

**SOUTH CAROLINA STATE  
TREASURER'S OFFICE**

**SOUTH CAROLINA LOCAL GOVERNMENT  
INVESTMENT POOL**

**COLUMBIA, SOUTH CAROLINA**

**FINANCIAL STATEMENTS**

**JUNE 30, 2015**

*State of South Carolina*



*Office of the State Auditor*

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RICHARD H. GILBERT, JR., CPA  
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September 24, 2015

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

This report on the audit of the financial statements of the South Carolina Local Government Investment Pool for the fiscal year ended June 30, 2015, was issued by The Hobbs Group, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA  
Deputy State Auditor

RHGjr/sag

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

**JUNE 30, 2015**

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## INDEPENDENT AUDITORS' REPORT

Mr. Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
Office of the State Auditor  
Columbia, South Carolina

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the South Carolina Local Government Investment Pool (the "Pool"), an investment trust fund of the State of South Carolina as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITORS' RESPONSIBILITY

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

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

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

## OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Pool, as of June 30, 2015, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## EMPHASIS OF MATTER

As discussed in Note 1, the financial statements present only the South Carolina Local Government Investment Pool, an investment trust fund of the State of South Carolina and do not purport to, and do not, present fairly the financial position of the South Carolina State Treasurer's Office, or the State of South Carolina, as of June 30, 2015, and the changes in its financial position, or where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## OTHER MATTERS

### Required Supplementary Information

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

### Other Information

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

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

directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted, and the financial statements are fairly stated, in all material respects.

#### OTHER REPORTING REQUIREMENTS

In accordance with *Governance*, we have performed procedures on our consideration of the company's compliance with certain provisions of the Sarbanes-Oxley Act of 2002. The purpose of these procedures was to provide assurance on the company's internal control over financial reporting and the effectiveness of the controls performed in accordance with the requirements of the Sarbanes-Oxley Act of 2002 over financial reporting and internal control over financial reporting.

Columbia, South Carolina  
September 24, 2015

*The Halle Group, P.A.*

## Management's Discussion and Analysis

The South Carolina Local Government Investment Pool (the "Pool") is an investment option for local governments of the State of South Carolina provided by the State Treasurer's Office as required by statute. The Pool invests in fixed income securities as provided by statute and is managed in a manner to preserve capital and provide needed liquidity while earning a prudent daily variable rate of return. A fixed rate option is also available. The attached financial statements present a financial "snapshot" of the Pool. The Statement of Fiduciary Net Position presents information on the Pool's assets and liabilities at June 30, 2015 with the difference between the two reported as net position. The Statement of Changes in Fiduciary Net Position during the period from July 1, 2014 to June 30, 2015 presents information showing how the Pool's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

During the fiscal year, the Federal Reserve continued aggressive stimulus via its low "zero" interest rate policy. Our internal policy to control risk insulated the portfolio from many of the market pitfalls by maintaining a high degree of liquidity and well diversified profile of credit risk. The Federal Reserve is expected to maintain its policy of low interest rates thru the 2016 fiscal year. Commercial paper and LIBOR rates will remain low as a result.

### Financial Analysis

**Table 1: Summary Statement of Fiduciary Net Position**

	June 30, 2015	June 30, 2014	Change
<b>Assets</b>			
Cash and cash equivalents	\$ 2,577,677,806	\$ 2,466,805,214	\$ 110,872,592
Accounts receivable	2,002	1,942	60
Invested securities lending collateral	80,007	-	80,007
Interest receivable	2,115,029	1,356,960	758,069
Investments, at fair value	1,785,208,373	1,665,594,730	119,613,643
<b>Total Assets</b>	<b>\$ 4,365,083,217</b>	<b>\$ 4,133,758,846</b>	<b>\$ 231,324,371</b>
<b>Liabilities</b>			
Investment trades pending payable	\$ 24,494,511	\$ -	\$ 24,494,511
Collateral for loaned securities	82,400	-	82,400
Due to participants	-	4,475,593	(4,475,593)
<b>Total Liabilities</b>	<b>\$ 24,576,911</b>	<b>\$ 4,475,593</b>	<b>\$ 20,101,318</b>
<b>Total Net Position - Restricted</b>	<b>\$ 4,340,506,306</b>	<b>\$ 4,129,283,253</b>	<b>\$ 211,223,053</b>

The Statement of Fiduciary Net Position shows that the assets of the Pool are the cash and investments made by the State Treasurer as Custodian of the Pool plus accrued interest receivable on those investments at June 30, 2015. The market conditions that existed during the year created a limited demand for loaned securities.

The liabilities of the Pool usually consist of securities traded but not yet settled at year-end, collateral held for loaned securities that are due back to the borrowers under securities lending transactions, and amounts due to participants. There was \$80,007 in securities out on loan at June 30, 2015.

The Net Position of the Pool is held for the Pool participants and is divided into amounts distributed to participants' accounts and undistributed amounts. Net position of \$4,311,166,916 has been distributed to participant accounts while \$29,339,390 is undistributed. The undistributed portion of net position is primarily a statutorily permitted reserve for contingencies. The current reserve for contingencies is well below the allowable cap of 1% of fund assets.

**Table 2: Summary Statement of Changes in Fiduciary Net Position**

	June 30, 2015	June 30, 2014	Change
Investment Income	\$ 10,605,710	\$ 8,403,622	\$ 2,202,088
Expenses	(480,605)	(501,847)	21,242
Deposits, withdrawals and other participant activity	201,097,948	370,925,490	(169,827,542)
Changes in Net Position	211,223,053	378,827,265	(167,604,212)
Net Position - Beginning of Year	4,129,283,253	3,750,455,988	378,827,265
Net Position - End of Year	\$ 4,340,506,306	\$ 4,129,283,253	\$ 211,223,053

During the fiscal year (FY) 2015, the Federal Reserve Bank continued to keep the Federal Funds rate very low between .09 - .13%. The average investment rate earned by the Pool increased from 0.16% in FY 14 to 0.23% for FY 15. For this fiscal year, the Pool outperformed its benchmark, the 90 day Treasury Bills, which returned .04%. The Pool earned \$2,202,088 more in investment income than the prior fiscal year. During FY 15 there were more deposits to the Pool than withdrawals. There was also a significant increase in deposits due to low interest rate conditions. Participants took advantage of higher rates paid by the Pool due to economies of scale. The table below provides the investment rates for the current and prior fiscal years by month.

