implementation Grants for Integrated Community Systems for Children with Special Health Care Needs	93.110	6 D70MC04481-02-02	0
Strengthening Our Title V Information Infrastructure	93.110	6 H18MC00045-15-01	4,422
Tuberculosis Control Program and AIDS	93.116	5U52PS400492-25 Revised	686,867
Tuberculosis Control Program and AIDS	93.116	5U52PS400492-26 Revised	539,239
Tuberculosis Control Program and AIDS	93.116	U52CCU400492-24-3	0
Emergency Medical Services for Children Partnership Grants	93.127	5 H33MC06719-02-01	52,710
Emergency Medical Services for Children Partnership Grants	93.127	5 H33MC06719-03-00	31,757
Primary Care Offices	93.130	5 U68CS00215-23-00	39,240
Primary Care Offices	93.130	6 U68CS00215-22-01	144,145
Programs for the Prevention of Fire-Related Injuries	93.136	1 H28 CE000850-01 (Revised)	30,456
South Carolina Violent Death Reporting System (SCVDRS)	93.136	1 U17 CE001314-01	127,228
Sexual Violence Prevention and Education	93.136	1 VF1 CE001108-01 (Revised)	184,666
Programs for the Prevention of Fire-Related Injuries	93.136	5 H28 CE000850-02	69,825

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
National Violent Death Reporting System	93.136	5 U17 CE422396-05 (Revised)	95,072
Public Health Injury Surveillance and Prevention Program	93.136	5U17CE424805-03 Revised	203,848
Sexual Violence Prevention and Education	93.136	5VF1CE001108-02 Revised	360,924
Public Health Injury Surveillance and Prevention Program	93.136	U17.CCU424805-02	20,503
Ryan White Title IV Program	93.153	2 H12HA00027-14-00	82,421
Ryan White Title IV Program	93.153	5 H12HA00027-15-00	496,244
Ryan White Title IV Program	93.153	6 H12HA00027-13-03	0
Title X, Family Planning Services Project	93.217	2 FPHPA040443-38-00	139
Title X, Family Planning Services Project	93.217	6 FPHPA040443-36-02	205,805
Title X, Family Planning Services Project	93.217	6 FPHPA040443-37-01	6,347,602
Health Center Cluster	93.224	1 H80 CS 00595-01	0
Abstinence Education Grant Program	93.235	G-0601SCAEGP	12,876
Abstinence Education Grant Program	93.235	G-0701SCAEGP	281,095
Abstinence Education Grant Program	93.235	G-0801SCAEGP	427,608
Universal Newborn Hearing Screening	93.251	6 H61MC00040-06-01	77,333
Universal Newborn Hearing Screening	93.251	6 H61MC00040-07-02	61,292
Immunization and Vaccines for Children Grants	93.268	2H23IP422544-06 Revised	1,900,135
Immunization and Vaccines for Children Grants	93.268	5H23IP422544-05 Revised	2,250,533
Immunization and Vaccines for Children Grants	93.268	H23.CCH422544-02-5	0
Immunization and Vaccines for Children Grants	93.268	H23.CCH422544-04-2	0
Epidemiology and Laboratory Capacity for Infectious Diseases	93.283	1 U50 CI000491-01 (Revised)	481,636
State Public Health Department Comprehensive Heart Disease and Stroke Prevention Program	93.283	1U50DP000735-01 Revised	1,086,709
Adult Viral Hepatitis Prevention Coordinator	93.283	1U51PS000910-01 Revised	40,519
National Cancer Prevention and Control Program	93.283	1U58DP000770-01 Revised	4,095,696
Chronic Disease Prevention and Health Promotion Programs	93.283	3U58DP422829-05W1	2,556,125
Public Health Preparedness and Response for Bioterrorism	93.283	5 U90 TP416976-07 (Revised)	3,810,578
Epidemiology and Laboratory Capacity for Infectious Diseases	93.283	5U50CI000491-02 Revised	206,398
Epidemiology and Laboratory Capacity for Infectious Diseases	93.283	U50.CCU419686-05-4	0
National Cancer Prevention and Control Program	93.283	U55.CCU421931-05-6	570,418
Chronic Disease Prevention and Health Promotion Programs	93.283	U58.CCU422829-04-5	7,949
Public Health Preparedness and Response for Bioterrorism	93.283	U90.CCU416976-06-9	253,234
South Carolina CLIA	93.777	05-0305-SC-5002	0
Survey and Certification Services	93.777	05-0605-SC-5000	0
South Carolina CLIA	93.777	05-0605-SC-5002	0
Survey and Certification Services	93.777	05-0705-SC-5000	560,274
South Carolina CLIA	93.777	05-0705-SC-5002	38,617
Survey and Certification Services	93.777	05-0805-SC-5000	1,602,665
South Carolina CLIA	93.777	05-0805-SC-5002	124,392
Hospital Preparedness Program	93.889	6 U3REP070053-01-02	1,614,663
Bioterrorism - Hospital Preparedness Program	93.889	6 U3RHS005927-01-03	1,964,749
Bioterrorism - Hospital Preparedness Program	93.889	6 U3RHS007569-01-02	2,676,774
Minority AIDS Initiative Programs for Part B Grantees	93.917	6 G24HA08409-01-01	99,755
Ryan White Care Act Title II	93.917	6 X07HA00038-16-04	0
Ryan White Care Act Title II	93.917	6 X07HA00038-17-04	25,227,799
Ryan White Care Act Title II	93.917	6 X07HA00038-18-01	2,913,395
Closing the Health Gap on Infant Mortality: African American - Focused Risk Reduction	93.926	4 U19MC03179-03-02	439,101

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
Expanded and Integrated Human Immunodeficiency Virus (HIV) Testing for Populations	93.940	1U62PS000774-01 Revised	77,935
HIV Prevention Projects	93.940	5U62PS423484-04 Revised	2,699,278
PS04-012, HIV Prevention Projects	93.940	5U62PS723484-05 Revised	1,945,050
HIV/AIDS Surveillance	93.941	1U62PS001007-01	324,348
Linkages to HIV Care Demonstration Project	93.941	U65CCU424434-02-2	0
HIV/AIDS Surveillance	93.944	4U62PS423579-03 Revised	399,097
Enhanced HIV/AIDS Surveillance for Perinatal Prevention	93.944	5 U62 PS000277-02	55,749
Morbidity and Risk Behavior Surveillance	93.944	5U62 PS424457-04 Revised	349,404
Enhanced HIV/AIDS Surveillance for Perinatal Prevention	93.944	5U62PS000277-03	50,616
Morbidity and Risk Behavior Surveillance	93.944	U62CCU424457-03-2	3,423
Cardiovascular Health Programs	93.945	U50CCU421338-05-2	1,615
South Carolina Pregnancy Risk Assessment Management System	93.946	5 UR6 DP000502-02	92,912
South Carolina Pregnancy Risk Assessment Management System	93.946	5UR6DP000502-03	18,330
PS05-004 Comprehensive STD Prevention Systems (CSPS)	93.977	5H25PS404336-16 Revised	1,336,016
PS05-004 Comprehensive STD Prevention Systems (CSPS)	93.977	5H25PS404336-17	538,680
Comprehensive STD Prevention Systems (CSPS)	93.977	H25CCH404336-15-3	0
Systems-Based Diabetes Prevention and Control Programs (DPCPS)	93.988	3U32DP422685-05W1	689,285
Systems-Based Diabetes Prevention and Control Programs (DPCPS)	93.988	U32CCU422685-04	0
Preventive Health Services	93.991	2006-B1-SC-PRVS-04	96,893
Preventive Health Services	93.991	2B01DP009049-07 Revised	381,933
Preventive Health Services	93.991	3B01DP009049-08W1	644,154
Maternal and Child Health Services	93.994	6 B04MC04249-01-02	0
Maternal and Child Health Services	93.994	6 B04MC06592-01-06	67,134
Maternal and Child Health Services	93.994	6 B04MC07810-01-07	3,760,400
Maternal and Child Health Services	93.994	6 B04MC08924-01-04	6,993,477
FEMA Hurricanes	97.036	None	0
National Dam Safety Program	97.041	EMW-2006-ND-0143	45,452
National Dam Safety Program	97.041	EMW-2007-GR-0773	25,288
Total Direct Assistance			213,420,918
National Sea Grant Law Center	11.417	NA06OAR4170078; 07-01-060	17,946
South Carolina Marine Debris Awareness Initiative	11.481	FR.0524	19,352
Co-Occurrence of Diabetes and Breast Cancer Among Women by Ethnicity	12.420	W81XWH-04-1-0703; 05-1056 (11520 FA42)	0
Waste Shipment Along the Waste Isolation Pilot Project Corridor for Southern and Mid-Western States	81.106	DE-FC04-93AL82966; SSEB-WIPP-SC-DHEC-0203-014	124,840
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 0149	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 0558	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1125	36
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1137	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1142	0
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1151	621

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1174	794
Support and Capacity Building for an Expansion of the Medical Reserve Corps	93.008	1 MRCSG061001-02; MRC 08 1191	0
Southeastern African American Diabetes, Hypertension and Stroke Cancer Prevention and Control Program for Reducing Tobacco Related Malignancies in South Carolina	93.283	1U58DP001015-01; MUSC07-059	70,248
	93.283	H75:CCH424532-01-3	15,827
Avian Influenza Rapid Response at the State Level	93.283	U60:CCU007277	13,000
National Laboratory Training Network and Management Information System	93.283	U60:CCU303019; LB-7-983	0
Adolescent Pregnancy Prevention Initiatives (APPI)	93.558	None	4
Rural Health Network Development Program	93.912	D06RH06880A0; HS-8-874	53,166
Ryan White Title III	93.918	H76HA00657; R7-7-621	0
Ryan White Title III	93.918	H76HA00657; R7-8-613	51,635
Ryan White Title III	93.918	R7-6-344	0
Healthy Start Eliminating Disparities in Perinatal Health Grant	93.926	R3-6-899	0
Healthy Start Eliminating Disparities in Perinatal Health Grant	93.926	R3-7-1215	24,743
Racial Ethnic Approaches to Community Health 2010	93.945	U50:CCU417281	0
Racial Ethnic Approaches to Community Health 2010	93.945	U50:CCU422184	4,044
Cancer Information Service	NONE	HHSN26120051105C; N01-C0-51105	55,440
Total Passed Through Entities Not Included in Reporting Entity			451,696
South Carolina Building Health Habits in the Early Years	10.574	HS-8-669	27,651
Clean Vessel Act Coastal - Outreach	15.616	V-16-DE	104,888
South Carolina Department of Education:Department of Health and Environmental Control Social Worker Contract	16.541	06FC550	0
South Carolina Department of Education:Department of Health and Environmental Control Social Worker Contract	16.541	08FC550-01 Revenue Contract No. WS-8-698	173,010
Buckle Up Safely South Carolina	20.600	2H07034	70,192
Buckle Up Safely South Carolina	20.600	2H08034	80,121
Clean School Bus USA	66.036	SB-83287801-0	19,960
Evidence Based Disease Prevention Program	93.048	EBD0604	1,200
Evidence Based Disease Prevention Program	93.048	EBD0804	20,454
Expanding Existing Surveillance Systems to Include Pfiesteria, Other Harmful Algal Blooms, and Marine Toxins	93.283	3U50EH423374-03W1	19,321
Expanding Existing Surveillance Systems to Include Pfiesteria, Other Harmful Algal Blooms, and Marine Toxins	93.283	CCU423374-03; CD 03	0
Expanding Existing Surveillance Systems to Include Pfiesteria, Other Harmful Algal Blooms, and Marine Toxins	93.283	CCU423374-03; CD 04	7,589
Survey and Certification Services	93.777	A 4 1208 A	0
Survey and Certification Services	93.777	A 5 1208 A	0
Survey and Certification Services	93.777	A 6 1208 A	0
Survey and Certification Services	93.777	A 7 1208 A	436,444
Survey and Certification Services	93.777	A 8 1208 A	1,408,413
Strengthen Coordinated School Health Infrastructure	93.938	08FR550-01	36,125
Strengthen Coordinated School Health Infrastructure	93.938	5U87DP422630-05 Revised; 07 FR550-01	82,750
HIV/AIDS Early Intervention Services Grant	93.959	06B1SCSAPT-01	62
HIV/AIDS Early Intervention Services Grant	93.959	07B1SCSAPT	356,714
South Carolina Amyotrophic Lateral Sclerosis Registry	97.067	200-2006-16243; CY-8-716	4,289

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DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04), CONTINUED			
State Weapons of Mass Destruction Response Team (DHEC)	97.067	2006-GE-T6-0001; 6SHSP09	1,160
Total Passed Through State Agencies Included in Reporting Entity			2,850,343
Total Department of Health and Environmental Control			216,722,957
DEPARTMENT OF MENTAL HEALTH (J12)			
Shelter Plus Care	14.238	SC16C0101510162007	365,714
Shelter Plus Care	14.238	SC16C3020015001	260,956
Shelter Plus Care	14.238	SC16C50101510162009	37,436
Shelter Plus Care	14.238	SC16C5020014001	60,564
Shelter Plus Care	14.238	SC16C602001	6,535
Construct State Veterans Home - Walterboro	64.005	FAI-45-003	1,077,913
Youth Net Year 5	93.104	5079 SM056056-05	274,515
Youth Net Year 4	93.104	5079 SM56056-04	342,464
Projects for Assistance in Transition from Homelessness Formula Grant Program	93.150	2X06SM060041-07	325,830
Projects for Assistance in Transition from Homelessness Formula Grant Program	93.150	SMX0600041-06	71,540
Project CALM	93.243	1 H79 SM54667-01	0
State Mental Health Data Infrastructure Grant for Q1	93.243	1HR1 SM058122-01	35,116
Project CALM	93.243	4 H79 SM54667-03-2	0
Statewide Strategy for Multisystemic Therapy	93.243	4 H79 SM55803-02-3	68,276
State Mental Health Data Infrastructure Grant for Q1	93.243	4 HR1 SM56657-03-5	159,798
Child and Adolescent SIG	93.243	5HS5 SM056547-04	432,553
Project CALM	93.243	6 H79 SM54667-02-1	0
Child and Adolescent SIG	93.243	6HS5 SM56547-03	221,685
Block Grants for Community Mental Health Services	93.958	06BSCCMHS-04	194,338
Block Grants for Community Mental Health Services	93.958	3B09SM010048-0753	2,984,378
Block Grants for Community Mental Health Services	93.958	3B09SM010048-0754	2,101,048
Total Direct Assistance			9,020,659
Missing Children's Assistance	16.543	COLU-SC-PS07	9,934
Missing Children's Assistance	16.543	COLU-SC-PS08	5,349
Mental Health Court - Anderson	16.738	1G06011	4,880
Safe Schools:Healthy Students - Marion	84.184	None	87,181
Safe Schools:Healthy Students - Lancaster	84.184	Q184L050428	53,223
School Counseling Demonstration Program - McCormick	84.215	Q215E060222	115,507
Co-Occurring State Incentive Grant	93.243	1KD1TI08389-02	272,759
Co-Occurring State Incentive Grant	93.243	5KD1TI018389-02	523,039
Total Passed Through Entities Not Included in Reporting Entity			1,071,872
DMC and Mental Health	16.523	1JS03025	61,771
Project Safe Passages	16.523	1JS04015	0
Project Safe Passages	16.523	1JS05008	60,630
DJJ Detention Center MH Liaison - Year 1	16.523	1JS06008	39,585
Alternative Academy Retention Team - Year 1	16.523	1JS06009	61,544
Status Offender:Diversion Program	16.540	1J04015	10,539
Project FOCUS with South Carolina Department Of Education	16.541	08FC502-01	5,506
Department of Mental Health County Workers Project	93.556	None	56,904

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DEPARTMENT OF MENTAL HEALTH (J12), CONTINUED			
Alternatives To Psychiatric Residential Treatment Facilities for Children with South Carolina Department of Health and Human Services	93.789	A 8 1559 A	40,374
Total Passed Through State Agencies Included in Reporting Entity			336,853
Total Department of Mental Health			10,429,384
DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS (J16)			
South Carolina Traumatic Brain Injury Implementation Grant	93.234	4H21 MC00050-02-02	0
Traumatic Brain Injury Implementation	93.234	6H21MC06755-02-01	119,864
Family Support Administration on Developmental Disabilities	93.631	90DF0052	0
Validating and Expanding the Use of Peer Review Organizations	93.779	11-P-92050.4-01	94,400
Total Direct Assistance			214,264
National School Lunch Program	10.555	None	37,609
School Breakfast Program	10.555	None	26,063
Food Donation	10.555	None	4,473
Individuals with Disabilities Education Improvement Act Part - B	84.027	01-CA-503	0
Individuals with Disabilities Education Improvement Act Part - B	84.027	04-CA-503.04-CR-503	0
Individuals with Disabilities Education Improvement Act Part - B	84.027	05-CA-503.05-CR-503	0
Individuals with Disabilities Education Improvement Act Part - B	84.027	07-CA-503	0
Individuals with Disabilities Education Improvement Act Part - B	84.027	08-CA-503	181,985
Individuals with Disabilities Education Improvement Act Preschool Grant	84.173	07-CG-503	0
Individuals with Disabilities Education Improvement Act Preschool Grant	84.173	08-CG-503	18,891
Total Passed Through State Agencies Included in Reporting Entity			269,021
Total Department of Disabilities and Special Needs			483,285
DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES (J20)			
Single Jurisdiction Enhancement Drug Court Grants	16.585	2004-DC-BX-003	0
Fiscal Year 2006 Enforcing Underage Drinking Laws (EUDL) Grant Program	16.727	2006-AH-FX-0010	237,587
OJJDP Fiscal Year 2007 Enforcing Underage Drinking Laws Block Grant Program	16.727	2007-AH-FX-0018	148,903
Governors Grants	84.186	Q186B060043	155,858
Governors Grants	84.186	Q186B070043	792,472
Strengthening Treatment Access and Retention	93.243	1UD1TI017614	77,441
The ACES Program	93.243	5 H79 TI16370	214,195
Adolescent Treatment Coordination in South Carolina	93.243	5 H79 TI17377	33,480
Adolescent Treatment Coordination in South Carolina	93.243	5H79TI017377	333,595
Strengthening Treatment Access and Retention	93.243	5UD1TI017614	260,380
Substance Abuse Prevention Treatment Block Grant	93.959	06B1SCSAPT	1,856,985
Substance Abuse Prevention Treatment Block Grant	93.959	2B08TI010048	1,178,072
Substance Abuse Prevention Treatment Block Grant	93.959	B1SCSAPT07	17,891,934
Total Direct Assistance			23,180,902
Co-Occurring State Incentive Grant	93.243	1KD1TI018389	9,619
Co-Occurring State Incentive Grant	93.243	5KD1TI018389	37,723
Temporary Assistance for Needy Families	93.558	G-0702SCTANF	455,514
Temporary Assistance for Needy Families	93.558	G-0802SCTANF	1,164,248

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DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES (J20), CONTINUED			
Total Passed Through State Agencies Included in Reporting Entity			1,667,104
Total Department of Alcohol and Other Drug Abuse Services			24,848,006
DEPARTMENT OF PUBLIC SAFETY (K05)			
Fiscal Year 2003 Juvenile Accountability Incentive Block Grants Program	16.523	2003JBBX0005	0
Fiscal Year 2004 Juvenile Accountability Block Grants Program	16.523	2004JBFX0024	116,866
Fiscal Year 2005 Juvenile Accountability Block Grants Program	16.523	2005JBFX0002	109,010
Fiscal Year 2005 Juvenile Accountability Block Grants Program	16.523	2006JBFX0030	229,228
Juvenile Accountability Incentive Block Grant 2005	16.523	None	0
Fiscal Year 2004 Title II Part B Formula Grants Program	16.540	2004JFFX0009	255,835
Fiscal Year 2005 Title II Part B Formula Grants Program	16.540	2005JFFX0012	88,307
Fiscal Year 2005 Title II Part B Formula Grants Program	16.540	2005JFFX0064	34,472
Fiscal Year 2006 Juvenile Accountability Block Grants Program	16.540	2006JFFX0044	118,096
Fiscal Year 2006 Title II Part B Formula Grants Program	16.540	2006JFFX0044	89,793
Fiscal Year 2003 Title II Part B Formula Grants Program	16.540	2007JFFX0033	15,409
Justice Assistance Grant 2007	16.540	2007JFFX0033	74,828
Fiscal Year 2005 Title V - Incentive Grants for Local Delinquency Prevention Program	16.548	2005JPFX0013	71,768
Fiscal Year 2006 Title V - Incentive Grants for Local Delinquency Prevention Program	16.548	2006JPFX0003	25,969
Fiscal Year 2007 Title II Part B Formula Grants Program	16.548	2007JPFX0048	10,660
Fiscal Year 2005 State Justice Statistics Program for Statistical Analysis Centers	16.550	2005BJCXK015	19,149
Fiscal Year 2007 State Justice Statistics Program for Statistical Analysis Centers	16.550	2007BJCXK017	39,799
Fiscal Year 2004 Victims Of Crime Act (VOCA) Crime Victim Assistance	16.575	2004VAGX0020	31,135
Fiscal Year 2005 Victims of Crime Act, Victims Assistance Grant Program	16.575	2005VAGX0005	405,669
Fiscal Year 2006 Victims of Crime Act, Victims Assistance Grant Program	16.575	2006VAGX0021	913,685
Fiscal Year 2007 Victims of Crime Act, Victims Assistance Grant Program	16.575	2007VAGX0035	3,548,964
Edward Byrne Memorial State and Local Law Enforcement Assistance Program	16.579	2004DBBX0023	84,607
Fiscal Year 2004 Edward Byrne Memorial State and Law Enforcement Assistance Formula Grant Program	16.579	2004DBBX0023	301,525
Sex Offender Management Discretionary Grant Program, Fiscal Year 2006	16.580	2006LDBXK006	75,000
Fiscal Year 2003 STOP Violence Against Women Formula Grants Program	16.588	2003WFBX0223	0
STOP Violence Against Women Formula Grants Program	16.588	2004WFAX0024	49,918
STOP Violence Against Women Formula Grants Program	16.588	2005WFAX0016	190,072
STOP Violence Against Women Formula Grants Program	16.588	2006WFAX0067	777,862
STOP Violence Against Women Formula Grants Program	16.588	2007WFAX0061	696,213
Fiscal Year 2005 Residential and Substance Abuse Treatment Formula Grant	16.593	2005RTBX0003	10,442
Fiscal Year 2006 Residential and Substance Abuse Treatment Formula Grant	16.593	2006RTBX0047	20,018
Fiscal Year 2007 Residential and Substance Abuse Treatment Formula Grant	16.593	2007RTBX0051	148,899
Bulletproof Vest Program	16.607	BVP GRANT PROGRAM	49,825
Project Safe Neighborhoods South Carolina	16.609	2003GPCX0183	106,900
Project Safe Neighborhoods South Carolina	16.609	2006GPCX0045	51,558
Project Safe Neighborhoods South Carolina	16.609	2007GPCX0026	28,632