**Table 3: Investment returns rate comparison for last two fiscal years**

	<u>FY 14-15</u>	<u>FY 13-14</u>
July	0.14%	0.21%
August	0.17%	0.18%
September	0.18%	0.17%
October	0.21%	0.18%
November	0.22%	0.19%
December	0.25%	0.20%
January	0.26%	0.14%
February	0.26%	0.13%
March	0.25%	0.14%
April	0.28%	0.14%
May	0.27%	0.12%
June	0.29%	0.14%
<b>Average</b>	<b>0.23%</b>	<b>0.16%</b>

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

The expenses of the Pool are limited to the actual expenses incurred by the State Treasurer's Office to operate the Pool, which by law must be offered at no cost to the State.

At June 30, 2015 there were 617 participating accounts in the pool as compared to 612 at the previous year end.

### **Contacting the Pool**

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

South Carolina Office of the State Treasurer  
P.O. Box 11778  
Columbia, South Carolina 29211

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

**STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015**

**ASSETS**

	<u>Investment Trust Fund</u>
Cash and cash equivalents	\$ 2,577,677,806
Account receivable	2,002
Invested securities lending collateral	80,007
Accrued interest receivable	2,115,029
Investments, at fair value	<u>1,785,208,373</u>
Total assets	<u>4,365,083,217</u>

**LIABILITIES**

Investment trades pending payable	24,494,511
Collateral for loaned securities	<u>82,400</u>
Total liabilities	<u>24,576,911</u>

**NET POSITION**

Restricted for pool participants' accounts	4,311,166,916
Restricted for pool participants - undistributed	<u>29,339,390</u>
Total net position	<u>\$ 4,340,506,306</u>

The notes to financial statements are an integral part of this statement.

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2015**

	<u>Investment Trust Fund</u>
<b>ADDITIONS:</b>	
Investment income	\$ 10,605,710
Securities lending income	4,069
	<u>10,609,779</u>
Total revenue	10,609,779
<b>DEDUCTIONS:</b>	
Administrative expenses	480,605
	<u>480,605</u>
Net increase in net position resulting from operations	10,129,174
	<u>10,129,174</u>
<b>INCOME DISTRIBUTED TO PARTICIPANTS</b>	(9,179,204)
<b>PARTICIPANT TRANSACTIONS:</b>	
Deposits & income reinvested	8,349,595,854
Less withdrawals	(8,139,322,771)
	<u>(210,273,083)</u>
Net increase in net position resulting from participant transactions	210,273,083
	<u>210,273,083</u>
Total increase in net position	211,223,053
<b>NET POSITION:</b>	
Beginning of year	4,129,283,253
	<u>4,129,283,253</u>
End of year	\$ 4,340,506,306
	<u>4,340,506,306</u>

The notes to financial statements are an integral part of this statement.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

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

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

**Basis of Accounting and Measurement Focus**

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

**Pool Accounting**

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

**Cash and Cash Equivalents**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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

**Investments**

In accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, investments are carried at fair value. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than forced liquidation. Fair value for all investments of the Pool is determined annually based upon quoted market prices.

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

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

**Accrued Interest Receivable**

Accrued interest receivable includes interest earned for the month of June 2015 and payable on July 1, 2015.

**Accounts Receivable**

Accounts receivable include amounts earned under securities lending transactions for the fiscal year ended June 30, 2015 that have yet to be collected by the Pool.

**Account Payable**

Account payable consists of amounts due for investment purchases that were in progress as of June 30, 2015, but were not settled until July 1, 2015.

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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

**Investment Income**

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

**Administrative Expenses**

Proviso 97.4 of the State's 2014-2015 Appropriations Act authorized the Treasurer's Office to charge a fee for the operations and management costs associated with the Pool. The Act further authorized the Treasurer's Office to retain and expend the fees to provide the services. The fees assessed may not exceed the costs of the provision of services. There is no legal requirement for the Pool to adopt a budget.

**Participant Unit Issues, Redemptions, and Distributions**

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

Interest earnings are accrued daily based on participation units valued at \$1.00 and distributed to the participants at the end of each month. Interest accruals are computed first for those fixed rate participation units, with the balance distributed equitably among the other participant accounts.

**Use of Estimates**

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

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

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2015**

**NOTE 2: DEPOSITS, INVESTMENTS, AND SECURITIES LENDING TRANSACTIONS**

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

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

Statements		Notes	
Cash and cash equivalents	\$ 2,577,677,806	Deposits	\$ 17,380
Investments	1,785,208,373	Investments	4,362,868,799
Totals	\$ 4,362,886,179		\$ 4,362,886,179

**Deposits**

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

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

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Investments**

Investments consist of the following as of June 30, 2015:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturity Dates</u>	<u>Interest Rates</u>
<b><u>Government</u></b>			
U. S. Government Agency	\$ 779,420,692	9/10/2015 - 3/20/2018	0.2% - 1.63%
<b><u>Corporate</u></b>			
Corporate Bonds	925,827,999	7/15/2015 - 6/9/2017	0.27% - 3.55%
Sovereign Bonds	5,000,000	10/1/2015	1.11%
<b><u>Short Term Investments</u></b>			
Commercial Paper	1,686,091,108	7/1/2015 - 8/10/2015	0.14% - 0.51%
Repurchase Agreements	<u>966,529,000</u>	7/1/2015	0.11%
Total	<u>\$ 4,362,868,799</u>		

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the Pool will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. At June 30, 2015, all of the Pools' investments were insured and registered.

**SOUTH CAROLINA STATE TREASURER'S OFFICE  
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**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

**Investments (Continued)**

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Effective Duration</u>
<b><u>U.S. Government</u></b>		
U.S. Agency and Other Government	\$ 779,420,692	0.56
<b><u>Corporate</u></b>		
Corporate Bonds	925,827,999	0.42
Sovereign Bonds	5,000,000	0.25
<b><u>Short Term Investments</u></b>		
Commercial Paper	1,686,091,108	0.05
Repurchase Agreements	966,529,000	0.00
<b>Total Invested Assets</b>	<b>\$ 4,362,868,799</b>	<b>0.21</b>

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Pool. The investment policy for credit quality of debt securities states that securities must bear an investment grade rating from at least two of the national rating agencies. Credit quality of cash reserves must carry a rating of A1/P1/F1 or D1 from at least one nationally recognized rating services. In the event that the rating of a security falls below investment grade, that security may continue to be held contingent upon an evaluation of the longer term investment merits of the security. Credit risk ratings are not required for obligations of the U.S. government or those obligations explicitly guaranteed by the U.S. government. As of June 30, 2015, the Pool's rated debt investments were rated by Standard & Poor's and are as follows:

Investment Type	Fair Value	AA*	A**	A-1***	A-2 ****	BBB*****	NR
<b><u>U.S. Government</u></b>							
U. S. Agency and Other Government	\$ 779,420,692	\$ 777,420,692	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
<b><u>Corporate</u></b>							
Corporate Bonds	925,827,999	252,067,700	327,091,027	-	-	326,670,872	19,998,400
Sovereign Bonds	5,000,000	-	-	-	-	-	5,000,000
<b><u>Short Term Investments</u></b>							
Commercial Paper	1,686,091,108	-	-	856,978,280	795,922,049	-	33,190,779
Repurchase Agreements	966,529,000	-	-	-	-	-	966,529,000
<b>Total Invested Assets</b>	<b>\$ 4,362,868,799</b>	<b>\$ 1,029,488,392</b>	<b>\$ 327,091,027</b>	<b>\$ 856,978,280</b>	<b>\$ 795,922,049</b>	<b>\$ 326,670,872</b>	<b>\$ 1,026,718,179</b>

\* Rated Aaa by Moody's or Fitch

\*\* A1 to BBB+ by Moody's or Fitch

\*\*\* Rated P1 , P2, F1, or F2 by Moody's or Fitch

\*\*\*\* Rated P1 , P2, F1, or F2 by Moody's or Fitch

\*\*\*\*\* Rated A to Baa3 by Moody's or Fitch

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Pool's policy for reducing this risk states that "Except for United States Treasury and Agency obligations, the fixed income portfolio shall contain no more than 5% exposure to any single issuer." At June 30, 2015, the Pool had approximately 22.15% of its investments in an overnight repurchase agreement with Bank of America that was fully collateralized by United States Treasury and Agency obligations.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

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

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At June 30, 2015, the Pool did not have any investments denominated in foreign currencies.

**Securities Lending Transactions**

Through a custodial agent, the Pool participates in a securities lending program whereby securities are loaned for the purpose of generating additional income. The Pool lends securities from its investment portfolios on a collateralized basis to third parties, primarily financial institutions. The market value of the required collateral must initially meet or exceed 102% of the market value of the securities loaned, providing a margin against a decline in the market value of the collateral, and requires additional collateral if the collateral value falls below 100%. At June 30, 2015 there was \$80,007 of securities out on loan. There are no restrictions on the amount of securities that may be loaned. The types of securities available for loan during the year ended June 30, 2015, included U. S. Government securities, U. S. Government Agencies and corporate bonds. The contractual agreement with the Pool's Custodian provides indemnification in the event the borrower fails to return the securities lent or fails to pay the Pool income distribution by the securities' issuers while the securities are on loan. Cash was received as collateral for these loans. The Pool cannot pledge or sell collateral securities without a borrower default. The Pool invests cash collateral received; accordingly, securities purchased with cash collateral are recorded as an asset. A corresponding liability is recorded as the Pool must return the cash collateral to the borrower upon the expiration of the loan. All securities loaned can be terminated on demand by either the Pool or the borrower. Income in the amount of \$4,069 was generated through securities lending transactions in the year ended June 30, 2015.

**NOTE 3: NET POSITION RESTRICTED FOR POOL PARTICIPANTS**

Monies are accumulated to meet administrative expenses related to the management of the Pool and to cover losses resulting from fluctuations in the investment market. The administrative fee is set and reviewed quarterly by the Treasurer's Office and may be increased or decreased, as needed, to maintain this account at an amount of no more than 1% of the net position held for participant accounts. These accounts are considered held on behalf of the participants but are not considered distributed to their accounts. Other undistributed amounts held on behalf of the participants include the differences between the fair value of the investment and the amortized cost of the investments.

**NOTE 4: RELATED PARTY TRANSACTIONS:**

The Pool reimbursed the Treasurer's Office \$465,000 for various expenses including banking and investment functions which are administrative expenses in the financial statements. The Pool provided no services to other state agencies during the fiscal year.

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

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE 5: SUBSEQUENT EVENTS:**

Management has evaluated all events subsequent to the statement of fiduciary net position date of June 30, 2015 through the date of issuance of these financials, September 24, 2015.

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1000	Town of Prosperity	\$ 228,414.04
1001	City of Sumter	5,376,711.05
1002	Town of Winnsboro	486,824.57
1003	City of Myrtle Beach	10,465,007.76
1004	City of Aiken	29,038,185.83
1005	City of North Charleston	75,130,822.16
1006	City of Cayce	3,861.50
1007	Town of Pelion	584,339.97
1008	City of Cayce	8,896.28
1009	City of Myrtle Beach	415,566.29
1014	City of North Myrtle Beach	654,565.32
1015	City of North Myrtle Beach	50,082.45
1016	City of North Myrtle Beach	899,689.92
1017	Town of Edgefield	234,527.20
1019	Town of Pelion	16,712.90
1021	City of Georgetown	9,841,384.55
1022	City of Lake City	275,675.76
1024	Town of Pine Ridge	146,734.59
1025	City of Simpsonville	1,017.07
1026	Town of Jackson	343,605.48
1027	City of Seneca	1,351.01
1028	City of Seneca	9,147.52
1029	Town of Winnsboro	28,138.79
1031	Town of North	43,047.95
1032	Richland Co. S/D 2	63,334.89
1033	Grand Strand Water & Sewer	4,719.21
1034	Grand Strand Water & Sewer	16,975.02
1035	City of Isle of Palms	1,542,676.15
1036	City of Hanahan	2,681,743.96
1038	City of Hanahan	862,663.42
1039	Aiken County Treasurer	65,317.97
1040	Lower Savannah COG	201,136.96
1041	Town of Winnsboro	136,811.57
1042	City of Greenville	38,000,494.59
1049	City of Florence	42,250,271.73
1057	Upper Savannah COG	497,952.56
1058	Town of Trenton	304,718.40
1059	Town of Johnston	260,793.68
1060	City of Orangeburg	12,055,110.72
1061	Town of McCormick	321,807.34