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DEPARTMENT OF PUBLIC SAFETY (K05), CONTINUED			
Justice Research and Statistical Association Project	16.734	2007RUBXK003	14,793
Justice Assistance Grant 2005	16.738	2005DJBX0030	137,396
Justice Assistance Grant 2006	16.738	2006DJBX0061	1,218,916
Fiscal Year 2007 State Justice Statistics Program for Statistical Analysis Centers	16.738	2007DJBX0070	2,487,622
Justice Assistance Grant 2007	16.738	2007DJBX0070	300,065
Paul Coverdell Forensic Science Improvement Grants Program	16.742	2006DNBX0074	53,762
Paul Coverdell Forensic Science Improvement Grants Program	16.742	2007CDBX0084	65,181
Project Safe Neighborhoods South Carolina - Anti Gang	16.744	2006PGBX0041	294,130
Project Safe Neighborhoods South Carolina - Anti Gang	16.744	2007PGBX0011	132,782
Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies Program	NONE	None	343,985
Commercial Vehicle Information Systems and Networks Deployment 2001	20.218	MC0145555	99,123
Motor Carrier Safety Assistance Program - Basic Grant 2005	20.218	MC-05-45-1	0
Motor Carrier Safety Assistance Program - Basic Grant 2006	20.218	MC-06-45-1	0
Motor Carrier Safety Assistance Program - Basic Grant 2007	20.218	MC-07-45-1	1,610,159
Motor Carrier Safety Assistance Program - Basic Grant 2008	20.218	MC-08-45-1	761,567
Motor Carrier Safety Assistance Program High Priority - Motor Coach	20.218	MH-07-45-1	17,053
National Highway Traffic Safety Administration 402 - 2008	20.600	2008NHTSA402	1,044,815
National Highway Traffic Safety Administration 402 - 2006	20.600	2H07025	29,661
National Highway Traffic Safety Administration 402 - 2006	20.600	2H07032	12,150
Fatality Accident Reporting System 1998	20.600	DTNH22-92-Y-07025	126,024
National Highway Traffic Safety Administration 402 - 2007	20.600	NHTSA4022007	1,357,160
National Highway Traffic Safety Administration 402 - 2008	20.600	NHTSA4022008	615,452
Fiscal Year 2006 Title II Part B Formula Grants Program	20.601	NHTSA4102006	22,323
National Highway Traffic Safety Administration 410 - 2006	20.601	NHTSA4102006	2,115,811
National Highway Traffic Safety Administration 410 - 2007	20.601	NHTSA4102007	195,590
National Highway Traffic Safety Administration 405 - 2006	20.602	NHTSA4052006	5,468
National Highway Traffic Safety Administration 405 - 2007	20.602	NHTSA4052007	410,377
National Highway Traffic Safety Administration 157B - 2004	20.604	2004NHTSA157B	1,501
National Highway Traffic Safety Administration 157B - 2005	20.604	2005NHTSA157B	8,418
National Highway Traffic Safety Administration 406 - 2006	20.609	NHTSA4062006	100,550
State Transport Police - Energy - Waste Isolation Pilot Project	81.106	5SEBWIPP-SC-STPD-0405-01	56,737
Total Direct Assistance			22,428,684
Evaluating the Effectiveness of Sex Offender Registration and Notification	16.560	2006WGBX0002	5,019
Total Passed Through Entities Not Included in Reporting Entity			5,019
Decontamination Unit Equipment	97.004	4LETP04	0
SEOC IRIS Upgrade	97.004	4SHSP19	0
FEMA - Hurricane Katrina - Security	97.036	FEMA-3233-EM-SC	0
Criminal Justice Academy - Specialized Law Enforcement Training and Exercises	97.067	5LETP49	0
Bureau of Protective Services - Surveillance Upgrades EOD Canine	97.067	5LETP52	0
South Carolina Department of Public Safety - STP Radiation Detection Systems	97.077	2006-DN-077-000001	47,921
Total Passed Through State Agencies Included in Reporting Entity			47,921
Total Department of Public Safety			22,481,624

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DEPARTMENT OF SOCIAL SERVICES (L04)			
Food Stamps	10.551	5SC400407	680,075,828
Child and Adult Care Food Program	10.558	5SC300329	25,821,680
Summer Food Service Program for Children	10.559	5SC300329	7,778,485
State Administrative Expenses for Child Nutrition	10.560	5SC300912	835,451
State Administrative Matching Grants for Food Stamp Program	10.561	5SC400407	18,958,759
Commodity Supplemental Food Program	10.565	5SC810816	239,150
Emergency Food Assistance Program (Administrative Costs)	10.568	5SC400816	821,733
Emergency Food Assistance Program (Food Commodities)	10.569	None	3,756,632
Senior Farmers Market Nutrition Program	10.576	8SC820001	475,554
Juvenile Mentoring Program	16.726	2003-JG-FX-1027	193
Promoting Safe and Stable Families	93.556	G-01SC00FP	6,354,510
Temporary Assistance For Needy Families (TANF)	93.558	G-02SCTANF	125,421,206
Child Support Enforcement (Title IV-D)	93.563	G-04SC4004	29,515,589
Refugee and Entrant Assistance: State Administered Programs (Cash and Medical Assistance)	93.566	G-AASC4100	356,562
Refugee and Entrant Assistance: State Administered Programs (Social Services)	93.566	G-AASC4110	49,801
Child Care and Development Block Grant	93.575	G-02SCCCDF	36,718,532
U.S. Repatriation	93.579	REIMBURSEMENT	3,602
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	G-02SCCCDF	31,909,071
Grants to States for Access and Visitation Programs	93.597	G-01SCSAVP	131,006
Chafee Education and Training Vouchers Program (ETV)	93.599	G-01SCCETV	395,877
Head Start	93.600	04CD0021.01	145,071
Adoption Incentive Payments	93.603	0601SCAIPP	124,109
Children's Justice Grants to States	93.643	G-01SCCJA1	216,150
Child Welfare Services: State Grants	93.645	G-01SC1400	4,374,312
Social Services Research and Demonstration	93.647	90 YE 013.01	416
Foster Care: Title IV - E	93.658	G-01SC1401	25,787,938
Adoption Assistance	93.659	G-01SC1407	14,927,537
Social Services Block Grant	93.667	G-02SCSOSR	30,947,181
Child Abuse and Neglect State Grants	93.669	G-01SCCA01	426,920
Family Violence Prevention and Services Grants for Battered Women's Shelters: Grants to States and Indian Tribes	93.671	G-01SCFVPS	1,332,172
Chafee Foster Care Independent Living Program (CFCIP)	93.674	G-01SC1420	1,222,912
Total Direct Assistance			1,049,123,939
Total Department of Social Services			1,049,123,939
JOHN DE LA HOWE SCHOOL (L12)			
National School Lunch Program (School Lunch Program)	10.555	45 065 13337 00	49,256
School Breakfast Program	10.555	45 065 13337 00	16,262
Food Distribution Donation	10.555	None	2,785
Helping Our Parents Exceed (HOPE)	16.540	1J94014	0
Title I	84.013	07BE505	9,817
Title I	84.013	08BE505	36,614
Implementation of Provisions Required Under the Individuals with Disabilities Education Act (IDEA)	84.027	07CA505	2,479

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JOHN DE LA HOWE SCHOOL (L12), CONTINUED			
Implementation of Provisions Required Under the Individuals with Disabilities Education Act (IDEA)	84.027	08CA505	3,156
ESEA Title V	84.298	08BB505	130
Title II - NCLB Act of 2001	84.367	05TQ505	4,118
Title II - NCLB Act of 2001	84.367	08TQ505	1,536
Total Passed Through State Agencies Included in Reporting Entity			126,153
Total John De La Howe School			126,153
COMMISSION FOR THE BLIND (L24)			
Basic Support	84.126	H126A000061	0
Basic Support	84.126	H126A030061	0
Basic Support	84.126	H126A040061	0
Basic Support	84.126	H126A050061	10,487
Basic Support	84.126	H126A060061	196,005
Basic Support	84.126	H126A070061	5,787,445
Basic Support	84.126	H126A080061	111
State Independent Living Services	84.169	H169A050060	0
State Independent Living Services	84.169	H169A060060	5,056
State Independent Living Services	84.169	H169A070060	32,505
Independent Living:Older Blind	84.177	H177B050040	883
Independent Living:Older Blind	84.177	H177B060040	0
Independent Living:Older Blind	84.177	H177B070040	348,440
Independent Living:Older Blind	84.177	H177B080040	170,226
Supported Employment State Grants	84.187	H187A040062	0
Supported Employment State Grants	84.187	H187A050062	0
Supported Employment State Grants	84.187	H187A060062	35,892
Supported Employment State Grants	84.187	H187A070062	15,905
State Vocational Rehabilitation Unit In-Service Training	84.265	H265A000030-05	0
State Vocational Rehabilitation Unit In-Service Training	84.265	H265A000030-06	48,392
State Vocational Rehabilitation Unit In-Service Training	84.265	H265A000030-07	11,379
State Vocational Rehabilitation Unit In-Service Training	84.265	H265A000030-08	0
Social Security Administration Disability Programs	96.001	None	0
Social Security Administration Reimbursement	96.006	4-9604SCDI01	0
Total Direct Assistance			6,662,726
Total Commission for the Blind			6,662,726
HUMAN AFFAIRS COMMISSION (L36)			
Fair Housing Assistance Program	14.401	FF204K054002	0
Fair Housing Assistance Program	14.401	FF204K064002	69,947
Fair Housing Assistance Program	14.401	FF204K074002	90,833
Fair Housing Assistance Program	14.401	FF204K084002	0
Total Direct Assistance			160,780
Total Human Affairs Commission			160,780

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DEPARTMENT OF CORRECTIONS (N04)			
Violent Offender Incarceration and Truth in Sentencing Incentive Formula Grant Program	16.586	96-CV-VX-0045	2,767,634
State Criminal Alien Assistance Program	16.606	1999-AP-VX-0208	0
State Criminal Alien Assistance Program	16.606	2004-AP-BX-0402	334,216
State Criminal Alien Assistance Program	16.606	2004-AP-VX-0402	163
State Criminal Alien Assistance Program	16.606	2006-AP-BX-0569	165,677
State Criminal Alien Assistance Program	16.606	2007-AP-BX-0247	455,372
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0326	519,871
Developing and Enhancing Statewide Automated Victim Information and Notification (SAVIN)	16.740	2007-VN-CX-002	74,940
Equitable Sharing of Federally Forfeited Property	NONE	None	0
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	84.331	Q331A050042	59,275
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	84.331	Q331A060042	265,805
Grants to States for WorkPlace and Community Transition Training for Incarcerated Youth Offenders	84.331	Q331A070042	32,557
Total Direct Assistance			4,675,510
National School Lunch Program	10.555	None	193,383
Donated Foods	10.555	None	10,894
School Breakfast Program	10.555	None	192,113
Turbeville and Leath Addictions Treatment Unit (ATU)	16.593	1R06001	733
Turbeville and Leath Addictions Treatment Unit (ATU)	16.593	1R07001	148,899
Inmate Transportation System Enhancement	16.738	1G06036	30,580
Special Investigations Unit Gang Intelligence Data Officer Safety Awareness	16.744	1PG07008	12,324
Adult Education	84.002	07EC509	2,638
Adult Education	84.002	08EC509	99,125
Title I ESEA	84.013	07BE509	62,006
Title I ESEA	84.013	08BE509	786,606
Implementation of Provisions Required Under the Individuals with Disabilities Education Act (IDEA)	84.027	07CA509	6,814
Implementation of Provisions Required Under the Individuals with Disabilities Education Act (IDEA)	84.027	08CA509	188,083
Career and Technology Education	84.048	07VA509	613
Career and Technology Education	84.048	08VA509	63,837
Title V Part A	84.298	08BB509	1,356
Title II Part A Improving Teacher Quality State Grants	84.367	07TQ0509	2,582
Title II Part A Improving Teacher Quality State Grants	84.367	08TQ0509	46,121
Total Passed Through State Agencies Included in Reporting Entity			1,848,707
Total Department of Corrections			6,524,217
DEPARTMENT OF PROBATION, PAROLE, AND PARDON SERVICES (N08)			
Remote Videoconferencing Project Expansion	16.575	1V05122	176,600
Remote Videoconferencing - Year 2	16.575	1V06093	1,853
Remote Videoconferencing - Year 3	16.575	1V07290	25,876
Enhancing Communications Skills Training	16.588	1K05040	34,646
Live Scan Device - Year 2	16.738	1G06014	0
Live Scan Continuation	16.738	1G07001	236,463

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DEPARTMENT OF PROBATION, PAROLE, AND PARDON SERVICES (N08), CONTINUED			
Field Radio Upgrade	16.738	1G07048	26,277
Total Passed Through State Agencies Included in Reporting Entity			501,715
Total Department of Probation, Parole, and Pardon Services			501,715
DEPARTMENT OF JUVENILE JUSTICE (N12)			
National Juvenile Justice Data Analysis Project	16.542	70099-017	0
Total Passed Through Entities Not Included in Reporting Entity			0
School Breakfast Program	10.555	None	426,052
Food Commodities	10.555	None	78,923
National School Lunch Program	10.555	None	778,258
Disproportionate Minority Contact and Mental Health	16.523	1JS05009	117,364
Detention Alternative through Electronic Monitoring	16.523	1JS05010	64,927
Detention Reform in the Pee Dee and Western Piedmont Regions	16.523	1JS07003	243
Teen After School Centers	16.540	1J04018	3,338
Department of Juvenile Justice and the Children's Law Center Detention Reform Initiative	16.540	1J06004	37,662
Department of Juvenile Justice Victim Services and Videoconferencing	16.540	1W08225	88,177
Community Based Diversion Program	16.541	07FC508-1	0
Attendance Improvement Program	16.541	08FC508-01	544
Community Based Diversion Program	16.541	None	0
Internet Victim Information System	16.575	1V03117	0
Internet Victim Information System	16.575	1V05121	67,961
Juvenile Halfway Houses - Transition Dormitory	16.586	V9908	2,407
Juvenile Employment and Enrichment Program	17.259	3YS0831	1,064
Juvenile Employment and Enrichment Program	17.259	5JEP001	6,698
Title I - Neglected and Delinquent Children	84.013	07BE508	0
Title I - Neglected and Delinquent Children	84.013	08BE508-01-02	956,010
Individuals with Disabilities Education Act (IDEA)	84.027	06CA508	0
Individuals with Disabilities Education Act - Group Homes	84.027	06CE508	0
Individuals with Disabilities Education Act (IDEA)	84.027	07CA508	8,091
Individuals with Disabilities Education Act - Group Homes	84.027	07CE508	5,396
Individuals with Disabilities Education Act (IDEA)	84.027	08CA508	405,644
Individuals with Disabilities Education Act - Personnel Development	84.027	08CO508-01	495
Individuals with Disabilities Education Act (IDEA)	84.027	None	0
Career and Technology Education Funding Plan	84.048	06VA508	0
Career and Technology Education Funding Plan	84.048	07VA508	0
Career and Technology Education Funding Plan	84.048	08VA508	25,360
Safe and Drug-Free Schools and Communities	84.186	07FQ508	214
Safe and Drug-Free Schools and Communities	84.186	08FQ508	182
Twenty-First Century Community Learning Centers	84.287	06CL508-01	0
Twenty-First Century Community Learning Centers	84.287	07CL508-01	2,493
Twenty-First Century Community Learning Centers	84.287	08CL508-01	69,362
Title V Innovative Programs	84.298	07BB508	135
Title V Innovative Programs	84.298	08BB508	2,853
Improving Teacher Quality	84.367	07TQ508	25,069
Improving Teacher Quality	84.367	08TQ508-01	122,591

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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF JUVENILE JUSTICE (N12), CONTINUED			
Total Passed Through State Agencies Included in Reporting Entity			3,297,513
Total Department of Juvenile Justice			3,297,513
LAW ENFORCEMENT TRAINING COUNCIL (N20)			
Traffic Safety Officer Program	20.600	2007NHTSA402	109,142
Traffic Safety Officer Program	20.600	2008NHTSA402	199,239
Specialized Law Enforcement Training and Exercise	97.067	2005GET50018	183,980
NIMS ICS Training	97.067	2006GET60001	67,535
Specialized Law Enforcement Training	97.067	2007GET70045	15,110
Total Passed Through State Agencies Included in Reporting Entity			575,006
Total Law Enforcement Training Council			575,006
FORESTRY COMMISSION (P12)			
Conservation Reserve Program	10.069	07-DG-11083145-008	45,868
Southern Annual Forest Inventory and Analysis	10.652	07-CA-11330145-095	311,250
Southern Annual Forest Inventory and Analysis	10.652	08-CA-11330145-035	34,120
Title IV - Hazard Mitigation:Preparedness	10.664	04-DG-11083145-040	10,676
Urban and Community Forestry Assistance	10.664	04-DG-11083145-040	44,030
I and DC Southern Pine Beetle Prevent:Restore	10.664	05-DG-11083145-050	283,356
Community Fire Protection	10.664	05-DG-11083145-060	18,970
Cooperative Forest Health	10.664	05-DG-11083145-080	14,315
Sudden Oak Death	10.664	05-DG-11083145-080	777
Hemlock Woolly Adelgid	10.664	05-DG-11083145-080	9,040
Emerald Ash Borer	10.664	05-DG-11083145-080	20,902
Title IV Hazard Mitigation:Preparedness	10.664	05-DG-11083145-080	120,032
Urban and Community Forestry Assistance	10.664	05-DG-11083145-080	65,347
Title IV - Volunteer Fire Assistance	10.664	06DG-11083145002	6,342
Volunteer Fire Assistance	10.664	06DG-11083145002	4,472
Title IV - Hazard Mitigation:Preparedness	10.664	06DG-11083145003	43,460
State Fire Assistance	10.664	06DG-11083145003	26,432
Urban and Community Forestry Assistance	10.664	06DG-11083145003	154,383
Cooperative Forest Health	10.664	06DG-11083145003	48,311
Sudden Oak Death	10.664	06DG-11083145003	18,626
Exotic Survey	10.664	06DG-11083145003	38,750
Hemlock Woolly Adelgid	10.664	06DG-11083145003	17,213
SFA:NFP Hazard Mitigation:Preparedness	10.664	06DG-11083145003	11,528
Forest Stewardship	10.664	06DG-11083145003	260,977
I and DC Southern Pine Beetle Prevent:Restore	10.664	06DG-11083145004	662,475
Monitoring Red Bay Mortality	10.664	06DG-11083145007	9,970
Title IV Volunteer Fire Assistance	10.664	07DG-11083145003	109,155
Volunteer Fire Assistance	10.664	07DG-11083145003	84,879
Red Bay Mortality	10.664	07DG-11083145004	0
Forest Stewardship	10.664	07DG-11083145004	209,584
Urban and Community Forestry Assistance	10.664	07DG-11083145004	13,006
Stewardship:RFA	10.664	07DG-11083145004	15,379
Forest Stewardship - Nursery	10.664	07DG-11083145004	60,000

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FORESTRY COMMISSION (P12), CONTINUED			
Forest Health Monitoring	10.664	07DG-11083145004	25,568
Early Detection Response	10.664	07DG-11083145004	0
Cooperative Forest Health	10.664	07DG-11083145004	24,596
State Fire Assistance	10.664	07DG-11083145004	432,278
Sudden Oak Death	10.664	07DG-11083145004	0
National Fire Plan Invasive Weeds	10.664	07DG-11083145004	9,160
Hemlock Woolly Adelgid	10.664	07DG-11083145004	0
SFA NFP Hazard Mitigation Preparedness	10.664	07DG-11083145004	348,850
Title IV Hazard Mitigation Preparedness	10.664	07DG-11083145004	96,090
Sirex Surveys	10.664	07DG-11083145004	14,103
Planning Assistance	10.664	08-DG-11083145-001	0
Volunteer Fire Assistance	10.664	08-DG-11083145-002	0
Forest Health Monitoring	10.664	08-DG-11083145-004	0
CFH Competitive Grant	10.664	08-DG-11083145-004	0
SFA Competitive Grant	10.664	08-DG-11083145-004	0
Title IV - Hazard Mitigation Preparedness	10.664	08-DG-11083145-004	0
SFA NFP Hazard Mitigation Preparedness	10.664	08-DG-11083145-004	12,394
Exotic Surveys	10.664	08-DG-11083145-004	0
Hemlock Woolly Adelgid	10.664	08-DG-11083145-004	0
Cooperative Forest Health	10.664	08-DG-11083145-004	0
Urban Competitive Grant	10.664	08-DG-11083145-004	0
Forest Stewardship - Nursery	10.664	08-DG-11083145-004	0
Urban and Community Forestry Assistance	10.664	08-DG-11083145-004	0
Forest Stewardship	10.664	08-DG-11083145-004	0
State Fire Assistance	10.664	08-DG-11083145-004	55,735
Sudden Oak Death	10.664	08-DG-11083145-004	0
Economic Action	10.672	07-DG-11083145-009	9,538
Forest Land Enhancement Program	10.677	05-DG-11083145-040	116,542
Forest Land Enhancement Program	10.677	06DG-11083145006	74,520
Forest Health Protection Southern Pine Beetle	10.680	07-DG-11083145-005	40
Chinese Privet Control	10.680	07-DG-11083145-006	0
Forest Health Protection Southern Pine Beetle	10.680	08-DG-11083145-003	0
Total Direct Assistance			3,993,039
Implementation of South Carolina Forestry's BMP Program	66.460	EQ-7-497	40,750
Implementation of South Carolina Forestry's BMP Program	66.460	EQ-8-610	180,353
800 MHZ Communications Interoperability	97.067	5SHSP72	50,000
Type II Incident Management Team	97.067	6SHSP08	295,522
Type II Incident Management Team	97.067	7SHSP08	11,996
Total Passed Through State Agencies Included in Reporting Entity			578,621
Total Forestry Commission			4,571,660
DEPARTMENT OF AGRICULTURE (P16)			
Specialty Crop Market Promotion Grant	10.051	None	0
Market News Service	10.153	12-25-A-2929	12,437
Nutraceuticals as Alternative Crops Part II - Implications for Certification and Branding	10.156	12-25-G-0377	2,550