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1062	City of Bamberg	1,002.92
1063	City of Bamberg	1,760,564.09
1066	Aiken Co. Consolidated School	45,301,677.02
1067	Aiken Co. Consolidated School	21,413,002.65
1068	Aiken Co. Consolidated School	24,124.32
1069	Richland Co. S/D 2	90,286.40
1071	Anderson County S/D 2	5,460,954.72
1073	Spartanburg Co. S/D 7	3,466,808.87
1074	Spartanburg Co. S/D 6	1,077,450.07
1080	City of Isle of Palms	2,188,814.09
1081	City of Newberry	596,915.01
1082	City of Newberry	78,596.84
1084	Union County Schools	4,345,014.17
1086	City of Abbeville	53,496.37
1087	City of Abbeville	210,315.89
1088	Upper Savannah COG	50,508.00
1089	Darlington County Treasurer	60,930,409.38
1090	Oconee County School District	18,683,830.20
1091	Oconee County School District	1,321,647.36
1093	Charleston Co. School District	133,356.75
1094	City of Bishopville	889,638.25
1095	City of Bishopville	1,081,365.84
1096	Greenville Water System	17,415,989.56
1098	Town of Ridge Spring	21,154.06
1100	Charleston Co. School District	61,616,460.83
1101	Town of Ridge Spring	165,897.74
1105	City of North Augusta	64,142.44
1106	City of North Augusta	1,116,843.26
1109	Town of Walhalla	145,258.11
1110	Town of Ridge Spring	1,512.10
1113	Catawba Reg. Planning Council	656,661.25
1114	Fairfield County Treasurer	1,813,802.77
1115	City of Sumter	2,041,646.91
1126	Newberry County Treasurer	1,440,353.01
1128	City of Rock Hill	9,101,776.76
1131	Town of Edgefield	347,486.45
1132	Spartanburg Co. S/D 4	5,824,329.83
1133	Spartanburg Co. S/D 4	75,855.13
1134	Dorchester County S/D 2	30,098,564.34
1135	Dorchester County S/D 2	16,676,886.66

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1136	Mount Pleasant Waterwork & Sewer	1,194,059.46
1137	Town of Summerville	6,009,089.58
1139	City of Chester	185,223.61
1140	City of Chester	19,730.08
1141	City of Chester	110,910.27
1142	City of Lancaster	5,103,470.81
1143	Central Midlands COG	12,807.95
1150	Lexington Co. S/D 5	37,105,066.30
1152	Town of Woodruff	1,971.37
1154	Mount Pleasant Water & Sewer	653,181.49
1155	Mount Pleasant Water & Sewer	6,348,147.00
1157	Spartanburg Co. S/D 4	2,145,742.15
1159	Town of Pelion	106,008.62
1160	Town of Richburg	315,293.61
1162	Town of Winnsboro	719,049.18
1163	SC Appalachian COG	651,205.27
1164	Town of Winnsboro	232,786.84
1165	City of Charleston Housing Authority	1,113,575.02
1166	City of Charleston Housing Authority	463,388.34
1167	Aiken County Treasurer	2,534.22
1170	Lexington Co. S/D 5	1,865,555.77
1172	Town of Lexington	5,190,981.09
1173	Chesterfield Co. S/D	8,452,596.67
1174	City of Sumter	5,056.43
1175	Town of Winnsboro	682,867.85
1177	Spartanburg Water System	5,223.18
1178	City of Clemson	1,032,369.84
1181	Town of Jackson	1,416.93
1182	Richland Co. S/D 1	68,803,800.02
1183	Town of Jackson	272,138.79
1186	Town of Jackson	133,328.53
1187	City of Forest Acres	256,440.69
1190	Upper Savannah COG	192,327.34
1191	Town of Summerville	207,796.64
1192	Town of Irmo	1,130,456.55
1193	Town of Irmo	3,151,196.84
1195	Catawba Reg. Council of Gov't.	2,655,735.49
1197	Town of Blythewood	210,046.54
1199	Town of Winnsboro	1,871,890.64
1200	City of Orangeburg	181,438.98

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1204	Greenville County Treasurer	75,850,482.51
1205	Parker Sewer & Fire Sub District	5,490,226.61
1206	Town of Irmo	6,701.72
1207	Lowcountry COG	97,169.09
1210	City of Chester	25,642.98
1212	Florence Co. S/D 3	1,120,703.34
1214	City of Chester	95,215.92
1218	York County Treasurer	276,806,585.68
1220	Oconee County School District	235,653.27
1222	City of Abbeville	16,945.57
1223	Comm. of Pub. Wks. of City of Isle	3,643,221.80
1224	City of Union	24,931.09
1227	Lexington County S/D #4	10,050,410.80
1228	City of Greenwood	3,169,762.96
1230	Union County Treasurer	1,600,772.52
1235	Clarendon County S/D 3	1,222.33
1236	Spartanburg Co. S/D 3	1,285,758.04
1238	Metropolitan Sewer Sub District	929,991.79
1242	Town of Edgefield	73,658.37
1243	Town of Edgefield	203,686.37
1244	Town of Edgefield	268,156.41
1245	Town of Seabrook Island	3,170,157.79
1246	Spartanburg Sanitary Sewer District	2,977,566.53
1248	Orangeburg Co. S/D #4	261,297.85
1249	City of Abbeville	1,338.74
1251	City of Spartanburg	14,236,931.63
1253	City of Abbeville	404,969.77
1254	St. Andrews Public Srvc.	4,168,127.98
1256	Town of Winnsboro	455,970.47
1257	Town of Winnsboro	194,857.71
1258	Chester Metropolitan District	1,296,066.11
1259	Chester Sewer District	278,400.62
1260	Kershaw County Medical Center	117,677.21
1262	Mount Pleasant Water & Sewer	4,578.76
1263	Mount Pleasant Water & Sewer	1,239.57
1264	Mount Pleasant Water & Sewer	262,238.80
1270	Clarendon County Treasurer	6,341,730.74
1271	City of Lancaster	263,632.58
1273	Lexington County S/D #2	12,952,765.63
1275	Lexington County Treasurer	137,935,671.06

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1276	Lexington County S/D #1	60,078,416.05
1277	Comm. of Pub. Wks. of City of Isle	220,460.79
1279	Greenville County Schools	165,253,183.81
1280	Lexington County S/D #3	8,674,512.62
1289	Berkeley Charleston Dorchester	50,524.22
1290	BCD Council of Governments	117,505.61
1291	City of Greenwood	740,063.94
1292	City of Greenwood	91,887.51
1295	Mt. Pleasant Water & Sewer Comm.	4,255.00
1296	Anderson County	2,363,943.41
1297	McCormick Comm. of Public Works	334,695.88
1298	McCormick Comm. of Public Works	32,710.41
1305	York County Treasurer	15,272,378.49
1307	Beaufort County Treasurer	8,666,229.63
1308	Lexington County Treasurer	8,735,748.33
1309	Lexington County Treasurer	8,984,290.53
1312	Lexington County Treasurer	21,699,115.64
1314	City of North Augusta	944,775.99
1315	City of North Augusta	272,788.16
1318	Fairfield County Treasurer	13,466,203.63
1323	Town of Clover	299,250.30
1331	Town of Springdale	135,941.92
1332	Town of Ridge Spring	16,740.08
1333	Newberry County Treasurer	10,710,787.63
1334	Newberry County Treasurer	16,175,051.93
1339	Sumter Co. Council/Treasurer	1,062.13
1340	City of Isle of Palms	889,453.42
1341	Seabrook Island Water & Sewer	2,510,032.72
1347	Edgefield County School District	4,115,971.33
1349	St. Paul's Fire District	8.17
1352	City of Camden	4,821,149.23
1353	Town of Clover	151,682.67
1357	Lexington County S/D #4	6,259.89
1359	City of Hanahan	1,617,499.41
1365	City of Hanahan	1,594,571.60
1367	Town of Cordova	103,161.45
1370	Town of Trenton	30,318.13
1371	Town of Trenton	1,091.91
1372	Lancaster County S/D	24,933,783.30
1374	Clarendon County Treasurer	232,331.40

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1377	City of Union	6,022,917.44
1379	City of Georgetown	4,767,384.94
1380	City of Georgetown	2,162,483.32
1382	Town of Johnston	17,020.44
1385	Town of Edisto Beach	2,383,260.46
1386	Town of Edisto Beach	1,270,295.80
1387	Town of Edisto Beach	620,912.90
1388	Town of Edisto Beach	148,211.06
1389	Town of Edisto Beach	1,237,698.84
1390	Town of Edisto Beach	10,015.45
1392	City of Clinton	925,553.93
1393	Edgefield County Treasurer	8,483,299.07
1395	Spartanburg Co. S/D 4	379,389.69
1396	City of York	13,695.46
1397	City of York	9,825.92
1398	City of Lancaster	408,955.88
1399	City of Lancaster	408,955.86
1401	City of Bamberg	54,353.69
1405	Town of Prosperity	25,719.57
1407	DSRF-Pioneer Rural Water District	109,008.83
1421	City of Isle of Palms	2,148,085.44
1422	Richland Co. S/D 2	42,794,530.18
1426	Richland Co. S/D 2	69,407,928.10
1428	City of Clinton	111,204.18
1429	DSRF-Chester Sewer District	95,005.06
1433	Wade Hampton	2,857.65
1437	R.D. Anderson Applied Tech	6,097.53
1438	Florence County Treasurer	147,228.89
1439	City of Lancaster	219,068.64
1440	City of Lancaster Commercial Gar	210,479.68
1441	Florence Co. S/D 2	2,993,122.94
1442	Florence Co. S/D 4	221,094.13
1443	Florence Co. S/D 5	2,149,316.21
1445	Florence Co. S/D 1	31,767,165.88
1446	Clarendon County Treasurer	381,943.71
1447	Richland County Treasurer	116,907,486.18
1448	Town of Arcadia Lakes	706,499.76
1451	Town of Edisto Beach	352,194.04
1452	Laurens County Treasurer	19,024,550.33
1453	City of Georgetown	31,189.48

SOUTH CAROLINA STATE TREASURER'S OFFICE  
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SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1456	City of Greenwood	69,758.04
1457	Town of Edisto Beach	506,373.11
1463	Western Piedmont	291,765.60
1465	Clarendon County Treasurer	412,872.56
1466	Spartanburg Co. S/D 4	1,023.27
1471	York County Treasurer	347,488.69
1489	Dillon County Board of Education	1,359.39
1493	City of Westminster	158,818.85
1499	Fort Mill School District 4	42,332,474.33
1500	Chester County Treasurer	1,042,027.84
1501	Chester County Treasurer County	707,980.93
1502	Chester County Treasurer	439,616.70
1509	DSRF-Town of Latta	33,520.65
1510	York County S/D 1	10,237,018.37
1512	City of Greenwood	159,617.03
1514	Greenville County Schools	10,162,924.71
1515	Chester County Treasurer	3,875,451.69
1519	Rock Hill S/D 3 of York Co.	39,045,910.59
1520	City of North Augusta	153,179.19
1521	City of North Augusta	1,026,541.70
1526	Mt. Pleasant Waterworks Escrow	689,369.28
1527	Charleston Co. School District	251,660.14
1535	Pioneer Rural Water District	714,514.13
1536	Pioneer Rural Water District	132,320.11
1538	Pioneer Rural Water District	1,335.49
1539	York County Treasurer	6,184,787.82
1541	Town of Port Royal	100,174.23
1543	Bamberg School District One	136,819.85
1545	Lancaster Co. Natural Gas Auth.	2,102,194.16
1552	City of Mauldin	711,223.38
1554	Town of Sullivan's Island	113,498.48
1562	Fairfield County Treasurer	111,298.03
1580	Spartanburg Co. S/D 4	1,005.63
1581	DSRF-City of Travelers Rest	18,391.19
1595	Chester County School District	1,251,366.02
1596	City of Isle of Palms	1,127,029.70
1599	Greenville County Schools	4,808,554.77
1603	Orangeburg School District 5	3,711,681.54
1605	Clover School District Two	13,732,751.38
1609	Greenville Health System	128,910,600.93