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DEPARTMENT OF AGRICULTURE (P16), CONTINUED			
Federal - State Poultry Grading Service (State Trust Fund)	10.162	12-25-A-3315	1,396,122
Federal - State Inspection of Fresh Fruits, Vegetables and Other Products	10.162	12-25-A-3551	564,110
Meat Grading and Certification Service	10.162	12-25-A-4298	0
National Organic Certification Cost-Share Program	10.163	12-25-A-4478	750
South Carolina Department of Agriculture Branding and Promotional Campaign	10.169	12-25-G-0530	49,946
South Carolina State Interagency Food Safety Council	93.103	FD-R-002635-01	0
Total Direct Assistance			2,025,915
Total Department of Agriculture			2,025,915
DEPARTMENT OF NATURAL RESOURCES (P24)			
Surveillance and Management of Chronic Wasting Disease	10.025	06-9645-892-CA	1,270
Surveillance and Management of Chronic Wasting Disease	10.025	07-9645-892-CA	48,000
Avian Influenza Surveillance Program	10.028	06-7100-0207-CA	0
Early Detection of Highly Pathogenic Avian Influenza in Wild Birds	10.028	07-7100-0207-CA	66,303
Organic Farming of Marine Shrimp: A Holistic Approach to Management of Feeds and Microbial Dynamics	10.307	2006-51300-03472	147,527
Forest Legacy	10.664	05-DG-11083145-030	0
Forest Legacy Program	10.676	06-DG1108314-505	95
Forest Legacy	10.676	07DG11083145001	3,306,754
Forest Legacy Program Grant	10.676	07DG11083145001	0
Forest Legacy Administration 2007	10.676	07DG11083145002	24,170
Forest Legacy Administration 2008	10.676	08-DG-11083145-005	0
Assist with Implementation of EQIP Program by Performing Status Reviews on Approximately 1048 Contracts in 16 Counties	10.912	65-4639-6-6005	23,614
Provide Program Technical Support for Implementing Conservation Programs in (7) Counties (Aiken, Chester, Dillon, Edgefield, Horry, Lancaster, Orangeburg)	10.912	65-4639-7-7028	0
Investigations of Fisheries Parameters for Anadromous Fishes in South Carolina	11.405	NA04NMF4050201	38,836
Fishery Independent Assessment of Adult Red Drum and Coastal Sharks in South Carolina	11.407	NA03NMF4070106	197
Fishery Independent Assessment of Adult Red Drum and Coastal Sharks in South Carolina	11.407	NA06NMF4070049	28,380
Protection and Acquisition of Bonneau Ferry, Cooper River West Branch	11.419	NA04NOS4190002	4,451,950
Application for Federal Funds (Fiscal Year 2005) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	11.420	NA04NOS4200068	0
Edisto Interpretive Barracks Construction	11.420	NA05NOS4201141	2,689
Application for Federal Funds (Fiscal Year 2006) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	11.420	NA06NOS4200124	324,599
Application for Federal Funds (Fiscal Year 2007) to Operate the Programs of the ACE Basin National Estuarine Research Reserve (NERR)	11.420	NA07NOS4200119	277,974
The South Carolina Harmful Algal Bloom Program	11.426	NA04NOS4260188	0
Fort Johnson Joint Laboratory (South Carolina Department of Natural Resources) Modernization	11.426	NA04NOS4260189	286,654
The South Carolina Harmful Algal Bloom Program	11.426	NA05NOS4261092	0
Expansion of the South Carolina Harmful Algal Bloom Project	11.426	NA06NOS4260037	203,296
A Proposed Harmful Algal Bloom Initiative for South Carolina Assessing the Potential Impacts of Red Tides, Pfiesteria and Toxic Algae	11.426	NA06OA0675	0
Development of Conversion Factors for Different Trap Types used by MARMAP since 1978	11.433	NA04NMF4330073	119,066

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DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
Can Marine-Protected Areas Conserve Genetic Diversity in Tomtate, Haemulon Aurolineatum, and French Grunt	11.433	NA17FF2878	0
South Carolina National Marine Fisheries Service Regional Cooperative Statistics Program	11.434	NA04NMF4340064	0
South Carolina National Marine Fisheries Service Cooperative Fishery Statistics Program	11.434	NA07NMF4340040	140,696
South Carolina National Marine Fisheries Service Southeast Area Monitoring and Assessment Program (SEAMAP) South Atlantic Shallow Water Trawl Survey	11.435	NA06NMF4350021	344,494
Estimates of Catch-and-Release Mortality for Red Drum (Sciaenops Ocellatus) in the Recreational Fishery of South Carolina	11.454	NA03NMF4540418	0
Marine Resources Monitoring, Assessment and Prediction Program (MARMAP) Conducting Fishery-Independent Surveys and Research off the Atlantic Coast of the Southeastern United States	11.454	NA06NMF4540093	1,079,478
From the Estuary to the Abyss: Exploring Along the Latitude 31-30 Transect	11.460	NA04OAR4600055	0
Sonar Mapping of Biologically-Engineered and Other Complex Habitats at the Shelf Edge and Upper Slope of the South Atlantic Bight	11.460	NA06OAR4600095	42,664
A Comprehensive Assessment of South Carolina's Intertidal Oyster Beds Using High Resolution Multi-Spectral Imagery for Oyster Resource Management and Restoration	11.463	NA03NMF4630296	14,522
Restoration of Coastal Impoundments within the ACE Basin, South Carolina with a Policy Analysis and Implications of Re-Impounding Old Rice Field Dikes	11.463	NA03NOS4190168	41,912
A Feasibility Study to Examine Potential Hydrological and Biological Benefits from Restoring Flow of a Saltmarsh Creek at the Edisto Beach Causeway	11.463	NA03NOS4630167	933
Evaluating Success of Intertidal Oyster Restoration in South Carolina	11.463	NA04NMF4630094	2,976
South Carolina's 2004-05 Intertidal Oyster Survey and Related Restoration Enhancement Program: An Integrated Oyster Resource Habitat Management and Restoration Program Using Novel Approaches	11.463	NA04NMF4630309	161,505
Examination of Local Movement and Migratory Behavior of Sea Turtles during Spring and Summer along the Atlantic Coast of the Southeastern United States	11.472	NA03NMF4720281	250,994
Assessment of Deepwater Fishes of the Charleston Bump Complex and Adjacent Outer Continental Shelf and Upper Slope - Year 1	11.472	NA03NMF4720321	120,551
Contribution to the Biology of Red Drum (Sciaenops Ocellatus) in South Carolina: Continuation of Mark-Recapture Studies, Estimates of Subadult Abundance and Adult Abundance from Fishery Independent Surveys	11.472	NA03NMF4720356	456,136
Cooperative Fisheries Research in South Carolina	11.472	NA04NMF4720306	761,907
Southeastern Regional Taxonomic Center	11.472	NA05NMF4721145	134,397
Inter-Basin Transfer, Migration, and Habitat Use by Shortnose Sturgeon in the Santee River and Winyah Bay System	11.472	NA06NMF4720044	30,699
Shortnose Sturgeon Population Estimate and Ages	11.472	NA06NMF4720273	67,329
To Implement Portions of the Recovery Plan for United States Population of Loggerhead Turtle and for Other Species of Sea Turtles in South Carolina Waters	11.472	NA07NMF4720207	43,045
South Carolina Endangered Species Program - Part 1	11.472	NA17FL2809	29,699
Atlantic Coastal Fisheries Cooperative Management Act	11.474	NA04NMF4740178	83,971
Atlantic Coastal Fisheries Cooperative Management Act Program in South Carolina	11.474	NA07NMF4740044	89,486
Continuation of Sampling for Hard Part Aging from the Commercial Fishery for Snapper-Groupers Complex in South Carolina	11.474	NA07NMF4740063	36,510
Implementation of the ACCSP Commercial Module in South Carolina	11.474	NA17FG1234	49,488
Establishing Standards for Oyster Microarrays	11.609	70NANB4H1103	495

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DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
External RNA Controls for Microarray Performance	11.609	70NANB6H6213	33,637
Measurement and Technology Enablement of Development of Competitive Sustainable Aquaculture Innovation	11.609	70NANB7H6179	114,995
Marine Resources Monitoring Assessment and Prediction Program (MARMAP)	NONE	50-WCNF-1-06007-L0004	0
Richard B. Russell Land Mitigation	12.107	SCDNR-RBR-JST-06	71,177
Richard B. Russell Trout Stocking Mitigation	12.107	SCDNR-RBRTROUT99	62,014
Folly Beach Renourishment	NONE	SAC0007	103,677
An Environmental Monitoring Study of Hard Bottom Reef Areas Near the Charleston Ocean Dredged Material Disposal Site	NONE	SAC0007	0
Clear Zone Habitat Conservation on South Carolina Airstrip	NONE	W912DY-07-2-0020	15,914
Orangeburg City Landing, Edisto River, Orangeburg County	15.605	F-100-D	82,875
Public Landing, Combahee River, Colleton County	15.605	F-101-DB	0
Prices Bridge Landing, Horseshoe Creek, Colleton County	15.605	F-102-D	0
Enterprise Landing, Intercoastal Waterway, Horry County	15.605	F-104-DB	0
South Carolina Marine Recreational Fisheries Survey	15.605	F-29-20	0
South Carolina Marine Recreational Fisheries Survey	15.605	F-29-21	257,348
Marine Artificial Reef Development and Management	15.605	F-54-14	0
Marine Artificial Reef Development and Management	15.605	F-54-15	105,857
Marine Artificial Reef Development and Management	15.605	F-54-16	180,453
Southeastern Cooperative Fish Disease Project	15.605	F-58-15	9,000
State Lake Facilities and Boating Access Maintenance	15.605	F-59-14	207
State Lake Facilities and Boating Access Maintenance	15.605	F-59-15	174,563
Fisheries Investigation of Lakes and Streams-Statewide	15.605	F-63-12	124,121
Fisheries Investigation of Lakes and Streams-Statewide	15.605	F-63-13	1,551,763
Aquatic Education Program	15.605	F-68-10	139,444
Aquatic Education Program	15.605	F-68-7	0
Aquatic Education Program	15.605	F-68-9	4,460
Walhalla Hatchery Operations and Maintenance	15.605	F-74-7	14,781
Walhalla Hatchery Operations and Maintenance	15.605	F-74-8	174,468
South Carolina Marine Resources DJ Administration Project	15.605	F-75-5	5,054
Cheraw Hatchery Operation and Maintenance	15.605	F-76-6	0
Cheraw Hatchery Operation and Maintenance	15.605	F-76-7	173,388
Assessment of Adult Red Drum in South Carolina Coastal Waters	15.605	F-77-3	0
Assessment of Adult Red Drum in South Carolina Coastal Waters	15.605	F-77-4	78,935
FERC Coordination	15.605	F-80-5	5,175
FERC Coordination	15.605	F-80-6	47,627
Dennis Center Hatchery Operation and Maintenance	15.605	F-83-5	13,425
Dennis Center Hatchery Operation and Maintenance	15.605	F-83-6	356,213
Impacts of Stocked Red Drum Larvae on Juvenile Abundance and Related Economics Cost and Benefit	15.605	F-85-4	43,684
Utilization of Stocked Red Drum Larvae as a Tool to Evaluate Population Recruitment Bottlenecks	15.605	F-85-5	141,765
Freshwater Fisheries Centralized Data Base Development	15.605	F-89-T-2	6,341
Freshwater Fisheries Centralized Data Base Development	15.605	F-89-T-3	49,538
Flounder Life History Studies-Assessment of Flounder Giggling	15.605	F-91-R-1	132,281
Jessen's Landing Additional Dock	15.605	F-92-D	64,911
Goat Hill Landing	15.605	F-93-DB	0
Videl's Dock Capers Island	15.605	F-94-DB-1-B	38,570

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DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
Fishery-Independent Monitoring of Juvenile Nursery Habitat of Key Recreational Species	15.605	F-95-R-1	50,367
Sandy Bluff Landing, Little Pee Dee River	15.605	F-96-D-1	0
Pea House Landing, Georgetown County	15.605	F-97-D	0
Sullivan's Ferry, Edisto River, Colleton County	15.605	F-98-D	0
West Bank Landing Edisto River, Colleton County	15.605	F-99-D	0
Creel Survey of Lake Russell, Lake Thurmond, and the Russell Tailrace	15.608	401814G032	181,065
Hunter Education Program	15.611	W-1-32	203,336
Hunter Education Program	15.611	W-1-33	466,996
Southeastern Cooperative Wildlife Disease Project	15.611	W-29-51	11,250
Statewide Wildlife Management, Technical Guidance, Research and Surveys, and Coordination	15.611	W-30-48	127,261
Statewide Wildlife Management, Technical Guidance, Research and Surveys, and Coordination	15.611	W-30-49	2,390,008
Determining Population Abundance of Black Bears in Coastal South Carolina and Development of a Bear Management Plan	15.611	W-99-1 (D)	0
Provide GIS and other Spatial Technology to Support Coastal Ecosystem Program	15.614	401813-J031	0
Pee Dee River Conservation Initiative	15.614	C-8	1,000,000
Reprint of Workbook and Key to Freshwater Bivalves	15.615	40187G025	8,500
South Carolina Endangered Species Program	15.615	E-1-29	75,739
South Carolina Endangered Species Program E-1-30	15.615	E-1-30	57,440
Clean Vessel Act Awareness Campaign - Coastal	15.616	V-14-1	1,014
Clean Vessel Act Awareness Campaign - Inland	15.616	V-15-1	0
Clean Vessel Act Awareness - Outreach	15.616	V-16-DE	340,213
Clean Vessel Act Awareness Campaign - Public Awareness Inland	15.616	V-17-EO	11,175
Boating Infrastructure Grant Program: Transient Redevelopment at Georgetown Marina	15.622	Y-9-D	562,986
Cedar Island Enhancement Project	15.623	N-6-1	0
Murphy Island Enhancement Project	15.623	N-7-1	0
South Carolina Pee Dee River Conservation Initiative - Woodbury Tract	15.623	SC-N91B	1,000,000
Jocassee Gorges Education and Visitor Program Development	15.625	R-6-1	4,131
Take One Make One and National Archery in the Schools	15.626	W-98-E	44,403
Take One Make One and National Archery in the Schools	15.626	W-98-E-2	123,548
Take One Make One, Archery in the Schools, Scholastic Clay Target Program	15.626	W-98-E-3	0
South Carolina RCW Safe Harbor Cost Share Program	15.633	I-1-1	39,838
South Carolina RCW Safe Harbor Cost Share Program (LIP Tier 2)	15.633	I-2-1	142,483
South Carolina Landowner Incentive Program Tier 1 - 2007	15.633	I-5-1	2,353
Landscape Planning for Priority Wildlife Species on Agricultural Lands	15.634	T-10-P-1	114,845
Restoration of Longleaf Pine Forest on State Owned Lands	15.634	T-11-R-1	84,652
Conservation of Migratory Landbirds in South Carolina	15.634	T-13-R-2	67,087
Development of Best Management Practices for Sustaining Wildlife in the Maritime Zone of South Carolina	15.634	T-14-T-1	34,531
South Carolina Reptile and Amphibian Conservation Planning	15.634	T-15-P-1	2,870
Upland Habitat Improvements on Lewis Ocean Bay Heritage Preserve	15.634	T-16-R-1	0
Protection and Management of Seabird Colonies	15.634	T-17-R-1	45,111
Habitat Enhancement on North and South Williman Islands, Beaufort County, South Carolina	15.634	T-19-R-1	18,496

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DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
Status and Management Plan Development for Three Rare Burrowing Crayfish, <i>Distocambarus Youngineri</i> , <i>D. Hunteri</i> and <i>Cambarus Reflexus</i>	15.634	T-20-R-1	10,642
Coordination and Implementation of South Carolina's Comprehensive Wildlife Conservation Plan	15.634	T-21-R-1	8,360
Controlling Access to Known and Potential Bat Roost	15.634	T-23-R-1	6,409
Fish Passage on the Broad River: An Assessment of the Benefits to Freshwater Mussels	15.634	T-24-R-1	21,980
South Carolina Stream Conservation Implementation	15.634	T-25-R-1	86,789
South Carolina Reptile and Amphibian Implementation	15.634	T-26-R-1	110,566
Habitat Improvement for Grassland Birds	15.634	T-27-R-1	49,060
Conservation Initiative	15.634	T-28-L	50,000
Coordination and Implementation of South Carolina's Comprehensive Wildlife Conservation Plan	15.634	T-29-0-1	6,030
Taxonomy, Life History, and Distribution of the Crayfish (<i>Procambarus Echinatus</i>)	15.634	T-30-R-1	4,350
Assessing Introgressive Hybridization within and Habitat Requirement of Native Carolina Redeye Bass (<i>Micropterus Coosae</i>)	15.634	T-31-R-1	10,471
Restoring Seabird Nesting on Bird Key Stono Seabird Colony	15.634	T-32-T-1	8,838
Robust Redhorse (<i>Moxostoma Robustum</i>) Electrofishing and Radio Telemetry Tracking on the Great Pee Dee River, South Carolina	15.634	T-33-R-1	6,271
Community Bases Habitat Restoration and Large Scale Resource Enhancement Through SCORE	15.634	T-34-HM-1	9,476
Identification of the Diamondback Terrapin Habitat in South Carolina	15.634	T-35-R-1	8,136
A GIS-Based Model to Guide Landscape-Scale Restoration at the Woodberry Tract and Hamilton Ridge Properties	15.634	T-36-HM-1	20,937
Carolina Herp Atlas	15.634	T-37-T-1	0
Mink Restoration and Monitoring Development Project	15.634	T-38-R-1	0
Development of a Comprehensive Wildlife Conservation Plan	15.634	T-5-1	20,467
Conservation of Water and Seabirds in South Carolina	15.634	T-7-R-2	39,662
South Carolina Stream Conservation Planning Project	15.634	T-8-1-P	0
Robust Redhorse Restoration and Conservation	15.634	T-9-R-1	116
Mapping and Digitization of 7.5-Minute Quadrangles in the Lake Marion and I-20 Growth Corridor Areas, South Carolina	15.808	06HQAG0038	21,708
A WWH (Where, What, and How Much) Inventory of Available Geologic Information in South Carolina	15.808	07HQGR0121	3,935
South Carolina GIS State Outreach	15.809	08HQAG0010	0
Mapping and Digitization of 7.5-Minute Quadrangles in the Lake Marion and I-20 Growth Corridor Areas, South Carolina	15.810	07HQAG0082	203,465
Junior Duck Conservation and Design Program	NONE	401814G001	733
Geologic Mapping of Selected 7.5-minute Quadrangles Covering the Congaree National Park and Adjoining Area	NONE	H2360-05-3170	32,919
Congaree Swamp Fish Survey	NONE	H5240-00-0290	0
Monitoring Estuarine Habitat Condition in the Coastal Zone of South Carolina	66.511	CR-83256501	72,628
Coastal 2000 Initiative-Monitor Water Quality and Habitat Condition in South Carolina	66.511	R-82847201-0	0
Natural Resources Management Activities and Biodiversity Maintenance	81.086	DE-FC09-97SR18926	92,654
State Recreational Boating Safety Programs	97.012	17.01.45	635,704
State Recreational Boating Safety Programs	97.012	18.01.45	1,347,848
Community Assistance Program	97.023	EMA-2004-GR-5016	0
Community Assistance Program	97.023	EMA-2006-GR-5606	0
Community Assistance Program	97.023	EMA-2007-GR-5758	152,154

STATE OF SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
Community Assistance Program	97.023	EMA-2008-GR-5831	50,750
Flood Mitigation Assistance-Project	97.029	EMA-2003-CA-5333	341,302
Flood Mitigation Assistance-Technical Assistance	97.029	EMA-2005-FM-E010	4,555
Flood Mitigation Assistance-Planning Fiscal Year 2004	97.029	EMA-2005-FM-E011	26,700
Flood Mitigation Assistance-Sullivan's Island Project 002	97.029	EMA-2006FME001	201,750
Beaufort County FMA Planning Update	97.029	EMA-2007-FM-E008	0
Pickens County: 131 Quail Haven Acquisition	97.029	EMA-2007-FM-EO06	50,121
South Carolina Department of Natural Resources Technical Assistance Grant	97.029	EMA-2007-FM-EO13	590
Cooperating Technical Partners	97.045	EMA-2003-GR-5372	43,038
Cooperating Technical Partners	97.045	EMA-2004-CA-5022	533,942
Cooperating Technical Partners	97.045	EMA-2005-CA-5214	796,994
Cooperating Technical Partners	97.045	EMA-2006-CA-5619	651,629
Cooperating Technical Partners	97.045	EMA-2007-CA-5773	907,342
Map Modernization Management Support	97.070	EMA-2005-CA-5237	52,274
Map Modernization Management Support	97.070	EMA-2005-CA-5248	70,001
Map Modernization Management Support	97.070	EMA-2006-CA-5629	7,254
Map Modernization Management Support	97.070	EMA-2007-CA-5729	638
Map Modernization Management Support	97.070	EMA-2008-CA-5869	0
Total Direct Assistance			31,705,808
United States Marine Shrimp Farming Program Fiscal Year 2004	10.200	2004-38808-02142	156,308
Shrimp Immunity Viral Infection: An Evaluation of the Contribution of RNA Interference	10.206	2006-35204-17434	28,161
NRCS Lidar Data Support	10.902	68-4639-7-7023	0
Batch Fecundity and Spawning Frequency as a Function of Size, Age, and Season for Black Sea Bass and Red Porgy in the United States South Atlantic	11.454	508710-08-01	0
Carolina Coastal Ocean Observation and Prediction System	11.460	USC 03842	0
Shortnose and Atlantic Sturgeon Diet and Genetics	11.470	2003-0206-007	0
Shortnose and Atlantic Sturgeon Studies	11.481	2006-0087-009	134,750
Santee-Cooper Shortnose Sturgeon Monitoring - II	11.481	2006-0087-010	12,816
South Atlantic Coastal Ocean Observing System Implementation	12.300	N00014-02-1-0972	33,904
Lake Russell/Lake Hartwell Shoreline Habitat Enhancement	15.608	2007-0096-002	15,058
Northern Bobwhite □ Songbird Monitoring on CP-33 Contracts in South Carolina	15.628	M-1-T	15,816
Enhancing Diversity in Geosciences: Mentoring and Researching Modeling for Middle School and University Students	47.050	GEO-0703702	0
Functional Genomic Approach to Signal Transduction and Innate Immunity in Shrimp	47.074	MCB-0315393	2,892
Fecal Coliform Bacteria TMDL Development and Implementation for the Scape Ore Swamp	66.460	C-999-4629-03-0	2,090
Fecal Coliform Bacteria TMDL Development and Implementation and Dissolved Oxygen Characterization for the Big Swamp and Singleton Swamp Watersheds	66.460	C-999-4629-04-0	3,773
Interstate Fecal Coliform Bacteria TMDL Development and Implementation for the Upper Little Pee Dee River	66.460	EQ-5-402	245
Fecal Coliform Bacteria TMDL Development and Implementation for the Spears Creek Watershed	66.460	EQ-6-807	5,789
Total Passed Through Entities Not Included in Reporting Entity			411,602