SOUTH CAROLINA STATE TREASURER'S OFFICE  
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SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1610	Greenville Health System	3,336,067.25
1613	City of Myrtle Beach	340,710.78
1616	Richland County Treasurer	1,414,452.75
1617	City of North Augusta	5,732,133.25
1618	City of North Augusta	273,075.65
1619	City of North Augusta	492,583.65
1622	Riverbanks Parks Commission	2,778,442.91
1630	Orangeburg Co. S/D Three	4,072,655.26
1635	Upper Savannah COG	162,945.18
1642	St. Andrews Public Srvc.	1,254,442.36
1651	York County S/District #1	62,606.41
1652	City of Mauldin	1,659,494.05
1654	Chester County School District	5,095,937.87
1658	Joint Municipal Water & Sewer	11,286,918.65
1659	Joint Municipal Water & Sewer	1,193.49
1662	Town of McCormick	269,865.21
1663	Town of McCormick	269,865.21
1664	Town of McCormick	114,209.06
1665	Town of McCormick	177,595.85
1671	City of Isle of Palms	288,283.64
1672	City of Georgetown	1,381,122.06
1673	Town of Blythewood	202,049.80
1675	Town of Blythewood	256,267.36
1680	City of Hanahan	1,033,664.78
1689	Chester Co. Natural Gas Authority	104,178.96
1699	City of Fountain Inn	15,439.11
1702	Lancaster County	13,648,750.60
1703	Greenville Health System	940,836.70
1708	Municipal Association of SC	8,030.38
1710	Municipal Association of SC	16,935.50
1714	City of Georgetown	3,187.70
1715	York County Treasurer	466,960.53
1716	St. John's Fire District	38,314.78
1718	Lexington Med. Center Operating	11,456,348.40
1726	City of Forest Acres	876,518.05
1730	City of Myrtle Beach	718,295.91
1731	City of New Ellenton	172,193.38
1733	Town of Lowrys	153,614.47
1740	City of Rock Hill	3,671,845.05
1741	City of Rock Hill	2,430,726.97

SOUTH CAROLINA STATE TREASURER'S OFFICE  
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SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1744	Town of Lyman	354,973.17
1745	Town of Lyman	1,304,605.85
1754	City of North Augusta	649,513.67
1755	City of North Augusta	492,471.96
1760	City of Sumter	2,715,941.92
1762	City of Hanahan	445,568.48
1767	City of Spartanburg	129,571.94
1775	Eleventh Circuit Solicitor	84,912.02
1779	Town of Rockville Council	157,192.16
1784	City of Conway	5,382.10
1792	Newberry County Treasurer	2,551,294.35
1793	Town of Winnsboro	346,935.83
1794	City of Clinton	22,479.93
1798	Town of Winnsboro	99,374.70
1800	Laurens County Water Sewer Comm.	1,263,154.62
1808	City of Walterboro	116,113.77
1809	Pioneer Rural Water District	150,540.62
1810	Town of Jackson	52,013.85
1817	Williamsburg County S/D	5,674,656.46
1827	Williamsburg County Treasurer	936,380.03
1828	Dorchester County Treasurer	4,721,609.78
1830	Dorchester County Treasurer	35,361,679.57
1831	Dorchester County Treasurer	9,675,105.74
1832	Dorchester County Treasurer	32,761,577.32
1833	Dorchester County Treasurer	3,540,721.06
1835	Dorchester County Treasurer	8,732,936.73
1837	BCD Council of Governments	396,356.80
1840	York County Treasurer	9,493,016.57
1842	City of Mauldin	1,727,914.99
1843	City of Abbeville	597,634.93
1845	DSRF-Big Creek Wtr. & Swr. District	206,919.08
1847	Dillon County Board of Education	1,583.34
1849	Dillon County Board of Education	2,343.35
1850	Richland County Treasurer	251,194.79
1852	DSRF-City of Travelers Rest	30,278.52
1854	DSRF-Moncks Corner Public Wks.	410,589.99
1856	Spartanburg Sanitary Sewer System	2,627,544.05
1857	City of North Augusta	912,387.80
1861	Richland County Treasurer	676,755.86
1864	Oconee County School District	1,785,261.85

SOUTH CAROLINA STATE TREASURER'S OFFICE  
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SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1865	City of Sumter	205,356.96
1867	BCD Council of Governments	218,005.17
1868	Town of Fort Lawn	4,099.57
1871	City of Mauldin	62,934.28
1873	City of Clinton	919,196.30
1874	Town of Walhalla	1,296,049.43
1875	York County Treasurer	2,912,614.68
1876	York County Treasurer	94,712,212.03
1880	Richland County Treasurer	880,446.28
1882	City of North Augusta	1,330,363.68
1883	Newberry County Treasurer	482,165.47
1887	Newberry County Treasurer	851,641.56
1888	Lexington Co. S/D 3	672,708.06
1889	City of Camden	1,097,214.99
1892	Newberry County Treasurer	160,341.74
1893	Florence County Treasurer	32,918,448.77
1895	Clarendon County S/D 3	1,211.41
1897	Newberry County Treasurer	312,686.62
1898	Greenwood County Treasurer	21,093,121.17
1900	City of Isle of Palms	221,712.00
1905	City of North Augusta	473,507.21
1907	Greenville Water System	13,044,696.94
1909	Oconee County Treasurer	13,568,285.16
1911	City of North Augusta	767,624.76
1912	DSRF-McCormick County	2,553.25
1915	York County Treasurer	13,459,468.13
1916	City of Newberry	1,743,751.74
1917	City of Newberry	848,809.11
1922	DSRF-City of Darlington	17,183.41
1924	Lancaster Water & Sewer District	9,136,837.57
1925	Lancaster Water & Sewer District	11,046,665.70
1927	York County Treasurer	19,834,998.31
1929	Newberry County Treasurer	135,743.36
1936	Greenville Health System	12,760,122.05
1939	Lowcountry Council of Government	254,718.89
1941	Powdersville Water District	1,413.50
1943	DSRF-City of Anderson	30,402.98
1944	DSRF-City of Anderson	108,471.39
1947	City of Isle of Palms	324,709.23
1948	Sumter County Council/Treasurer	7,264,225.65