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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF NATURAL RESOURCES (P24), CONTINUED			
Impacts of Stocked Red Drum on the Recreational Fishery of Murrell's Inlet: Data Collection, Analysis, Development of Assessment Tools	11.417	NA06OAR417005	8,350
Developing Approaches and Associated Metrics for Determining Intertidal Oyster Restoration Success: Matching Goals with Appropriate Criteria using Small and Large-Scale Reefs	11.417	NA16RG2250	0
Impacts of Stocked Red Drum on the Recreational Fishery and Local Community of Murrell's Inlet: Biological and Economic Considerations	11.417	NA16RG2250	0
A Demonstration Project to Construct a Semi-Automated Auger Conveyor System for Bagging Oyster Shell for Small to Medium Scale Restoration Projects	11.417	PJM-2L	0
Preliminary Assessment of the Occurrence of the Invasive Asian Green Mussel in South Carolina	11.417	R11C-R110	9,249
Impacts of Stocked Red Drum on the Recreational Fishery of Murrell's Inlet: Data Collection, Analysis, Development of Assessment Tools	11.417	R289	25,768
Investigation and Mitigation of Algal Blooms and Pollutants in Coastal Stormwater Ponds and Adjacent Tidal Creek and Estuarine Systems	11.417	R-378	19,876
Paralichthid Flounders Spawning Grounds Study	11.417	R382	21
Developing Methodologies for Understanding Carrying Capacity as It Relates to the Introduction of Stocked Red Drum in Four South Carolina Estuaries	11.417	R389	0
Commercialization of Bait Shrimp Farming Based on Specific Pathogen Free Stocks	11.417	RA10	283,632
National Initiative for Aquaculture Development and Fishery Enhancement of Cobia (Rachycentron Canadium)	11.417	RA3D	39,081
National Initiative for Aquaculture Development and Fishery Enhancement of Cobia (Rachycentron Canadium)	11.417	RA4D	16,105
South Carolina Estuarine and Coastal Assessment Program (SCECAP) 2007 Survey	11.419	NA06NOS4191093	30,000
Completion of Bennett's Point Field Research Station, to Include a Dock, Completion of the Edisto Interpretive Center and Planning, Design, and Initial Construction of a Centralized Visitor Center at Donnelly WMA	11.420	NA16OR1290	23,633
Lynches State Scenic River Trail	20.219	2007011	0
Expanding Existing Surveillance Systems to include Pfiesteria, Other Harmful Algal Blooms and Marine Toxins	93.283	CD07	86,637
Expanding Existing Surveillance Systems to include Pfiesteria, Other Harmful Algal Blooms and Marine Toxins	93.283	CD13	43,012
Expanding Existing Surveillance Systems to include Pfiesteria, Other Harmful Algal Blooms and Marine Toxins	93.283	V4C7	42,418
Total Passed Through State Agencies Included in Reporting Entity			627,782
Total Department of Natural Resources			32,745,192
SEA GRANT CONSORTIUM (P26)			
A Proposal for Sea Grant College Program Support, South Carolina Sea Grant Consortium for 2006 - 2008	11.417	NA06OAR4170015	1,075,138
Carolinas Coastal Climate Outreach Initiative	11.417	NA06OAR4170212	76,654
Commercialization of Bait Shrimp Farming Based on Specific Pathogen Free Stocks	11.417	NA06OAR4170235	227,716
National Initiative for Aquaculture Development and Fishery Enhancement of Cobia (Rachycentron Canadium)	11.417	NA06OAR4170252	219,167
Knauss Fellowship 2007 (South Carolina), (Semon)	11.417	NA07OAR4170030	26,016
Collaboration to Enhance Diversity in Ocean Literacy and Facilitate Communications and Planning throughout the Ocean Observations Community	11.417	NA07OAR4170423	53,226
Knauss Fellowship 2008 (South Carolina), (Arthur)	11.417	NA08OAR4170334	14,028

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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
SEA GRANT CONSORTIUM (P26), CONTINUED			
Knauss Fellowship 2008 (South Carolina), (Berrio)	11.417	NA08OAR4170335	15,391
Knauss Fellowship 2008 (South Carolina), (McDonald)	11.417	NA08OAR4170336	15,179
Knauss Fellowship 2008 (South Carolina), (Lenandro)	11.417	NA08OAR4170337	15,623
Sea Grant National Marine Aquaculture Initiatives	11.417	NA16RG1561	0
A Proposal for Sea Grant College Program Support, South Carolina Sea Grant Consortium for 2002 - 2004	11.417	NA16RG2250	163,690
Land Use - Coastal Ecosystem Study	11.426	NA04NOS4260210	833
Urbanization and Southeastern Estuarine Systems (USES)	11.426	NA05NOS4261154	90,445
Development of a Conceptual Model for an Integrated Coastal Demographic - Economic - Environmental Prediction and Forecasting Initiative	11.426	NA06NOS4260030	325,431
Cooperative Institute for Fisheries Molecular Biology (FISHTEC) - Interpretation and Distribution of Fisheries and Coastal Ecosystems Data and Information	11.472	EA133C-06-SE-3283	25,935
Providing Oceans and Human Health Research, Education and Training to Appropriate Audiences	11.472	MOA-2006-025.7182	291,493
Implementation of NFRA Communications Plan	11.473	FC133C06SE3757	0
Southeast Coastal Ocean Observations Regional Association (SECOORA): Building a Regional Framework for the Coastal Ocean Observing System of the Southeastern United States - Phase II	11.473	NA05NOS4731148	446,426
Enhancing the Regional Coastal Ocean Observing System in the Southeastern United States	11.473	NA07NOS4730219	29,975
South Atlantic Bight Land Use-Coastal Ecosystem Study (LU-CES), Phase II	11.478	NA96OP0113	0
Urbanization and Southeastern Estuarine Systems (USES)	11.478	NA96OP0222	0
The South Carolina/Georgia Coastal Erosion Study - Phase II	15.808	00HQAG0208	0
The South Carolina/Georgia Coastal Erosion Study - Phase II	15.808	05ERA0063	154,211
Center for Ocean Sciences Education Excellence Southeast: Building on Success	47.050	OCE-0527849	413,333
Expanding Survey Systems to Include Pfiesteria, Harmful Algal Blooms, and Marine Toxic Algae	93.283	U50.CCU423374-01	476,618
Total Direct Assistance			4,156,528
Southeast Atlantic Coastal Ocean Observing System - Initial Implementation	12.300	N00014-02-1-0972	20,751
Total Passed Through Entities Not Included in Reporting Entity			20,751
Hypoxia Events - Long Bay, South Carolina	11.419	NA04NOS4190057	0
Contamination of Coastal Stormwater Ponds Sediment	11.419	NA05NOS4190193	46,151
Newspapers in Education	11.419	NA06NOS4190193	27,483
Expansion of the Harmful Algal Bloom Program	11.426	NA06NOS4260037	23,920
Cooperative Research Monitoring - Fisheries	11.472	NA04NMF4720306	277,760
Total Passed Through State Agencies Included in Reporting Entity			375,314
Total Sea Grant Consortium			4,552,593
DEPARTMENT OF PARKS, RECREATION, AND TOURISM (P28)			
Rural Business Enterprise Grant	10.769	None	47,037
Coastal Program	15.630	401816J098	0
Coastal Program	15.630	401817G057	25,000
South Carolina National Heritage Corridor	15.904	1443CA509098004	91,665
South Carolina National Heritage Corridor 2007	15.904	H5041060121	667,020
South Carolina National Heritage Corridor Military Conflict Trail	15.904	H5430060019	850

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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF PARKS, RECREATION, AND TOURISM (P28), CONTINUED			
Land and Water Conservation 2003 Grant	15.916	None	21,093
Land and Water Conservation 2004 Grant	15.916	None	152,452
Land and Water Conservation 2005 Grant	15.916	None	261,237
Land and Water Conservation 2006 Grant	15.916	None	100,000
American Battlefield Protection Program	15.926	GA-2255-07-017	745
Recreational Trails Program (2001 Grant)	20.219	RTP-2001(001)	0
Recreational Trails Program (2002 Grant)	20.219	RTP-2002(001)	8,229
Recreational Trails Program (2003 Grant)	20.219	RTP-2003(001)	38,541
Recreational Trails Program (2004 Grant)	20.219	RTP-2004(001)	209,218
Recreational Trails Program (2005 Grant)	20.219	RTP-2005(001)	173,370
Recreational Trails Program (2006 Grant)	20.219	RTP-2006(001)	441,624
Recreational Trails Program (2007 Grant)	20.219	RTP-2007(001)	72,512
Total Direct Assistance			2,310,593
Battle of Camden National Landmark and Interpretation	20.205	28H22RUL6033	200,000
Palmetto Trail at Croft State Park	20.205	42H22MP07034	108,276
Savannah River Scenic Highway Safety Enhancements	20.600	SBD-SC99(001)	67,364
Teaching American History Grant	84.215	None	0
Total Passed Through Entities Not Included in Reporting Entity			375,640
Ashapoo-Edisto-Combahee (ACE) Basin National Estuarine Research Reserve (NERR) Program	11.420	NA05NOS4201141	90,936
Jocassee Gorges Visitor and Education Center	20.205	39Q22RUL3043	0
I - Storm 2005	97.036	None	1,170
Hazard Mitigation Grant	97.039	1543-0004-SC	10,373
Hazard Mitigation Grant	97.039	1543-0006-SC	15,019
Total Passed Through State Agencies Included in Reporting Entity			117,498
Total Department of Parks, Recreation, and Tourism			2,803,731
DEPARTMENT OF COMMERCE (P32)			
Geographic Information System (GIS) Water and Sewer Database	11.302	04-88-05663	50,000
Community Development Block Grant:State Small Cities Program	14.228	B-DC-450001	26,624,741
Trade Adjustment Assistance (TAA) FY2006 Program	17.245	TA-15326-06-55	48,832
Trade Adjustment Assistance (TAA) FY2007 Program	17.245	TA-15878-07-55	3,237,906
Trade Adjustment Assistance (TAA) FY2008 Program	17.245	TA-16825-08-55	5,225,305
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2004	17.258	AA-13824-04-50	0
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2005	17.258	AA-14701-05-55	34,530
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2006	17.258	AA-15505-06-55	6,390,112
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2007	17.258	AA-16054-07-55	13,045,174
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2004	17.259	AA-13824-04-50	0
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2005	17.259	AA-14701-05-55	887,406
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2006	17.259	AA-15505-06-55	5,910,657
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2007	17.259	AA-16054-07-55	11,756,229
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2008	17.259	AA-17147-08-55	11,926
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2004	17.260	AA-13824-04-50	0
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2005	17.260	AA-14701-05-55	83,440
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2006	17.260	AA-14701-06-55	10,786,167

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Schedule of Expenditures of Federal Awards
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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF COMMERCE (P32), CONTINUED			
WIA Youth/Adult/Dislocated Workers Formula Combined, PY2007	17.260	AA-16054-07-55	15,958,826
WIA Incentive Grants, PY2006	17.267	PI -14925 RD	321,417
WIA Incentive Grants, PY2005	17.267	PI-14925-05-55	71,438
Conduct State System Plan Study	20.106	3-45-0000-04	244,732
Anderson Regional Fence-System Plan	20.106	3-45-0000-07	78,946
Install and Upgrade Weather Reporting Equipment at Twenty-Two General Aviation Airports in the State of South Carolina	20.106	3-45-4500-07	722,138
Marion County Airport	20.106	3-45-4500-08	29,293
Acquire Aircraft Rescue and Fire Fighting Vehicle	20.106	3-45-4500-09	0
Install Automated Weather Reporting Equipment - AWOS III	20.106	3-45-4500-10	89,400
Town of Blacksburg	23.002	SC-15236-05	73,464
South Carolina Consolidated Technical Assistance Grant	23.011	SC-7774-C19-07	3,378
South Carolina Consolidated Technical Assistance Grant	23.011	SC-7774-C20-08	37,533
Total Direct Assistance			101,722,990
Total Department of Commerce			101,722,990
OFFICE OF REGULATORY STAFF (R06)			
2007 One Call Grant	20.700	PPHP05007OC0029	9,170
2005 One Call Grant	20.700	RDPS2005G00048	0
Total Direct Assistance			9,170
Total Office of Regulatory Staff			9,170
DEPARTMENT OF CONSUMER AFFAIRS (R28)			
Odometer Fraud Investigations	20.600	DTNH22-05-H-01157	21,728
Total Direct Assistance			21,728
Total Department of Consumer Affairs			21,728
DEPARTMENT OF LABOR, LICENSING, AND REGULATION (R36)			
OSHS Cooperative Agreement	17.005	W9J781457P	20,875
OSHS Cooperative Agreement	17.005	W9J881458P	46,358
State Operational Grant (23(g) OSHA)	17.503	60F70046	626,565
State Operational Grant (23(g) OSHA)	17.503	SP16721SP8	1,175,731
Consultation Cooperative Agreement (21D)	17.504	CS16690CS8	473,655
Consultation Cooperative Agreement (21D)	17.504	E9F7-0946	207,289
First Responder Counter-Terrorism Training	97.038	None	26,000
Total Direct Assistance			2,576,473
Small Water Operators	66.471	None	3,307
USAR Type I Search and Rescue	97.067	5SHSP78	111,268
Fiscal Year 2006 State Homeland Security Program	97.067	6SHSP07	464,863
Total Passed Through State Agencies Included in Reporting Entity			579,438
Total Department of Labor, Licensing, and Regulation			3,155,911
DEPARTMENT OF MOTOR VEHICLES (R40)			
NMVTIS - National Motor Vehicle Title Information System Participation Program	16.580	2007-DD-BX-0705	10,742

STATE OF SOUTH CAROLINA
 Schedule of Expenditures of Federal Awards
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<u>State Agency Grant Title</u>	<u>CFDA Number</u>	<u>Grant Contract Number</u>	<u>Expenditures</u>
DEPARTMENT OF MOTOR VEHICLES (R40), CONTINUED			
New Entrant	20.218	MN-06-45-1	98,791
MCSAP - New Entrant Safety	20.218	MN-07-45-1	362,918
Commercial Driver's License Program Improvement (CDLPI)	20.232	CD06 (451)	152,405
NHTSA Cooperative Agreement-Digit	20.614	DTNH22-04-H-05935	40,000
Total Direct Assistance			664,856
Total Department of Motor Vehicles			664,856
Total Federal Expenditures, Gross			5,596,758,943
Less Passed Through State Agencies Included in Reporting Entity			26,764,236
Total Federal Expenditures			5,569,994,707

STATE OF SOUTH CAROLINA

Notes to the Schedules of Expenditures of Federal Awards For the Year Ended June 30, 2008

NOTE 1 - BASIS OF PRESENTATION

Entity

For purposes of complying with the Single Audit Act Amendments of 1996, the State of South Carolina (the State) is defined in a manner consistent with the entity defined in the basic financial statements as of and for the year ended June 30, 2008, except that certain agencies and component units included in the basic financial statements are excluded in the accompanying schedules of expenditures of federal awards because these agencies and component units engaged other auditors to perform an audit in accordance with the Single Audit Act, as applicable. The excluded agencies and component units and their federal expenditures for the year ended June 30, 2008 are as follows:

<u>Agency</u>	<u>Federal Expenditures</u>
Governor's Office	\$ 41,935,471
The Citadel	18,134,916
Clemson University	115,859,503
College of Charleston	57,064,837
Coastal Carolina University	38,075,533
Francis Marion University	24,044,621
Lander University	3,458,720
South Carolina State University	62,861,402
University of South Carolina	318,588,964
Winthrop University	30,634,251
Medical University of South Carolina	193,849,990
Midlands Technical College	15,145,400
Trident Technical College	15,174,263
Piedmont Technical College	9,846,216
Spartanburg Community College	10,951,833
Orangeburg-Calhoun Technical College	5,577,165
Central Carolina Technical College	8,759,242
Technical College of the Lowcountry	4,101,200
Tri-County Technical College	10,291,146
Williamsburg Technical College	2,328,905
York Technical College	11,495,819
Aiken Technical College	3,765,712
Northeastern Technical College	1,874,382
Denmark Technical College	6,903,522
Florence-Darlington Technical College	9,422,754
Greenville Technical College	47,827,945
Horry-Georgetown Technical College	10,226,017
State Housing Finance and Development Authority	129,179,996
Employment Security Commission	89,793,307
Department of Transportation	392,448,875
State Ports Authority	638,593
South Carolina State Education Assistance Authority	13,412,886
Total Federal Expenditures for Excluded Agencies	<u>\$1,703,673,386</u>

STATE OF SOUTH CAROLINA

Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2008

NOTE 1 - BASIS OF PRESENTATION (CONTINUED)

Entity (Continued)

Accordingly, the accompanying schedules of expenditures of federal awards present the federal financial assistance programs administered by the State, as defined on the previous page, for the year ended June 30, 2008.

Non-Cash Federal Programs

The State is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements, termed "non-cash programs". The distributions under these programs are included in the accompanying schedules of expenditures of federal awards.

Loan Programs

The amounts reported in the accompanying schedules of expenditures of federal awards for the loan programs listed below represent federal capital contributions and administrative costs incurred during the year ended June 30, 2008. All programs/clusters that had either loans outstanding or total expenditures (including administrative expenses) in excess of \$16,709,984 were determined to be Type A programs and were subjected to a risk assessment process for the selection of major programs to be tested.

State Revolving Fund (CFDA 66.458) - The primary objective of the State Revolving Fund (SRF) is to provide financial assistance (not grants) for constructing municipal treatment works and for developing and implementing nonpoint source management programs and estuary management plans.

Safe Drinking Water State Revolving Fund (CFDA 66.468) - This program, initiated in fiscal year 1997-98, is funded by the EPA and State matching funds. The primary objective of the program is to provide communities with affordable financing in the form of long-term, low-interest loans for the construction of public drinking water facilities. The South Carolina Budget and Control Board - Office of Local Government division is responsible for the State-level management and financial administration of this revolving loan program.

ConserFund Revolving Loan Fund - This fund was set up using Petroleum Violation Escrow (PVE) funds (CFDA 81.502) by the South Carolina Budget and Control Board - State Energy Office. The fund was established to provide loans to State agencies, school districts, local governments and nonprofit corporations for energy efficiency improvements.

Diamond Shamrock Revolving Loan Fund - This fund was set up using Petroleum Violation Escrow (PVE) funds (CFDA 81.502) by the South Carolina Budget and Control Board - State Energy Office. The fund was established to provide loans to State agencies, school districts, local governments and nonprofit corporations for energy efficiency improvements.

STATE OF SOUTH CAROLINA

Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2008

NOTE 1 - BASIS OF PRESENTATION (CONTINUED)

Loan Programs (Continued)

	<u>Loans Made During Fiscal Year 2008</u>	<u>Loan Balance at June 30, 2008</u>
State Revolving Fund (66.458)	\$45,751,172	\$397,152,195
Safe Drinking Water State Revolving Fund (66.468)	\$11,118,862	\$ 86,631,592
ConserFund Revolving Loan Fund (81.502)	\$ 2,672,035	\$ 5,205,194
Diamond Shamrock Revolving Loan Fund (81.502)	\$ -	\$ 264,982

Other Federal Assistance

The "Other Federal Assistance" presented in the accompanying schedules of expenditures of federal awards consists of federal financial assistance programs that have not been assigned CFDA numbers. The detail of grants without CFDA numbers is presented in Schedule 2 by State agency.

Pass-Through Expenditures

Federal funds received by one State grantee agency and redistributed (expended) to another State grantee agency (i.e., a pass-through of funds by the primary recipient State grantee agency to a subrecipient State grantee agency), are reported in Schedule 1 as federal expenditures of the primary receiving/expending State grantee agency. This is to avoid duplication and the overstatement of the aggregate level of federal financial assistance expended by the State.

The pass-through funds are included in both the primary recipient and subrecipient State grantee agencies in Schedule 2, the Schedule of Expenditures of Federal Awards by State Agency. The pass-through funds are separately identified in Schedule 2 to provide a complete schedule of all federal funds administered by State agencies within the single audit entity during the year ended June 30, 2008.

When a State agency receives funds as a subrecipient from outside the single audit entity, these funds are included in both Schedules 1 and 2. These funds are included as a part of "Total Passed Through Entities Not Included in Reporting Entity" in Schedule 2.

STATE OF SOUTH CAROLINA

Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2008

NOTE 2 - BASIS OF ACCOUNTING

The expenditures presented in the accompanying schedules of expenditures of federal awards were developed from agency records which reconcile to the Statewide Accounting and Reporting System (STARS). STARS is the State's budgetary basis accounting system which serves as a primary source of information in the preparation of the State's financial statements. The STARS basis of accounting for the expenditures presented is the cash basis with the following exceptions:

- (1) Departments and agencies charge certain vendor and interfund payments against the preceding fiscal year's appropriations through July 18.
- (2) Certain non-cash activity, such as food stamp benefits is recorded as an expenditure in the fiscal year in which the resources are distributed to the beneficiaries.

Federal revenues and expenditures are included primarily in the governmental funds in the State's financial statements.

NOTE 3 - MATCHING COST

Matching costs, i.e. the non-federal share of certain program costs, are included in the accompanying schedules of expenditures of federal awards when the federal and state portions of costs are combined and the state portion cannot be separately identified.

NOTE 4 - PETROLEUM OVERCHARGE RECOVERIES

In the current and prior years the State received monies relating to recoveries from petroleum companies which had overcharged customers when price controls were in effect. These monies are expended under specific federal programs in accordance with the federal laws and regulations pertaining to such programs. Accordingly, these amounts are included in the accompanying schedules of expenditures of federal awards under the specific federal program to which they relate.

NOTE 5 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

The regulations and guidelines governing the preparation of federal financial reports vary by federal agency and among programs administered by the same agency. Accordingly, the amounts reported in the federal financial reports do not necessarily agree with the amounts reported in the accompanying schedules of expenditures of federal awards which are prepared on the basis explained in Notes 1 and 2. The federal financial reports have been reconciled to amounts included in the schedules of expenditures for all major programs.

STATE OF SOUTH CAROLINA

Notes to the Schedules of Expenditures of Federal Awards
For the Year Ended June 30, 2008

NOTE 6 - WIC REBATES

During the fiscal year ended June 30, 2008 the South Carolina Department of Health and Environmental Control received cash rebates from infant formula manufacturers in the amount of \$36,987,604 on sales of formula to participants in the WIC program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16a as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the South Carolina Department of Health and Environmental Control to extend program benefits to 510,596 more persons than could have been served this fiscal year in the absence of the rebate contract.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

SECTION I - SUMMARY OF AUDITOR'S RESULTSFinancial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
 Material weaknesses identified? yes X no
 Significant deficiencies identified that
 are not considered to be material
 weaknesses? X yes none reported

Noncompliance material to financial
 statements noted? yes X no

Federal Awards

Internal control over major programs:
 Material weaknesses identified? X yes no
 Significant deficiencies identified that
 are not considered to be material
 weaknesses? X yes none reported

Type of auditor's report issued on compliance
 for major programs Unqualified

Any audit findings disclosed that are required
 to be reported in accordance with section
 .510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children
10.558	Child and Adult Care Food Program
12.401	National Guard Military Operations and Maintenance (O&M) Projects
17.245	Trade Adjustment Assistance
66.605	Performance Partnership Grants
84.010	Title I Grants to Local Educational Agencies
84.048	Vocational Education - Basic Grants to States
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States
84.181	Special Education - Grants for Infants and Families with Disabilities
84.358	Rural Education
93.069	Public Health Emergency Preparedness

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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SECTION I - SUMMARY OF AUDITOR'S RESULTS (CONTINUED)

<u>CFDA</u> <u>Numbers</u>	<u>Name of Federal Program or Cluster (Continued)</u>
93.556	Promoting Safe and Stable Families
93.563	Child Support Enforcement
93.645	Child Welfare Services - State Grants
93.767	State Children's Insurance Program
93.889	National Bioterrorism Hospital Preparedness Program
93.958	Block Grants for Community Mental Health Services
93.959	Block Grants for Prevention and Treatment of Substance Abuse
Various	Food Stamp Cluster
Various	Child Nutrition Cluster
Various	WIA Cluster
Various	Special Education Cluster (IDEA)
Various	Medicaid Cluster

Dollar threshold used to distinguish between
 Type A and Type B programs: \$16,709,984

Auditee qualified as low-risk auditee? yes X no

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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Section II - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

OFFICE OF THE ADJUTANT GENERAL (E24)

08E24-1. Schedule of Federal Financial Assistance

This is a repeat finding.

Various Programs

CFDA Nos. : Various

Grant Nos. : Various

Agencies are required to submit a Schedule of Federal Financial Assistance (SFFA) to the Office of the State Auditor. The SFFA is used to prepare the Schedule of Expenditures of Federal Awards. We noted several errors and omissions during our testing of the agency prepared SFFA:

1. The SFFA contained several incorrect grant titles and grant numbers.
2. One grant was reported with an incorrect CFDA number.
3. Negative expenditures were incorrectly reported for several grants.
4. Explanations for amounts reported as "Other Additions" and "Other Deductions" were not included with the SFFA submitted.
5. A schedule of federal funds passed through to subrecipients was not submitted.
6. A schedule of federal funds received as a subrecipient from other agencies was not submitted.

Despite significant improvement in SFFA preparation from fiscal year 2007, it appears personnel assigned to prepare the SFFA still did not fully understand all of the requirements for preparing the schedule as outlined in the Office of the State Auditor Letter of Instruction. Further, Agency personnel should have performed a more

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

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OFFICE OF THE ADJUTANT GENERAL (E24) (CONTINUED)

**08E24-1. Schedule of Federal Financial Assistance
 (Continued)**

detailed review of the SFFA to ensure accuracy and completeness prior to submission to the Office of the State Auditor.

We again recommend that the Adjutant General's staff develop and implement procedures to ensure that the SFFA is prepared and independently reviewed for accuracy and completeness by personnel that are knowledgeable of the requirements of the Office of the State Auditor Letter of Instruction.

None

See Agency's Corrective Action Plan at page 167.

Agency Contact: Frank Garrick (803) 806-2031.

**SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION
 (H73)**

08H73-1. Reporting - SF-269

This is a significant deficiency.

This is a repeat finding.

Rehabilitation Services - Vocational Rehabilitation Grants
 to States
 CFDA No.: 84.126
 Grant No.: H126A060060

We performed auditing procedures on the Agency's final SF-269 report for grant number H126A060060. The report covered all activity through December 31, 2007. Based on our procedures we noted the Agency did not properly report prior year refunds in accordance with the RSA-TAC-01-01 requirements. The Agency reported reductions totaling \$20,114 in box 10b.

U.S. Department of Education Technical Assistance Circular #RSA-TAC-01-01 states, in part, "refunds should be reported for the grant under which the expenditures were claimed."

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION
(H73) (CONTINUED)

08H73-1. Reporting - SF-269 (Continued)

We recommend that the Agency implement procedures to ensure that it accounts for refunds in accordance with program requirements.

None

See Agency's Corrective Action Plan at page 169.

Agency Contact: Maisy Babbit (803) 896-6610.

08H73-2. Reporting - RSA-2

This is a significant deficiency considered to be a material weakness.

This is a repeat finding.

Rehabilitation Services - Vocational Rehabilitation Grants
 to States
 CFDA No.: 84.126
 Grant No.: H126A070060

We audited the Agency's fiscal year 2007 RSA-2 report and noted the following:

1. Job coaching expenditures of \$1,533,911 were reported as a component of Schedule I, Lines 2A2a and 2A2b and Schedule II, Line 4d. Within the job coaching spreadsheet, we noted that for one employee, the Department reported travel expenditures of \$1,528. However, the supporting documentation (Authorization Report) listed that the employee incurred \$1,731 of travel-related expenditures.
2. Job coaching expenditures of \$1,533,911 were reported as a component of Schedule II, Line 14. When reviewing the supporting documentation (Authorization Reports), we noted that there were some expenditures from Projects 1203 and 1207 included in the total amount. Only expenditures from Section 110 funds should be reported on Schedule II, Line 14.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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Questioned
Costs

SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION
(H73) (CONTINUED)

08H73-2. Reporting - RSA-2 (Continued)

3. Capital expenditures reported on Schedule I, Line 3 were \$744,467. The supporting documentation showed capital expenditures of \$762,891.
4. The number of individuals reported on Schedule II, Line 2 was 6,893. The supporting documentation showed 6,892 individuals.
5. For two expenditures listed on the Department's "Case Service Authorized Expenditure" worksheet, the object codes did not agree to supporting documentation as follows: the Department reported a \$179 expenditure in object code 110334; the supporting documentation showed the expenditure in object code 110340. The Department reported a \$147 expenditure in object code 110390; the supporting documentation showed the expenditure in object code 110372. These errors cause the amounts on Schedule II, Lines 4c, 5, and 7 to be misstated.
6. Both the number of individuals and expenditures on Schedule II, Line 11 were reported as -0-. Based on our review of supporting documentation, 56 individuals and \$5,678 should be reported on this line.
7. The number of individuals reported on Schedule II, Line 12 was 418. The supporting documentation showed 407.
8. On its "Authorization Schedule" worksheet, the Department included expenditures from Program Code 051007 as program income and expenditures from Program Code 051008 as Section 110. Based on our review of the supporting documentation (Detail by Program Type Report), Program Code 051007 should be Section 110 expenditures and Program Code 051008 should be program income expenditures. This error causes the amount on Schedule IV, Line 2 to be misstated.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION
(H73) (CONTINUED)

08H73-2. Reporting - RSA-2 (Continued)

Policy Directive RSA-PD-06-08 states that "the RSA-2 report must reflect all expenditures made during the Federal fiscal year." Additionally, OMB Circular A-87, Attachment A, Section C.1.j. states that allowable costs must be adequately documented.

We recommend the Agency develop and implement procedures to ensure that the RSA-2 report is accurate and complete. The Agency should ensure that the RSA-2 is independently reviewed by someone familiar with the contents of the report. The report should be reviewed to ensure the reported amounts are properly classified, accurate and agree to supporting documentation.

None

See Agency's Corrective Action Plan at page 169.

Agency Contact: Maisy Babbit (803) 896-6610.

08H73-3. Subrecipient Cash Management

This is a significant deficiency.

This is a repeat finding.

Independent Living - State Grants
 CFDA No.: 84.169
 Grant Nos.: H169A070059 and H169A080059

The Agency advances funds to subrecipients based on their prior month's expenditures. This policy for advancing funds to subrecipients does not comply with the Cash Management Improvement Act regulations.

OMB Circular A-102, Paragraph 2.a and A-102, Common Rule regulations outline the requirements for advancing funds to subrecipients. The federal regulations specify that when funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement of funds by the

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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Costs

SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION
(H73) (CONTINUED)

08H73-3. Subrecipient Cash Management (Continued)

recipients. When advance payment procedures are used, recipients must establish similar procedures for subrecipients. Pass-through entities must monitor cash draws by their subrecipients to ensure that subrecipients conform substantially to the same standards of timing and amounts as apply to the pass-through entity.

We recommend that the Agency comply with the requirements of the Cash Management Improvement Act.

None

See Agency's Corrective Action Plan at page 169.

Agency Contact: Maisy Babbit (803) 896-6610.

SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH (J12)

08J12-1. Schedule of Federal Financial Assistance

Various Programs
 CFDA Nos.: Various
 Grant Nos.: Various

Based on our testing of the Department's Schedule of Federal Financial Assistance (SFFA), we noted the following discrepancies:

1. The Department incorrectly reported sixty-six inactive federal grants on the SFFA. The preparer carried forward amounts each fiscal year instead of closing the grants out and/or rolling up amounts into current federal grants.
2. Twenty two grant numbers reported on the SFFA did not agree to the grant number listed on the grant award document. The preparer input document numbers instead of grant numbers on the grant award.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH (J12)
(CONTINUED)

08J12-1. Schedule of Federal Financial Assistance
(Continued)

Sound business practices require that inactive accounts be closed timely in the general ledger.

We recommend the Department follow procedures and only maintain active accounts in the accounting system, and close all grants at the end of the grant period. Also, the Department should ensure that the SFFA is prepared and independently reviewed by staff that is knowledgeable of the requirements of the Office of the State Auditor Letter of Instruction and federal reporting requirements.

None

See Agency's Corrective Action Plan at page 171.

Agency Contact: Tammy Orr (803) 898-4789.

08J12-2. Maintenance of Effort

This is a significant deficiency.

Block Grant for Community Mental Health Services
 CFDA No.: 93.958
 Grant Nos.: 06B1SCCMHS-04, 3B09SM010048-07S3, and
 3B09M010048-08S3

The Department could not provide documentation to support amounts reported for Maintenance of Effort. The Department could not provide documentation supporting the aggregate State expenditures for community mental health centers and expenditures for integrated services for children with serious emotional disturbances. We were able to determine that the Department complied with the Maintenance of Effort requirement even though they could not support the reported amounts.

Effective internal controls include policies and procedures that will ensure the accurate recording of accounting transactions and the maintenance of records to support such transactions.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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Costs

SOUTH CAROLINA DEPARTMENT OF MENTAL HEALTH (J12)
(CONTINUED)

08J12-2. Maintenance of Effort (Continued)

Additionally, OMB Circular A-133 states the following:

- "a. The State shall for each fiscal year maintain aggregate State expenditures for community mental health centers at a level that is not less than the average level of such expenditures maintained by the State for the two State fiscal years preceding the fiscal year of the grant. The Secretary may exclude from the aggregate State expenditures funds appropriated to the principal agency for authorized activities which are of a non-recurring nature and for a specific purpose (42 USC 300x-4(b)).
- b. The State shall for each fiscal year expend an amount not less than an amount equal to the amount expended in fiscal year 1994 for systems of integrated services for children with serious emotional disturbance (42 USC 300x-2(a)(1)(C))."

We recommend that the Department develop and implement written policies and procedures to document its compliance with Federal Maintenance of Effort requirements. We also recommend they ensure that reported amounts are supported by source documentation.

None

See Agency's Corrective Action Plan at page 171.

Agency Contact: Tammy Orr (803) 898-4789.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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**SOUTH CAROLINA DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE
 SERVICES (J20)**

08J20-1. Unallowed Activities

This is a significant deficiency.

Block Grants for the Prevention and Treatment of Substance
 Abuse

CFDA No.: 93.959

Grant Nos.: All

The South Carolina Department of Alcohol and Other Drug Abuse Services (the Department) passed through federal grant funds to a for-profit entity on a sub-grant basis. The entity was inadvertently identified as and treated as a qualified subrecipient.

Title 45 CFR section 96.135 (a)(5) states that Grant funds may not be used to provide financial assistance to any entity other than a public or non-profit entity.

We recommend that the Department exclude any for-profit entities from the subgrant population.

\$4,117

See Agency's Corrective Action Plan at page 172.

Agency Contact: Carla Spires (803) 896-5547.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)

08L04-1. Schedule of Federal Financial Assistance

This is a repeat finding.

Various Programs
CFDA Nos.: Various
Grant Nos.: Various

We tested the Department's fiscal year 2008 schedule of federal financial assistance (SFFA) used to prepare the schedule of expenditures of federal awards and noted that grant awards for different years are rolled into the current year phase code for each federal program rather than shown separately. Normal State practice requires agencies to establish a unique phase code for each federal grant award. As grant transactions are processed the transaction is charged to the unique phase code thereby enabling grant expenditures to be separately accounted for at a statewide level. The Department has not assigned phase codes to specific grants in its accounting system. Instead, the Department used phase codes to record grant activity by federal fiscal year. The Department staff told us that staff size is insufficient to review expenditures at the transaction level for determining the appropriate phase to charge. The Department analyzes expenditures at the end of the federal fiscal year and makes necessary adjustments to the federal financial reports. We tested the Department's compliance with the period of availability requirement for each of our major programs and found no problems. However, because expenditures are not properly recorded by phase code, we could not report the Department's expenditures by grant award number on the Schedule of Expenditures of Federal Awards.

45 CFR Part 1157.20 (a) states, "A State must expend and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds." This part further requires these records contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. In addition, the State Auditor's Office provides a letter of instruction to each State agency for the proper completion of the SFFA.

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Costs

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

08L04-1. Schedule of Federal Financial Assistance
(Continued)

We recommend that the Department implement changes to its accounting system and procedures to include phase code information representing each federal grant award to which expenditures should be charged.

None

See Agency's Corrective Action Plan at page 173.

Agency Contact: William Bray (803) 898-7225.

08L04-2. Timeliness of Administrative Reviews

This is a repeat finding.

Child and Adult Care Food Program (CACFP)
 CFDA No.: 10.558
 Grant No.: 5SC300329

7 CFR 226.6 requires the Department to annually review 33.3 percent of all institutions according to the following schedule:

- Independent centers and sponsoring organizations of 1-100 facilities must be reviewed at least once every three years. A review of a sponsoring organization must include 10 percent of its facilities.
- Sponsoring organizations with more than 100 facilities must be reviewed at least once every two years. These reviews must include reviews of 5 percent of the first 1,000 facilities and 2.5 percent of the facilities in excess of 1,000.

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

08L04-2. Timeliness of Administrative Reviews (Continued)

We determined that the Department reviewed 155 institutions during federal fiscal year 2008 which is in excess of the number of institutions required to meet the 33.3 percentage threshold. However, the Department did not review a sufficient number of independent centers and sponsoring organizations in accordance with the above schedule. Of the 24 centers and organizations, five were not reviewed once every three years as required by 7 CFR 226.6. Program personnel stated that recently hired staff has helped the Department in making progress with the required reviews but that the time required to train the new staff has precluded the Department from completing all of the reviews within the required timeframes.

We recommend that the Department continue its efforts to hire and train staff to ensure that its monitoring function is appropriately staffed to comply with the time requirements of 7 CFR 226.6.

None

See Agency's Corrective Action Plan at page 173.

Agency Contact: Cheryl Evans-McDonald (803) 898-0971.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

**08L04-3. Child Support Automated System and OCSE 34A
 Report**

This is a significant deficiency considered to be a material weakness.

This is a repeat finding.

Child Support Enforcement
 CFDA No.: 93.563
 Grant Nos.: G-07SC4004 and G-08SC4004

Section 454 (24) (B) of the Social Security Act (the Act), as amended, by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), requires states to have an operational automated data processing and information retrieval system for child and spousal support. The system must be in place by October 1, 1997, and meet all the requirements of paragraph (16) of the Act. The Secretary of the U. S. Department of Health and Human Services (USDHHS) must approve the system.

The Department did not implement the automated data processing and information retrieval system as required by Section 454 (24) (B). As a result, the Department received a letter from the USDHHS Division of Administration for Children and Families (ACF), dated January 27, 1998, providing formal notice that ACF intends to "disapprove South Carolina's State IV-D Plan." The letter states that the basis for this decision is "South Carolina's failure to submit a State plan amendment by December 31, 1997, certifying that it is operating an automated child support enforcement system that meets all the requirements enacted on or before the date of enactment of the Family Support Act in accordance with Section 454 (24) (A) of the Act, as amended by the PRWORA.

The Department and USDHHS have reached an agreement in which the Department pays penalties to USDHHS for their noncompliance. During state fiscal year 2008, the Department paid \$7.3 million in penalties pertaining to federal fiscal year 2008.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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Costs

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

**08L04-3. Child Support Automated System and OCSE 34A
 Report (Continued)**

As noted in our prior year finding, the Department had issued a Request for Proposal (RFP) for an automated child support enforcement system that has been approved by USDHHS and was in the process of evaluating proposals. During our current audit, we noted that the contract was awarded on August 1, 2007 to Saber Company. We were told that the estimated completion date of the project is June 2010 and the joint application sessions have been completed and the requirement specification documents have been reviewed and approved. The Department is moving into the general system design phase and is making significant progress in the planning phase of other areas, including, but not limited to, data conversion, statewide system implementation, and user training.

Because an automated information and retrieval system has not been implemented, certain data necessary for proper completion of the OCSE 34A financial report is not available. The Department used the best available data and estimates in completing the report but we could not attest to the accuracy of that data.

We recommend the Department continue its progress in obtaining a data processing and information retrieval system that complies with Section 454 (24) (B).

None

See Agency's Corrective Action Plan at page 173.

Agency Contact: Larry McKeown (803) 898-9337.

STATE OF SOUTH CAROLINA
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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

08L04-4. Earmarking Requirement

Promoting Safe and Stable Families

CFDA No.: 93.556

Grant No.: G-0701SC00FP

The Promoting Safe and Stable Families (PSSF) program includes the following earmarking requirement:

...unless approved by ACF, States must expend a significant portion, defined as 20 percent, on each of the following: programs of family preservation services, community-based family support services, time-limited family reunification services, and adoption promotion and support services (42 USC 629b(a)(4) and 45 CFR section 1357.15(s)).

We tested the Department's federal fiscal year 2007 reported expenditures to determine compliance with the above earmarking requirement. The Department provided us with a schedule demonstrating that at least 20% was expended in each of the respective categories. In our analysis, we determined that an adjusting entry was made to move expenditures from a State Foster Care account (2H000) to a PSSF account (2H075). This entry evenly split the expenditures among three of the categories (community-based family support services, time-limited family reunification services, and adoption promotion and support services). However, we determined that the State Foster Care account 2H000 qualifies only for the time-limited family reunification services category. We recalculated the expenditures percentages for each category after adjusting for the above error and determined that two categories did not meet the earmarking requirement of 20%. The categories and resultant percentages are as follows:

Community-based family support services - 18.16% - \$393,070
 Adoption promotion and support services - 17.68% - \$393,070

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SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

08L04-4. Earmarking Requirement (Continued)

We recommend that the Department charge each category based on appropriate account codes to ensure that earmarking requirements are met. The Department should also review account codes used for each category to ensure that they are defined specifically to coincide with each of the categories.

\$786,140

See Agency's Corrective Action Plan at page 173.

Agency Contact: Mike Givens (803) 898-7465.

08L04-5. Certification of Contracts

This is a significant deficiency.

Various Programs
 CFDA Nos.: Various
 Grant Nos.: Various

OMB Circular A-133 Subpart A Section __.300 requires recipients of federal grant funds to check the Excluded Parties List System (EPLS) maintained by the General Services Administration (GSA), to collect a certification or to add a clause or condition to the covered transaction. Also Section __.200 requires, as of November 26, 2003, that only those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria are considered "covered transactions". All nonprocurement transactions (i.e., subawards to subrecipients) are considered covered transactions - this was the case before November 26, 2003, and was not changed by the revised rules. In order to comply with these provisions, the Department chose to include a clause in its contracts requiring the vendor or grantee to certify that it is not suspended or debarred.

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Costs

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)
(CONTINUED)

08L04-5. Certification of Contracts (Continued)

We tested 28 contracts to determine if the Department included a clause requiring the vendor or grantee to certify that it is not suspended or debarred. We found that there was no contract clause pertaining to suspension or debarment for four of the contracts.

We recommend that the Department establish procedures to ensure that its contracts with vendors and grantees include the suspension and debarment clause as required by OMB Circular A-133 requirements shown above.

None

See Agency's Corrective Action Plan at page 173.

Agency Contact: Karl Long (803) 898-7373.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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Costs

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE (P16)

08P16-1. Schedule of Federal Financial Assistance

This is a repeat finding.

Inspection Grading and Standardization

CFDA No.: 10.162

Grant No.: 12-25-A-3315

Market Protection and Promotion

CFDA No.: 10.163

Grant No.: 12-25-A-4478

Meat, Poultry, and Egg Products Inspection

CFDA No.: 10.477

Grant No.: 12-37-A-506

Based on our review of the South Carolina Department of Agriculture's (the Department) Schedule of Federal Financial Assistance (SFFA) used to prepare the Schedule of Expenditures of Federal Awards, we noted the following:

1. The Department could not provide a copy of the cooperative agreement (CA) for CA 12-25-A-4478.
2. The Department reported the financial activities of CFDA 10.477 (CA 12-37-A-506) under CFDA 10.162 (CA 12-25-A-3315).

Department personnel explained that CFDA Nos. 10.162 and 10.477 are still in the process of being separated in their accounting system.

We recommend that the Department obtain and retain complete copies of all active CAs. We also recommend that the Department separately account for the financial activities of CA 12-37-A-506 and CA 12-25-A-3315 and report the activity under the proper CFDA numbers.

None

See Agency's Corrective Action Plan at page 177.

Agency Contact: Carla Lindler (803) 734-2195.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
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Costs

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE (P16) (CONTINUED)

08P16-2. Payroll Documentation

This is a significant deficiency.

This is a repeat finding.

Inspection Grading and Standardization

CFDA No.: 10.162

Grant Nos.: 12-25-A-3551 and 12-25-A-3315

The Department does not prepare the required certifications for employees that work solely on a single Federal award or cost objective.

OMB Circular A-87, Attachment B, 8., h., (3), states, "Where employees are expected to work solely on a single Federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first hand knowledge of the work performed by the employee."

We recommend the Department develop and implement procedures to comply with OMB Circular A-87 requirements.

None

See Agency's Corrective Action Plan at page 177.

Agency Contact: Carla Lindler (803) 734-2195.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24)

08P24-1. Reporting

This is a significant deficiency.