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
1954	Dorchester County S/D 2	10,938,830.24
1956	City of Columbia	137,458,279.02
1966	DS-Town of Lexington	1,280,056.25
1973	Greer Comm. Public Works	3,044,796.11
1977	DSRF-Southside Rural Comm. Water	171,612.83
1983	Richland County Treasurer	1,197,805.32
1988	DSRF-Town of Pendleton	114,788.10
1989	Calhoun County Treasurer	1,757,588.12
1991	DSRF-Pioneer Rural Water District	192,094.30
1992	Greenwood County Treasurer	2,291,022.22
1995	Richland Co. Rec Comm. 2009B	578,202.90
1996	Pioneer Rural Water District	69,080.20
2003	DSRF-City of Abbeville	129,994.27
2004	City of Columbia	7,114,778.17
2005	Central Carolina Tech. College	3,324,982.64
2006	Anderson County S/D 3	183,311.66
2007	Old Fort Fire District	801,734.27
2009	Anderson County S/D 4	119,443.20
2010	Anderson County S/D 5	24,759,961.35
2011	Anderson County S/D 1	9,979,877.57
2012	Anderson 1 & 2 Career & Tech Ctr.	968,035.65
2013	Anderson County Board of Ed	90,988.93
2015	City of Sumter	335,403.92
2016	North Charleston Sewer District	3,237,479.34
2017	North Charleston Sewer District	7,459,779.31
2018	DS-City of Barnwell	246,401.79
2023	City of Columbia	9,352,280.59
2025	Newberry County Treasurer	55,865.79
2026	Town of Ridge Spring	323,751.99
2029	Greenville Water System	1,870,887.60
2031	Anderson S/D #5	1,452,851.38
2035	Newberry County Treasurer	233,665.66
2037	City of Clinton	986,717.66
2038	Richland County Treasurer	106,014.40
2045	Richland County Treasurer	19,411,084.55
2049	Charleston Co. Park & Recreation	1,689.60
2050	Charleston Co. Park & Recreation	82,948.51
2051	Newberry County Treasurer	104,445.56
2052	DSRF-City of Union	140,698.61
2057	DSRF-City of Union	109,887.20

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
2064	Lexington County Treasurer	153,991.98
2065	Dorchester County Treasurer	2,383,959.34
2066	City of Charleston	120,435.62
2067	City of Isle of Palms	167,387.98
2071	Calhoun County Treasurer	2,157,632.54
2073	City of Orangeburg	2,785,507.27
2074	City of Orangeburg	1,512,251.16
2076	Newberry County Treasurer	583,468.41
2077	Newberry County Treasurer	946,354.46
2078	Newberry County Treasurer	1,673,031.01
2081	Charleston Co. School District	47,894.07
2082	DSRF-Darlington County W&S Auth.	341,955.48
2083	Charleston Co. School District	61,440,838.24
2084	Dillon County Board of Education	2,251.51
2085	Oconee County Treasurer	1,634,914.11
2091	Sumter County School District	589,948.43
2092	South Island PSD	4,295,226.27
2093	City of Fountain Inn	504,623.66
2094	City of Fountain Inn	1,028.69
2095	Charleston County Treasurer	50,524,480.18
2096	Richland-Lexington Airport District	8,564,279.58
2105	Richland County Treasurer	665,407.04
2106	Beaufort County Treasurer	2,059,218.37
2113	Lancaster County School District	1,008,469.70
2114	Newberry County Treasurer	6,043,669.73
2117	Beaufort County Treasurer	12,770,935.22
2118	Beaufort County Treasurer	125,318.47
2119	Beaufort County Treasurer	70,367,899.24
2120	Beaufort County Treasurer	4,048,206.92
2122	Beaufort County Treasurer	1,312,875.68
2123	North Charleston Sewer District	731,244.09
2125	James Island Charter High School	3,526,879.87
2126	DSRF-City of Union	176,027.72
2127	Spartanburg County Treasurer	77,643,602.27
2128	Lugoff-Elgin Water Authority	985,170.30
2130	Santee Lynches Regional COG	278,337.67
2131	St. John's Fire District	14,203.96
2133	Town of Mount Pleasant	15,994,793.14
2134	Town of Mount Pleasant	12,624,486.44
2137	Georgetown County Treasurer	46,946,285.96

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
2138	City of Charleston Housing Authority	4,532,727.71
2139	Mount Pleasant Water & Sewer	444,939.17
2140	City of Clinton	1,130,215.90
2141	City of Clinton	251,118.80
2142	City of Charleston	48,592,809.38
2144	City of Charleston	7,051,511.88
2145	City of Charleston	34,468,574.31
2147	Newberry County Water & Sewer	151,716.43
2148	Newberry County Water & Sewer	193,519.02
2149	Newberry County Water & Sewer	200,700.58
2150	Newberry County Water & Sewer	584,227.45
2151	Spartanburg Co. S/D 4	567,612.28
2152	Calhoun County Treasurer	238,184.99
2153	Dorchester County Treasurer	3,758.59
2154	Lancaster Water & Sewer District	804,847.08
2155	City of Charleston	2,422,843.77
2161	Oconee County Treasurer	7,073.30
2162	City of Charleston	3,351,494.95
2163	City of Sumter	33,013.21
2164	Greenville Water System	763,874.45
2166	Edgefield Co. Water & Sewer Authority	483,114.83
2167	Town of Irmo	1,004.11
2168	Chester County School District	2,978,408.28
2169	Beaufort County Treasurer	414,967.33
2170	Richland County Treasurer	20,442,055.62
2172	City of Abbeville	102,259.72
2174	Beaufort County Treasurer	5,025,005.91
2175	Richland County Treasurer	227,326.09
2176	Startex-Jackson-Wellford-Duncan	1,002,187.22
2177	Dorchester County Treasurer	4,794,617.96
2178	Lexington County Treasurer	639,636.59
2179	Richland County Treasurer	3,573,991.31
2181	Richland County Treasurer	8,020,542.50
2182	City of Abbeville	50,252.56
2183	Horry County Treasurer	55,372,743.36
2184	Horry County Treasurer	58,334,561.63
2185	Lancaster County Treasurer	48,206.52
2186	Town of Mount Pleasant	12,603,818.10
2187	Horry County Treasurer	40,749,933.90
2188	Duncan Chapel Fire District	460,676.62