This is a repeat finding.

Sport Fish Restoration

CFDA No.: 15.605

Grant No.: F54-15

Cooperating Technical Partners

CFDA No.: 97.045

Grant No.: EMA-2006-CA-5619

The fiscal year 2007 Single Audit reported findings related to the Department's federal financial and performance reports submitted by the Department to the federal grantor.

To determine if the Department had addressed the deficiencies noted in the prior year findings, we tested selected SF-269 and FEMA 20-10 reports submitted by the Department during fiscal year 2008 and noted the following:

1. The Department reported the incorrect indirect cost rate on the SF-269 and FEMA 20-10 reports.
2. We were unable to agree indirect cost base reported on the FEMA 20-10 report to supporting documentation.
3. Because of the exceptions noted above, indirect cost reported on the SF-269 and FEMA 20-10 reports was incorrectly calculated.
4. The Department did not document its independent review of the reports.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24)
(CONTINUED)

08P24-1. Reporting (Continued)

The templates for the FEMA Form 20-10 and SF269 reports include instructions regarding the preparation of the reports. Further, the Department's approved indirect cost plans for fiscal year 2008 and 2007 state that indirect cost rate should be adjusted for each year in compliance with the indirect cost plan. Also, an effective system of internal controls requires an independent review be performed to ensure accuracy of computations of reported amounts.

We again recommend that the Department implement policies and procedures to ensure that financial reports and supporting worksheets are properly prepared and reviewed by employees that are knowledgeable of applicable federal reporting requirements. We also recommend that the expenditures reported on the reports are accurate and supported by the Department's financial records.

None

See Agency's Corrective Action Plan at page 179.

Agency Contact: Alarice Robinson (803) 734-0899.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32)

08P32-1. Earmarking

This is a significant deficiency.

WIA Adult Program (WIA-Adult Program)

CFDA No.: 17.258

Grant No.: AA-13824-04-50

WIA Youth Activities

CFDA No.: 17.259

Grant No.: AA-13824-04-50

WIA Dislocated Workers (WIA-Dislocated Workers)

CFDA No.: 17.260

Grant No.: AA-13824-04-50

The Workforce Investment Act allows a state to reserve up to 15 percent of the funds under each funding stream to carry out statewide workforce investment activities.

We reviewed the Department's final SF-269 Financial Status Report for grant number AA-13284-04-50 to determine if the Department had complied with the earmarking requirement. The Department's reported expenditures document it did not expend more than 15 percent of the grant award for statewide activities. However, the Department could not provide documentation to support \$3,700,354 of the \$6,702,646 reported costs. Prior to July 1, 2005 the South Carolina Employment Security Commission (ESC) managed the WIA grant programs which were then transferred to the Department of Commerce. We reviewed the last financial status reports submitted by ESC and noted \$2,249,427 of expenditures were reported as of June 30, 2005 which still leaves a difference of \$752,685 in unsupported costs.

We recommend the Department develop and implement procedures to ensure that it maintains documentation to support the earmarking requirements for the grant.

\$752,685

See Agency's Corrective Action Plan at page 181.

Agency Contact: Chris Huffman (803) 737-0462.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32) (CONTINUED)

08P32-2. Unallowable Costs

This is a significant deficiency considered to be a material weakness.

WIA Adult Program (WIA-Adult Program)
 CFDA No.: 17.258
 Grant No.: AA-13824-04-50

WIA Youth Activities
 CFDA No.: 17.259
 Grant No.: AA-13824-04-50

WIA Dislocated Workers (WIA-Dislocated Workers)
 CFDA No.: 17.260
 Grant No.: AA-13824-04-50

During fiscal year 2008, the Department determined that an employee working in the Workforce Development area and who was paid with Workforce Investment Act (WIA) funds had submitted fraudulent travel vouchers. The fraudulent travel vouchers were submitted during September 2006 to January 2008. The Department conducted an internal investigation and found that the employee had submitted fraudulent travel vouchers totaling \$3,739. The Department subsequently terminated the employee. In August 2008, the Department revised its travel policies and procedures. The Department reimbursed the federal grantor in January 2009.

OMB Circular A-87 Attachment A Section C.1. states that costs must be necessary and reasonable for proper and efficient performance and administration of Federal awards. Further, State travel regulations stipulate that only actual miles driven on official State business shall be reimbursed. In addition, an effective system of internal controls includes written documentation of supervisory approvals of travel support documents before reimbursement may be made.

STATE OF SOUTH CAROLINA
 Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32) (CONTINUED)

08P32-2. Unallowable Costs (Continued)

We recommend the Department periodically monitor its policies and procedures pertaining to travel regulations to ensure they are operating effectively and detecting errors in a timely manner.

\$3,739

See Agency's Corrective Action Plan at page 181.

Agency Contact: Chris Huffman (803) 737-0462.

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32) (CONTINUED)

08P32-3. Reporting

This is a significant deficiency.

Trade Adjustment Assistance

CFDA No.: 17.245

Grant Nos.: TA-15878-07-55 and TA-16825-08-55

WIA Adult Program (WIA-Adult Program)

CFDA No.: 17.258

Grant No.: AA-13824-04-50

WIA Youth Activities

CFDA No.: 17.259

Grant No.: AA-13824-04-50

WIA Dislocated Workers (WIA-Dislocated Workers)

CFDA No.: 17.260

Grant No.: AA-13824-04-50

The Department is required to prepare quarterly financial reports for the Workforce Investment Act (WIA) Cluster (CFDA Nos. 17.258, 17.259 and 17.260) and the Trade Adjustment Assistance program (CFDA No. 17.245). During our review of a sample of the reports prepared during fiscal year 2008 we noted the following:

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
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Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32) (CONTINUED)

08P32-3. Reporting (Continued)

1. The Department could not provide documentation to support amounts reported on the June 30, 2008 ETA-9076 reports. The amounts reported for cumulative cash receipts and cash disbursements did not agree to the Department's general ledger.
2. Cumulative cash receipts for administration reported on the June 30, 2008 ETA-9130 report for grant number TA-15878-07-55 did not agree to the Department's general ledger.
3. Cumulative cash disbursements reported on the June 30, 2008 ETA-9140 reports for grant numbers TA-15878-07-55 and TA-16825-08-55 did not agree to the Department's general ledger.
4. Cumulative expenditures reported on the June 30, 2008 ETA-9130 reports for grant number TA-15878-07-55 did not agree to the Department's general ledger.

The Department experienced turnover in both its finance and grants departments during fiscal years 2008 and 2009. Current employees had difficulty locating supporting documentation for the reports. In addition, the Trade Adjustment Assistance program was transferred to the Department of Commerce from the Employment Security Commission (ESC) during fiscal year 2008 and the Department had difficulty verifying both its reported expenditures and ESC's expenditures.

OMB Circular A-133 Compliance Supplement requires that federal financial reports be supported by the entity's accounting records.

STATE OF SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2008

Questioned
Costs

SOUTH CAROLINA DEPARTMENT OF COMMERCE (P32) (CONTINUED)

08P32-3. Reporting (Continued)

We recommend the Department implement policies and procedures to ensure that amounts reported on the reports are accurate and supported by the Department's financial records and that such support is properly maintained.

\$322,156

See Agency's Corrective Action Plan at page 181.

Agency Contact: Chris Huffman (803) 737-0462.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

OFFICE OF THE ADJUTANT GENERAL (E24)

07E24-1. Schedule of Federal Financial Assistance

CFDA Nos.: Various

Condition: The Agency's Schedule of Federal Financial Assistance (SFFA) submitted to the Office of the State Auditor contained several errors and was not prepared in accordance with the Office of the State Auditor Letter of Instruction.

Recommendation: The Agency should develop and implement procedures to ensure that the SFFA is prepared and independently reviewed for accuracy and completeness by personnel that are knowledgeable of the requirements of the Office of the State Auditor Letter of Instruction.

Current Status: While improvement was made by the Agency in preparing the SFFA, we still noted several errors and omissions of required information. This finding is repeated on Schedule 3 at **08E24-1. Schedule of Federal Financial Assistance.**

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA STATE ELECTION COMMISSION (E28)

07E28-1. Schedule of Federal Financial Assistance

CFDA Nos.: 39.011, 90.401, and 93.617

Condition: During our review of the fiscal year 2007 Schedule of Federal Financial Assistance (SFFA) we noted the State Election Commission (the Commission) did not complete the schedule as required.

Recommendation: We recommend that the Commission ensure that personnel preparing the schedule and personnel reviewing the accuracy and completeness of the schedule gain a thorough understanding of the SAO letter of instructions. We also recommend that the reviewer trace all amounts to the agency's general ledger or other supporting documents to ensure that the SFFA is complete and accurate.

Current Status: During our review of the fiscal year 2008 SFFA we noted no similar exceptions. This finding will not be repeated.

07E28-2. Matching Requirement

CFDA No.: 90.401

Condition: During our fiscal year 2006 follow up, we reviewed a report prepared by the U.S. Election Assistance Commission - Office of the Inspector General (OIG) dated September 13, 2006 which disclosed the State Election Commission had incorrectly determined the match requirement in fiscal year 2005 and still had an under match of \$85,319. The Inspector General's Office further noted that the Commission did not deposit the amount it had appropriated for the match into the State Election Fund to earn interest, which resulted in an estimated \$29,475 of lost interest. During our fiscal year 2007 follow up we determined the Commission still had not deposited the \$114,794 into an interest earning account but was working with the U.S. Election Assistance Commission and with members of the State Treasurer's Office and State Budget Office to resolve this finding.

Recommendation: We recommend the State Election Commission continue its efforts to resolve this finding.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA STATE ELECTION COMMISSION (E28) (CONTINUED)

07E28-2. Matching Requirement (Continued)

CFDA No.: 90.401

Current Status: The Commission made the required transfer of \$114,794 into its restricted account on January 4, 2008. This finding will not be repeated.

07E28-3. Reporting

CFDA Nos.: 39.011 and 90.401

Condition: During our fiscal year 2006 follow up, we determined the Commission submitted amended 2004 SF269 reports to the federal grantor for Title I Section 101 and 102 funds (CFDA 39.011); however, amounts reported for calendar year interest did not agree to supporting documentation. The Commission did not submit an amended 2004 SF269 report for Title II (CFDA 90.401) nor did the Commission attempt to contact the federal grantor regarding reporting requirements to ensure reports were prepared in accordance with federal guidelines, nor did it develop policies and procedures regarding reporting as recommended. During our fiscal year 2007 follow up, we determined the Commission contacted the federal grantor regarding its reporting issues; however, the Commission elected not to submit amended reports until the issues were completely resolved.

Recommendation: We recommend that the Commission continue efforts to resolve reporting issues in order to amend reports. Further, we recommend the Commission implement policies and procedures to ensure accurate reporting of information to the federal grantor. The procedures should identify specific steps to be followed by the preparer and require an independent review to ensure the timely detection and correction of errors.

Current Status: We reviewed the Commission's amended reports for the 2007 reporting cycle and noted the Commission has taken appropriate corrective action. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA BUDGET AND CONTROL BOARD (F03)

07F03-1. Suspension and Debarment

CFDA No.: 39.003

Condition: The South Carolina Budget and Control Board's (the Board) State Surplus Property Office (SSPO) does not require program applicants and donees to certify that they are not debarred, suspended or otherwise excluded from receiving property or participating in any Federal program.

Recommendation: We recommend that the Board develop and implement policies and procedures to ensure that required exclusion, suspension and debarment certifications are obtained from program applicants and donees in compliance with Federal requirements.

Current Status: The Board's State Surplus Property Office has implemented procedures to obtain the required exclusion, suspension and debarment certifications from applicants and donees. This finding will not be repeated.

07F03-2. Eligibility

CFDA No.: 39.003

Condition: The State Surplus Property Office (SSPO) does not recertify applicant/donee eligibility in accordance with program regulations.

Recommendation: We recommend that the Board develop and implement policies and procedures to ensure that applicant/donee recertifications are obtained and placed in the applicant/donee file in accordance with Federal regulations.

Current Status: The Board's State Surplus Property Office has implemented procedures to obtain and file applicant/donee recertifications. Also, procedures have been established to deactivate applicant/donees that do not provide recertification documentation. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA BUDGET AND CONTROL BOARD (F03) (CONTINUED)

07F03-3. Subrecipient Monitoring

CFDA No.: 39.003

Condition: Board personnel were not aware of the requirement in 41 CFR 102-37.355 which states in part, "SASPs, if they donate \$500,000 or more in federal property to a donee in a fiscal year, must ensure that the donee has an audit performed in accordance with Circular A-133..." Therefore, they did not include a review for these audits as part of their subrecipient monitoring procedures.

Recommendation: We recommend that the Board develop and implement policies and procedures to ensure that subrecipients receiving \$500,000 or more in federal personal property in a fiscal year have an OMB Circular A-133 audit performed in accordance with Federal regulations.

Current Status: The Board's State Surplus Property Office has implemented procedures to notify and obtain audits from donee/subrecipients if they meet the \$500,000 threshold. This finding will not be repeated.

07F03-4. Reporting

CFDA No.: 39.003

Condition: Board personnel did not perform reconciliations of amounts included on quarterly GSA Form 3040 reports to underlying accounting records and did not perform an independent review of the reports prior to their submission to the General Services Administration.

Recommendation: We recommend that the Board develop and implement policies and procedures to ensure that all information included on reports and schedules submitted to Federal and State agencies are reconciled to agency accounting records and are independently reviewed for completeness and accuracy.

Current Status: The Board's State Surplus Property Office has implemented procedures for reconciling information included on reports and schedules submitted to Federal and State agencies to underlying accounting records and for independent review of these reconciliations. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63)

07H63-1. Suspension and Debarment

CFDA Nos.: 84.002, 84.010, 84.027, and 84.048

Condition: We were unable to verify that the Department had reviewed the Federal General Services Administration Excluded Parties List System (EPLS). There was no documentation showing the Department had verified that vendors were not listed on the EPLS. We noted the Department does not have formal written policies and procedures regarding verification of the EPLS. This could result in the Department contracting with a vendor who is suspended or debarred.

Recommendation: We recommend the Department develop and implement written policies and procedures to document its compliance with Federal suspension and debarment requirements. Further the Department should ensure that all contracts funded solely or in part by Federal funds are with vendors who are not suspended or debarred.

Current Status: The Department has implemented policies and procedures to document its verification of the EPLS. We reviewed several contracts to verify that documentation was maintained to show the Excluded Parties List System was reviewed. This finding will not be repeated.

07H63-2. New or Significantly Expanded Charter School

CFDA Nos. 84.027, 84.173 and 84.298

Condition: We tested all of the new Charter Schools within South Carolina for the 2006-07 school year. Two of the five schools tested were identified to receive funds under State Grants for Innovation Programs but no funds were allocated to these two schools. Two of the five schools tested received funds under the Special Education Cluster, but there was no documentation regarding how the amount to be funded was determined. Since there was no documentation we could not determine if the schools received equitable funding.

Recommendation: We recommend that the Department develop and implement policies and procedures to ensure that new charter schools are properly identified and funded. The Department should more closely monitor the School Districts to ensure that new charter schools are properly identified and funded.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

07H63-2. New or Significantly Expanded Charter School (Continued)

CFDA Nos. 84.027, 84.173 and 84.298

Current Status: Based on our review, the Department has taken adequate corrective action. The Department has implemented procedures to ensure that new charter schools receive equitable funding. This finding will not be repeated.

07H63-3. Financial Reporting - SF-269

CFDA No.: 84.002

Condition: We selected the final September 30, 2006 closeout SF-269 report of the 2004 grant to test and determined that the supporting documentation did not agree to the reported amounts. Total outlays for the Programs of Instruction (0-8) and (9-12) and State Leadership did not agree to supporting documentation.

Recommendation: We recommend the Department develop and implement formal procedures to ensure the accurate completion and independent review and approval of the SF-269 report. The review should be performed by an individual that is familiar with both the reporting requirements and accounting information that is reported therein.

Current Status: The Department has implemented revised policies and procedures to document the completion and independent review of the SF-269 report. We reviewed the final September 30, 2007 closeout SF-269 report for the 2005 grant. We noted that the report agreed to supporting documentation. This finding will not be repeated.

07H63-4. Maintenance of Effort

CFDA No.: 84.048

Condition: We tested the Department's compliance with the Maintenance of Effort (MOE) requirement for Federal Funding Period July 1, 2004 to September 30, 2005 and determined that the Department fell short of the MOE requirement by \$51,307. We determined that the Department only included enough State funds to meet the matching requirement, even though they had spent more in State funds. If the Department had included all allowable non-federal expenditures the MOE would have been met.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF EDUCATION (H63) (CONTINUED)

07H63-4. Maintenance of Effort (Continued)

CFDA No.: 84.048

Recommendation: We recommend that the Department submit revised reports with the actual state funds applicable to this program. We also recommend that the Department identify requirements applicable to this grant and develop and implement procedures to ensure accurate reporting of information to the federal grantor. The procedures should require an independent review to ensure timely detection and correction of errors.

Current Status: The Department met its MOE requirement for Federal Funding Period July 1, 2005 to September 30, 2006. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION (H73)

07H73-1. Reporting - SF-269

CFDA No.: 84.126

Condition: We performed auditing procedures on the South Carolina State Agency of Vocational Rehabilitation's (the Agency) final SF-269 report for grant number H126A050060. The report covered all activity through December 31, 2006. Based on our procedures we noted the following:

1. The Agency reported current year refunds totaling \$25,105 in box 10b of the SF-269 report. We were unable to agree the amount to the Agency's general ledger and the Agency could not document how it arrived at the reported amount.
2. The Agency reported an expenditure in box 10r twice. This resulted in an overstatement of \$1,488.
3. The Agency understated program (workshop) revenue in box 10r. The Agency reported that it transferred \$1,018,906, however it transferred \$1,020,140.
4. The Agency was unable to document the amount reported in box 10r for "Production Coordinators" expenditures. The Agency reported that it expended \$934,083. We were only able to document \$706,137 in expenditures.
5. The Agency did not properly report prior year refunds in accordance with the RSA-TAC-01-01 requirements. The Agency reported reductions totaling \$33,792 in box 10b and reductions totaling \$9,191 (\$7,285 - project/phase code 1209-50, and \$1,906 - project/phase code 1200-50) in box 10r.

Recommendation: We recommend the Agency develop and implement procedures to ensure that the SF-269 report is accurate and complete. The Agency should ensure that the SF-269 is independently reviewed by someone familiar with the contents of the report. The report should be reviewed to ensure that reported amounts are properly classified, accurate and agree to supporting documentation. In addition, we recommend that the Agency implement procedures to ensure that it accounts for refunds in accordance with program requirements.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION (H73) (CONTINUED)

07H73-1. Reporting - SF-269 (Continued)

CFDA No.: 84.126

Current Status: We reviewed the final December 31, 2007 closeout SF-269 report for grant number H126A060060 and noted no findings related to Items 1, 2, 3, and 4 (as described in the *Condition*). However, we noted that the Agency continued to reduce prior year refunds from current grant expenditures (as described in Item 5 of the *Condition*); therefore, this finding is repeated on Schedule 3 at **08H73-1. Reporting - SF-269.**

07H73-2. Reporting - RSA-2

CFDA No.: 84.126

Condition: We audited the Agency's fiscal year 2006 RSA-2 report and noted the following:

1. The Agency could not support the amount reported as construction expenditures on Schedule I, line 3b. The Agency improperly included capital improvement expenditures of \$534,092 on Schedule I, line 3b.
2. The Agency overstated the FICA expenditures reported on Schedule I, lines 2A2a and 2A2b and Schedule II, line 4d for the "Job Coaching" program. The schedule used by the Agency to calculate personnel service and fringe benefit expenditures applied the Medicare tax rate (1.45%) to the personnel service expenditure base twice.
3. The Agency understated the travel expenditures applicable to one "Job Coaching" employee by \$195.
4. The Agency overstated "Total Person Years" reported on Schedule III, line 5. The Agency reported 856.0 "Total Person Years" but could only provide documentation to support 719.6 "Total Person Years".
5. The Agency could not provide documentation to support the amount reported on Schedule I, line 5 related to the Innovation and Expansion program.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA STATE AGENCY OF VOCATIONAL REHABILITATION (H73) (CONTINUED)

07H73-2. Reporting - RSA-2 (Continued)

CFDA No.: 84.126

Recommendation: We recommend the Agency develop and implement procedures to ensure that the RSA-2 report is accurate and complete. The Agency should ensure that the RSA-2 is independently reviewed by someone familiar with the contents of the report. The report should be reviewed to ensure the reported amounts are properly classified, accurate and agree to supporting documentation.

Current Status: We reviewed the fiscal year 2007 RSA-2 report and noted no findings related to Items 1, 2, and 4 (as stated in the *Condition*). We did, however, note deficiencies similar to the ones noted in Items 3 and 5 of the *Condition*; therefore, this finding is repeated on Schedule 3 at **08H73-2. Reporting - RSA-2.**

07H73-3. Subrecipient Cash Management

CFDA Nos.: 84.169

Condition: The Agency currently advances funds to subrecipients based on their prior month's expenditures. This policy for advancing funds to subrecipients does not comply with the Cash Management Improvement Act regulations.

Recommendation: We recommend that the Agency comply with the requirements of the Cash Management Improvement Act.

Current Status: Based on our review, the Agency has not implemented procedures to comply with the Cash Management Improvement Act during fiscal year 2008. Therefore, this finding is repeated on Schedule 3 at **08H73-3. Subrecipient Cash Management.**

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02)

07J02-1. Suspension and Debarment

CFDA No.: 93.778

Condition: The Department entered into a contract extension with a Medicaid service provider whose owner was identified on the Federal General Services Administration Excluded Parties List System (EPLS).

Recommendation: We recommend that the Department develop and implement procedures to monitor the vendors identified on the EPLS and notify the appropriate Bureau Chiefs once a vendor has been identified. If practicable the Department should develop a computer program to match its list of vendors to the EPLS. In addition, the Department should immediately contact CMS and determine how to best resolve the issue of questioned costs.

Current Status: The Department implemented procedures to identify and monitor vendors identified on the EPLS and contacted CMS to resolve the questioned cost issue. The development of a computer program to match vendors to the EPLS was not deemed feasible due to EPLS identification information limitations. No transactions with suspended or debarred vendors were noted during our test work. This finding will not be repeated.

07J02-2. Financial Accounting and Reporting

CFDA Nos.: 93.767 and 93.778

Condition: The Department borrowed funds from the State Children's Insurance Program (SCHIP) to pay for expenditures incurred by the Medical Assistance Program (MAP). The Department had made expenditures in excess of the MAP quarterly allocation for the quarter ending June 30, 2007 and borrowed funds from SCHIP to meet those obligations. The Department repaid SCHIP from MAP funds within the first week of the following quarter. The Department did not properly record the substance of this financial transaction. It treated the federal draw-down on the Schedule of Federal Financial Assistance (SFFA) and the quarterly Federal Cash Transaction Report as Medicaid Assistance revenue. In addition, the Department inappropriately reported the expenditure of SCHIP funds in order to draw down available funds from SCHIP to meet the MAP obligations. Similar transactions occurred during the last week of the quarters ending December 31, 2006 and March 31, 2007.

The Department borrowed a total of \$26,260,434.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02) (CONTINUED)

07J02-2. Financial Accounting and Reporting (Continued)

CFDA Nos.: 93.767 and 93.778

Recommendation: We recommend that the Department develop and implement appropriate internal control procedures to ensure that all events and transactions necessary to comply with federal reporting requirements and laws, regulations and other compliance requirements are properly and timely recorded in the Department accounting records and properly reported on federal reports. We also recommend that the Department develop and implement procedures to ensure that funds from one Federal program are not used to overcome fund deficiencies of another Federal awards program.

Current Status: The Department repaid the \$26,260,434 to the SCHIP program in the first week of July 2007. The Department implemented procedures to ensure the proper and timely recording of transactions within the Department's accounting records and proper reporting of those transactions on federal reports. The Department ended its practice of borrowing SCHIP funds to cover deficits in Medical Assistance program funding. No instances of federal funds being utilized for an unintended program were noted during our test work. This finding will not be repeated.

07J02-3. Long Term Care Audit Receivables

CFDA No.: 93.778

Condition: The Department's Long Term Care Reimbursement Division's policy requires that a receivable be established within 30 days after the receipt of an audit report.

Recommendation: We recommend that the Department ensure compliance with its established procedures.

Current Status: The Department implemented procedures to further ensure compliance with the 30 day requirement. No instances of noncompliance with policies and procedures for long term care audit receivables were noted during our test work. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES (J02) (CONTINUED)

07J02-4. Automated Data Processing (ADP) Risk Analysis and System Security Review

CFDA No.: 93.778

Condition: The Department did not perform a biennial automated data processing (ADP) risk analysis and system security review as required by The Code of Federal Regulations (at 45 CFR 95.621).

Recommendation: We recommend that the Department establish and maintain a program to ensure that periodic ADP risk analyses and biennial system security reviews are performed in accordance with federal requirements.

Current Status: The Department had the required review performed and has a policy in place to ensure that future reviews are conducted on a biennial basis. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL (J04)

07J04-1. WIC Accounting and Reporting

CFDA No.: 10.557

Condition: The Department inappropriately transferred revenue from one grant period to another and the Department's accounting records for WIC for account K855/310025 did not reconcile to the WIC Financial Management and Participation Report (FNS-798).

Recommendation: We recommend that the Department establish procedures to ensure that personnel responsible for accounting transactions and grant reporting maintain appropriate levels of communication. Prior to closing out federal grants, personnel responsible for submitting grant reports should notify accounting personnel to ensure that all accounting transactions have been captured. In addition, accounting personnel should notify grant reporting personnel if accounting transactions occur after the grant close-out to ensure that amended reports can be timely filed. We also recommend the Department reconcile the differences between the Department's general ledger and the final reports submitted to the grantor for general ledger account numbers K855/310025, K856/310026, and K857/310027 for grant numbers 5SC700706 004 5SC700715 004 and 5SC700706 8 5SC700715 8 and verify that the expenditures were properly reported to the grantor. Entries should be posted to adjust the general ledger to the reported amount or the report should be revised as necessary.

Current Status: Several journal entries were posted during SFY08 to close accounts K855, K856 and K857; and per the Department, amended reports for K855, K856 and K857 were filed and accepted by the USDA. The Department used non-federal/non-state dollars to cover deficits on the books and has also implemented monthly reconciliation procedures. We will not repeat this finding.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
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SOUTH CAROLINA DEPARTMENT OF ALCOHOL AND OTHER DRUG ABUSE SERVICES (J20)

07J20-1. Maintenance of Effort

CFDA No.: 93.959
Grant Nos.: Various

Condition: The South Carolina Department of Alcohol and Other Drug Abuse Services (the Department) did not meet maintenance of effort requirements related to tuberculosis services for substance abusers in treatment during fiscal year 2007.

Recommendation: The Department reported the spending deficiency to the grantor in the current Block Grant application. However, we recommend the Department notify the grantor of the deficiency in a separate letter and request specific guidance to resolve the deficiency.

Current Status: The Department has taken adequate corrective action. The Department applied corrective action with guidance from the grantor. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF PUBLIC SAFETY (K05)

07K05-1. Subrecipient Monitoring

CFDA Nos.: 20.600, 20.602, 20.604, and 20.605

Condition: Office of Management and Budget (OMB) Circular A-133 requires grant recipients to be responsible for ensuring that A-133 compliance requirements have been met for its subrecipients and that subrecipients take timely and appropriate corrective action on all audit findings. The Department's policy requires subrecipients to submit an A-133 audit or a letter stating that an A-133 audit was not necessary. If neither is received, the Department contacts the subrecipient to request the information. This policy provides assurance that all subrecipients are in compliance with OMB Circular A-133 requirements.

In fiscal year 2006 five of the fifteen subrecipients tested had not submitted documentation to show compliance with A-133 requirements. Our test results showed that neither a report nor a letter had been received from those five subrecipients ten months after the due date. The Department did not notify subrecipients of their noncompliance or to request information as the Department's policy requires.

In fiscal year 2007 three of the five subrecipients noted above still had not submitted the required documentation. Additional test work revealed three of fifteen subrecipients tested had not submitted documentation to show compliance with A-133 requirements. Our test results showed that neither a report nor a letter had been received from those five subrecipients ten months after the due date. The Department did not notify subrecipients of their noncompliance or to request information as the Department's policy requires.

Recommendation: We recommend the Department follow procedures to ensure that reports or letters not received from subrecipients are followed up in a timely manner.

Current Status: The Department has met the subrecipient requirement. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF PUBLIC SAFETY (K05) (CONTINUED)

07K05-2. Indirect Cost

CFDA No: 16.710

Condition: For fiscal year ended June 30, 2005 the Department charged indirect costs in the amount of \$39,913 to the Public Safety Partnership and Community Policing Grant. The Universal Hiring Program Grant Manual, Section IX states, "indirect costs are not allowable costs".

Recommendation: We recommend the Department refund the Federal Grantor all indirect costs charged to the program.

Current Status: The Department has contacted the United States Department of Justice correspondence with a recommendation of correction. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04)

07L04-1. Schedule of Federal Financial Assistance

CFDA Nos.: Various

Condition: The Department submitted a schedule of federal financial assistance (SFFA) for fiscal year 2007 with several errors including 1) all grant awards with multiple years were rolled into the current year phase code for each federal program rather than shown separately, 2) the Department reported transactions as negative revenues and negative expenditures rather than as other deductions and other additions, 3) a program's beginning balance was understated and receipts overstated, and 4) a program's revenues and expenditures were overstated.

Recommendation: We recommend that the Department ensure that the SFFA is prepared and independently reviewed by staff that is knowledgeable of the requirements of the State Auditor's letter of instructions and federal reporting requirements. We further recommend that the SFFA include phase code information representing each federal grant award to which expenditures should be charged.

Current Status: The Department corrected all of the errors except for the combining of all grant awards for different years into the current phase code. This finding is repeated on Schedule 3 at **08L04-1. Schedule of Federal Financial Assistance.**

07L04-2. Timeliness of Administrative Reviews

CFDA No.: 10.558

Condition: The Department did not complete its administrative reviews of Child and Adult Care Food Program providers in accordance with the time requirements of 7 CFR 226.6.

Recommendation: We recommend that the Department ensure that its monitoring function is appropriately staffed to comply with the time requirements of 7 CFR 226.6.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES (L04) (CONTINUED)

07L04-2. Timeliness of Administrative Reviews (Continued)

CFDA No.: 10.558

Current Status: The Department hired and trained additional staff which enabled them to review more than 33.3 percent of all institutions in accordance with the requirements of 7 CFR 226.6. However, the Department did not meet the requirement that independent centers and sponsoring organizations of 1 to 100 facilities be reviewed at least once every three years. This finding is repeated on Schedule 3 at **08L04-2. Timeliness of Administrative Reviews.**

07L04-3. Child Support Automated System

CFDA No.: 93.563

Condition: The Department did not implement the automated data processing and information retrieval system as required by Section 454 (24) (B).

Recommendation: We recommend the Department continue its progress in obtaining a data processing and information retrieval system that complies with Section 454 (24) (B).

Current Status: We determined that the Department is continuing to make progress but did not have a system in place for fiscal year 2008. A contract was awarded on August 1, 2007 to begin developing such a system with an estimated completion date of June 2010. This finding is repeated on Schedule 3 at **08L04-3 Child Support Enforcement System and OCSE 34A Report.**

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS (N04)

07N04-1. Financial Reporting

CFDA No.: 16.586

Condition: The Department is not properly using and reporting the correct indirect cost rate type and indirect cost base which results in an overstatement of indirect cost for the period. According to Department personnel, the indirect cost reported is the cumulative amount of indirect cost incurred by the Department for the entire grant period to date. Also, the Department has not improved controls over report preparation, review, and approval. One person is still responsible for all three functions. Department personnel stated that one person preparing, reviewing and approving the reports is more efficient than having multiple employees involved in the process. Finally the Department did not submit a revised report to the federal grantor amending errors described in the fiscal year 2006 Single Audit Report.

Recommendation: We again recommend that the Department develop and implement policies and procedures which require an independent review and approval of the SF-269 report. The review should be performed by someone who is knowledgeable of the reporting requirements. Further we recommend that the Department submit revised reports to the federal grantor amending the errors described above.

Current Status: The Department revised its policies and procedures regarding financial reporting. We reviewed the SF-269 reports for fiscal year 2008 and determined that the Department has taken corrective action. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF CORRECTIONS (N04) (CONTINUED)

07N04-2. Schedule of Federal Financial Assistance

CFDA Nos.: Various

Condition: During our review of the fiscal year 2007 Schedule of Federal Financial Assistance (SFFA) we noted the Department did not complete the SFFA as required. This condition was also noted for the fiscal year 2006 SFFA.

Recommendation: We again recommend that the Department ensure that personnel preparing the SFFA and personnel reviewing the accuracy and completeness of the SFFA gain a thorough understanding of the Office of the State Auditor Letter of Instruction.

Current Status: During our review of the fiscal year 2008 SFFA we noted no similar exceptions. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE (P16)

07P16-1. Schedule of Federal Financial Assistance

CFDA No.: Various

Condition: Based on our review of the South Carolina Department of Agriculture's (the Department) Department's Schedule of Federal Financial Assistance (SFFA) used to prepare the Schedule of Expenditures of Federal Awards, we noted the following:

1. The Department reported an incorrect Cooperative Agreement (CA) number for CA 12-25-G-0377.
2. The Department could not provide a copy of the CA for CA 12-25-A-4478.
3. The Department did not report the correct CFDA number and Program Title for CA 12-25-A-2929 and CA 12-25-A-4478.
4. Receipt and expenditure amounts could not be reconciled to the Comptroller General CSA 467 report.
5. The Department did not report the correct project and phase code for CFDA 10.162.
6. The Department did not separately report the financial activity related to CA 12-25-A-3315. All of the CA financial activity is reported in CA 12-25-A-4298.
7. The Department has the financial activities of CFDA 10.477 (CA 12-37-A-506) reported under CFDA 10.162 (CA 12-25-A-3315).
8. The Department incorrectly reported prior year refunds as an adjustment to revenue instead of treating it as an "Other Addition" on the SFFA for CA 12-25-A-3551.
9. The Department's SFFA was not signed and dated by the preparer and reviewer.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF AGRICULTURE (P16) (CONTINUED)

07P16-1. Schedule of Federal Financial Assistance (Continued)

Recommendation: We recommend that the Department ensure that the information reported on the SFFA is accurate, complete, supported by the Department's accounting records, reconciles to the Comptroller General's accounting records, and is signed and dated by the preparer and reviewer. We also recommend that the Department contact the Federal grantor and obtain CFDA numbers from the grantor if not identified on the CA and obtain and retain copies of all active CAs. Finally, we recommend that the Department separately account for the financial activities of CA 12-37-A-506 and CA 12-25-A-3315 and report the activity under the proper CFDA number.

Current Status: We reviewed the SFFA for state fiscal year 2008 and noted that Items 1, 3, 4, 5, 6, 8, and 9 (as stated in the *Condition*) have been corrected. However, we noted that the Department did not correct Items 2 and 7; therefore, these findings will be repeated on Schedule 3 at **08P16-1. Schedule of Federal Financial Assistance.**

07P16-2. Payroll Documentation

CFDA No.: 10.162

Condition: The Department does not prepare the required certifications for employees that work solely on a single Federal award or cost objective.

Recommendation: We recommend the Department develop and implement procedures to comply with OMB Circular A-87 requirements.

Current Status: Based on our review, we determined that the Department did not maintain the required certifications for state fiscal year 2008. This finding is repeated on Schedule 3 at **08P16-2. Payroll Documentation.**

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24)

07P24-1. Schedule of Federal Financial Assistance

CFDA Nos.: 10.664, 15.605, 15.611, 15.616, 97.023

Condition: During our review of the fiscal year 2007 Schedule of Federal Financial Assistance (SFFA) we noted the Department of Natural Resources (the Department) did not complete the schedule as required.

Recommendation: We recommend that the Department ensure that personnel preparing the SFFA and personnel reviewing the accuracy and completeness of the SFFA gain a thorough understanding of the SAO letter of instructions.

Current Status: During our review of the fiscal year 2008 SFFA we noted no similar exceptions. This finding will not be repeated.

07P24-2. Suspension and Debarment

CFDA Nos.: 15.605 and 15.611

Condition: We tested five procurement contracts to ensure that the Department was in compliance with federal suspension and debarment regulations. We determined that none of the contracts included a clause pertaining to suspension and debarment or a certification from the contractor certifying they were suspended or debarred. In addition, the Department did not verify that the vendors were not listed on the Federal General Services Administration Excluded Parties List System (EPLS). Further we determined the Department did not have formal written policies and procedures regarding suspension and debarment.

Recommendation: We recommend the Department develop and implement written policies and procedures to document its compliance with Federal suspension and debarment requirements.

Current Status: The Department added a certification clause regarding suspension and debarment to all bid packages effective March 1, 2008. In addition, the Department is currently updating its policies and procedures to include suspension and debarment requirements. The Department decided to wait to update its manual until it began using the new SAP accounting system in November 2008. This finding will not be repeated.

STATE OF SOUTH CAROLINA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2008

SOUTH CAROLINA DEPARTMENT OF NATURAL RESOURCES (P24) (CONTINUED)

07P24-3. Reporting

CFDA Nos.: 15.605, 15.611 and 97.045

Condition: The Department is required to submit both financial and performance reports to the Department of the Interior and the Department of Homeland Security. Based on our review of the reports submitted during fiscal year 2007, we found the following:

1. We were unable to agree match expenditures reported on certain SF-269 and FEMA 20-10 reports to the Department's subsidiary ledger because the Department reported estimates of fringe benefit expenditures instead of actual expenditures.
2. We were unable to agree indirect cost reported on one FEMA 20-10 report to the Department's subsidiary ledger because the Department reported it on an accrual basis of accounting instead of the cash basis. We were also unable to agree the federal share of indirect cost reported on two SF-269 reports to the Department's subsidiary ledger.
3. The Department reported the incorrect indirect cost rate on some SF-269 and FEMA 20-10 reports. We also noted instances of this during our analytical review of indirect costs.
4. We were unable to agree indirect cost base reported on two SF-269 reports to supporting documentation.
5. For some SF-269, FEMA 20-10 and PSC-272 reports, the Department did not document its independent review of the reports.

Recommendation: We recommend that the Department implement policies and procedures to ensure that financial reports and supporting worksheets are properly prepared and reviewed by employees that are knowledgeable of applicable federal reporting requirements. We also recommend that the expenditures reported on the reports are accurate and supported by the Department's financial records.

Current Status: During our testing of reports submitted during fiscal year 2008, we noted similar exceptions. This finding will be repeated on Schedule 3 at **08P24-1. Reporting.**

APPENDIX A

INDEX OF STATE AGENCIES INCLUDED IN SCHEDULES 1 AND 2

STATE OF SOUTH CAROLINA
 Index of State Agencies Included in Schedules 1 and 2
For the Year Ended June 30, 2008

<u>Agency Code</u>	<u>Agency Name</u>
B04	Judicial Department
D10	Governor's Office - State Law Enforcement Division
E04	Lieutenant Governor's Office
E20	Attorney General's Office
E21	Commission on Prosecution Coordination
E24	Adjutant General's Office
E28	State Election Commission
F03	Budget and Control Board
H03	Commission on Higher Education
H06	Higher Education Tuition Grants Commission
H59	State Board for Technical and Comprehensive Education
H63	Department of Education
H71	Wil Lou Gray Opportunity School
H73	Vocational Rehabilitation
H75	School for the Deaf and the Blind
H79	Department of Archives and History
H87	State Library
H91	Arts Commission
H95	Museum Commission
J02	Department of Health and Human Services
J04	Department of Health and Environmental Control
J12	Department of Mental Health
J16	Department of Disabilities and Special Needs
J20	Department of Alcohol and Other Drug Abuse Services
K05	Department of Public Safety
L04	Department of Social Services
L12	John De La Howe School
L24	Commission for the Blind
L36	Human Affairs Commission
N04	Department of Corrections
N08	Department of Probation, Parole and Pardon Services
N12	Department of Juvenile Justice
P12	Forestry Commission
P16	Department of Agriculture
P24	Department of Natural Resources
P26	Sea Grant Consortium
P28	Department of Parks, Recreation, and Tourism
P32	Department of Commerce
R06	Office of Regulatory Staff
R28	Department of Consumer Affairs
R36	Department of Labor, Licensing, and Regulation
R40	Department of Motor Vehicles

APPENDIX B

**AGENCY CORRECTIVE ACTION PLANS TO FINDINGS AND
RECOMMENDATIONS - FEDERAL AWARD PROGRAMS AUDIT**

The State of South Carolina
Military Department



Office of the Adjutant General

STANHOPE S. SPEARS
MAJOR GENERAL
THE ADJUTANT GENERAL

1 NATIONAL GUARD ROAD
COLUMBIA, S.C. 29201-4752

December 10, 2008

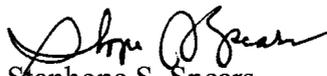
Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Gilbert:

The Office of the Adjutant General appreciates the opportunity to submit the attached corrective action plan for the findings noted in the Statewide Single Audit for the year ended June 30, 2008. We will review your recommendations and implement the needed changes.

I would also like to commend your auditors for the good working relationship they had with my staff. If you need other information, please contact my staff or me.

Sincerely,


Stanhope S. Spears
Major General, SCARNG
The Adjutant General

08E24-1. Schedule of Federal Financial Assistance

An internal procedures package which contains more comprehensive instructions for preparing the Schedule of Federal Financial Assistance (SFFA) that relate directly to the Office of the Adjutant General will be updated to include instructions to ensure a thorough and detailed review of the SFFA prior to submission to the Office of the State Auditor. This internal procedures package will be updated annually using the GAAP Closing Procedures Manual. As part of the procedures package, we will include a checklist to ensure that all schedules required in the Letter of Instruction are submitted to the Office of the State Auditor. The update will include procedures correcting the following:

1. All grant titles and numbers have been verified with the grant award document.
2. All CFDA numbers have been corrected and verified with the grant award document.
3. All amounts reported have been verified against supporting documentation with any negative SABAR amounts set as a Beginning Balance adjustment.
4. Explanations for any and all amounts reported as "Other Additions" and "Other Deductions" are included with the SFFA package submitted to the Office of the State Auditor.
5. Ensure that a schedule of federal funds passed through to subrecipients be verified and submitted.
6. Ensure that a schedule of federal funds received as a subrecipient from other agencies be verified and submitted.

Point of Contact for All Findings:

Frank L. Garrick, CPA
Chief Financial Officer
garrickfl@tag.scmd.state.sc.us
(803) 806-2031



South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for,
achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

February 12, 2009

Mr. Richard H. Gilbert, Jr., CPA
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Mr. Gilbert:

We have reviewed the findings noted in the Statewide Single Audit for the year ended June 30, 2008. Attached is our response for your consideration.

Thank you for your assistance. We commend your staff and the good working relationship we experienced with them. If you have any questions or we can be of further service, please contact Rick Elam at 803-896-6506 or by email relam@scvrd.state.sc.us.

Sincerely,

Barbara G. Hollis
Commissioner

BH/vb

PC: Rick Elam
Vicki Bowles
Maisy Babbitt



South Carolina Vocational Rehabilitation Department

*Enabling eligible South Carolinians with disabilities to prepare for,
achieve and maintain competitive employment.*

Barbara G. Hollis, Commissioner

South Carolina Vocational Rehabilitation Department (H73) July 1, 2007 - June 30, 2008 Audit Response

08H73-1. Reporting - SF-269 - We recommend that the Agency implement procedures to ensure that it accounts for refunds in accordance with program requirements.

Response: Most prior year refunds apply to a grant year that has already been closed, new procedures have been implemented to re-open a closed grant and so that the refund can be recorded in the appropriate grant year.

08H73-2. Reporting - RSA-2 - We recommend the Agency develop and implement procedures to ensure that the RSA-2 report is accurate and complete.

Response: We concur with the recommendation. The report will be independently reviewed and we will implement procedures to ensure the reported amounts are classified, accurate and agree to supporting documentation.

08H73-3. Sub-recipient Cash Management - We recommend that the State Agency comply with the requirements of the Cash Management Improvement Act.

Response: Per RSA instructions, as supported in EDGAR 34CFR 80.21(e), the Agency will use non-federal funds to advance up to 60 days of working capital. Thereafter, the Agency will reimburse based on invoices submitted on a monthly basis and the expenditures itemized on invoices are deemed to be allowable under federal regulations.



MISSION STATEMENT

To support the recovery of people with mental illnesses

January 8, 2009

Ms. Sue Moss, CPA
South Carolina Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Ms. Moss:

Thank you for the opportunity to review and respond to your Single Audit Schedule of Findings and Questioned Costs for the South Carolina Department of Mental Health (SCDMH) for the year ending June 30, 2008. Provided below are the agency's comments to each of the findings in the *Schedule of Federal Financial Assistance* (08J12-1) and the *Maintenance of Effort* (08J12-2).

The South Carolina Department of Mental Health concurs with *Finding #1 for the Schedule of Federal Financial Assistance*. The Office of Grants Administration will work closely with the SCDMH Accounting Department to ensure all inactive grant projects are corrected. To prevent these findings in the future, the Office of Grants Administration has implemented a checklist of grant close out procedures and a final audit by the grant manager to ensure projects are properly closed and a zero balance maintained through the fiscal year end.