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
2191	Broad Creek Public Service Dist.	1,456,338.01
2192	Calhoun County Treasurer	527,297.02
2194	Edgefield Co. Water & Sewer Author	2,000,475.58
2195	Horry County Treasurer	5,528,286.39
2196	Charleston Co. Park & Recreation	1,477,127.23
2197	Charleston Co. Park & Recreation	3,574.74
2199	Newberry County Treasurer	139,929.93
2200	Mount Pleasant Waterworks	346,465.26
2201	Greenville County Schools	38,974,013.17
2203	City of Greenwood	1,673,476.41
2204	Charleston Co. School District	20,799.67
2206	Beaufort County Treasurer	9,063,670.47
2209	City of Columbia	571,000.74
2210	DSRF-City of Abbeville	46,765.73
2211	Oconee County Treasurer	147,332.43
2212	Newberry County Treasurer	965,425.56
2213	City of Clinton	49,742.45
2214	Newberry County Treasurer	126,145.94
2216	Richland County Treasurer	9,445,191.63
2217	Dorchester School District Two	31,288,897.72
2222	DSRF-City of Georgetown	129,786.65
2223	Lexington County Treasurer	109,800.11
2224	Mount Pleasant Waterworks	906,586.03
2225	Newberry County Treasurer	29,448.43
2226	Aiken County Treasurer	2,698.31
2227	Lexington County Treasurer	37,602,929.64
2228	Richland County Treasurer	5,181,678.79
2230	Richland County Treasurer	36,161,677.02
2231	Charleston Co. School District	7,279.77
2232	Lexington County Treasurer	189,783.60
2233	Richland County Treasurer	10,916,821.20
2234	DSRF-City of Union	122,646.23
2235	DSRF-City of Union	71,925.52
2236	City of Fountain Inn	84,666.72
2237	City of Fountain Inn	22,946.82
2238	DS-Joint Municipal Water & Sewer	1,369,829.51
2239	DS-Joint Municipal Water & Sewer	2,578,695.24
2240	Town of Central	50,137.76
2241	Town of Central	100,275.49
2242	Town of Central	270,743.12

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

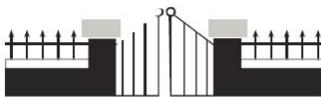
SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

Account No.	Account Name	Balance
2243	Town of Central	300,825.73
2244	Lancaster Water & Sewer District	3,012,761.50
2245	Town of Pawleys Island	121,198.30
2246	City of Charleston	15,857,474.92
2247	City of Charleston	320,562.30
2248	Greenwood County Treasurer	4,512,228.87
2249	Laurens County Treasurer	462,039.68
2250	Laurens County Treasurer	1,872,253.62
2251	City of Clinton	87,269.91
2252	DSRF-City of North Augusta	792,421.98
2253	Kershaw Cty. & Lee Cty. Reg. Water	7,164,402.39
2254	Town of Varnville	100,267.04
2255	Kershaw Cty. & Lee Cty. Reg. Water	1,358,794.91
2257	Town of Mount Pleasant	3,343,807.31
2258	Richland County Treasurer	59,904,109.92
2259	Richland County Treasurer	17,822,262.56
2260	Charleston Co. School District	840,619.33
2262	DSRF-D.P.U. City of Orangeburg	1,625,252.04
2263	Richland County Treasurer	33,900,323.89
2264	DSRF-City of Myrtle Beach	727,712.25
2265	DSRF-D.P.U. City of Orangeburg	257,699.88
2266	DSRF-D.P.U. City of Orangeburg	59,128.54
2269	Lexington County Treasurer	10,671,944.72
2270	Marion County School District	4,509,188.78
2271	Spartanburg Sanitary Sewer District	6,882,005.90
2272	City of Clinton	10,011.64
2273	North Charleston Sewer District	1,308,586.12
2274	Newberry Co. Water & Sewer Author	25,049.24
2275	DSRF-Town of Sullivans Island	90,684.69
2276	Richland County Treasurer	18,510,348.65
2277	Lexington County Treasurer	1,791,551.20
2278	Lexington County Treasurer	1,308,960.20
2279	Greenville County Schools	13,984,427.94
2280	Charleston County School District	13,476.41
2281	North Charleston Sewer District	18,036,744.99
2282	Lexington County Treasurer	2,447,296.08
2283	Mount Pleasant Waterworks	1,883,300.36
2284	Richland County Treasurer	7,246,000.40
2285	DS-Greenville Health System	11,103,069.70
2286	Startex-Jackson-Wellford-Duncan	4,246,065.28

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

SCHEDULE OF NET POSITION IN POOL PARTICIPANTS' ACCOUNTS  
JUNE 30, 2015

<u>Account No.</u>	<u>Account Name</u>	<u>Balance</u>
2287	Lexington County Treasurer	3,053,922.45
2288	Greenville Water System	1,896,109.50
2289	Greenville Water System	350,978.08
2290	DSRF-Town of Jackson	38,281.81
2291	DSRF-City of North Augusta	791,039.84
2292	Lexington County Treasurer	1,152,704.04
2294	Richland County Treasurer	10,642,882.74
2295	Charleston County Schools	20,007.73
2296	Laurens Commission of Public Works	600,787.55
2297	Charleston County School District	23,603,766.71
2298	Charleston County School District	11,768,671.69
2299	Charleston County School District	18,336,275.99
2300	Dorchester County Treasurer	4,040,897.43
2302	Laurens County Water & Sewer Comm.	1,410,262.82
2305	Chester County Treasurer	10,000,398.86
2306	Richland County Treasurer	50,201,017.09
2307	Richland County Treasurer	14,953,414.08
		<hr/>
TOTAL		<u>\$ 4,311,166,916.20</u>



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

Mr. Richard H. Gilbert, Jr., CPA  
Deputy State Auditor  
Office of the State Auditor  
Columbia, South Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the statement of fiduciary net position and statement of changes in fiduciary net position of the South Carolina Local Government Investment Pool (the "Pool"), an investment trust fund of the State of South Carolina as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Pool's basic financial statements, and have issued our report thereon dated September 24, 2015.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

## COMPLIANCE AND OTHER MATTERS

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

## PURPOSE OF THIS REPORT

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

Columbia, South Carolina  
September 24, 2015

*The Halls Group, P.A.*