The South Carolina Department of Mental Health further concurs with *Finding #2 for the Schedule of Federal Financial Assistance*. To correct this oversight, the preparer will input award numbers obtained from the grant award document.

In addition, the South Carolina Department of Mental Health is in agreement with *Finding #1 for the Maintenance of Effort*. The Office of Grants Administration will implement effective internal controls to include policies and procedures to ensure supporting documents are maintained at the time reports are generated.

In regard to the issue discussed with management, the monthly reconciliation of the cash management will be reconciled to the CSA467 as opposed to the CSA469. The agency is confident this will satisfy any concerns by the South Carolina Office of the State Auditor.

On behalf of the South Carolina Department of Mental Health, thank you for the professional manner in which you and your staff conducted this engagement and for the suggestions to assist SCDMH in the correction of the identified findings in your report. Please be assured that the South Carolina Department of Mental Health has implemented the above practices to prevent the reoccurrence of the outlined findings and will continue efforts to maintain compliance with the State Auditor Letter of Instruction and federal reporting requirements.

Sincerely,

Brenda Hart
Deputy Director of Administrative Services

c: Mr. John H. Magill, SCDMH State Director
Tammy J. Orr, Manager, SCDMH Office of Grants Administration
David A. Schaefer, Director, SCDMH Office of Financial Services
Denise Carraway, Director, SCDMH Office of Accounting



**South Carolina Department of
Alcohol and Other Drug Abuse Services**

MARK SANFORD
Governor

W. LEE CATOE
Director

February 13, 2009

Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Reference: 08J20-1. Unallowed Activities
Block Grant for the Prevention and Treatment of Substance Abuse
CFDA No. 93.959
Grant Nos. All

Dear Mr. Gilbert:

The South Carolina Department of Alcohol and Other Drug Abuse Services (DAODAS) has prepared the following response to the findings of the audit, referenced above, for the year ended June 30, 2008.

Unallowed Activities

Recommendation: We recommend that the Department exclude any for-profit entities from the subgrant population.

Response: DAODAS concurs with the finding and will ensure that for-profit entities are identified and treated properly.

If there are any questions, please contact Lillian Roberson, Manager of Operations, at 803-896-1145.

Sincerely,

W. Lee Catoe
Director

WLC/cks/jmm

DAODAS

101 Executive Center Drive • Suite 215 • Columbia, South Carolina 29210
telephone (803) 896-5555 • fax (803) 896-5557 • www.daodas.state.sc.us



Serving Children and Families

KATHLEEN M. HAYES, PH.D.
STATE DIRECTOR

MARK SANFORD
GOVERNOR

February 20, 2009

Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Gilbert:

The South Carolina Department of Social Services respectfully submits the following corrective action plan for those findings identified in the Schedule of Findings and Questioned Cost for the year ended June 30, 2008.

08L04-1: Schedule of Federal Financial Assistance

All Programs
CFDA No. : All Programs
Grant No. : All Grants

Recommendation: We recommend that the Department implement changes to its accounting system and procedures to include phase code information representing each federal grant award to which expenditures should be charged.

Action Taken: The Department will contact fellow GAFRS agencies to determine how they account for phase codes. The Department's processes will then be changed to begin including phase code information with the new fiscal year. This will bring the Department into compliance with 45 CFR Part 1157.20 (a) and will position the Department for transition to the new SCEIS accounting system in May 2010.

Contact Person: William Bray

Telephone: (803) 898-7225

SOUTH CAROLINA DEPARTMENT OF SOCIAL SERVICES
OFFICE OF THE DIRECTOR, P.O. BOX 1520, COLUMBIA, S.C. 29202-1520
TELEPHONE: (803) 898-7360 • FAX: (803) 898-7277
WEB SITE: www.state.sc.us/dss

08L04-2 Timeliness of Administrative Reviews

Child and Adult Care Food Program (CACFP)

CFDA No.: 10.558

Grant No.: 5SC300329

Recommendation: We recommend that the Department continue its efforts to hire and train staff to ensure that its monitoring function is appropriately staffed to comply with the time requirements of 7 CFR 226.6.

Action Taken: The Department has hired temporary staff to assist in bringing reviews up to date. The Department is now current on all reviews. The Department will maintain future staffing at a level to ensure timely completion of all reviews.

Contact Person: Cheryl Evans-McDonald

Telephone: (803) 898-0971

08L04- 3 Child Support Automated System and OCSE 34A Report

Child Support Enforcement

CFDA No.: 93.563

Grant No.: G-07SC4004 and G-08SC4004

Recommendation: We recommend the Department continue its progress in obtaining a data processing and information retrieval system that complies with Section 454 (24) (B).

Action Taken: The Saber Corporation was awarded the contract to develop and implement the system that complies with Section 454 (24) (B) on July 23, 2007, with an effective date of August 1, 2007. Saber Corporation is moving aggressively and is currently working on the design and development of the system. The contract is scheduled to be completed in 2011.

Contact Person: Larry McKeown

Telephone: (803) 898-9337

08L04- 4 Earmarked Requirement

Promoting Safe and Stable Families
CFDA No.: 93.556
Grant No.: G-0701SCOOFP

Recommendation: We recommend that the Department charge each category based on appropriate account codes to ensure that earmarked requirements are met. The Department should also review account codes used for each category to ensure that they are defined specifically to correlate with each of the categories.

Action Taken: The Department will ensure that appropriate account codes are used for each category in order to meet earmarked requirements and that they are specifically defined.

Contact Person: Michael B. Givens

Telephone: (803) 898- 7354

08L04- 5 Certification of Contracts

All Programs
CFDA No.: All
Grant No.: All

Recommendation: We recommend that the Department establish procedures to ensure that its contracts with vendors and grantees include the suspension and debarment clause as required by OMB Circular A-133 requirements shown above.

Action Taken: The Department has reviewed the contracts cited in the audit. Of these contracts three were established prior to the requirement of the suspension/debarred clause. The fourth contract was an oversight by our staff. The required clause has been added. The Contract unit staff will review contracts to ensure that all required clauses are included on all future contracts and grants.

Contact Person: Karl Long

Telephone: (803) 898-7373

If you have any questions regarding this plan, please call the contact the person noted for each response or William Bray, Interim Director, Financial Services at 898-7225.

Sincerely,

A handwritten signature in black ink that reads "Kathleen M. Hayes". The signature is written in a cursive style with a large initial 'K'.

Kathleen M. Hayes, Ph.D.
State Director

KMH:wb



Hugh E. Weathers, Commissioner

State of South Carolina
Department of Agriculture

Wade Hampton Office Building
PO Box 11280
Columbia, SC 29211
TL: (803) 734-2210
FX: (803) 734-2192

agriculture.sc.gov

January 29, 2009

Mr. Richard H. Gilbert, Jr., CPA
Deputy State Auditor
1401 Main Street, Suite 1200
Columbia, SC 29201

Dear Mr. Gilbert:

We have reviewed the Schedule of Findings and Questioned Costs resulting from the Single Audit of the Department's federal funds for the fiscal year ended June 30, 2008.

Attached you will find our responses and comments regarding the matters addressed.

Sincerely,

A handwritten signature in cursive script that reads "Hugh E. Weathers", followed by a horizontal line.

Hugh E. Weathers
Commissioner

Attachments

08P16-1. Schedule of Federal Financial Assistance

1. Finance was never given a copy of the new cooperative agreement for CA12-25-A-4478 (National Organic Certifications) when it became effective in 2005 (this new agreement replaced CA12-25-A-4166 which had been active since 2002). We have spoken to the SCDA personnel responsible for this agreement, and he has been unable to find his copy of the new agreement. We will continue searching for this agreement in order to clear this finding.

2. During the audit of activities for FY 2006-2007, this finding was noted. At the time, the department was undergoing transition to the new SC Enterprise Information System for all accounting functions and we were unable to correct this finding in FY 2008. However, for the current fiscal year 2008-2009, the two CFDA's have already been completely separated in the accounting system and the SFFA that we prepare for this fiscal year will be correct. This finding should be cleared during the next audit.

08P16-2. Payroll Documentation

During the audit activities of FY 2006-2007, this finding was noted. However, it was determined and noted at the time that this activity should be the responsibility of the department's Human Resources department. Since then, the Human Resources department has undergone vast changes and all personnel that was in Human Resources at the time has since left the employment of SCDA. This finding was not passed along to the new employees, therefore, no action was taken.

It has been decided by the Director of Inspection Services, Jack Dantzler, that this requirement should not apply to our Poultry or Fruit and Vegetable Inspectors. After discussing this with the State Auditor's Office, it has been determined that SCDA should request statements from USDA personnel stating that they have agreed to waive the regulations noted in OMS Circular A-87 regarding certifications. Mr. Dantzler is in the process of working with USDA to obtain these waivers and we should be able to clear this finding in the next audit.

Natural Resources



John E. Frampton
Director

Carole Collins
Deputy Director for
Outreach & Support Services

February 23, 2009

Mr. Richard H. Gilbert, Jr.
Office of the State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Gilbert:

This memo is in response to the finding sighted by your staff during the FY2008 audit of the Department of Natural Resources.

08P24-1. Reporting

Item 1: The Department reported the incorrect indirect cost rate on the SF-269 and FEMA 20-10 reports.

Agency Response:

- a. DNR agrees the SF-269 for grant F54-15 was prepared with the incorrect indirect rate. The approved rate was 22.68%, however staff erroneously used 22.60% instead. This is a PR/DJ grant and the indirect cost rate for PR/DJ grants was 22.68%, all other programs had an approved rate of 22.60%. This was a simple transposition error on our staff's behalf. The difference calculated to be a shortage of only \$59.24.
- b. DNR agrees the 20-10 report for grant EMA-2006-CA-5619 was prepared with a rate different from the agency's Indirect Cost Plan annual approved rate of 29.42%. However, the actual rate used (17.34%) was the authorized rate in accordance with our grant award. FEMA does not allow changes in the indirect rate without prior approval and such approval was not requested by DNR in an effort to maximize the program funding.

Item 2: We were unable to agree indirect cost base reported on the FEMA 20-10 report to the supporting documentation.

Agency Response:

DNR concurs with this finding for grant EMA-2006-CA-5619. The preparer reported the cumulative total of the indirect cost base rather than the base for the report period.

Rembert C. Dennis Building' 1000 Assembly St. • PO Box 167 • Columbia, South Carolina 29202
EQUAL OPPORTUNITY AGENCY

Item 3: Because of the exceptions noted above, indirect cost reported on the SF-269 and FEMA reports was incorrectly calculated.

Agency Response:

- a. DNR concurs that the indirect cost reported on the SF-269 for grant F54-15 was calculated incorrectly. The agency underreported indirect by \$59.24 which is less than 1% of the overall grant award of \$333,607, thus making it immaterial.
- b. DNR concurs that the indirect cost reported on the 20-10 for grant EMA-2006-CA-5619 was calculated using the incorrect base as discussed in Item 2 above.

Item 4: The Department did not document its independent review of the reports.

Agency Response:

DNR concurs with this finding. Internal policies now require all financial reports be reviewed by the Grant Administrator prior to submission.

We would like to thank you for the professionalism that your staff demonstrated in completing the work that was required to finish this audit.

Sincerely,



Don Winslow
Chief of Staff



Mark Sanford
Governor

SOUTH CAROLINA
DEPARTMENT OF COMMERCE

Joe E. Taylor, Jr.
Secretary

February 24, 2009

Mr. Richard H. Gilbert, Jr., CPA
Interim State Auditor
1401 Main Street, Suite 1200
Columbia, South Carolina 29201

Dear Mr. Gilbert:

This letter is in response to the Single Audit Findings for the period ending June 30, 2008 for the South Carolina Department of Commerce.

08P32-1. Earmarking

The earmarking in question occurred during the fiscal year ending 6/30/06 and 6/30/07 and on grants that were part of the transition from the Employment Security Commission and the Department of Commerce. There is no indication that any misappropriation had occurred during these reporting periods. The transition between agencies and the lack of maintaining proper documentation to support the federal reports have contributed to this finding. It is not certain if this questioned cost occurred while the program was administered by the Employment Security Commission or the Department of Commerce. There have been considerable improvements in the WIA reporting and accounting that were not in effect during the above referenced reporting periods. In addition, the agency has hired a CPA as its Director of Administration and is in the process of training multiple employees in the proper accounting and reporting of WIA finances. Going forward, the agency will develop and implement procedures to ensure that it maintains documentation to support the earmarking requirements for these grants.

08P32-2. Unallowable Costs

The agency discovered the fraudulent travel expenditures during an internal process and the employee was immediately terminated as a result of its investigation. Agency travel policies and procedures were subsequently revised. The agency continues to monitor its policies and procedures pertaining to travel regulations to ensure that it is operating effectively and detecting errors in a timely manner.

08P32-3. Reporting

Notes 1 and 2. DOL ETA changed its quarterly reporting structure as of 9/30/07, and our agency has not adequately documented every figure on its quarterly reports. As mentioned in finding 08P32-1, going forward, the agency will implement policies and procedures to ensure that amounts reported are accurate, supported by the agency's financial records and properly maintained.

Notes 3 and 4. While we acknowledge difficulty in verifying expenditures reported by the Employment Security Commission and that the general ledger did not agree to the quarterly reports for the period ending 6/30/08, the agency believes that it provided enough documentation to support the costs of the Department of Commerce and believes that the figures for the quarter to be accurate. There is no

Mr. Richard H. Gilbert, Jr., CPA
February 24, 2009
Page Two (2)

indication that any misappropriation had occurred during these reporting period. The agency has taken the steps necessary to ensure the federal financial status reports will be supported by the agency's accounting system and that adequate support documentation will be maintained along with the federal status reports.

The South Carolina Department of Commerce appreciates your willingness to offer advice and assistance to us during the audit process. It is our commitment to continue to be good stewards of the taxpayer's dollars while ensuring that our financial reporting is accurate and timely.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Huffman", is written over a faint, illegible typed name.

Chris Huffman
Chief Financial Officer
South Carolina Department of Commerce

APPENDIX C

INDEX OF FINDINGS BY FEDERAL GRANTOR AND PROGRAM NAME

STATE OF SOUTH CAROLINA
 Index of Findings by Federal Grantor and Program Name
For the Year Ended June 30, 2008

<u>CFDA Number</u>	<u>Federal Grantor/Program Name</u>	<u>Finding Number</u>	<u>Material Weakness</u>	<u>Page</u>
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10.162	Inspection Grading and Standardization	08P16-1		126
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10.163	Market Protection and Promotion	08P16-1		126
10.477	Meat, Poultry, and Egg Products Inspection	08P16-1		126
10.551	Food Stamps	08L04-1		118
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10.558	Child and Adult Care Food Program	08L04-1		118
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10.560	State Administrative Expenses for Child Nutrition	08L04-1		118
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10.561	State Administrative Matching Grants for Food Stamp Program	08L04-1		118
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10.565	Commodity Supplemental Food Program	08L04-1		118
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12.404	National Guard Civilian Youth Opportunities	08E24-1		109
14.238	<u>Department of Housing and Urban Development</u> Shelter Plus Care	08J12-1		114
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16.738	Edward Byrne Memorial Justice Assistance Grant Program	08J12-1		114
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17.259	WIA Youth Activities	08P32-1 08P32-2 08P32-3	X	130 131 132
17.260	WIA Dislocated Workers (WIA-Dislocated Workers)	08P32-1 08P32-2 08P32-3	X	130 131 132
20.703	<u>Department of Transportation</u> Interagency Hazardous Materials Public Sector Training and Planning Grants	08E24-1		109

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81.502	Miscellaneous Federal Assistance Actions	08E24-1		109
84.126	<u>Department of Education</u> Rehabilitation Services - Vocational Rehabilitation Grants to States	08H73-1 08H73-2	X	110 111
84.169	Independent Living - State Grants	08H73-3		113
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93.150	Projects for Assistance in Transition from Homelessness (PATH)	08J12-1		114
93.243	Substance Abuse and Mental Health Services - Projects of Regional and National Significance	08J12-1		114
93.556	Promoting Safe and Stable Families	08L04-1 08L04-4 08L04-5		118 123 124
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93.597	Grants to States for Access and Visitation Programs	08L04-1 08L04-5		118 124
93.599	Chafee Education and Training Vouchers Program (ETV)	08L04-1 08L04-5		118 124
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93.643	Children's Justice Grants to States	08L04-1 08L04-5		118 124
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93.674	Chafee Foster Care Independence Program	08L04-1 08L04-5		118 124
93.958	Block Grants for Community Mental Health Services	08J12-1 08J12-2		114 115
93.959	Block Grants for the Prevention and Treatment of Substance Abuse	08J20-1		117
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97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	08E24-1		109
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97.045	Cooperating Technical Partners (CTP)	08P24-1		128
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STATE OF SOUTH CAROLINA

**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***

June 30, 2008

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**Independent Auditor's 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**

The Honorable Mark Sanford, Governor
and
Members of the General Assembly
State of South Carolina
Columbia, South Carolina

We have jointly audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the State of South Carolina (the State), as of and for the year ended June 30, 2008, which collectively comprise the State's basic financial statements and have issued our report thereon dated November 12, 2008. We did not jointly audit the financial statements of certain agencies and component units of the State of South Carolina, which represent the indicated percent of total assets and total revenues as presented in the table below. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it related to the amounts included for those agencies and component units, is based solely on the reports of the other auditors.

	Percentage audited by other auditors	
	Total Assets	Total Revenue
<u>Government-wide</u>		
Governmental activities	61	18
Business-type activities	98	100
Component units	100	100
<u>Fund Statements</u>		
Governmental Funds	23	8
Enterprise Funds	98	100
Internal Service Funds	75	93
Fiduciary Funds	98	100

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of South Carolina's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency 2008-01, as described in the accompanying schedule of findings and responses, to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the State's financial statements are free of 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*.

The State's response to the finding identified in our audit is included in the accompanying schedule of finding and responses. We did not audit the State's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Governor, Members of the General Assembly, and the governing body and Management of the State agencies and is not intended to be and should not be used by anyone other than these specified parties.



Columbia, South Carolina
November 12, 2008



Baltimore, Maryland
November 12, 2008

2008-01 FINANCIAL REPORTING

During the course of our audit, we noted several errors in the tax revenue closing package submitted by the Department of Revenue (DOR). The errors were related to the calculation of amounts reported on the taxes receivable summary form submitted as part of the closing package for individual income tax, corporate tax, sales tax, and other taxes. The tax revenue closing package is used by the Comptroller General's Office to record taxes receivable to the State's accounting system. Upon our notification of the errors, DOR submitted a revised closing package. The audit procedures applied to the revised closing package detected additional errors that required DOR to submit an amended revised closing package. The errors resulted in audit adjustments that, if not made, would have resulted in a material misstatement in the State's financial statements. The revisions were required because DOR's review procedures failed to identify and correct key calculation errors.

Section 1.7, Summary of Agency Responsibilities of the Comptroller General's Office GAAP Closing Package Procedures Manual, states, "Each agency's executive director and finance director are responsible for submitting to the Comptroller General's Office closing package forms and/or financial statements that are accurate and prepared in accordance with instructions, complete, and timely." This requirement acts as a control over financial reporting for the State's financial statements.

We recommend the Comptroller General's Office and DOR establish additional procedures and controls to verify that the appropriate review of the closing package is conducted in accordance with policy outlined in Section 1.7 of the procedure's manual referenced above.

MANAGEMENTS RESPONSES

State of South Carolina
Department of Revenue

MARK SANFORD
Governor



RAY N. STEVENS
Director

301 GERVAIS STREET
POST OFFICE BOX 125
COLUMBIA, SOUTH CAROLINA 29214
Telephone: (803) 898-5040
Facsimile(803) 898-5020
StevensR@sctax.org

Memorandum

RE: Internal Controls Report Management Response

Date: December 17, 2008

From: D. John Taylor, CPA, Chief Financial Officer

A handwritten signature in black ink, appearing to read "DJT", is written over the name "D. John Taylor".

The Department of Revenue acknowledges the errors made on the Closing Package for FY07/08 and regrets that these errors occurred. Revisions to the closing package spreadsheets and additional reviews of the package by another accounting analyst prior to final review hopefully will prevent any errors of this nature in the future.

This past year's closing package was unusual in that the methodology for the uncollectible allowance was changed. The errors that occurred were related to this change and the changes that were made to the supporting spreadsheets' calculations. Historically, the Department has used a method of calculating the allowance for uncollectible accounts that was based on assumptions that all receivables over two years, and that a relationship existed between bankruptcy and nulla bona accounts to future uncollectible. With the implementation of the Department's Data Warehouse, a detailed analysis of the payment history of all receivables was conducted and a detailed aging of accounts was done to compute the new receivables uncollectible rates. However, when these rates were used to break the accounts into the tax groupings for the closing packages, an error was made in which percentage to use for one tax area. Additionally, another error was made by not replacing a value in the spreadsheet that computed the current versus non-current calculation. When these errors were brought to the Department's attention, the closing package was amended. However, in correcting these amounts, the accounting analyst that prepares the closing package overlooked an adjustment that was needed in another area due to these changes. This was brought to our attention by the auditor and the correct amounts were reported. At the meeting with the auditor we were assured that none of the errors were material.

Again, the agency regrets the errors and has put into place changes in both the supporting spreadsheets and the review process to ensure the amounts reported in the future will be correct. The Allowance methodology being used now is much more accurate than the previous method and the agency, now that the errors have been corrected, plans to use this new allowance method for future reporting periods.



State of South Carolina
Office of Comptroller General

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RICHARD ECKSTROM, CPA
COMPTROLLER GENERAL

NATHAN KAMINSKI, JR., Esq.
CHIEF OF STAFF

December 18, 2008

Clifton Gunderson LLP
9515 Deereco Road
Timonium Corporate Center Suite 500
Timonium, Maryland 21093

Mr. Richard H. Gilbert, Jr., CPA
Interim State Auditor
1401 Main Street Suite 1200
Columbia, South Carolina 29201

We are providing this letter in response to the finding identified in the Independent Auditor's 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* dated November 12, 2008.

We agree with the Department of Revenue's response to its acknowledged errors contained in the tax revenues closing package it submitted for the fiscal year ended June 30, 2008.

The Comptroller General's Office will continue to require all agencies that submit closing packages to follow the procedures stated in Section 1.7, Summary of Agency Responsibilities on pages 21 through 24 of the GAAP Closing Package Procedures Manual. Agencies are required to perform preparation and review procedures to ensure that accurate, complete, and timely closing packages are submitted to our office for incorporation into the State's CAFR.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Eckstrom".

Richard Eckstrom

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